

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:
Ystafell Bwyllgora 3 – Senedd

Dyddiad:
Dydd Mawrth, 23 Mehefin 2015

Amser:
09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch â:

Michael Kay

Clerc y Pwyllgor

0300 200 6565

SeneddArchwilio@Cynulliad.Cymru

Agenda

1 Cyflwyniad, ymddiheuriadau a dirprwyon (09:00)

2 Papurau i'w nodi (09:00–09:05) (Tudalennau 1 – 3)

Trefniadau Cyflenwi ar gyfer Absenoldeb: Llythyr gan Ann Jones AC, Cadeirydd, Y Pwyllgor Plant, Pobl Ifanc ac Addysg (4 Mehefin 2015) (Tudalen 4)

Ymchwiliad i werth am arian Buddsoddi mewn: Llythyr gan Gweinidog yr Economy, Gwyddoniaeth a Thrafnidiaeth (15 Mehefin2015) (Tudalen 5)

Diwygio Lles: Gwybodaeth ychwanegol gan Cartrefi Cymunedol Cymru (Tudalennau 6 – 7)

Diwygio Lles: Gwybodaeth ychwanegol gan Cymdeithas Llywodraeth Leol Cymru (Tudalennau 8 – 9)

Diwygio Lles: Llythyr gan June Milligan (18 Mehefin 2015) (Tudalennau 10 – 18)

3 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol: (09:05)

Eitemau 4, 5, 6 a 7

4 Gofal heb ei drefnu (09:05–09:20) (Tudalennau 19 – 38)

5 Llywodraethiant Bwrdd Iechyd GIG Cymru: Ystyried y dystiolaeth a ddaeth i law (09:20–09:50)

6 Diwygiad Lles: Trafod y materion allweddol (09:50–10:20) (Tudalennau 39 – 47)

PAC(4)-18-15 Papur 1

7 Consortia Addysg Rhanbarthol: Gwybodaeth gan Archwilydd Cyffredinol Cymru (10:20–10:45) (Tudalennau 48 – 49)

PAC(4)-18-15 Papur 2

PAC(4)-18-15 Papur 3

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: **Ystafell Bwyllgora 3 – Senedd**

Dyddiad: **Dydd Mawrth, 16 Mehefin 2015**

Amser: **09.00 – 10.59**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Gellir gwyllo'r cyfarfod ar [Senedd TV](http://senedd.tv) yn:

<http://senedd.tv/cy/2924>

Cofnodion Cryno:

Aelodau'r Cynulliad:

Darren Millar AC (Cadeirydd)
Mohammad Asghar (Oscar) AC
Jocelyn Davies AC
Mike Hedges AC
Sandy Mewies AC
Julie Morgan AC
Jenny Rathbone AC
Aled Roberts AC

Tystion:

Dr Andrew Goodall, Llywodraeth Cymru
Joanna Jordan, Llywodraeth Cymru
Dr Grant Robinson, Llywodraeth Cymru

Staff y Pwyllgor:

Michael Kay (Clerc)
Claire Griffiths (Dirprwy Clerc)
Joanest Varney-Jackson (Cynghorydd Cyfreithiol)
Huw Vaughan Thomas (Archwilydd Cyffredinol Cymru)
Dave Thomas (Swyddfa Archwilio Cymru)

TRAWSGRIFIAD

Gweld [trawsgrifiad o'r cyfarfod](#).

1 Cyflwyniad, ymddiheuriadau a dirprwyon

- 1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.
- 1.2 Ni chafwyd unrhyw ymddiheuriadau.

2 Papurau i'w nodi

2.1 Cafodd y papurau eu nodi.

2.1 Ymdrin â'r Heriau Ariannol sy'n wynebu Llywodraeth Leol yng Nghymru: Gwybodaeth ychwanegol gan Gyngor Bwrdeistref Sirol Rhondda Cynon Taf am ymadawiadau cynnar (Mehefin 2015)

2.2 Ymdrin â'r Heriau Ariannol sy'n wynebu Llywodraeth Leol yng Nghymru: Gwybodaeth ychwanegol gan Gyngor Sir Powys am ymadawiadau cynnar (Mehefin 2015)

2.3 Cyllid Iechyd 2013–14: Gwybodaeth ychwanegol gan Fwrdd Iechyd Cwm Taf (Mai 2015)

3 Gofal heb ei drefnu: Y wybodaeth ddiweddaraf gan Lywodraeth Cymru

3.1 Penderfynodd y Pwyllgor ddechrau'r sesiwn dystiolaeth gyda Dr Andrew Goodall, Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol, Llywodraeth Cymru gyda thrafodaeth ar lywodraethu byrddau iechyd. Oherwydd bod amser yn brin, ni chyrrhaeddwyd yr eitem hon a bydd yn cael ei haildrefnu.

