

Y Grŵp Addysg, Cyfiawnder Cymdeithasol a'r Gymraeg  
Education, Social Justice and Welsh Language Group



Llywodraeth Cymru  
Welsh Government

Adrian Crompton  
Auditor General for Wales  
Wales Audit Office  
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Dear Adrian

Thank you for your recent report which looks at the challenge of poverty in Wales and how government is responding. We welcome the recognition within the report of the scale and complexity of the challenge that we and local authorities face in tackling and alleviating poverty in Wales and that many of the key levers to alleviate poverty are outside of Wales's control. We would agree therefore that it is only through working together that we will be able to make any impact on levels of poverty in Wales. We would offer the following response to the 8 recommendations within your report. We have accepted Recommendations 1 and 4. We have noted the other six recommendations which are for Councils in Wales.

### **National strategy and targets for tackling and alleviating poverty**

#### **Recommendation 1 - We recommend that in updating its (Child Poverty) strategy the Welsh Government:**

- **set SMART national actions;**
- **establish a suite of performance measures to judge delivery and impact;**
- **sets target for alleviating and tackling poverty; and**
- **undertake regular evaluation of performance and public reporting.**

#### **Accept**

The Well-being of Future Generations (Wales) Act 2015 serves to put into law the requirement for public bodies to pursue the economic, social, environmental and cultural well-being of Wales. The Act made Wales the first country in the world to legislate for the well-being of current and future generations.

*Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.*

*We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.*

In order to understand the progress that is being made towards the realisation of the Act, the Welsh Government introduced 46 National Indicators in 2016. These National Indicators are updated regularly as more data becomes available.

In collaboration with a range of stakeholders, the Welsh Government set out to develop National Milestones that would measure progress towards the National Indicators. These National Milestones are being developed in collaboration with the public, third and private sector organisations, and public bodies across Wales. The Welsh Government aims to co-produce National Milestones that are achievable and help Wales progress towards the well-being goals set out in the Act.

As part of this process, the Welsh Government launched a consultation entitled 'Shaping Wales' Future' in September 2021. A broad range of stakeholders were invited to respond to the proposals and express their views. This feedback was then considered by the Welsh Government Cabinet office before the proposed Milestones and Indicators were laid before the Senedd in December 2021.

Following on from this consultation Welsh Government has sought to develop a second set of National Milestones. They put the proposals forward for public consultation in June 2022. Stakeholders were invited for their views, including in providing feedback on the proposals. The consultation included an income poverty milestone (Indicator 18) – to reduce the poverty gap between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and those without those characteristics by 2035.

As part of the consultation on the refreshed Child Poverty Strategy, stakeholders will be asked to consider the requirement for further poverty targets or performance measures taking into account the national milestones. The Children and Families (Wales) Measure 2010 requires the Welsh Government to conduct a tri annual review of the extent to which it has achieved, or the progress towards achieving, the objectives within the Child Poverty Strategy.

### **Local strategies, targets and performance reporting for tackling and alleviating poverty**

**Recommendation 2 - We recommend that the councils use their Wellbeing Plans to provide a comprehensive focus on tackling poverty to co-ordinate their efforts, meet local needs and support the revised national plan targets and actions. This should:**

- **include SMART local actions with a greater emphasis on prevention;**
- **include a detailed resourcing plan for the length of the strategy;**
- **be developed with involvement from other public sector partners, the third sector, and those with experience of poverty;**
- **include a robust set of consistent outcome indicators and measures to increase understanding of poverty locally; and**
- **be subject to annual public reporting to enable a whole system view of poverty locally to help improve delivery and support.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Leadership on the poverty agenda**

**Recommendation 3 - Given the importance of effective leadership in driving the poverty agenda forward and breaking silos within councils and between public**

**bodies, we recommend that each council designate a cabinet member as the council's poverty champion and designate a senior officer to lead and be accountable for the anti-poverty agenda.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Improve the efficiency and effectiveness of grant-funded programmes**

**Recommendation 4 - To ensure councils are able to maximise the impact of funding and tackle the more difficult and longstanding problems, we recommend that the Welsh Government:**

