

Agenda – Local Government and Housing Committee

Meeting Venue:

For further information contact:

Video Conference via Zoom

Manon George

Meeting date: 12 January 2022

Committee Clerk

Meeting time: 09.00

0300 200 6565

SeneddHousing@senedd.wales

Pre-meeting (08.45 – 09.00)

- 1 Introductions, apologies, substitutions and declarations of interest**
(09.00)
- 2 Scrutiny of the Welsh Government Draft Budget 2022–23:
Evidence session 1 – Welsh Local Government Association (WLGA)**
(09.00 – 10.00) (Pages 1 – 34)
Councillor Anthony Hunt, Council Leader, Torfaen County Borough Council
Councillor Emlyn Dole, Council Leader, Carmarthenshire County Council
Councillor Richard John, Council Leader, Monmouthshire County Council
Chris Llewelyn, Chief Executive, Welsh Local Government Association (WLGA)
- 3 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from items 4, 7 and 8 of the meeting**
(10.00)
- 4 Scrutiny of the Welsh Government Draft Budget 2022–23 –
consideration of the evidence received under item 2**
(10.00 – 10.15) (Pages 35 – 44)
Break (10.15 – 10.30)
- 5 Scrutiny of the Welsh Government Draft Budget 2022–23:
Evidence session 2 – Minister for Finance and Local Government**
(10.30 – 12.00)
Rebecca Evans MS, Minister for Finance and Local Government



Reg Kilpatrick, Director General, Covid Crisis Coordination, Welsh Government

Judith Cole, Deputy Director, Local Government Finance Policy and Sustainability, Welsh Government

6 Papers to note

(12.00) (Page 45)

6.1 Letter to the Minister for Climate Change in relation to the private rented sector in Wales

(Pages 46 – 47)

6.2 Letter from the Chair of the Public Accounts and Public Administration Committee to the Chief Executive of the Welsh Parliament in relation to the use of the term BAME

(Pages 48 – 49)

6.3 Letter from the Legislation, Justice and Constitution Committee in relation to the Inter-Institutional Relations Agreement between Senedd Cymru and the Welsh Government

(Pages 50 – 51)

6.4 Letter from Shelter Cymru in relation to housing in Wales

(Page 52)

6.5 Report from the Bevan Foundation: "A snapshot of poverty in Winter 2021"

(Pages 53 – 68)

6.6 Letter from CladDAG – Leaseholder Disability Action Group in relation to building safety

(Pages 69 – 71)

6.7 Letter from the Children, Young People and Education Committee in relation to homelessness

(Page 72)

6.8 Letter from Business Committee in relation to the review of committee timetable and remits

(Pages 73 – 80)

**7 Scrutiny of the Welsh Government Draft Budget 2022–23 –
consideration of the evidence received under item 5**

(12.00 – 12.15)

8 Business Committee review of the committee timetable and remits

(12.15 – 12.30)

Document is Restricted



Senedd Finance Committee Consultation

Scrutiny of the Welsh Government
Draft Budget 2022-23

26th November 2021

Welsh Local Government Association - The Voice of Welsh Councils

We are The Welsh Local Government Association (WLGA); a politically led cross-party organisation that seeks to give local government a strong voice at a national level. We represent the interests of local government and promote local democracy in Wales.

The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally.

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce



Introduction

1. This paper is largely based on a paper the WLGA presented to the Finance Subgroup in October. Much of the new information presented in that paper focussed on a survey the Society of Welsh Treasurers (SWT) carried out of the 22 local authorities to inform the next Welsh Government budget round. Last year's survey and the impact to date of COVID-19 on local government also features in the report. It is evident the need to deal with the implications of the pandemic is on-going and will likely last more than one financial year.
2. This SWT survey collected information on the estimated financial pressure over the next three years. The survey also sought the estimated financial impact of COVID-19 on local authorities' finances. The results point to an inevitable legacy impact of the pandemic on local government. The core pressure identified in the survey is triangulated with estimates modelled by the WLGA from central returns and those done by Wales Fiscal Analysis.
3. The close working between Welsh Government and Local Government in response to the pandemic has also built up a considerable body of data on the pressures faced by the sector. This financial year FSG has received reports indicating the estimated financial impact of the ongoing response to the COVID-19 emergency.
4. The response to the pandemic has seen unprecedented partnership working between Welsh Government, councils, and NHS Wales. Inevitably the pandemic has caused Medium Term Financial Plans to be revised because of the pressures. During the last year councils commenced a move to a recovery phase and see this as a key part of their role. The continuation of the Welsh Government's approach to funding Covid related pressures has played a key part in ensuring councils can continue to support their communities. Financial certainty and support will be key to the on-going recovery phase.
5. The survey gathered data on the estimated financial pressure faced by councils. It also sought estimates of Covid related funding requirements over the medium term. The information was also sought for schools.
6. This year's survey placed an emphasis on the medium-term financial planning that all 22 councils carry out. As a result, headline data over three years is included in the report. The report also includes information provided by Wales Fiscal Analysis who recently looked at the outlook for the Welsh Budget.
7. The survey was carried out prior to the recent significant volatility in the energy sector. The significant additional costs will affect councils through direct running cost increases and also the cost of commissioned services. It is likely to see an increase in fee levels from care home providers and other suppliers of services. Just recently at least one small authority was estimating

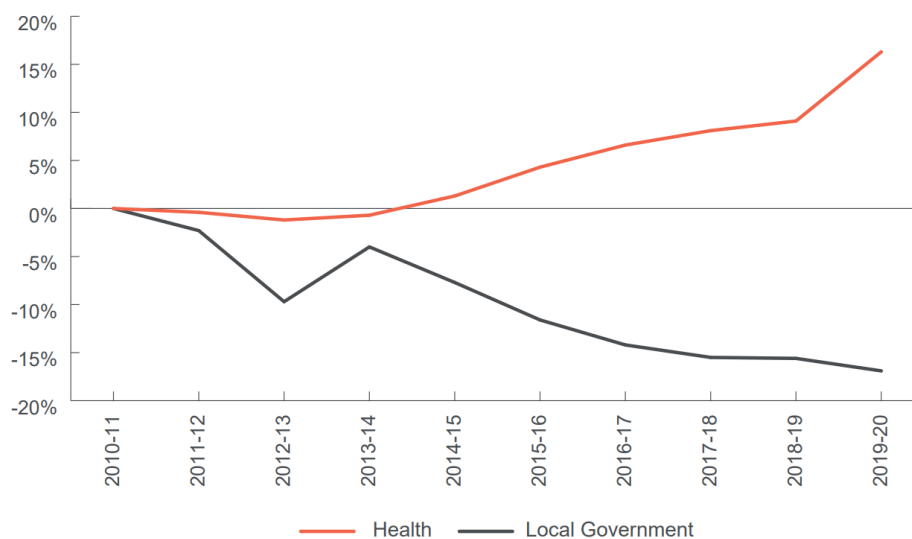


an £800k pressure next year arising from gas and electricity based on pricing coming out of Crown Commercial Services.

Overview

8. The recently published report a [Picture of Public Services 2021](#) from Audit Wales gives a useful context for the Welsh Government Budget. The Auditor General identifies just over half (52%) of the total revenue budget is now allocated to Health and Social Care. Figure 1 shows Welsh Government revenue funding for NHS Wales has increased 16% in real terms, while revenue funding to local government fell by 17% between 2010-11 and 2019-20.

Figure 1: Change in core Welsh Government revenue funding for health and local government, 2010-11 to 2019-20 (real terms, 2019-20 prices)



Source: Audit Wales 2021

9. In response to reduced Welsh Government funding, councils have increased council tax by 35% over and above inflation between 2010-11 and 2019-20. However, total revenue expenditure across local government fell by 8% over the period and these cuts have not fallen equally across all local services. The deepest cuts have come in leisure and culture and library services which have seen cuts of over 40% and regulatory services, such as development control, building control, trading standards and consumer protection which have seen cuts of over 30% over that period.
10. The past year has seen Local Government delivering a key pandemic response that has been over and above its usual role. The unprecedented situation has demonstrated the strength of the partnership with Welsh Government, the wider public sector and the third sector. Local government



staff have ensured the most vulnerable have been supported in the crisis. The continuation of Welsh Government's Hardship Fund has been key to the success of the response; without this financial support councils would not have been able to meet the demand created by the pandemic.

11. At this time last year, it was noted that the response to the pandemic had understandably redirected local authority efforts to dealing with the impact of the pandemic and to deliver their community leadership role. This has continued in this financial year and local authorities continue to provide a wide range of services.
12. The impact of the pandemic has inevitably affected local priorities and council finances. However, the Hardship Fund coupled with sound local financial management has assisted the position. Even so, demand led services in the social care sector have been particularly badly affected and real concern about service continuity and the on-going impact on finances will continue.
13. Councils are currently going through budget processes. What seems likely is that the understandable need to concentrate on the response to COVID may have deflected effort to deliver agreed savings. Councils had engaged in transformation programmes to deliver prior years' savings, and these will inevitably be complex; their delivery will be key to the longer term for councils. Any delay will potentially require deeper cuts to services.
14. The following table shows the financial gap from the result of the survey. Excluding COVID related pressures the underlying pressures for 2022-23 total £280m and similar patterns are evident in the next two years.

Figure 2: Pressures by theme, 2022-23 to 2024-25

Pressure by theme (£m)	22-23	23-24	24-25
Pay inflation	105,380	95,445	95,003
Non pay inflation	75,962	70,540	70,554
Fees and Charges	- 8,482	-7,788	-7,007
Demand related pressures	101,740	90,423	85,833
Capital financing pressures	11,066	15,915	27,625
Reduction in specific grants	9,504	4,030	3,348
Local priorities	13,335	6,313	4,635
Other	23,347	26,168	16,022
Covid Pressures	75,529	26,168	16,022
Total Pressures	407,381	314,451	304,979

Source: SWT Survey 2021



15. The above table gives the scale of challenge faced by Welsh Local Government over the next three years with pressures totalling £407m next year giving a cumulative amount of £1.03bn by 2024-25.
16. The figures do not include any impact of the Health and Social Care Levy, but this is estimated to cost local government in Wales anywhere between £30m to £47m.
17. The Wales Fiscal Analysis indicated that local authority spending will need to increase by 3.4% (cash terms) to meet spending pressures over the coming years.
18. The figures do not take into account the revenue implications of commitments made recently by the 22 LAs related to the target of a net zero carbon public sector by 2030 (see Appendix). Whilst many of those commitments will require capital expenditure (see below) it is possible that at least some of the investments will have to be achieved through local government borrowing, with associated revenue implications over a period of years.
19. The commitment to ensure procurement is informed by the carbon implications of purchased goods and services (in their development, use and at end of use) will also result in higher upfront costs. The wider *benefits* that arise along the supply chain from such procurement practices are critically important, as procurement accounts for around 60% of councils' carbon emissions. However, they are difficult to capture and quantify directly and from a narrow financial perspective will simply appear as higher costs.
20. Other revenue implications will arise from the need to provide training in the skills needed to support decarbonised operations (e.g. retraining of mechanics, engineers, energy managers) and community support to adapt to climate change already 'built in' (e.g. responses to more frequent and severe weather events; working with communities to build resilience and ensure they are prepared for such events).
21. The financial position of some councils is likely to become critical in 2022-23 in relation to reserve levels. Financial shocks are much more difficult to absorb in some councils and it would be wrong to see overall reserves as an indication of the sector being able to navigate and deal with a settlement that does not recognize the current position.