4 Llywodraethu Byrddau Iechyd GIG Cymru: Y wybodaeth ddiweddaraf gan Lywodraeth Cymru

4.1 Clywodd y Pwyllgor dystiolaeth gan Dr Andrew Goodall, Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol, Llywodraeth Cymru a Joanna Jordan, Cyfarwyddwr Gwasanaethau Corfforaethol a Phartneriaethau, Llywodraeth Cymru, fel rhan o'i ymchwiliad i Lywodraethu Byrddau Iechyd GIG Cymru.

4.2 Cytunodd Dr Goodall i:

- gadarnhau amseriad adroddiad Capita ar gynllunio ariannol, pan fyddai'r Bwrdd yn trafod ei ymateb dros dro.
- darparu nodyn o'r holl ddigwyddiadau difrifol yn deillio o lefel nyrsys / ward yn ystod y deuddeg mis diwethaf ledled Cymru.
- darparu nodyn o aelodau annibynnol presennol Bwrdd Iechyd Prifysgol Betsi Cadwaladr a'u sgiliau a'r profiad o recriwtio pobl o gefndiroedd ariannol / masnachol.
- darparu nodyn ar gydymffurfio â'r Polisi Disgyblu Cymru Gyfan (a chopi o'r polisi).

- anfon copi o'r adroddiad gan y Gymdeithas Frenhinol y Seiciatryddion a'r camau a gymerwyd.
- darparu nodyn ar agweddau gweithredol y gwasanaeth y tu allan i oriau.

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol:

5.1 Gwrthodwyd y cynnig.

6 Gofal heb ei drefnu: Ystyried y dystiolaeth a ddaeth i law

6.1 Oherwydd bod amser yn brin, ni chyrhaeddwyd yr eitem hon.

7 Llywodraethu Byrddau Iechyd GIG Cymru: Ystyried y dystiolaeth a ddaeth i law

7.1 Oherwydd bod amser yn brin, ni chyrhaeddwyd yr eitem hon.

Darren Millar AM
Chair – Public Accounts Committee

4 June 2015

Dear Darren

Inquiry into Supply Teaching

Thank you for your letter of 19 May drawing the Children, Young People and Education Committee's attention to the report that your Committee published on Covering Teachers' Absence and specifically drawing their attention to recommendation 3. The Committee will of course consider this report as part of its inquiry into supply teaching.

You may wish to be aware that the Committee is currently considering the evidence received and the intention is to publish the report before summer recess. We will of course share our conclusions with your Committee.

Yours Sincerely



Ann Jones AC / AM
Cadeirydd / Chair





Llywodraeth Cymru
Welsh Government

16 June 2015

Darren Millar AM
Chair
Public Accounts Committee
Darren.Millar@assembly.wales

Dear Darren

I am writing regarding the Public Accounts Committee's recent question relating to Fabian Way in Swansea.

Exploratory discussions were held with Swansea City and Neath Port Talbot Councils regarding the potential trunking of Fabian Way during 2014. The progression of proposals to potentially trunk Fabian Way and four other sections of the local road network were identified in the Draft National Transport Plan published in December 2014.

Officials at Swansea and Neath Port Talbot have both been supportive of the trunking proposal and have provided sufficient information to enable due diligence to be carried out. Further meetings and data collection will be carried out this summer to enable a detailed assessment and evaluation of the proposal to be prepared. If progressed, it should be possible to complete trunking by the end of 2016 subject to satisfactory completion of associated statutory processes.

Edwina Hart

Evidence for the Public Accounts Committee Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales.

About Us

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2013/14, our members directly employed 8,400 people and spent almost £2bn (directly and indirectly) in the economy, with 81% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

For a long time CHC has foreseen that the planned welfare reform programme will have devastating consequences for communities in Wales. We have campaigned against these proposals and have introduced the Your Benefits Are Changing campaign to mitigate the impact on those communities.

