



PIW 19

National Assembly for Wales

Communities, Equality and Local Government Committee

Inquiry into: Poverty in Wales: Strand 1

Response from: Isle of Anglesey County Council

### **Inquiry into Poverty Wales**

#### **Strand 1: poverty and inequality**

##### **To consider:**

- **how effectively the Tackling Poverty Action Plan, Strategic Equality Plan and other government strategies work together;**
  - **the impacts of poverty, particularly destitution and extreme poverty, on different groups of people;**
  - **how legislation, policy and budgets targeted at tackling poverty and reducing inequality are co-ordinated and prioritised across the Welsh Government.**
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- Anglesey County Council and partner organisations welcome the Welsh Government (WG) commitment to tackling poverty and the recognition that this is fundamental to building sustainable communities and believe it is correct in addressing the key themes of prevention, employment and mitigating the impacts of poverty.
  - Initiatives to tackle poverty in our communities are increasingly important due to the stagnant economic situation, rising living costs, cuts to public spending and the impact of Welfare Reform, all of which make it difficult for households to make ends meet. Tackling poverty is a corporate priority with the aim of mitigating the effects of welfare reform and ‘enabling the provision of safe and appropriate homes that allow individuals to gain maximum benefit for accessing jobs, education and leisure amenities and thereafter gain the associated social and economic benefits’ (Corporate Plan 2013-2017).
  - Even though the economic outlook is improving, it will be some time before Anglesey returns to pre-2008 levels of prosperity. Wages increases are still below the levels of inflation and in real terms many households will continue to see their standards of living drop for some considerable time. It is relevant that despite a substantial drop in the numbers of registered as unemployed on Anglesey, the numbers claiming in work benefits has remained constant.

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- It is increasingly important that resources are targeted effectively and that LA Corporate and Service Plans are aligned with WG priorities. As stated above tackling poverty has been made a priority area for Anglesey County Council and the Welfare Reform Project and associated action plan targets specific areas which mirror the WG Action Plan in supporting the most vulnerable in our communities.

Without a specific national action plan it would be even more difficult to manage the increasing demand on statutory and non-statutory services within the LA and the third sector.

- Poverty is relevant and not only affecting those on welfare benefits, cuts backs have been made in all households during the economic downturn of the past 6 years. Most households have seen their incomes at best stagnate and at worst reduce. These households could be tipped into poverty should interest rates rise over the next few months.
- The heavy demand on food banks on Anglesey is an indicator of the levels of deprivation and poverty many households are currently experiencing. At present, there seems to be no prospect of a reduction in demand for the support provided by food banks.
- We acknowledge that although the Welsh Government is addressing the right issues in relation to reducing poverty, structural factors outside its control will militate against success in many key areas. Economic growth and job opportunities are catalysts for getting out of poverty **provided** that those experiencing poverty are able to access such work opportunities. Targeting resources and support here is important if the WG is to meet its Equality Plan commitments and truly tackle social exclusion.
- We believe that the Strategic Equality Plan, Child Poverty Strategy and Fuel Poverty Strategy support the aims and objectives of the plan. We also believe that the shift towards outcome based performance measuring is to be welcomed although this needs to be tempered with the need to avoid placing overly burdensome administrative processes on organisations which detract from the core business – e.g. as is currently happening with Supporting People funded services.
- Qualitative data must complement quantitative reporting to facilitate meaningful assessment of the value of initiatives especially in terms of the overall contribution they make to tackling poverty.
- We also believe that there must be flexibility within programmes to accommodate local needs and tailored solutions.
- It is important that the WG are able to join up various funding streams available to support anti-poverty interventions and that processes are not weighed down with red tape and onerous reporting and evaluation activities. It must be reiterated that programmes will greatly benefit from having specific objectives and outcome data.
- It is important that the WG strengthens their coordinating role and gives strategic direction to ensure all initiatives including European Programmes are fully aligned with clear objectives and goals. There is a need to

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avoid duplication and to streamline and integrate interventions to maximise benefits which are sustainable and socially inclusive. Allowance should also be made for programmes to be adjusted where required to respond to the consequences, intended or otherwise, of wider national government policy drivers such as welfare reform.