Spending Review and Survey Responses

22. This year's survey sought the estimated position over three financial years and so matched councils' medium-term financial planning time horizons. The survey was being conducted at a time when the spending review was



announced along with the introduction of a new hypothecated levy (tax) in the form of a National Insurance increase to fund Health and Social Care.

23. On 7th September the announcement of the Spending Review was accompanied by the UK government's plans for funding health and social care through a National Insurance increase. Whilst details affecting Social Care relate largely to England, the devolved nature of social care in Wales, Scotland and Northern Ireland means it will be a matter for the Welsh Government to implement the proposed changes.
24. The details relating to National Insurance will affect the four nations as this is not a devolved matter but from April 2022, there will be an increase of 1.25% on employee and employer national insurance contributions. This is in effect a 2.5% increase in the tax rate on employment earnings. It will also be extended to those in work who are over pension age. This is the first time that those over pensionable age will be required to pay national insurance. The potential unfunded impact on Welsh Local Government is estimated to be between £30m to £47m including schools.
25. The announcement of additional funding will potentially benefit local government but only if its role is acknowledged and an appropriate amount is passported to councils. It is estimated that over the next 3 years £36bn will be raised from which the NHS will receive around £25bn, Social Care £5.4bn and approximately £6bn going to devolved administrations.
26. Social care is a key concern for councils and the pandemic has created additional pressure. The increase in referrals and workload has resulted in increased activities undertaken and higher cost services being provided often due to lack of capacity. Children's services has seen an increase in statutory work with demand creating significant cost pressures. One authority has seen a 53% increase in Children's Services contacts to the 'front door' when comparing August 2019 and August 2021. A similar comparison of referrals to the assessment team saw an increase of 44%. The pattern was also evident in the same authority's Adult Services that saw a 66% increase in referrals to the 'front door'.
27. Of relevance to councils' Medium Term Financial Planning arrangements, it has been stated that after 3 years the increased sums for the NHS will be redirected to social care because the Covid backlog will have been dealt with. Clearly this will depend on the willingness to transfer this funding from the NHS to the care system at a time when more demand for health services is likely.
28. The survey indicated that most councils are making consistent assumptions in respect of a pay award in 2022-23. This is against a backdrop of the Treasury putting downward pressure on public sector pay increases as evidenced by



the Chancellor's 7th September letter announcing the spending review. It is likely that the final position on a pay award will not be resolved for some time. On 1st October, Unison announced the result of their ballot on pay which was a 79% rejection of the Employers' final offer of 1.75% (with 2.75% for those on the lowest pay point).

29. Councils report that the pandemic has reset demand levels for some services that is very unlikely to be contained within one budget settlement and therefore the financial impact has been included for future years albeit at a reduced level. One council has identified an additional £5m for Social Services that it believes is required to invest into the service and resolve the systemic issues (primarily Children's but also Adult Services) caused by the impact of the pandemic over the last 18 months.
30. There is also concern about income loss reflecting that some income levels remain at 15% lower than pre-covid conditions. If these risks materialise without the additional funding, then interim mitigations will need to be identified during 2022-23 with a reset of priorities over the medium term.
31. Pressures noted in the survey include homelessness, adult social care, children's services, and waste services. One authority indicated it is facing a potential £2m per annum cost pressure on its homelessness budget.
32. Schools account for approximately 35% of a council's budget with social care accounting for 25%. The survey responses indicate the pressure faced by these areas and this is complicated by the overall requirement to balance budgets and it seems likely that they may have to contribute savings in some councils with a consequent impact on services.
33. The survey indicated financial pressure in schools amounted to £82.3m. This is at a time when a number of school budgets are already in deficit positions. Any cuts would further destabilise those schools seeking to deliver balanced budgets as part of an agreed recovery plan. The impact on school improvement measures would also be significant.
34. There is likely to be a hidden inflationary cost in the independent commissioned social care sector with COVID being one source. Providers will continue to require PPE for some time, and this is likely (as with energy costs) to feed through into fee levels.
35. The Hardship Fund has played a significant role in meeting the demands placed on councils by the pandemic. As the financial support unwinds it is clear that councils will have to deal with a 'tail' of financial consequences affecting service demand and also lost income with one council stressing that leisure centres are unlikely to return to pre pandemic levels for some considerable time.



Social care

36. The WLGA/SWT survey noted the financial pressure caused by demand for social care that has been further increased due to the pandemic. The factors have also been brought to Welsh Government's attention in a letter from the President of ADSS Cymru to the Chief Social Care Officer for Wales.
37. The pressure being faced by both Adult Services and Children's Services share many common factors including the recruitment and retention of staff. This is also affecting commissioned services from providers. A resultant increase in agency related costs is further adding to financial pressure.
38. The impact of the pandemic has been significant for the social care sector and its workforce with some areas harder hit than others, for example, the care home sector has been particularly negatively affected with the high number of deaths experienced due to Covid-19. Care home residents, staff and businesses continue to be affected as community transmission remains high. However, all areas of social care work were affected by the pandemic and while some sectors have moved to a recovery model, social care is still operating at a response level and the pandemic continues to impact and affect the delivery of some services in different ways.
39. The toll of the pandemic on the workforce cannot be underestimated. During the pandemic many staff went 'above and beyond' to ensure services were provided to vulnerable people, continuing to provide face to face services and personal care and carry out their safeguarding responsibilities, developing new ways of undertaking their roles. There have been high staff absences, some due to having Covid or needing to self-isolate, and this has increased pressures on existing staff, many working longer shifts and hours and some undertaking new tasks reflecting an 'all hands-on deck' approach to cover service needs. Other council staff were also involved in supporting the care sector. While two additional payments of £500 were paid to social care staff by Welsh Government (through local authorities) in recognition of their efforts during the pandemic, this does not address the long-term low pay of social care staff.
40. Councils are working together to look at workforce action planning by examining a range of measures. However, these are likely to include a financial commitment that will need to be funded. It is evident that there is a need to attract people to work in social care to deal with the current and future demand, but this will take time and won't immediately resolve acute pressures in the system.



41. The survey indicates the pandemic has exposed the fragility of the care market, and this has a clear and direct link to the financial pressures faced by all councils. The long-term sustainability of the sector will need resources especially as the letter to the Chief Social Care Officer noted that 'demand continues to grow exponentially in comparison to capacity. Moreover, the added complexity of those presenting to social care services is unique and unprecedented.'
42. In addition, councils are currently having to pay for facilities in care homes that cannot be used. Paid voids are a considerable financial pressure that assist the long-term sustainability of the market but means that pressure to find alternative supply is creating system wide issues. Councils also note pressure on reablement provision because some home care packages are being handed back by providers.
43. There is also evidence of pent-up demand in the system with assessment waiting lists continuing to rise. The pent-up demand may in fact be more severe because this is hidden by the significant contribution of unpaid carers. Should these unpaid carers cease to be able to provide support it will add to the pressure faced by all councils.
44. Issues faced by Children's Services are similar. Workforce shortages at a time of increasing demand is creating pressure that is heightened by the difficulty finding 'looked after' placements for children. Increasing pressures faced by families requires regular respite care and this is equally difficult to provide for similar reasons to longer term placements.
45. Social care pressures are often resolved through the collective work of different parts of councils. These areas include assisting those who find themselves homeless. The pandemic has put severe strain on this area of council activity, and it is clear that increased demand for services will remain because of unemployment, isolation and family breakdown.
46. The concern raised in the survey was that the impact of the pandemic will not end at any given point. It will continue to affect the lives of the most vulnerable and therefore create increased demand for services.
47. ADSS Cymru has set out the need for a longer-term settlement that is sustainable and able to meet local needs. ADSS has serious concerns about a variety of factors including system and market failure, increasing complexity and levels of need as well as the impact on an overstretched workforce.
48. Audit Wales recently published 'A Picture of Social Care' that summarised key information about Social Care in Wales. It noted that demand for adult social care is likely to increase significantly. Whilst being cautious about the impact of Covid it states 'The challenge of addressing the indirect impact of COVID-



19 will likely continue for years into the future. The problem is compounded by the fact that there are significant, long-standing issues in the social care sector which pre-date the pandemic.'

49. The Audit Wales report also states 'The Welsh Government published its Social Care Recovery Framework in July 2021 to provide an overarching structure to support recovery planning in the sector. The Framework sets recovery priorities for people who need care and support, unpaid carers, the social care workforce, and service providers. More broadly, the Welsh Government committed to spend £1 billion to support its recovery in health and social care in May 2021. So far, it has not set out how much funding will be available for social care.' Seeing this outcome is a matter of considerable importance to councils.

50. The pressures faced by social care and the acknowledgement of its key role in the overall system means it will need to be resourced so that early intervention and prevention ensure minimize the requirement for social care. An appropriate funding settlement will accelerate this approach and deal with issues that pre-date the pandemic but have been further complicated and deepened as a result of its impact.

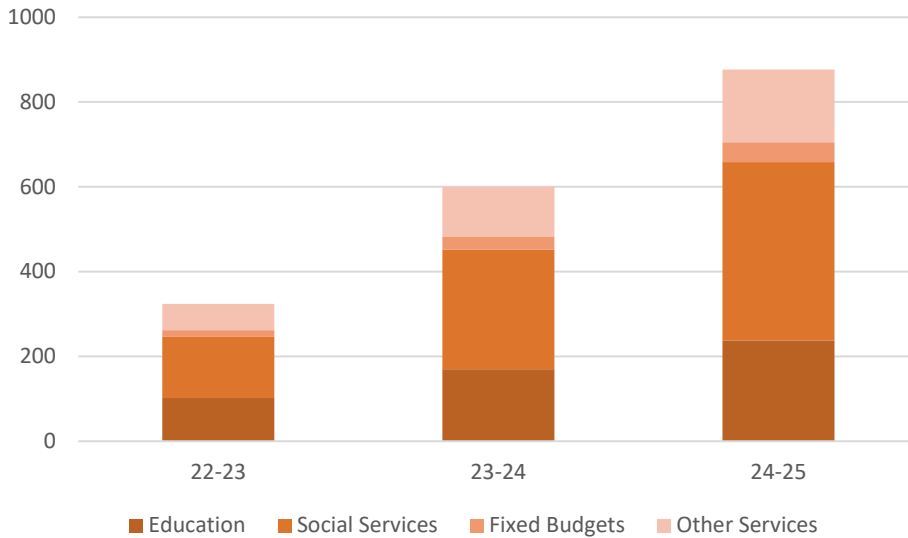
WLGA and Wales Fiscal Analysis modelling

51. The returns from the survey are consistent with our own modelling of local government pressures and fall in the range estimated by Wales Fiscal Analysis team earlier this year.

52. The WLGA model is most sensitive to the assumptions underpinning pay and demand and provides consistent forecasts over a 3-year period, in this case from 2022-23 to 2024-25. The underlying pressures for 2022-23 totals £324m and similar patterns were evident over the next two years: rising by £276m in 2023-24 and then by £277m in 2024-25. The increase to employer NI is built into the baseline in the latter two years. The cumulative pressure rises to £877m by 2024-25 as set out in the figure below.