It therefore came as no surprise when a recent WAO report published evidence stating that welfare reform is having an adverse and disproportionate effect in Wales. The report found that a greater proportion of Welsh social housing tenants had had their housing benefit reduced, than elsewhere in the UK, with 51% of tenants reporting an increase in personal debt. This was backed by evidence from social landlords showing a £1.1m increase in rent arrears in the first six months of the bedroom tax.

For some Welsh social housing tenants, the changes to welfare will have created a level of hardship and a spiral of social and economic deprivation that will be hard, if not impossible, to break. This is easier to understand in the context of:

- higher (on average) unemployment than anywhere in the UK
- a heavy reliance on the public sector as an employer
- households paying 5 percent more for electricity than the rest of UK
- higher rates of digital exclusion than other UK regions
- a five-fold increase in the use of foodbanks over the last 2 years
- £4.1m cut in specialist advice services despite increasing need

In response to the information requested by the Public Accounts Committee we have been able to secure 28 responses from our membership:

1. The different approach taken in England to appeals

Community Housing Cymru has discussed with the National Housing Federation what approaches have taken place in England. The use of appeals toolkits have been championed by some housing associations but not all, most noticeably by Coast & Country Housing - www.coastandcountryhousing.org.uk Housing Associations in England have faced similar problems to those in Wales, any successful first tier tribunal decisions are later overturned when the Department of Work & Pensions succeeds in an Upper Tier Tribunal decision. Of the respondents; 16 have previously promoted appealing the bedroom tax/ Removal of the Spare Room Subsidy (RSRS). Of those who have not; 3 support appeals and the rest have worked with Local Authorities to determine the correct information is held within a housing benefit award. Hafod Housing Association actively took part in the Bridgend pilot that brought together housing associations, advice agencies, the Local Authority and bedroom tax campaign groups. They had no response to the campaign. Other organisations felt the pilot helped to seek out those who had been given a deduction but should have been exempt rather than assist in any actual appeals.

There seems little difference in the approaches taken across England & Wales.

2. The number of homes in the rented sector that have been sublet in Wales

From our respondents none were aware of subletting within the Housing Association. It should be noted that if your landlord is a housing association, the criminal offences of unlawful subletting can apply to you if you have a secure, assured, assured shorthold or a demoted assured shorthold tenancy. The offences do not apply to you if live in a shared ownership property where you buy part and rent part of your home. Nor do they apply if you have a family intervention tenancy. Subletting your property is different from taking in a lodger.

We also gathered the following information:

The sector is aware of 7 tenants who have requested and taken in a lodger.

3. The number of people with disabilities affected by the spare room subsidy

Of the 28 respondents only 9 were able to supply this data as they do not keep detailed information on the disabilities of each tenant. Some referred to the Local Authority as the best source of this information as it could be held within a housing benefit award. Of the nine respondents, a total of 388 tenants were disabled. Five respondents were also able to confirm that 42 disabled children lived in a household affected by the bedroom tax / RSRS.

4. Evidence of how housing associations have still not updated their transfer policies to ensure that arrears relate to welfare reform are not a barrier to downsizing.

All respondents agreed that they would allow tenants to downsize / move if arrears were in place and the new property was more suitable to their needs. Three housing associations would require a payment plan of arrears to be in place when the move takes place.

Public Accounts Committee**Welfare Reform****Additional information received from Welsh Local Government Association (June 2015)**

I understand that all Local Authorities participated in the development of the Pan-Wales Discretionary Housing Payments project, with the exception of Neath Port Talbot and Cardiff. Unfortunately, because of confidentiality agreements between the project participants, I have been unable to secure a copy of the Policy framework and other materials developed by the project to supply to the Committee. However, this press release from the Welfare Reform Club, who worked with the 20 local authorities on the project provides some background to the development of the resources and the overall aims of the project - <http://welfarereformclub.net/138-2/welfare-reform-club-news/>

I would suggest that, if Committee Members still wished to see a copy of the policy framework, an approach should be made directly to the Welfare Reform Club. It is clear that the this policy framework and resources have been developed to assist local authorities achieve consistency, and are designed to complement the existing Department of Work and Pensions Guidance in relation to Discretionary Housing Payments, rather than replacing any part of that guidance.

A recent decision by the High Court has confirmed that routinely considering Disability Living Allowance when calculating Discretionary Housing Payments is unlawful - <http://www.bailii.org/ew/cases/EWHC/Admin/2015/890.html>- This has clarified the position, and will ensure a consistent approach is used when calculating any Discretionary Housing Payments.