- The WG needs to ensure that initiatives do not merely provide short term solutions that deal with the symptoms rather than the root causes of poverty and may not be sustainable in the longer term due to LA cuts.
- We also recognise that initiatives such as 'Viable and Vibrant Places' are aligned to the tackling poverty agenda though this is not explicitly stated. We would suggest that more work needs to be done on embedding cross cutting themes across all WG departments to achieve greater synergy between strategy/policy initiatives. This approach would then, in theory, encourage more meaningful collaborative working within LAs when implementing various initiatives. It is recognised that this is difficult to achieve in practice.

There is a need for a more joined up approach across agencies, the silo mentality still exists. This is due to funding cuts and diminishing pots of money; consequently some organisations are straying into areas beyond their normal remit in order to chase available funding. In reality they would be better served by joining forces with other likeminded stakeholders to work more effectively in partnership to make the most of limited funding available, i.e. do more with less. Excessive funding cuts causing organisations to compete for instead of joining forces and working as a LA area.

- We support the stronger commitment to measuring outcomes. Measuring outputs can be very misleading and does not always give a clear picture of the impact of initiatives/projects on those who have participated e.g. young people who have accessed apprenticeships or employment opportunities funded via Jobs Growth Wales. There are concerns surrounding the encouragement of apprenticeships and whilst we acknowledge the intrinsic value of vocational training, low wages contribute to in-work poverty where people are increasingly struggling to get by.

Alongside this, the availability of employment after the training/apprenticeship has finished are slim. There is little incentive for the trained staff to be employed when another training opportunity can be provided at the same low rate.

- We consider that more focus needs to be placed on supporting working households who are on low incomes living in poverty. 'In-work' poverty is an area of particular concern and how interventions can be achieved to encourage and support those affected to access learning for example, to improve their skills and prospects. The introduction of zero hour contracts and shared contracts are having a detrimental effect on households in receipt of housing benefit e.g. where there are non-dependents with widely fluctuating incomes from week to week.

Austerity measures and cuts in public services will have an increasingly negative impact on the economy at local, regional and national levels. This will be further compounded by Welfare Reform which will leave households with even less spending power which again impacts on the local economy and working people.

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- We support the change of direction towards projects/initiatives which have specific goals and objectives and which are able to demonstrate value for money and outcomes e.g. Communities First as a 'community focused tackling poverty programme' with clear themes and stronger central oversight of projects.

The re-modelled Communities First (CF) programme has enabled them to gain direction, become more outcomes driven and subject to more scrutiny which has improved service delivery and partnership working. There are concerns that CF 'boundaries' may be seen to restrict the availability of valuable services to vulnerable people who live outside CF designated areas which could in turn be viewed as divisive and marginalising people in a postcode lottery.

- We believe that there is a danger of over reliance on third sector resources to fill the gaps left by funding cuts to LA services. Although there is clearly a role for third sector partners to deliver initiatives and projects to tackle poverty, expectations, in certain areas, can be unrealistic.
- We believe that more resources need to be targeted at addressing fundamental issues such as education, employment, housing and access to broadband in rural areas. The latter for example, impacts on the creation of new businesses and undermines the important role of digital technology in promoting learning and skills. It is estimated 90% public services are now available on line and as LA budgets are squeezed, costs associated with delivering face to face services are under heavy scrutiny in the context of identifying efficiency savings.
- We believe that successful engagement with people who are in destitution or extreme poverty is often achieved by delivering services on a 1:1 basis especially money/ debt advice. Signposting is not necessarily beneficial. Whilst we have to accept that if 1:1 advice is going to be effective, it inevitably be more costly and labour intensive to provide. Again with funding cuts for LAs and third sector organisations, this is getting increasingly difficult to provide this service.
- The increased focus on education, employment and training initiatives for young people is admirable but the expectation is that people have to work until they are 70. More needs to be done to support older people to access training and work opportunities – working with individuals and businesses. Furthermore, there has to be reasonable prospect of a positive chance of employment at the end of such training, otherwise people will become less likely to engage in the future.
- The Action Plan fails to address the needs of rural communities where employment opportunities are low and jobs increasingly difficult to obtain. Furthermore, the Further Education cuts are having an impact on availability and accessibility of training.
- We welcome the Housing (Wales) Bill and also the proposed wholesale reform of tenancy legislation. We fundamentally believe that access to good quality affordable housing is key to tackling the root causes of poverty. Housing is the bedrock with largely determines life chances and addressing homelessness and improving standards is critical to addressing poverty.