Figure 3: Local Government Spending Pressures to 2024-25, £m

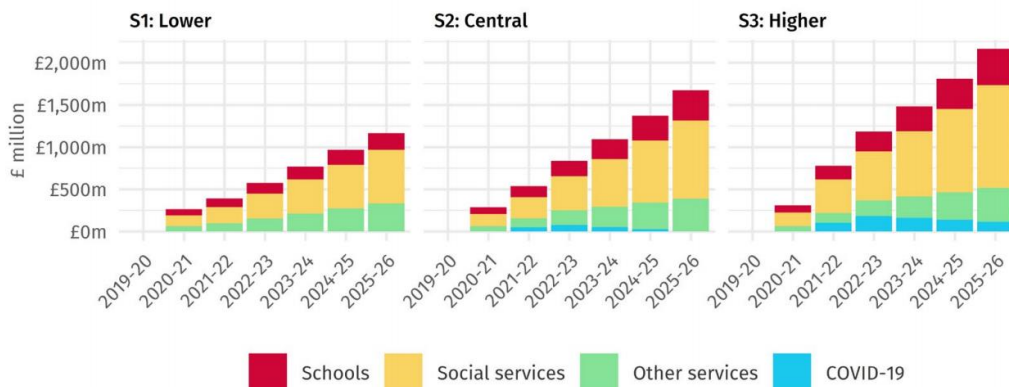


Source: Base estimates: RO and RA returns (2019-20 to 2020-21)

53. The Wales Fiscal Analysis team also made an assessment of local government pressures in their publication [Local Government & the Welsh Government Budget: Outlook and Challenges for the next Welsh Government](#). This was part of a series of reports published in the run up to the elections, assessing the implications for the Welsh Government Budget next year and beyond.

54. They produced three different scenarios of pressures facing local services, summarised in figure 4 below. Implicit in these estimates are pressures in the next financial year (2022-23), ranging from £184m in the lower scenario to £403m in the higher scenario. In the following year (2023-24) they range from £195m to £300m.

Figure 4: Wales Fiscal Analysis' Assessment of Components of Local Government Spending Pressures to 25-26





Source: Wales Fiscal Analysis 2021

Workforce

55. There are a number of workforce issues that are affecting local government services at this present time. Local government in Wales has for many years struggled to recruit in several key areas. These have consistently been in areas of Social Workers, Regulatory Officers, Legal Services, IT, Planning and Building Control. The recent additions of social care, HGVs drivers and supply teachers, have added to this list of recruitment issues. This means that most service sectors are affected in some way or another.
56. There are now real challenges in relation to recruitment and retention both for in-house and commissioned services across both adult and children's services. This issue has been exacerbated by a number of issues including:
- Competition both from the Health service and other sectors who are able to offer better terms and conditions. This has been further exacerbated as a result of a reduction in immigration since the UK left the EU, which has increased the need for the hospitality industry to recruit locally, effectively competing for the same pool of staff as social care.
 - A reduction in staff prepared to continue to work in the sector, with some making lifestyle choices to reduce working hours and many leaving the sector because they are exhausted.
 - Some have felt let down by the lack of recognition given to social care workers, with NHS workers seemingly more valued and so some are walking away.
 - Increasing demand and pressure being placed on an under-valued and over-stretched workforce.
 - Difficulties in filling staff voids due to a large number of staff having to self-isolate. This has been coupled with pressures of staff trying to take long over-due leave over the summer and early autumn.
57. The introduction of the Real Living Wage would impact differently in the public and private sectors. Most in-house care roles already meet the RLW but the picture is more mixed in commissioned services.
58. The current jobs market is very buoyant, with many vacancies available which often leads to pay inflation to attract candidates and recruit into positions. This has placed local government in a challenging position of trying to recruit to key roles in a very competitive market, particularly competing against the private sector where they often have more flexibility to increase pay rates and salaries to meet demand.



59. The pay inflation implied in the above estimates are arguably pragmatic and understated. We are in an uncertain time around the impact of wider pay inflation in the economy and indeed general inflation itself which impacts on how we reward our workforce.
60. The current pay negotiations have significantly stalled with all 3 unions balloting for industrial action having rejected the 1.75% offer. The NHS unions, who include many of the local government unions, are proposing industrial action having rejected a 3% offer.
61. Local government will find itself in a highly competitive and challenging situation around pay, trying to keep pace with public sector counterparts, the wider economy and inflation itself.

Free School Meals

62. The survey indicated that Free School Meals is featuring in budget planning because of the significant financial impact of the necessary policy response during the Pandemic. The Welsh Government policy of paying for free school meals vouchers during school holidays created through Covid response has resulted in significant uptake, especially during the holidays and there is evidence that an expectation that this will be provided is now in position making it hard to remove.
63. There is a significant unfunded cost if councils must maintain the voucher scheme going forward. There is a case that this should be treated as a new burden and funded as clear additionality in the settlement.

Homelessness

64. A consistent theme from councils is the increase in numbers of those impacted of those facing homelessness. For one council this is a £2m cost pressure. Councils have worked hard to provide accommodation and support those who are homeless during the pandemic.
65. Councils have a statutory duty to help those who are sleeping rough, or at risk of finding themselves without accommodation and on the street. The response is often to provide emergency accommodation. Councils have also been acutely aware of the need for rapid action because Covid spreads easily especially as those without accommodation are forced to use accommodation or sleep on the streets making it difficult to keep to the government health advice for hygiene, self-isolation and social distancing.



Capital

66. The survey confirms the considerable capital commitments still being made by councils with a consequent impact on local regeneration and the post pandemic recovery phase. Total capital expenditure is estimated at £853m in 2022-23 with £671m in 2023-24 and £467m in 2024-24. Over the term of a three-year medium term financial planning horizon this amounts to nearly £2 billion of investment of which £521m is schools related and £747m is Housing.
67. Funding includes 21st Century schools' allocations but over the period councils are showing a sizeable commitment with £24m of capital financing costs being built into financial plans over the three years. The eventual level of expenditure could be higher, given the commitment to establish and address the cost differential of building schools to net zero or carbon positive standards (see Appendix A).
68. There are other implications for capital expenditure arising from the commitments set out in the Appendix. These include, for example, investment in low carbon heating and renewable energy sources, fleet electrification and flood management measures.
69. Some of these investments may be best tackled by Wales-wide programmes. They would ensure a co-ordinated approach and raise the possibility of developing the supply base within Wales. These may require specific grant support from Welsh Government, and acceptance by LAs of such hypothecation in light of the climate change emergency situation that has to be tackled by working together.
70. In addition, there is an increased likelihood of having to make repairs to infrastructure damaged by severe weather events. Whilst such events are difficult to predict and cost, it is clear these occurrences (e.g flood damage; coal tip remediation works) could increase. It is therefore prudent – or perhaps necessary - to plan ahead and make additional allowances for them in capital budgets.
71. Construction inflation is a concern for council capital projects. One industry body notes the adjustment to the 2021 forecast is their largest upward revision on record. Whilst 5.5% is now expected in 2021, some projects may experience inflation of up to 10.0%. Following these highs, inflation will then settle for a period before normalising to 4.5% in 2025.

Conclusion



72. Councils have been relatively resilient despite the prolonged period of real terms budget reductions. The last 19 months has seen councils meet the unprecedented challenges of dealing with the impact of COVID-19.
73. There is little doubt the substantial in year support from Welsh Government and effective partnership working meant services were maintained at a time of crisis. As councils move ever more deeply into the recovery phase it is important to indicate residual pandemic pressures remain and that a fair 2022-23 settlement will be needed to avoid deep cuts in key areas of local government.
74. Budget pressures in the forthcoming financial year will total over £324m which is 7% of Aggregate External Finance or just over 5% of net revenue expenditure. There is the possibility that pressures are exacerbated by the withdrawal of funding such as the Integrated Care Fund that is currently supporting the core social care offer.
75. Finally, on social care, it is evident from the social care profession that the current demand across adults and children's services is having a profound impact on the whole system. Local authorities are finding it very difficult to manage the pressure in these services for the most vulnerable people in our communities. The additional funding available to Welsh Government from the anticipated the health and social care levy following the increase in National Insurance contributions provides a unique opportunity to address systemic issues in the social care delivery models in Wales through sustainable investment.

Cleared by: Councillor Anthony Hunt



APPENDIX – LA DECARBONISATION COMMITMENTS

These commitments, agreed by Leaders, have been included in the draft 'Public Sector' chapter of the Net Zero Wales document being prepared for release to coincide with COP26 and Wales Climate Change week. (

LA Key commitments for 2021-2025

Local Government strategic commitments	
<p>Commitment # - Strong structures in place for strategic planning and communication and a two year programme of support through the WLGA funded by WG.</p> <p>Commitment # - All LAs have living decarbonisation action plans in place, which will be reviewed regularly with lessons and best practice shared through the WLGA support programme, the first review by end of 2021.</p> <p>Commitment # - from 2021 onwards emissions will be monitored annually, using baseline data. Annual reviews will report progress and drive improvements</p>	
<p>Buildings</p> <p>Commitment # - Develop and deliver a strategic plan for the local authority estate decarbonising existing (retained) buildings including retained council housing, moving to renewable energy sources for electricity and heating, and ensuring any new build is to net zero standards (in construction and operation)</p> <p>Commitment # - Ystadau Cymru as strategic lead for the public sector will work with LA estate managers to identify and shape what the estate will look like longer term (following recovery from the pandemic) ensuring decarbonisation is at the forefront of this agenda, and help drive the next three commitments:</p> <ul style="list-style-type: none"> • Develop a strategic plan for decarbonising buildings by the end of 2023 • All public buildings are supplied with low carbon heat by 2030 and generate their own electricity where feasible. • All new [new build and new acquisitions, e.g. hubs and lease arrangements] public sector buildings are built to net zero standard, including supply chain impacts as soon as practicable/dates to be confirmed as part of strategic plan. (net zero build and net zero operation) <p>Commitment # - Work with the 21st Century schools programme to establish and address cost differential and barriers to building net zero/carbon positive schools [note assuming a separate 21st C Schools programme contribution in the NZW – this could come out?]</p> <p>Commitment # - Plan ahead for a coordinated programme of boiler replacement in council-owned properties</p> <p>Commitment # - Work with colleges to develop a 'pipeline' of skilled workers, through apprenticeships and training, to support LA retrofit work.</p>	<p>Procurement</p> <p>Around 60% of a council's carbon emissions are from procuring supplies and services. There are significant opportunities for councils and other public sector bodies to collaborate on specifications to minimise the carbon impact of goods and services procured (e.g. setting contractual expectations in respect of reusable packaging, delivery of goods by electric vehicles, elimination of single use plastics, waste recycling targets for each business)</p> <p>Commitment # - Develop a good understanding by end of 2022 of all procured goods and services and its emissions profile.</p> <p>Commitment # - Set out carbon reduction specifications in all new or reviewed contracts to accelerate the decarbonisation agenda.</p> <p>Commitment # - Focus on a number of prioritised scale/impact contracts and share the learning regarding decarbonisation across all LAs by end of 2022 to develop a robust decarbonisation reduction approach to be applied to all contracts by 2023.</p>
<p>Mobility and Transport</p> <p>Commitment # - Accelerate transformation towards a zero emission fleet. Building on LA fleet reviews completed in 2021, develop business plans through 2022 setting out how LAs will decarbonise their fleet, including:</p> <ul style="list-style-type: none"> • Accelerate the roll-out of EV charging infrastructure • All new cars and light goods vehicles being net zero/ultra-low emission by 2025. • Reduce the carbon footprint of buses, taxis and private hire vehicles to zero by 2030. <p>Commitment # - Grey Fleet review completed by end of 2022 to identify how to support staff and service delivery to reduce travel requirements where possible and transition to low/zero emission transport.</p> <p>Commitment # - Support remote working by staff where possible and appropriate, at home or in 'hubs', and encourage travel to work via active travel and public transport to reduce car journeys.</p>	<p>Land Use</p> <p>Commitment # - In collaboration with NRW / WLGA / WG map out LA land holdings by April 2022 to identify types of land and their sequestration potential to develop plans to maximise carbon benefits, renewable energy and to identify potential flood management measures</p> <p>Commitment # - Carbon sequestration seen by leaders as a valid core purpose for use of public land and opportunities actively pursued by LAs on their own land, including habitat restoration, tree planting etc as appropriate</p> <p>Commitment # Develop a specific five-year training and apprenticeship programme on peatland restoration to support the supply chain (which could tie into proposals for a National Nature Service).</p>

Local Government and Housing Committee **Agenda Item 4**

Date: 12 January 2022

Time: 10.30am – 12pm

Title: Welsh Government Draft Budget Scrutiny 2022-23

Introduction

The Draft Budget includes spending plans for 2022-23. This paper provides evidence to the Committee on the future programme budget proposals in relation to the Local Government budgets within the Finance and Local Government MEG as outlined in the Draft Budget which was laid on 20 December 2021.