From information that has been gathered from local authority landlords, it is clear that many landlords have made changes to their Allocations and Rent Arrears policies to ensure a positive response to those tenants impacted upon by the spare room subsidy. For example, in Swansea, were arrears can be shown to relate directly to the bedroom tax changes, tenants can transfer as long as they make an agreement to repay the arrears. Similarly, in Caerphilly, the allocations policy has been changed to give greater priority to tenants affected by the removal of the spare room subsidy to assist with moving to more appropriate sized accommodation. Tenants who are under-occupying are now also allowed to move with existing rent arrears. In Wrexham there is no blanket policy which would prevent a tenant with rent arrears from moving, each case is considered on its individual merits.

In relation to the plans for building by local authority Landlords in Wales, it is less than 3 months since local authorities exited the previous Housing Revenue Account Subsidy system, at the end of last financial year. Ending the previous arrangements required considerable negotiation between Welsh Government and UK Treasury, and there was no certainty that authorities would actually be able to exit the previous arrangements until very shortly before the end of the financial year. In this context, it is understandable that the detailed plans for building programmes by a number of authorities are at a relatively early stage of development. However, Cardiff Council have, so far, identified more than 40 council-owned sites for residential development. It is anticipated that around 1,500 new homes will be built, 40% of which will be affordable housing. The affordable housing element includes around 15% low cost home ownership, with the remainder, over 500 homes, being council homes. Flintshire County Council plans anticipate the completion of 200 new council homes by 2020, alongside a significant programme of affordable rent and affordable purchase homes. Pembrokeshire Council intends to start its new-build programme in 2017/18 and work is currently underway to identify to identify suitable sites.

Unfortunately, it has not yet been possible to establish the numbers of tenants with disabilities who have been affected and relocated as a result of the policy, across Wales.

Jim McKirdle

Policy Officer



Cyfarwyddwr Cyffredinol • Director General

Llywodraeth Cymru
Welsh Government

Mr Darren Millar AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff
CF99 1NA

Our ref: JM/js

18 June 2015

Dear Chair

The purpose of this letter is to provide you with the additional information we agreed to provide to the Public Accounts Committee (PAC) when we gave evidence to the Committee on 2 June 2015. Your clerk summarised the Committee's requests in your email to me of the same date.

- (i) John Howells agreed to provide further information about progress being actioned in identifying public sector land sites suitable for housing.

The information we have available on house building on public sector land is taken from the Affordable Housing Provision in Wales annual data collection – see table at **Annex A**. It demonstrates that public sector land, including Local Authority land, is making a significant contribution to the delivery of affordable housing in Wales. Over the last three financial years a total of 1,073 new affordable units have been delivered on Local Authority land with an additional 591 affordable units on land owned by Welsh Government, Welsh Government sponsored bodies, other central government departments, health authorities and police and fire and rescue services.

The Welsh Government has an extensive programme of releasing land for housing, including, most recently, large developments at Ely Mill, Cardiff, Whiteheads, Newport and Parc Derwen, Bridgend. ES&T work closely with the Housing and Regeneration department to ensure appropriate housing outcomes are achieved.

In addition we have since 2010 been engaged in a land release programme intended to promote the development of housing on slightly smaller sites. This programme is expected to deliver approximately 400 affordable homes on this land during the term of this administration with over 100 further affordable homes resulting from the remaining sites after this time.



BUDDSODDWR MEWN POBL
INVESTOR IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff

Tudalen y pecyn 10 F10 3NQ

Ffôn • Tel 02920 825727
Ffacs • Fax 02920 823442
june.milligan@wales.gsi.gov.uk
Gwefan • website:
www.wales.gov.uk

- (ii) You also asked about local authority allocation policies and whether we had yet reached the point where no authority would prohibit a tenant from transferring as a result having incurred rent arrears arising from housing benefit changes. Our code of guidance in this matter is clear. It addresses the issue of households downsizing or moving as a result of benefit changes. The precise wording is:

People under-occupying social housing and wanting to transfer to a smaller property, particularly in light of Welfare Benefit changes and the under-occupancy charge. Households in this situation need detailed advice on their options to help prevent them falling into arrears if they cannot afford the extra rent if they are deemed to have a 'spare room' and cannot move immediately.

Implementation of the code is a matter for individual authorities. We do not hold information in the precise form requested by the Committee. In order to respond as fully as possible we have however conducted a quick survey of ten of our larger authorities. This indicated that every one of those authorities was according a priority in their allocation policies to tenants affected by welfare changes. Some Local Authorities have detailed policy provisions to deal with tenants who have existing rent arrears. Generally, allocation outcomes for these tenants are linked to the level of those arrears.