Those already reliant on welfare benefit, in-particular housing benefit are going to be more susceptible to demographic changes and this needs to be represented throughout the policies. There is a danger that the growth in private renting, as a result of restricted credit for mortgages, may result in a lack of provision for those

reliant on housing benefit. The only effective way to address this will be to ensure that there is a range of housing available to suit the market. Availability of affordable housing is an increasing issue, the cost of private renting is increasing and the Social Housing Grant from WG has diminished significantly causing greater difficulties for social registered landlords to projects.

- The proposed Wylfa Newydd development has the potential to bring substantial economic benefits to Anglesey, however the inward investment could have a polarising effect on the local community. Those in the position to take advantage of the development will see increased prosperity through inflated wage rates and property prices. Conversely those who are reliant on welfare benefit will find it increasingly difficult to sustain reasonable standards of living due to the inflationary effects of the inward investment. This will be a particular problem for those reliant on the private rented sector.
- It is reported that children growing up in poor housing have 25% higher risk of severe health and disability during childhood. CPAG (Child Poverty Action Group) found that home and neighbourhood are top issues for children and young people - better housing should therefore be at the top of the list when it comes to tackling child poverty.
- Fuel poverty is affecting 20% of Anglesey residents. Lack of mains gas is leading to more expensive means of heating. Residents are unable to fill their oil/gas tank and there is no alternative for them. The WG actions do not address how communities in rural areas without access to mains gas can overcome the problem. These strategies aren't aligned.
- The Housing Service has led on several successful initiatives to increase the energy efficiency of dwellings in both the public and private sectors and will proactively explore further opportunities to work in partnership with key stakeholders in order to secure further improvements in the future i.e. energy companies, utility companies, WG.
- Regardless of the detrimental effect that welfare reform is having on household incomes the fact remains that the current welfare bill is unsustainable and these changes will have to be implemented. In order to mitigate some of the negative aspects of the reform process, we must encourage active maximisation of all potential income streams for those affected and develop effective coping strategies where required.
- Financial inclusion initiatives should be strengthened. With the implementation of the Housing (Wales) bill in 2015, prevention initiatives need to be supported by robust money management/advice/debt services as part of a holistic housing solutions approach. We believe that these issues need to be prioritised within national action plans.
- In order to best serve those in poverty, we will need to establish the root causes through effective triage to determine the best cause of action to help alleviate the problems. It will be important to differentiate between those who lack the skills to improve their situation and those who lack the will to face the realities presented by the welfare reform. Each category will require a different approach to resolving the problems they face.

- We have seen a lack of opportunities in practical terms from Credit Unions on Anglesey although heavily endorsed by WG. WG could work closer with the high-street lenders to encourage provision of financial products for people on low income or with bad credit histories to encourage more choice.
- Even with the availability of training, education and employment opportunities, the lack of affordable public transport and childcare facilities make it difficult for individuals, in particular in rural areas, to take advantage of what is available.
- Increasing public transport costs can also impact for example, on mental health by increasing isolation and preventing people from accessing employment and training. This is exacerbated by the Job Centre Plus claimant commitment where individuals are expected to access facilities to fulfil their commitment.

We believe that the shortage of affordable childcare remains a significant barrier to helping households access work opportunities and thus work their way out of poverty.