Annex A provides a breakdown of the relevant Draft Budget figures for the Finance and Local Government Main Expenditure Group (MEG) by Spending Programme Area, Action and Budget Expenditure Line (BEL). These figures are reflected in the table below.

Financial Tables

	2021-22 Final Budget £'000	2022-23 Draft Budget £'000	Change £'000	% Change	2023-24 Draft Budget £'000	2024-25 Draft Budget £'000
Revenue	3,983,584	4,248,173	264,589	7%	4,332,499	4,435,742
Non Cash	0	0	0	0	0	0
Total Resource	3,983,584	4,248,173	264,589	7%	4,332,499	4,435,742
Capital	197,837	150,000	-47,837	-24.2%	200,000	200,000
Financial Transactions	0	0	0	0	0	0
Total Capital	197,837	150,000	-47,837	-24.2%	200,000	200,000

Programme for Government Commitments

The Local Government budgets support the delivery of a number of Programme for Government commitments as set out below.

Seek to reform council tax to ensure a fairer and more progressive system

I announced my plans for the reform of the council tax system on 7 December. Provision for this work is made through the Local Taxation, Research and Analysis BEL. Further information is provided under the 'Budget Allocations' section of this document.

Make the case for clear and stable tax devolution

The two local taxes, council tax and non-domestic rates, are integral part of the local government finance system in Wales. Alongside my plans for reforming the council tax system, on 7 December, I set out the need to consider reforms to the non-domestic rates system. Much of the local government finance system predates devolution and, while the policy responsibilities for the two taxes are largely devolved, certain aspects of the system remain closely intertwined with the arrangements in England. One of our objectives in reviewing both the local taxes will be to define the devolved powers more clearly and secure greater autonomy for the Welsh Ministers and the Senedd in relation to decision-making so that we can ensure the local taxes are designed to best meet the needs of Wales.

Provision for this work is also made through the Local Taxation, Research and Analysis BEL. Further information is provided under the 'Budget Allocations' section of this document.

Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services

This Programme for Government commitment will be delivered through the funding for local government sector-led improvement, including around digital transformation (which also delivers against the PfG commitment to deliver the Digital Strategy), through the Transformation and Legislation BEL. Work to improve Community Council financial management and governance is funded by the Community and Town Council BEL and an allocation from the Transformation and Legislation BEL.

Any direct engagement with local authority specific statutory intervention and support programmes are funded through the Improvement and Support BEL. Other work which will contribute includes our financial reform and work on reforming council tax; and increasing democratic participation. This will be funded through the Transformation and Legislation BEL and the Local Taxation, Research and Analysis BEL.

Reduce the Administrative burden on local authorities

There are no funding implications for this commitment in 2022-23. The intention is to scope the work next year, working with WLGA and across Welsh Government, recognising that the administrative burdens could come from a range of portfolio areas. The exercise would then be undertaken in the second half of this term.

Explore & develop effective tax, planning and housing measures to ensure the interests of local people are protected

As part of the three-pronged approach announced by the Minister for Climate Change in July, the Welsh Government recently consulted on possible changes to the local taxes to help local authorities in managing the impact of second homes and self-catered accommodation in their areas. The responses are being considered and will inform future policy development. The Local Taxation, Research and Analysis BEL includes provision for implementing any changes and the additional analyses of information on second homes and self-catering accommodation within the local tax-base.

Reform local government elections to reduce the democratic deficit

This commitment is being delivered in two phases, the first to May 2022 will pilot a range of flexible voting options for voters in four local authority areas. This work will then be evaluated and considered for roll out across Wales in advance of our next scheduled sets of devolved elections in 2026 and 2027. The second phase of the work is also looking at how further reforms to voter information and engagement and improved accessibility to the electoral system can encourage more voters to engage with the democratic process. This work is being undertaken in conjunction with work on expanding the access to elected office programme and increasing diversity in democracy. This work will be funded from the Elections Policy BEL and funding provided to principal councils through the RSG, which also recognises the costs of implementing the Local Government and Elections (Wales) Act 2021.

Expand our Access to Elected Office programme

I have established a pilot Access to Elected Office fund which ran in advance of the Senedd elections last year and will now be available to candidates with disabilities in the forthcoming principal council and town and community council elections. This pilot will be evaluated and the learning will be used to consider how the fund and other forms of potential support could be improved and expanded to encompass people with other protected characteristics. This work will be funded from the Transformation and Legislation BEL.

Delivery of the Local Government Chapter in the Race Equality Action Plan

The Welsh Government is committed to enabling an anti-racist Wales. As part of this I will ensure the legislative and governance framework for local government promotes actions and decision making that is anti-racist. I am taking forward a range of changes to the legislative framework to ensure local authority governance takes place within a statutory framework that supports equality and diversity and actively promotes anti-racism. This will also enable local government to review its own recruitment, internal human resources policies and complaints processes to ensure they are anti-racist. This work will be funded from the Transformation and Legislation BEL.

Ensure that each region in Wales has effective and democratically accountable means of developing their future economies

Specific grant funding was provided in 2021-2022 to help regions put in place arrangements to establish the constitutional arrangements for their Corporate Joint Committees and transition across existing regional governance arrangements as appropriate.

Going forward this is reflected in the core funding received through the unhypothecated Local Government Settlement, to reflect the fact that undertaking and supporting collaboration between local authorities is part of the core operating model for local government. As set out below, the Local Government settlement has increased significantly to £5.1 billion in 2022-2023.

Change the performance framework for local government to better enable innovation, transparency, and local ownership

This relates to implementation of the new performance and governance regime in the Local Government and Elections (Wales) Act 2021. Support for local authorities to undertake self-assessments and panel assessments is provided through the local government sector-led Improvement and Support Programme, funded through the Transformation and Legislation BEL.

Any direct engagement with local authority specific statutory intervention and support programmes are funded through the Improvement and Support BEL.

Budget allocations

The Local Government Directorate supports the delivery of a number of Programme for Government commitments as detailed above. In accordance with Welsh Government budget management principles, allocations to support the delivery of these commitments have been targeted towards interventions that are affordable and offer value for money. Details of the allocations and the PfG commitments they support are provided below.

A Strategic Integrated Impact Assessment was published alongside our Draft Budget on 20 December; this sets out how our interventions have been targeted to address economic, climate and other impacts. Allocations have been made throughout this portfolio to address impacts that have been identified and with the principles of the Wellbeing of Future Generations Act in mind. These details are provided throughout this paper.

The well-being duty in the Well-being of Future Generations (Wales) Act 2015 continues to shape our ongoing improvements to our budget process. These are set out in our Budget Improvement Plan, developed through engagement with the Future Generations Commission, where we publish annually a rolling five year plan of continuous improvement to budgeting and tax processes to further embed the sustainable development principle.

This year it has influenced the budget because the well-being objectives set by this Government in its Programme for Government have been at the heart of the budget process. Setting the well-being objectives early in this term has enabled these to form part of the budget discussions.

The Well-Being of Future Generations (Wales) Act 2015 has been taken into consideration when making **budget allocations** as set out below.

Revenue

Revenue Support Grant

The revenue support grant (RSG), together with non-domestic rates forms the local government settlement. The increase in the RSG for 2022-23 is £368m (10.2%) leading to an overall increase in the settlement on a like for like basis of £437m (9.4%).

Local government is a key partner in delivering the programme for government. Providing this significant funding un-hypothecated means local authorities have the flexibility to plan, fund and deliver their services in the way that works best for their local populations.

The Wellbeing of Future Generations Act requires local authorities, alongside other public bodies, in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. Local authorities are responsible for considering impact assessments and the Socio Economic Duty in the decisions they make about delivery of their services.

The Government has worked closely with Local Government through the WLGA and through the Finance Sub Group, to understand the pressures faced by local authorities and our shared ambitions for local government services. Our funding decisions, reflected through the Local Government settlement, and specific grants, recognise increases in demand, inflation and pay awards for hard working staff as well as our mutual ambitions for essential services for the people of Wales. Social care is one area in particular where there are significant pressures, from increasing and increasingly complex demands. This significantly increased funding allows authorities to deliver on our shared commitment to the payment of the real living wage to social care staff.

We also know that following the pandemic the way that services are delivered and the way people use services have changed and that some of these changes are permanent. There is no separate local government hardship fund for 2022-23 onwards as there has been no specific funding from the UK Government for Covid recovery. However the increase in the settlement is such that it gives local authorities flexibility to continue to manage additional costs and loss of income. The WLGA estimated this at £75.5m for the 2022-23 year. They will also be working with their partners who deliver services, for example arts and leisure trusts to manage the ongoing impact of the pandemic.

The increase in in the settlement gives the support for local authorities to start to address these challenges, with funding sufficient to meet increased wage forecasts and inflation. There will inevitably still be pressures and we will continue to work closely with the sector. In addition the provision of overall funding levels for 2023-24 and 2024-25 will enable local authorities to plan over a three year basis.

Alongside the settlement there is a large number of grants given for specific outcomes, these include those to recover from the pandemic – for example in education. The total of specific grants for 2022-23 is over £1.1 billion for revenue and almost £800 million in capital.

Rates Relief and Multiplier Freeze

An additional £105m has been allocated for non-domestic rates (NDR) support in 2022-23 (BEL 875). This has been allocated to extending our relief scheme for businesses and other ratepayers in the retail, leisure and hospitality sectors.

In addition, £35m has been allocated to the Non-Domestic Rates Pool to freeze the multiplier for 2022-23. The decision to freeze the multiplier will ensure that, before applying any reliefs, there will be no increase in the amount of rates which businesses and other ratepayers pay next year. The funding will be managed through the non-domestic rates pool to ensure that the overall funding which local authorities receive through the local government settlement is unaffected.

Our Retail, Leisure and Hospitality Rates Relief (RLHRR) scheme will be extended to provide continued support for the sectors most directly affected by the Covid-19 pandemic. The scheme will provide an additional £116m of rates relief for eligible businesses in 2022-23. The balance between the cost of the scheme and the additional allocation will be met from the existing baseline provision.