Our brief survey did not identify policies of the sort referred to by the Committee which would explicitly prevent tenants with arrears arising from benefit changes from transferring. We do however feel that this is something we will need to keep under review as part of our wider response to the pressures arising from welfare reform. Over the coming months, our Housing Strategy and Homelessness teams will be monitoring the implementation of the new Housing Act 2014 requirements and the updated Code of Guidance (published end of April) to identify any issues requiring further clarification or any new issues on which guidance is needed. The need for the Code to be updated will be considered after that. We will also use this process to develop a more detailed understanding of the approach taken to tenants transferring as a result of welfare changes.

- (iii) You also asked us to let you have a note about the impact in Wales of the proposed lower household benefit cap.

In response to the above action point, we have outlined our initial estimates of the impact of the proposed lower household benefit cap (£23,000) in Wales. We have also referred to estimates published by the Institute for Fiscal Studies (IFS) of the impact in Great Britain. In addition, given the discussion in the PAC meeting on the 2 June, we thought it would be helpful to present our initial estimates of the impact of removing Housing Benefit entitlement from 18-21 year olds on Jobseeker's Allowance in Wales. These are set out in **Annex B**.

- (iv) Finally the Committee asked us to let them have a breakdown by local authority area of households affected by the current household benefit cap.

In response to the above action point, the tables at **Annex C** contain the following data:

1. Cumulative total of households with housing benefit capped since the introduction of the household benefit cap on 15 April 2013 and February 2015 - By Country, Region and Local Authority.
2. Point in time number of households with housing benefit capped at February 2015 – By Country, Region and Local Authority.

The tables contain some of the latest household benefit cap data published by the Department for Work and Pensions (DWP) on 14 May 2015. This data, as well as additional breakdowns (e.g. private or social rented sector, amount of benefit capped per week, household type and number of children), can be accessed via the following links:

- <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-february-2015>
- <https://stat-xplore.dwp.gov.uk/>

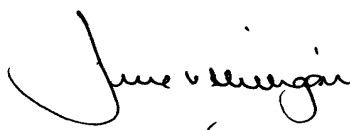
The next release of data is 6 August 2015.

We have also been reflecting further on the Committee's interest in whether there might have been a value for money case for subsidising directly to overcome the impact of the size criteria benefit reduction. One other way of considering this matter is by looking at the impact achieved through the action Welsh Government Ministers have prioritised. These are:

- 320,000 through maintaining entitlement to council tax relief (at an annual cost of £22m)
- Provision of an additional 774 one-two bed homes for a one off cost of £40m
- 1,141 people assisted through the Welsh Government top up to DHP (£1.3m)
- 5,399 social housing tenants assisted with digital inclusion through the six years of the Communities 2.0 programme
- 30,000 people assisted with their requests for advice and information through the additional £2m invested in Frontline Advice Services
- 27,000 through Welsh Government's Discretionary Assistance Fund

I hope this is helpful to you and your Committee's consideration.

Yours sincerely



June Milligan

Annex A

Provision of affordable housing on land made available by the public sector in Wales, by local authority (ALL FUNDING TYPES)

		2011-12 Delivered			2012-13 Delivered (1)			2013-14 Delivered		
		New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector	New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector	New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector
		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector	
Wales		280	146	426	265	216	481	528	229	757
Wales	Isle of Anglesey	0	0	0	0	0	0	0	2	2
	Gwynedd	0	0	0	30	0	30	0	0	0
	Conwy	0	4	4	0	0	0	130	0	130
	Denbighshire	3	0	3	9	0	9	1	0	1
	Flintshire	27	0	27	0	0	0	0	132	132
	Wrexham	76	0	76	0	0	0	116	16	132
	Powys	0	0	0	50	0	50	0	0	0
	Ceredigion	0	0	0	0	0	0	5	0	5
	Pembrokeshire	0	0	0	49	0	49	31	0	31
	Carmarthenshire	0	0	0	0	0	0	4	0	4
	Swansea	0	102	102	0	14	14	2	0	2
	Neath Port Talbot	0	3	3	0	86	86	51	0	51
	Bridgend	39	0	39	0	0	0	0	28	28
	Vale of Glamorgan	9	0	9	0	0	0	12	0	12