- **provide longer timescales for announcing and receiving bids to enable better resource planning;**
- **move away from annual bidding cycles to multi-year allocations;**
- **enable funding to be more flexibly spent to avoid an emphasis on quicker projects, rather than more impactful interventions that take longer to establish;**
- **allow councils to consolidate funding to reduce bureaucracy;**
- **streamline and simplify processes and grant conditions to reduce the administrative burden; and**
- **keep requests for information and supporting materials from councils to a minimum.**

**Accept.**

Welsh Government provides significant funding for delivery by local authorities through specific grants some of which are allocated by formula and some operated on the basis of bids for specific projects or activities. Where funding streams are introduced on the basis of competitive bids we agree that where possible reasonable periods of time should be allowed for the development of proposals as well as for the assessment of bids and subsequent delivery of successful proposals. Sometimes funding will become available to Welsh Government relatively late and timescales will be shorter than is ideal.

The Government is keen to offer local government partners longer certainty. The three year budget for Welsh Government under the last spending review offered us the opportunity to do so and accordingly the publication of the 2022-2023 unhypothecated Settlement set out indicative funding for succeeding years for both the Settlement and for specific grants where known. The UK Government's fiscal statement on 17 November however will require a reconsideration of the Welsh Government's budget including the certainty we had sought to provide to others.

The design of grant programmes should focus on outcomes and meet the requirements of the Wellbeing of Future Generations Act. There is work underway as part of the Programme for Government commitment to work with local government to reduce the administrative burden on local authorities and this will include consideration of the approach to grant funding processes and the balance of accountability and administrative overhead.

The Welsh Government Grant Centre of Excellence, working with Ministers and Grant Managers, recently introduced a new "longer duration of funding and benchmarking process" which helps provide Grant Managers with different options to improve their grant processes (for hypothecated grants). This includes:

- a move away from annual or short-term grants being re-competed each year (where appropriate), with a longer duration of funding approach introduced.
- an option to establish a 'benchmarking' exercise at the end of a competitive grant scheme to determine whether organisations receive additional funding, and allow longer duration of funding / multi-year funding.

These improvements also tackle head-on many of the issues you raise and can help maximise impact of (hypothecated grant) funding to Local Authorities and bring about tangible, lasting benefits to individuals and communities in Wales, when it is most needed.

### **Experience mapping to create inclusive services for people in poverty**

**Recommendation 5 – We recommend that councils improve their understanding of their residents' 'lived experience' through meaningful involvement in decision-making using 'experience mapping' and/or 'Poverty Truth Commissions' to review and improve accessibility to and use of council services.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Single web landing page for people seeking help**

**Recommendation 6 - To ensure people are able to get the information and advice they need, we recommend that councils optimise their digital services by creating a single landing page on their website that:**

- is directly accessible on the home page;
- provides links to all services provided by the council that relate to poverty; and
- provides information on the work of partners that can assist people in poverty.

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Streamlining and improving application and information services for people in poverty**

**Recommendation 7 – We recommend that councils:**

- establish corporate data standards and coding that all services use for their core data;
- undertake an audit to determine what data is held by services and identify any duplicated records and information requests;
- create a central integrated customer account as a gateway to services;
- undertake a data audit to provide refresher training to service managers to ensure they know when and what data they can and cannot share; and
- review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

## **Complying with the socio-economic duty**

**Recommendation 8 - We recommend that councils review their integrated impact assessments or equivalent to:**

- **ensure that they draw on relevant, comprehensive and current data (nothing over 12 months old) to support analysis;**
- **ensure integrated impact assessments capture information on:**
  - **involvement activity setting out those the service has engaged with in determining its strategic policy such as partners, service users and those it is co-producing with;**
  - **the cumulative impact/mitigation to ensure the assessment considers issues in the round and how it links across services provided across the council;**
  - **how the council will monitor and evaluate impact and will take corrective action; and**
  - **an action plan setting out the activities the Council will take as a result of the Integrated Impact Assessment**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

Kind regards,



**Jo-Anne Daniels**

Director General  
Education, Social Justice & Welsh Language