All retail, leisure and hospitality ratepayers in Wales will receive up to 50% relief on their rates bills for the year. Like the equivalent scheme announced for England, our scheme will be capped at £110,000 of relief per business across Wales.

Our approach ensures that businesses in Wales will not be disadvantaged compared to other parts of the UK.

Allocation for Local Government Directorate to reform the local taxes

As mentioned above, the updated Programme for Government includes a commitment to 'seek to reform council tax to ensure a fairer and more progressive system'. There are a number of other commitments which are relevant to the development of the local taxes in Wales, including to 'make the case for clear and stable tax devolution' and to 'strengthen the autonomy and effectiveness of local government to make them more successful in delivering services'. The local taxes also have a contribution to make to the commitment to 'explore and develop effective tax, planning and housing measures to ensure the interests of local people are protected'.

Based on extensive work conducted over the 5th Senedd Term, on 7 December, I announced an ambitious package of reforms to council tax as the first steps in redesigning the system so that it becomes more progressive. The package includes the potential for a revaluation exercise, a review of the council tax reduction scheme and consideration of whether our system of discounts, exemptions and premiums could help to achieve a fairer system.

Work will also continue on exploring longer term ideas such as whether a system more closely linked to land values has potential as a more progressive way of raising revenue and what reforms are needed to the non-domestic rates system.

Alongside these plans, the Welsh Government recently conducted a consultation looking at possible changes to the local taxes which might support local authorities in

managing the impact of second homes and self-catered accommodation in their areas. The responses are being analysed with a view to informing future policy developments.

The allocation of £2.8m to the Local Taxation Research and Analysis budget in 2022-23 will support the delivery of this package of work, including the technical work required to support a possible council tax revaluation, the assessment of options for reforming non-domestic rates and the detailed exploration of the feasibility of a land value tax as an alternative way of raising revenue for local services.

Allocation for Transformation and Legislation

The additional allocation of Transformation and Legislation budget of £1.3m in 2022-23 supports the continued work to implement the Local Government and Elections (Wales) Act 2021 and the transformation in local government. The planned work includes the further implementation of digital transformation, as well as facilitating decarbonisation initiatives in local government, supporting local government improvement functions, and enabling the development of community councils. The budget will also support work to improve access to elected office and the implementation of the Race Equality Action Plan within local government, as well as support work related to the wider reform of the local government finance system.

Allocation for NDR revaluation

All non-domestic properties are revalued for rating purposes according to timetables set out in law. The next revaluation will take effect on 1 April 2023 based on properties values assessed as at 1 April 2021. The additional allocation of £3.7m in 2022-23 will support the associated work, including the additional costs of valuation work carried out by the Valuation Office Agency in delivering the revaluation for Wales (BEL 1500).

Revaluation maintains the integrity of the tax-base which raises around £1.4bn of revenue each year for local services in Wales. As well as supporting the statutory functions, the revaluation will reflect market conditions, including the impact of Covid, and will redistribute liability for non-domestic rates across the tax-base.

Allocation to reform LG elections

Reflecting recently devolved powers to Welsh Ministers, this allocation of £2m in 2022-23 creates a new budget to specifically support the reform of electoral administration for devolved elections by improving the accessibility of the voting process for voters, including through the use of technology and improving voter information and engagement with the democratic process.

Capital

Local Government

The local government supported borrowing allocation of £88.8m continues at the same level as previous years for the period of this budget. This supports authorities to borrow as part of their capital programmes to increase the level of investment over and above that provided by specific grants.

The highways refurbishment grant of £20m ended on 31 March 2022, this was a time limited grant introduced in the 2017-18 supplementary budget and subsequently extended for 4 years. The general capital funding has also decreased in 2022-23 by £27.8m to enable the overall management of capital budgets and commitments across Welsh Government including specific grants to local government such as Sustainable Communities for Learning (formerly 21st century schools and colleges). Capital programmes are managed over a multi-year period and funding increases again to £200m from 2023-24. Recognising the priority which needs to be given to responding to the nature and climate emergency, consideration will be given to whether part of this increase should be directed specifically to address decarbonisation and support Net Zero Wales. This will be undertaken in discussion with Local Government as part of the ongoing programme of work overseen through the Partnership Council for Wales, the WLGA and the Decarbonisation Panel.

EXTRACT FROM FINANCE AND LOCAL GOVERNMENT MAIN EXPENDITURE GROUP (MEG)				
RESOURCE BUDGET				
MEG	BEL	2021-22 Final Budget £000's	Changes £000's	New Plans Draft Budget 2022-23 £000's
Finance & Local Government	Local Govt Gen Rev Funding	3,609,542	354,812	3,964,354
	Police General Revenue Funding	88,350	23,985	112,335
	Non Domestic Rates - Rates Relief	27,700	105,000	132,700
	Local Govt PFI Revenue Consequences	2,992	-132	2,860
	Transformation & Legislation	6,175	2,259	8,434
	Non Domestic Rates Collection Costs	5,172		5,172
	Emergency Financial Assistance	229,871	-229,870	1
	Total Funding Support for Local Government Action	3,969,802	256,054	4,225,856
	Valuation Office Agency Services	8,561	3,735	12,296
	Valuation Tribunal for Wales	1,039		1,039
	Local Taxation Research & Analysis	100	2,800	2,900
	Council Tax Reduction Scheme	0		0
	Total Valuation Services Action	9,700	6,535	16,235
	Total Local Government Funding SPA	3,979,502	262,589	4,242,091
	Local Democracy and Boundary Commission	598		598
	Local Government Democracy	126		126
	Election Policy	0	2,000	2,000
	Total Building Local Democracy Action	724	2,000	2,724
	Improvement & Support	1,550		1,550
	Total Local Government Improvement Action	1,550	0	1,550
	Academi Wales	1,134		1,134
	Total Academi Wales Action	1,134	0	1,134
	Community and Town Councils	144		144
	Public Services Boards	530		530
	Total Supporting Collaboration & Reform Action	674	0	674
	Total Improving Services, Collaboration & Democracy SPA	4,082	2,000	6,082
		EXTRACT FROM FINANCE AND LOCAL GOVERNMENT MEG TOTAL RESOURCE BUDGET	3,983,584	264,589

EXTRACT FROM FINANCE AND LOCAL GOVERNMENT MAIN EXPENDITURE GROUP (MEG)

CAPITAL BUDGET

MEG	BEL	2021-22 Final Budget £000's	Changes £000's	New Plans Draft Budget 2022-23 £000's
Finance & Local Government	Local Government General Capital Funding	197,837	-47,837	150,000
	Total Local Government General Capital Funding Action	197,837	-47,837	150,000
	Total Local Government General Capital Funding SPA	197,837	-47,837	150,000
	EXTRACT FROM FINANCE AND LOCAL GOVERNMENT MEG TOTAL CAPITAL BUDGET	197,837	-47,837	150,000

Agenda Item 6

Local Government and Housing Committee

12 January 2022 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 3	Forward work programme	Chair of Local Government and Housing to the Minister for Climate Change	To note
Paper 4	Scrutiny of Accounts – Senedd Commission	Chair of Public Accounts and Public Administration Committee	To note
Paper 5	Inter-Institutional Relations Agreement	Chair of Legislation, Justice and Constitution Committee	To note
Paper 6	Forward work programme	Shelter Cymru	To note
Paper 7	Forward work programme	Bevan Foundation	To note
Paper 8	Building safety	CladDAG	To note
Paper 9	Forward work programme	Chair of Children, Young People and Education Committee	To note
Paper 10	Review of Committee timetable and remits	Business Committee	To note

Agenda Item 6.1

**Pwyllgor Llywodraeth Leol
a Thai**

—

Local Government and Housing Committee

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Julie James MS, Minister for Climate Change
Welsh Government

9 December 2021

Dear Minister,

Meeting with National Residential Landlords Association

I recently met with Ben Beadle, Chief Executive Officer of the National Residential Landlords Association (NRLA) to discuss matters relating to the private rented sector in Wales. I agreed to raise some of the issues we discussed with you.

Tenancy Hardship Grant

Whilst the NRLA supports the Welsh Government's Tenancy Hardship Grant, Mr Beadle raised concern at the low take up among tenants and suggested that increasing promotion and accessibility of the scheme could improve this. A particular concern raised with me is that the only information available on the Rent Smart Wales website is in the form of a PDF document, which can be difficult to locate; NRLA suggested that a clear and easy to access web page on the Rent Smart Wales website would be beneficial. They also noted that, although the Welsh Government's website contains a number of contact email addresses for local authorities about how to apply for the Grant, it does not include a function to enable someone to make an application. It was suggested that enabling someone to make an application through the Welsh Government's website and then selecting the relevant local authority to send it to could improve accessibility and increase take up.

It would be helpful if you could provide updated figures on the uptake of the Tenancy Hardship Grant and consider the feasibility of implementing the suggestions made by NRLA in order to promote the scheme and increase take up.

Developing a Welsh housing survey

NRLA also raised concern that improved evidence is needed for developing PRS related policies in Wales, and called for the development of an annual housing survey for Wales, similar to the one conducted in England. NRLA suggested that the Welsh Government could develop an expert group of housing organisations to draw up detailed plans for what a survey should look like including what it should measure and when it should be published.

Please could you outline what work the Welsh Government is currently undertaking to improve the evidence base on housing, particularly in the private rented sector, and what consideration you have given to developing an annual housing survey for Wales.

Support for low income renters

NRLA also expressed concern about the number of private renters in Wales whose Universal Credit award is insufficient to meet their rent payments. They referred to figures for May 2021 which show that 67.5% of private rented households in Wales who relied on Universal Credit to help pay their rent had a gap between the housing cost support element and the rent they paid and that according to the UK Government, where such a gap exists, the average shortfall is £80 a month. NRLA believe this is likely to worsen as a result of the decision to freeze the Local Housing Allowance in cash terms from April 2021, which is used to calculate the housing cost element of Universal Credit. NRLA would like the Department for Work and Pensions and the Treasury to unfreeze the Local Housing Allowance and restore the rate so that it is pegged to the 30th percentile of market rents, as happened during lockdown.

Please could you provide assurance that the Welsh Government will continue to raise this matter with the UK Government.

Yours sincerely



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

**Public Accounts and Public
Administration Committee**

Manon Antoniazzi
Chief Executive and Clerk
Senedd Commission

10 December 2021

Dear Manon

Use of the term BAME

During the Committee's consideration of its draft report, Scrutiny of Accounts: Senedd Commission 2020-21, there were a number of references to the acronym BAME. One Member asked that this not be used as citizens who represent this community, feel it is offensive. The Committee Members were in full agreement and where the term had been used in the narrative rather than a direct quote from a publication or the Record of Proceedings, it was amended to read 'ethnic minority communities'. I am sure you will have seen this phrase in our recently published report.

The Committee asked that I write to you requesting that the Senedd Commission stops using the term BAME. The Commission on Race and Ethnic Disparities produced an independent Report in April 2021 for the UK Government to investigate race and ethnic disparities in the UK. One of the areas considered, was the use of the terms BAME and BME, and in March 2021, the Commission on Race and Ethnic Disparities recommended that the UK government stop using the term BAME. The UK government is currently considering its response to the Commission's Report.