Provision of affordable housing on land made available by the public sector in Wales, by local authority (ALL FUNDING TYPES)

Tudalen y pecyn 14

		2011-12 Delivered			2012-13 Delivered (1)			2013-14 Delivered		
		New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector	New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector	New affordable housing units provided on land made available by all public sector		New affordable housing units provided on land made available by all public sector
		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector		New affordable housing units provided on land made available by LA	New affordable housing units provided on land made available by other public sector	
	Cardiff	106	0	106	54	0	54	109	0	109
	Rhondda Cynon Taf	0	0	0	0	0	0	0	0	0
	Merthyr Tydfil	20	0	20	62	0	62	19	0	19
	Caerphilly	0	0	0	11	0	11	19	18	37
	Blaenau Gwent	0	0	0	0	116	116	0	21	21
	Torfaen	0	0	0	0	0	0	0	0	0
	Monmouthshire	0	0	0	0	0	0	0	0	0
	Newport	0	37	37	0	0	0	29	12	41

Estimated impact of reducing the household benefit cap to £23,000

In 2013, the UK Coalition Government introduced a cap on the total weekly amount of benefit a non-working family can receive, set at £350 for childless single adults and £500 for other families (with some exemptions, notably for those receiving certain disability benefits). The new UK Conservative Government is planning to reduce the cap for couples and lone parents from £26,000 to £23,000 a year, which is equivalent to around £440 per week. This policy change is estimated to reduce spending by £135 million a year in Great Britain¹, and will hit some families with several children and/or high rents hard.

The IFS estimate that a small number of families will be affected in Great Britain with the biggest losers being around 24,000 families who are already capped and who would all lose a further £3,000 per year (up to 11.5% of their income). In addition, 70,000 other workless families who have a benefit income of between £23,000 and £26,000 (who would lose less than £3,000 per year) would be affected².

Based on the IFS estimates and Department for Work and Pensions (DWP) household benefit cap statistics, we estimate that around 3,000 families in Wales will be affected by the lower household benefit cap, with a total income loss of around £4 million - £5 million a year. We do not yet have the data to produce estimates of the impact on child poverty.

All of the above figures do not take into account any behavioural responses (e.g. moving into work). Although evidence from the evaluation of the impact of the household benefit cap so far shows that some of those affected have responded positively by moving into work, the large majority of affected claimants have responded neither by moving into work nor by moving house³.

Estimated impact of removing Housing Benefit entitlement from 18-21 year olds on Jobseeker's Allowance

The UK Conservative Government plans to remove automatic entitlement to Housing Benefit for 18 to 21 year olds in receipt of Jobseeker's Allowance (JSA). The IFS estimate that if Housing Benefit were to be withdrawn from all claimants in this group, the policy would affect 20,000 claimants in Great Britain, saving around £100 million a year. The IFS note that although incentives to find work would be strengthened, there will also be a stronger incentive to claim a different out-of-work benefit (e.g. Employment and Support Allowance or Income Support) instead⁴.

¹ Source: Conservative party costing supplied to the Daily Mail
<http://www.dailymail.co.uk/news/article-2927561/New-welfare-crackdown-workshy-100-dayelection-countdown-begins-PM-vows-slash-cap-3-000-days-Tory-election-victory.html>

² Joyce, R. (2015) Benefits cuts: where might they come from? An IFS Observation
<http://www.ifs.org.uk/publications/7762>

Adam, S. et al. (2015) Taxes and Benefits: The Parties' Plans. IFS Briefing Note BN172
<http://www.ifs.org.uk/publications/7733>

³ Emmerson, C. and Joyce, R. (2014) Coping with the cap? An IFS Observation
<http://www.ifs.org.uk/publications/7482>

⁴ Adam, S. et al. (2015) Taxes and Benefits: The Parties' Plans. IFS Briefing Note BN172
<http://www.ifs.org.uk/publications/7733>

Welsh Government calculations based on DWP Housing Benefit data for February 2015⁵ suggest that around 1,200 claimants in Wales will be affected by this policy (if no exemptions are applied), with an average loss per claimant of around £90 a week, saving around £6 million a year. Around 55% of affected claimants are in the social rented sector in Wales. It is not yet clear whether there will be exemptions from the policy for particular groups. If exemptions are put in place, they will reduce the number of claimants affected and the savings from the policy.

