

1. Flintshire County Council would like to thank the Committee for the opportunity to comment on poverty in Wales.
2. Flintshire County Council is a unitary authority in north east Wales with a population of approximately 152,506<sup>1</sup>. The County is a major economic driver for north Wales and North West England and is host to one of the largest concentrations of manufacturing employment in the UK, especially in the advanced manufacturing sector. Through the Deeside Enterprise Zone, up to 7,000 new employment opportunities are forecast for the County and the challenge for the future is to ensure that economically inactive residents across the sub-region are able to benefit from this opportunity.
3. Poverty affects almost a quarter of the Welsh population and costs the Welsh economy £3.6bn a year<sup>2</sup>. Future economic growth needs to be better harnessed to free people from poverty and a system-wide approach is needed to provide the conditions and opportunities to help individuals to improve their circumstances.
4. The Council considers that creating more inclusive economic growth that benefits people and places equally across Wales will require:
  - 4.1. combining devolved economic development functions and regionalised local government activity into regional strategic development bodies that are responsive to local circumstances, labour markets and employer needs;
  - 4.2. better connecting areas of strong economic growth potential to areas of poverty through transport, skills development and labour market initiatives;
  - 4.3. ensuring that Welsh Government regeneration programmes are merged both horizontally and longitudinally to provide larger and longer term interventions that provide capital investment and revenue activity to enable integrated place based growth strategies to be delivered;
  - 4.4. redesigning and devolving the strategic framework for pre-employment programmes to create an integrated regional

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<sup>1</sup> Census 2001

<sup>2</sup> Prosperity without poverty (JRF 2016)

approach to meeting the needs of individuals and the labour market;

- 4.5. Growing the role of the social economy which has an important role to play in creating jobs, diversifying local economies and strengthening skills and employability<sup>3</sup>.
5. The UK Government's Work and Health Programme provides a new opportunity to tackle poverty and increase labour market intervention. It is crucial that there is regional input into the commissioning process to ensure that the specification allows co-ordination with the wider programme infrastructure and with regional growth programmes.
6. Economic inequalities exist both between different groups in society and, at a more significant level, within those groups<sup>4</sup>. It is these latter inequalities that have increased the most in recent decades requiring that gaps are narrowed both between individuals groups and also between the most and least advantaged within each group.
7. The 2010 National Equality Panel report found that inequalities cumulate across the life cycle, especially those related to people's socio-economic background. We see this before children enter school, through the school years, through entry into the labour market, and on to retirement, wealth and resources for retirement, and mortality rates in later life. Economic advantage and disadvantage reinforce themselves across the life cycle, and often on to the next generation. By implication, policy interventions to counter this are needed at each life cycle stage.
8. Economic inequalities are particularly marked between different geographical areas with incomes in the poorest area a fraction of the national average.
9. The Council recommends that key policy areas should include:
  - 9.1. implementing effective early years policies to reduce inequalities created by differences in parental circumstances;
  - 9.2. a stronger focus on improving the educational attainment of poor children and on reducing child poverty and on narrowing the attainment levels between the average and those from certain social or ethnic groups or the with special educational needs;

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<sup>3</sup> Cities, the social economy and inclusive growth (JRF 2017)

<sup>4</sup> An Anatomy of Economic Inequality in the UK (National Equality Panel 2010)

- 9.3. initiatives to ensure the early engagement of young people in the labour market to avoid long term “scarring”;
  - 9.4. increasing the availability of flexible employment options and greater childcare availability and affordability to reduce the gender pay gap;
  - 9.5. greater encouragement for flexible employment options for disabled workers, older workers or those with limiting health conditions;
  - 9.6. refocusing area based approaches to tackling deprived neighbourhoods on building local economic solutions and harnessing the spending power of major public and private sector economic actors;
  - 9.7. developing new approaches to reducing health inequalities throughout life in order to reduce economic inequalities; and
  - 9.8. targeting social tenants with support to help them to enter employment.
10. In work poverty is an increasing issue in the UK and there are now more households living in households where someone works than in households where no-one does<sup>5</sup>. The Council considers that the strategy to address this needs to combine initiatives to enable workers to move from low paid employment to better paid. However, employers in those sectors which are most reliant on low-paid workers and have little commercial incentive to change are unlikely to be as able to tackle low pay<sup>6</sup>. Therefore, initiatives to reduce living costs and increase non-pay benefits for low paid workers are also important. Priority actions should include:
- 10.1. providing sufficient and affordable childcare to reduce the risk of women working in jobs that under-use their skills<sup>7</sup>;
  - 10.2. increasing the supply of affordable housing to reduce housing costs for low earners;
  - 10.3. increasing the support through the tax and benefit system for dual-earning households;
  - 10.4. improving access to savings and low cost credit to help households to even out the financial uncertainties inherent in insecure work;

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<sup>5</sup> Rewarding work for low-paid workers (JRF 2014)

<sup>6</sup> Rewarding work for low paid workers (JRF 2014)

<sup>7</sup> Ideas to tackle poverty for the long term (JRF 2015)

- 10.5. encouraging employers to support workplace progression and non-pay related improvements to working conditions;
  - 10.6. adding incentives to apprenticeship programmes to encourage retention and to reward employers who have increased the pay of former apprentices;
  - 10.7. refocusing employment programmes to incentivise delivery of higher earning jobs rather than solely moving people off benefits;
  - 10.8. improve the status and delivery of vocational skills programmes in the educational system to better meet employer needs and increase opportunities for better paid self-employment;
  - 10.9. targeting support at part time workers who are more likely to experience lower pay rates and more limited opportunities for training and promotion;
  - 10.10. ensuring that public transport to centres of employment is available and affordable;
  - 10.11. increasing measures to reduce fuel poverty or reducing the incidence of higher cost energy services for people in poverty; and
  - 10.12. recognising that a significant part of the low-wage economy comprises companies delivering services to financially-challenged public authorities.
11. Welfare benefits provide a minimum income level to households, increasingly for those who are in lower paid employment. Benefits can act as a coping mechanisms for individuals and families who require financial assistance and have the potential to increase a households' ability to weather financial shocks.
  12. However, the role of the benefits system as a safeguard for low paid individuals and families can also be undermined by:
    - 12.1. delays in payments of benefit and statutory waiting days in Universal Credit;
    - 12.2. complex rules and processes for people to navigate and understand; and
    - 12.3. limited access to advice and support services
  13. The Council considers that key priorities should include:

- 13.1. ensuring people claim the benefits to which they are entitled, requiring sufficient resources in advice and support services;
- 13.2. effective use of discretionary assistance in order to provide a package of support which is tailored to individual or household need; and
- 13.3. effective use of a range of welfare benefits combined with discretionary support to provide a safety net to prevent households from experiencing significant financial hardship or reaching crisis point.