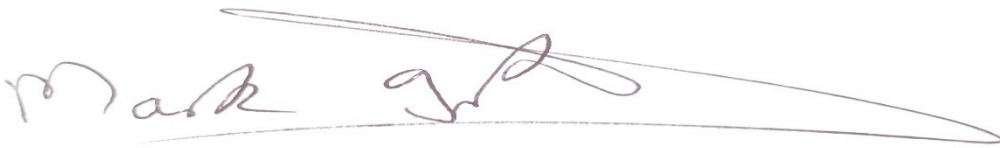
The Committee would welcome the Senedd Commission's views on this request once it has been fully considered.

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

I am copying this letter to all Committee chairs requesting that consideration be given to not using the term BAME in any committee correspondence and publications.

Thank you

Regards

A handwritten signature in black ink, appearing to read 'Mark Isherwood', written over a horizontal line.

Mark Isherwood MS
Committee Chair

**Legislation, Justice and
Constitution Committee**

Chair, Children, Young People, and Education Committee
Chair, Climate Change, Environment, and Infrastructure Committee
Chair, Committee for the Scrutiny of the First Minister
Chair, Culture, Communications, Welsh Language, Sport, and International Relations
Committee
Chair, Economy, Trade, and Rural Affairs Committee
Chair, Equality and Social Justice Committee
Chair, Finance Committee
Chair, Health and Social Care Committee
Chair, Local Government and Housing Committee
Chair, Public Accounts and Public Administration Committee

21 December 2021

Dear Chair

Inter-Institutional Relations Agreement

Last week our report on the Inter-Institutional Relations Agreement between Senedd Cymru and the Welsh Government was noted by the Senedd.

I would like to draw your attention to this report, which includes the Agreement.

The Agreement represents the agreed position of the Senedd and the Welsh Government on the information that the Welsh Government will, where appropriate, provide to the Senedd with regard to its participation in formal, ministerial-level inter-governmental meetings, agreements, concordats, and memorandums of understanding.

The Agreement is intended to support the Senedd's capacity to scrutinise Welsh Government activity

and to hold the Welsh Ministers to account in the intergovernmental arena. It therefore may be of interest to you in any future scrutiny work that you undertake.

Yours sincerely

Huw Irranca-Davies

Huw Irranca-Davies

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

Agenda Item 6.4
**CARTREF YW POPETH
HOME IS EVERYTHING**



Dear John,

We hope this finds you and your team well.

We wanted to take the opportunity to write to you and the wider Local Government and Housing Committee in light of recent developments in relation to housing in Wales. We were broadly pleased with the proposals in the Welsh Government & Plaid Cymru co-operation agreement and look forward to working with you and the committee as we all play our part in tackling our shared housing emergency.

Shelter Cymru provides secretariat for the Senedd Cross Party Group on Housing on behalf of the Homes For All Cymru coalition. We wanted to draw your attention to the developing work of the group, which plans to run evidence and information sessions relating to the affordability crisis impacting upon housing in Wales. We believe that the sessions will complement the ongoing work of the committee and warmly invite you and colleagues to engage with the debate. We would also like to extend the opportunity for the CPG to provide the committee with a written report of the sessions, to help support the committee's work over the Senedd term.

One of the most pleasing aspects of the revised Programme for Government is the commitment to a White Paper on the right to adequate housing in Wales. Thank you for being a sponsor of the launch of the first of two elements of the related cost benefit analysis by Alma Economics last week. A right to adequate housing in Welsh law is something that Shelter Cymru, alongside colleagues in CIH Cymru and Tai Pawb have long called for and we understand that the committee has planned associated work. We look forward to engaging with yourself and colleagues to support this.

In particular, we would like to draw the committee's attention to the [Living Home Standard](#), produced by Shelter Cymru. The standard was published in 2017 and was the result of joint working between Shelter Cymru and British Gas, engaging the public to paint a picture of what people perceive an acceptable home to be. We believe that there are many aspects of this research transferrable to today's context and would welcome the opportunity to discuss how we may be able to use the standard to help inform thinking in this space.

Our housing emergency is a sizeable challenge and we look forward to working further with you, and the committee, to help scrutinise and support, with the aim of ensuring that everybody in Wales has a good home of their own.

Merry Christmas and wishes for a healthy and happy new year,

Ruth Power, CEO | Shelter Cymru

A snapshot of poverty in Winter 2021

December 2021



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

This document forms part of a broader project of work developed in collaboration between the Bevan Foundation and the Joseph Rowntree Foundation. The Bevan Foundation would like to thank the Joseph Rowntree Foundation for their ongoing support.

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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1. Introduction and Summary

The past 19 months have presented unprecedented challenges for families all over Wales. The Bevan Foundation's *Snapshot of Poverty* series has demonstrated that not everyone has been affected equally by the pandemic and the cost-of-living crisis. Our surveys from December 2020¹ and May 2021² showed that low-income households, renters, disabled people, lone parents, and adults aged between 25 and 64 have all been more likely to cut back on essentials or to fall into debt than other groups.

With the end of the £20 uplift to Universal Credit and living costs on the rise we commissioned YouGov to undertake a new survey to see how Welsh households are coping this winter. The findings indicate a deteriorating situation with more households struggling to make ends meet than when the last survey was undertaken in the summer.

1.1 Key findings

Nearly four in ten Welsh households (39 per cent) do not have enough money to buy anything beyond everyday items. This is a deterioration from the position in May when the figure stood at 33 per cent. This means that the total number of households struggling to cover the cost of everyday essentials has increased from approximately 110,000 in May to 165,000 in November.³ The increase is equivalent to the total number of households in Gwynedd.

Our latest data suggests that the situation could even deteriorate further. The key findings are set out below:

- **Incomes are still falling but not for everyone** - More than three in ten households with a net income of less than £40,000 have seen their income drop since May 2021. For households with a net income of more than £40,000 more than one in five have seen their incomes increase.
- **Living costs are still rising** - Households across Wales have seen their living costs increase. More than half have seen the cost of food increase with more than six in ten seeing the cost of their utilities increase.
- **Living standards are being squeezed** - Thousands of households are having to cut back and ration their use of the essentials we all need to live with dignity. Low-income households, renters, disabled people, lone parents, and adults aged between 25 and 64 more likely to have had to cut back on everyday essentials than other groups.
- **The impact on children is getting greater.** More than one in five families with children have had to cut back on items for children including books, toys, nappies

¹ Bevan Foundation, *A snapshot of poverty in winter 2020* (December 2020) available at - <https://www.bevanfoundation.org/publications/poverty-in-winter-2020/>; and Bevan Foundation, *Differing experiences of poverty in Winter 2020* (February 2021) available at - <https://www.bevanfoundation.org/resources/differing-experiences-of-poverty/>

² Bevan Foundation, *A snapshot of poverty in spring 2021* (May 2021) available at - <https://www.bevanfoundation.org/resources/poverty-in-spring-2021/>

³ Calculations done by Bevan Foundation based on Welsh Government Household estimates for Wales, 2020 data

and clothing, whilst one in ten families with two children have had to cut back on food for children.

- **Personal debt is a major problem** - Since May 2021, 25 per cent of Welsh households have borrowed money whilst 12 per cent of Welsh households are at least one month behind on a bill. Low-income households, renters, disabled people, lone parents, and adults aged between 25 and 64 are more likely to be behind on a bill or to have borrowed money than others.
- **Many people are worried about losing their homes** – More than one in twenty households are worried about losing their home over the next three months. Six per cent of households have already been told that they will lose their home. This is equivalent to over 80,000 households forced to seek a new home.⁴
- **There is broad public support for taking action to support struggling households.** The majority of people in Wales support taking action that would ease the pressure felt by struggling households. This includes measures such as universal school meals, reforming Council Tax and building more social housing.

1.2 About this briefing

All figures quoted in this briefing unless otherwise stated are from YouGov Plc. The total sample size was 1,123 adults. Fieldwork was undertaken between 22nd and 25th November 2021. The survey was carried out online. The figures have been weighted (unless specified otherwise) and are representative of all Welsh adults (aged 16+).

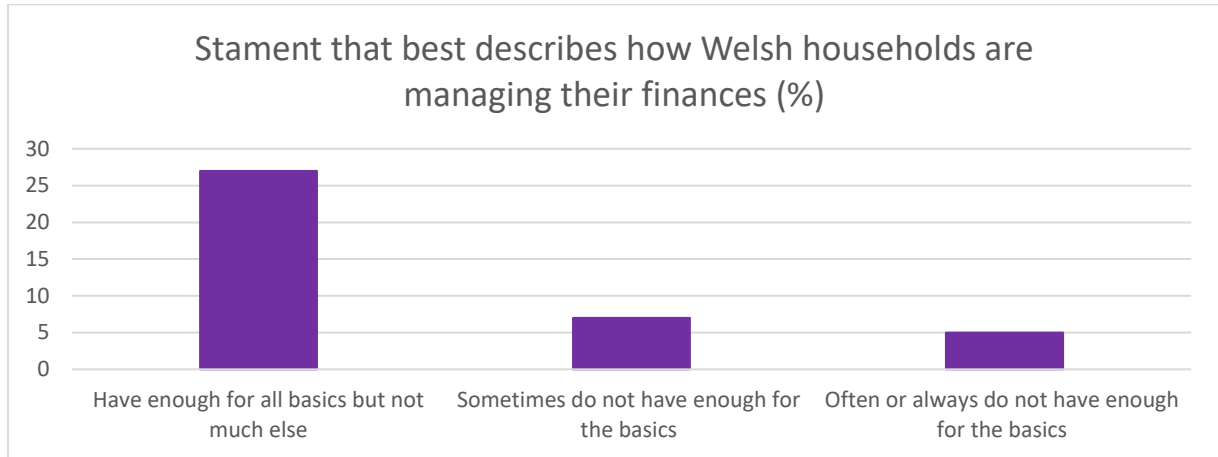
Short briefings are available on the impact of the pandemic on individual demographic groups. These briefings are available for free to Bevan Foundation supporters and subscribers on request.

⁴ Calculations done by Bevan Foundation based on Welsh Government Household estimates for Wales, 2020 data.

2. Living standards

2.1 Position in November 2021

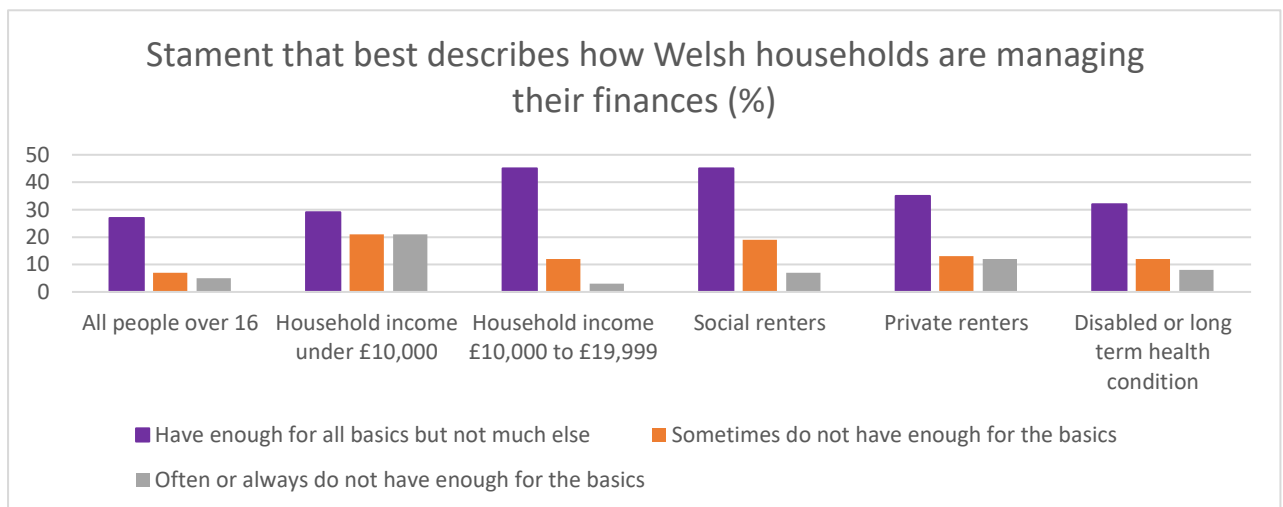
Nearly four in ten Welsh households (39 per cent) do not have enough money to buy anything beyond everyday items. This represents a deterioration from the position in May 2021 when one in three Welsh households (33 per cent) did not have enough money to buy anything beyond everyday items.