⁵ DWP Stat-Xplore website: <https://stat-xplore.dwp.gov.uk/>

Annex C

1. Cumulative total of households with housing benefit capped since the introduction of the household benefit cap on 15 April 2013 and February 2015 - By Country, Region and Local Authority

Country/Region	Cumulative number of affected households
North East	1,449
North West	4,130
Yorkshire and The Humber	3,147
East Midlands	2,342
West Midlands	4,379
East of England	3,711
London	26,636
South East	5,953
South West	2,518
Wales	1,736
Scotland	2,692
Great Britain	58,690

Local Authority	Cumulative number of affected households
Isle of Anglesey	42
Gwynedd	31
Conwy	57
Denbighshire	59
Flintshire	66
Wrexham	54
Powys	26
Ceredigion	18
Pembrokeshire	48
Carmarthenshire	76
Swansea	85
Neath Port Talbot	61
Bridgend	87
The Vale of Glamorgan	68
Cardiff	478
Rhondda Cynon Taf	139
Merthyr Tydfil	22
Caerphilly	90
Blaenau Gwent	37
Torfaen	55
Monmouthshire	38
Newport	119

Source: DWP, Stat-Xplore. Notes: Cells have been randomly adjusted by DWP to avoid the release of confidential data. For this reason, individual cells may not sum to totals. For cumulative tables, Geographical region is based on the initial Local Authority in which the lead individual was subject to the cap.

2. Point in time number of households with housing benefit capped at February 2015 – By Country, Region and Local Authority

Country/Region	Point in time number of affected households
North East	627
North West	1,720
Yorkshire and The Humber	1,363
East Midlands	847
West Midlands	1,852
East of England	1,450
London	10,520
South East	2,220
South West	993
Wales	706
Scotland	799
Great Britain	23,093

Local Authority	Point in time number of affected households
Isle of Anglesey	16
Gwynedd	20
Conwy	20
Denbighshire	25
Flintshire	27
Wrexham	19
Powys	11
Ceredigion	-
Pembrokeshire	18
Carmarthenshire	37
Swansea	22
Neath Port Talbot	21
Bridgend	36
The Vale of Glamorgan	19
Cardiff	193
Rhondda Cynon Taf	61
Merthyr Tydfil	17
Caerphilly	39
Blaenau Gwent	22
Torfaen	28
Monmouthshire	13
Newport	45

Source: DWP, Stat-Xplore. Notes: Cells have been randomly adjusted by DWP to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

Darren Miller AM
Chair - Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

5 June 2015

Auditor General's report: *Achieving improvement in support to schools through regional education consortia – an early view*

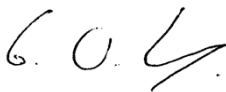
Dear Darren

I write to acknowledge receipt for your request for my Department's response to the five recommendations set out in the Auditor General's report.

We would be pleased to respond and suggest that the Committee receives a written response by the 8 July 2015. I recognise that for procedural purposes a request was made for a response within two weeks, but given the weight of the Auditor and Estyn's reports and out of respect to the Committee, we do not think that we are going to be able to do it justice in such a short timescale. We are also undertaking a series of planned summer review and challenge sessions with each consortium between the 25 June and the 3 July 2015, as detailed within the National Model. I think it would help the Committee's deliberations to receive a report of these sessions within our response. This would ensure our response's currency given that the agreed focus of the summer review and challenge sessions is a review of progress made against the implementation of the WAO and Estyn remit report recommendations.

An extension to the 8 July will allow us to reflect an up to date response from the four regional consortia.

Yours sincerely



Owen Evans
Director General, Department for Education and Skills



Owen Evans
Director General for Education
Welsh Government
Cathays Park
Cardiff CF10 3NQ

15 June 2015

Auditor General's report: *Achieving improvement in support to schools through regional education consortia – an early view*

Dear Owen,

Thank you for your letter of 5 June regarding the Welsh Government's responses to the Auditor General for Wales's report on Regional Education Consortia.

The Auditor General will brief the Committee on this report on 23 June. In line with the Committee's agreed ways of working, Members would prefer to take account of the Welsh Government's response at that time to determine whether the topic would merit further consideration by the Committee.

In this case however, I have noted your reasons for requesting a later date for response and am content to receive your substantive reply by 8 July. This will enable Members to consider it on 14 July, our final meeting before the summer recess.

I am copying this letter to Ann Jones AM, Chair of the Children, Young People and Education Committee for information.

Yours sincerely,



Darren Millar AM

Chair