The total number of households struggling to cover the cost of everyday essentials has increased from approximately 110,000 in May to 165,000 in November.⁵ The increase is equivalent to the total number of households in Gwynedd, with the total number of households struggling to buy anything beyond everyday items now higher than the total number of households in Cardiff (156,000).

2.2 Different groups

It is perhaps not surprising that low-income households, disabled people and renters are among the groups that find it most difficult to find enough money to cover all their day-to-day needs.



⁵ Calculations done by Bevan Foundation based on Welsh Government Household estimates for Wales, 2020 data

The extent of the divide between the experiences of lower and higher income households highlights the clear link between household income and the ability to enjoy a decent standard of living. Whilst 71 per cent of households with an income of less than £10,000 find it difficult to afford anything beyond the basics the same is only true for 15 per cent of households with an income of over £50,000.

3. Incomes

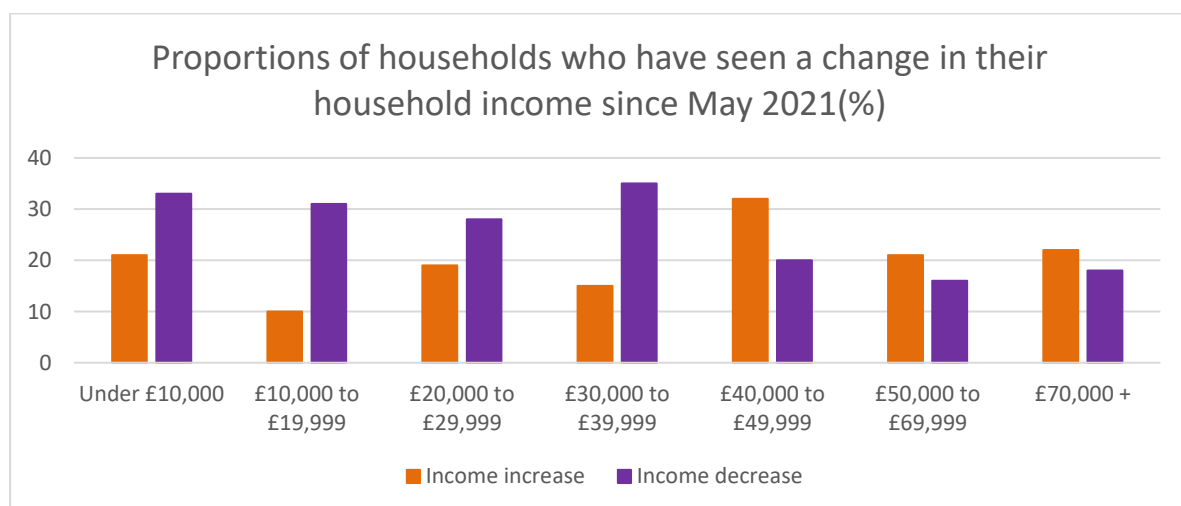
3.1 Position in November 2021

Between May and November 2021 more than a quarter (26 per cent) of households in Wales saw a reduction in their income, compared with only 17 per cent who saw their income increase.

Drawing direct comparisons with data we have collected in the previous two editions of our *Snapshot* series is made difficult given a slight change in the wording we used for the question in the latest poll. Our previous two polls asked respondents to reflect on the impact of the pandemic on their income. To reflect the possible impact of other factors on household income over recent months, such as the cut to Universal Credit we did not directly ask respondents about the pandemic. Despite this slight methodological change, it is clear that the trend that we have seen from the outset of the pandemic of more households reporting a reduction in their income than an increase is continuing.

3.2 Different groups

Stark differences are apparent between the experiences of low and high income households when it comes to a change in their household income since May 2021.



More than three in ten households with an income of less than £40,000 have seen a reduction in their income since May 2021. For households with an income of more than £40,000 however, more than one in five have seen their income increase.

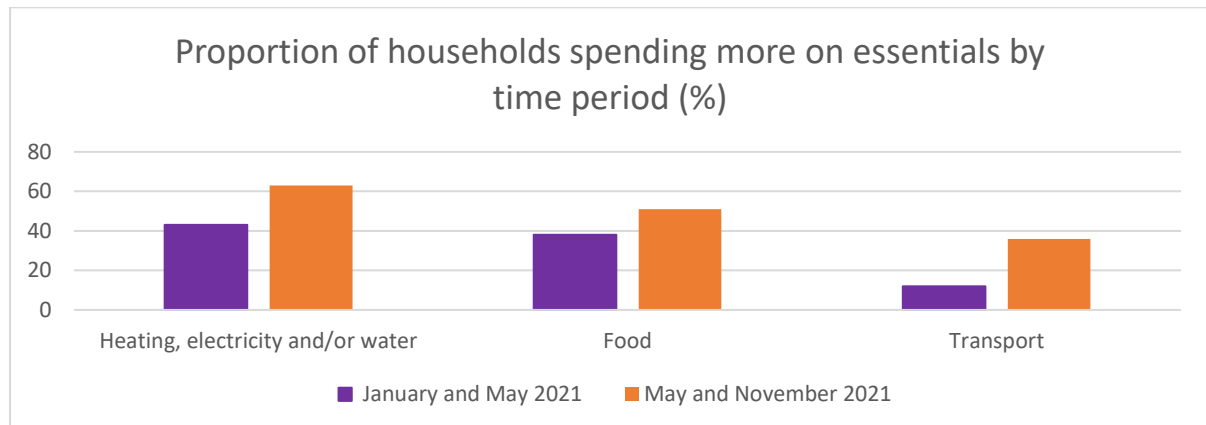
There is more than one reason why lower income households have been more likely to see a reduction in their income since May. The reduction in Universal Credit certainly does appear to have had an impact with 12 per cent of households that reported seeing a fall in their income stating that they had seen a reduction in the amount of support they receive through benefits, with the figure higher among the lowest income households.

There are other factors that are having an impact, however, including redundancy (17 per cent) and a reduction in work hours (16 per cent).

4. Living costs

4.1 The position in November 2021

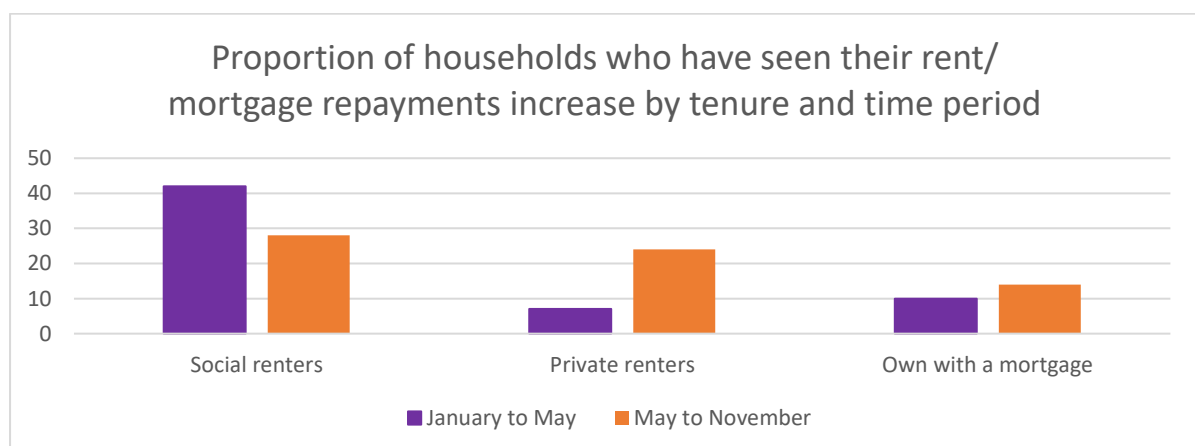
Living costs have increased dramatically since the publication of the Bevan Foundation's spring *Snapshot* report.⁶



These increases are on top of already significant increases in the cost of living that were reported in our December 2020 and May 2021 survey. This is likely to be a major factor as to why there are more households struggling to cover the costs of everyday items.

4.2 Different groups

The extent of the increases in living costs mean that they are now affecting households across Welsh society, meaning that broadly speaking there are no significant differences between the experiences of different groups. The one exception to this however is with regards to housing costs.



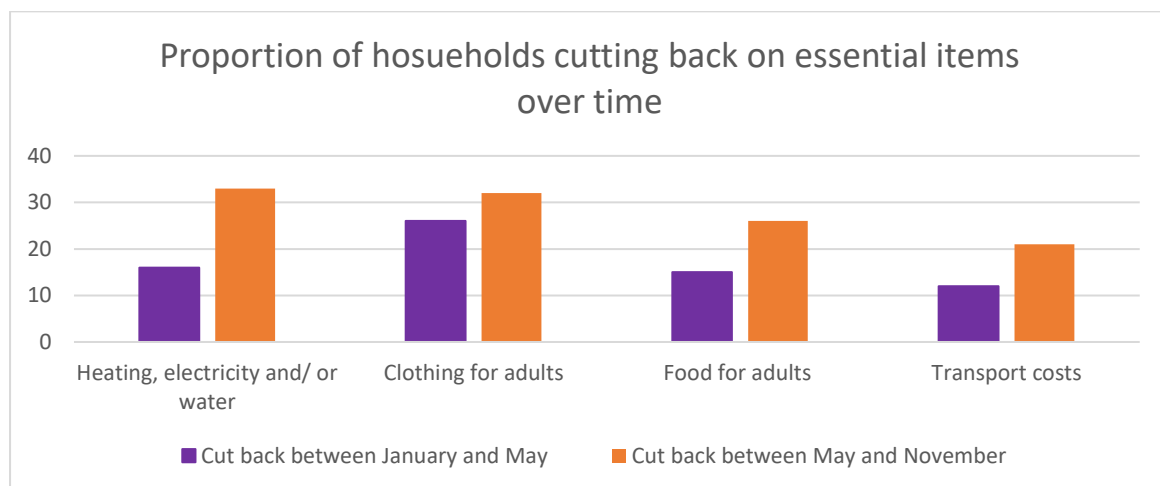
⁶ The CPI inflation rate has increased from 2.1 per cent in May 2021 to 4.2 per cent in October 2021; Office for National Statistics, *Consumer price inflation, UK: October 2021* (November 2021) available at - <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2021>

The latest data suggests that there has been a significant shift in rents within the PRS over the summer, lending support to other research that points to rapid increases in rental prices over recent months.⁷ Despite this, social renters continue to be the group most likely to have seen an increase in their rent.

5. Cutting back

5.1 Position in May 2021

The thousands of households in Wales who do not have enough money to cover their everyday needs are often faced with difficult decisions about cutting back on their use of the goods and services. The latest data highlights just how many households are forced to go without and points to a deteriorating situation.⁸



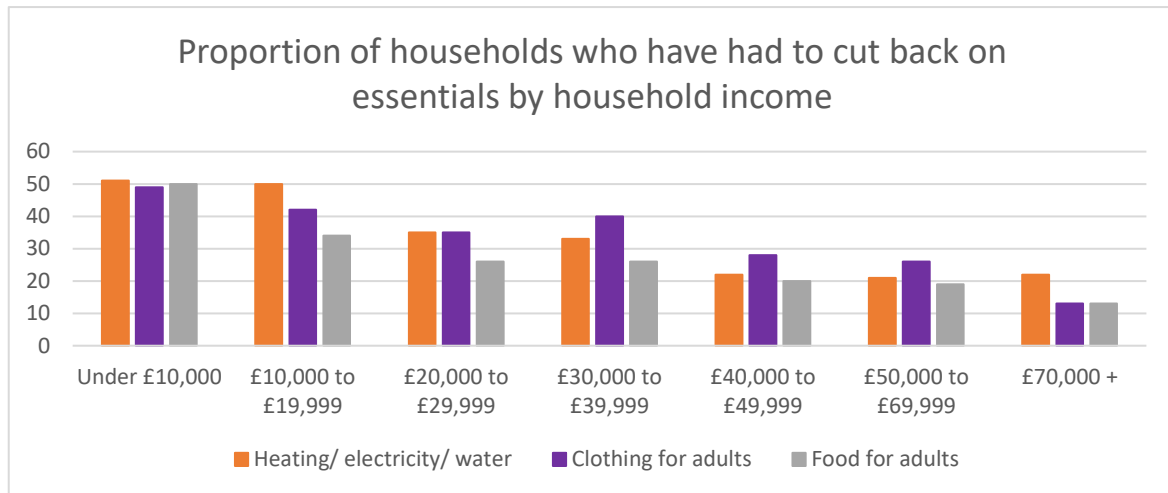
There is reason to be concerned that the situation could deteriorate even further. The latest data reflects people's position through the autumn into early winter. The fact that one in three households are already cutting back on their heating, electricity and/or water before we enter the coldest months, highlights the scale of the challenge.

5.2 Different groups

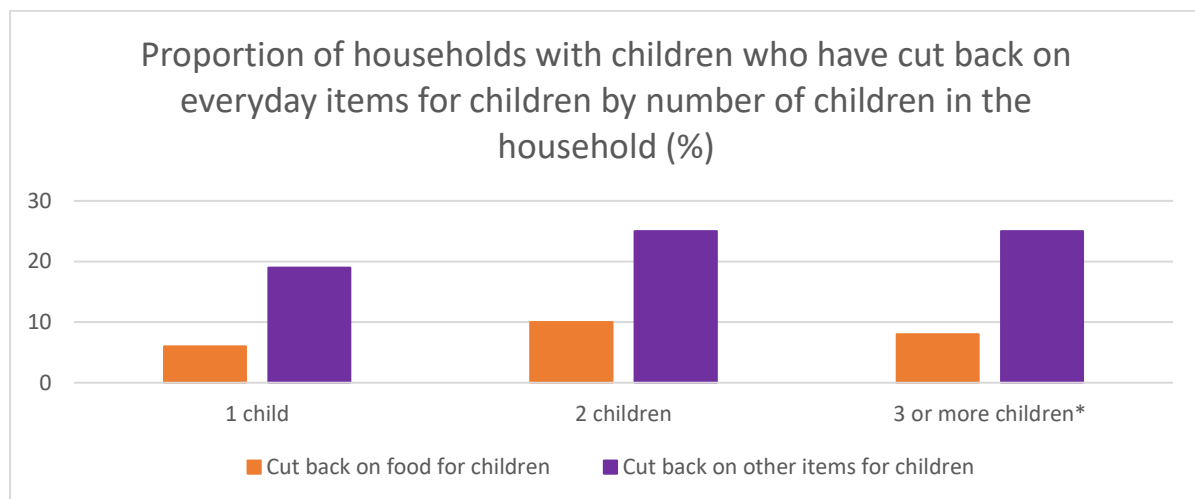
Given that low-income households, disabled people and renters are among the groups that find it most difficult to find enough money to cover the cost of day-to-day items, it is not surprising that they are among the groups that have been most likely to have to cut back over recent months. The impact of household income on people's experiences is especially stark.

⁷ Guardian, "UK rents 'rising at fastest pace in 13 years'" (16 November 2021) available at - <https://www.theguardian.com/money/2021/nov/16/uk-rents-rising-zoopla>

⁸ Caution needs to be taken when making direct comparisons between the May 2021 and November 2021 data due to the question being asked in a slightly different way. The May 2021 poll asked respondents to reflect on the impact of the pandemic. To reflect the possible impact of other factors on household we did not directly ask respondents about the pandemic.



A new pattern of concern that emerges from the most recent data is how many families are having to cut back on everyday items for their children. With more than one in five families having to cut back on items for children including books, toys, nappies and clothing, it is clear that this Christmas will be especially challenging for thousands of families.



*small sample size

Given the significant body of evidence that demonstrates the impact of poor nutrition in childhood on a child’s long term health the fact that more than one in twenty households with one child and one in ten households with two children are having to cut back on food for children is especially concerning.

6. Debt

6.1 Position in November 2021

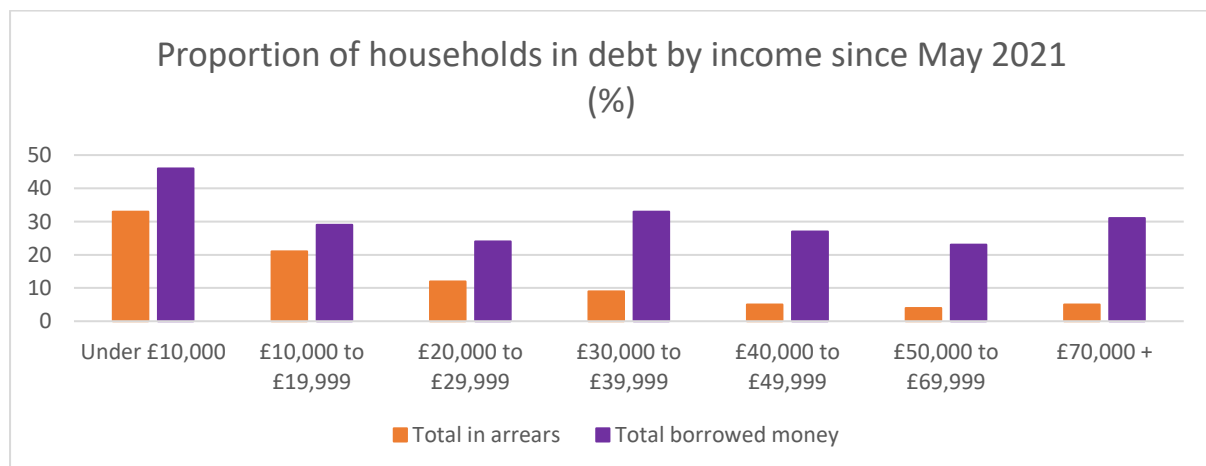
Households which are struggling to find enough money to cover their day-to-day needs can also be pushed into debt. The Bevan Foundation has recently undertaken extensive research exploring the impact of the pandemic on debt.⁹ The latest survey results demonstrate that it remains a significant problem for many households:

- Over 165,000 households (12 per cent) have been in arrears on a bill for more than a month.
- Over 340,000 households (25 per cent) have borrowed money since May 2021.

A slight methodological change in the question means that making comparisons between our most recent data to the data we gathered in the summer should be done cautiously.¹⁰ Even allowing for this however, the proportion of households that have borrowed money does seem to have increased between May and November compared to earlier in the year when only 17 per cent of Welsh households reported borrowing money. Credit card debt in particular appears to have increased with 11 per cent of households reporting that they had borrowed money on their credit card between May and November compared to 6 per cent in the period between January and May.

6.2 Different groups

As with cutting back low-income households, disabled people and renters are among the groups that have been most likely to be in debt in recent months.



There does seem to be an important difference between household's experiences when it comes to type of debt. Whilst the risk of falling into arrears on a bill is closely tied to household income, the same is not true for borrowing with a high proportion of higher income households also borrowing money.

⁹ Bevan Foundation, *Debt in the pandemic* (September 2021) available here - <https://www.bevanfoundation.org/resources/debt-in-the-pandemic/>

¹⁰ Caution needs to be taken when making direct comparisons between the May 2021 and November 2021 data due to the question being asked in a slightly different way. The May 2021 poll asked respondents to reflect on the impact of the pandemic. To reflect the possible impact of other factors on household we did not directly ask respondents about the pandemic

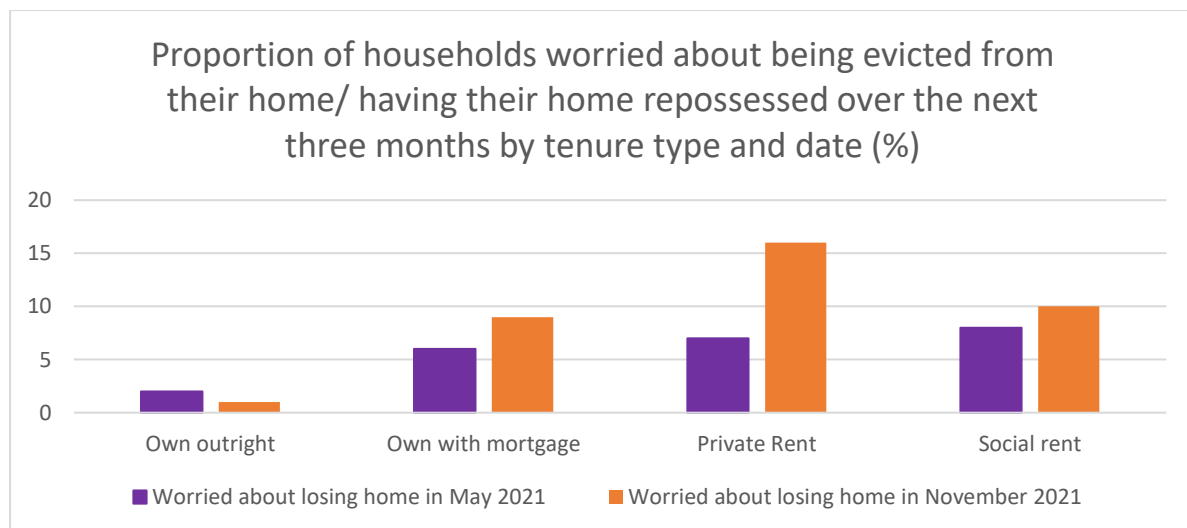
7. Housing

7.1 Position in November 2021

Housing security remains a serious challenge for thousands of households across Wales. In total, more than one in ten households are facing insecure housing. A shocking six per cent of households have already been told that they will lose their home, equivalent to 80,000 households who have already had to, or will have to find a new home.¹¹ The survey also revealed that seven per cent of households are concerned about losing their home by eviction or repossession over the next three months, although they have not yet been served notice.

7.2 Different groups

Whilst the headline figures on housing security remain largely unchanged from the position in May 2021, there has been a noticeable change in households' experiences when looking by tenure type.



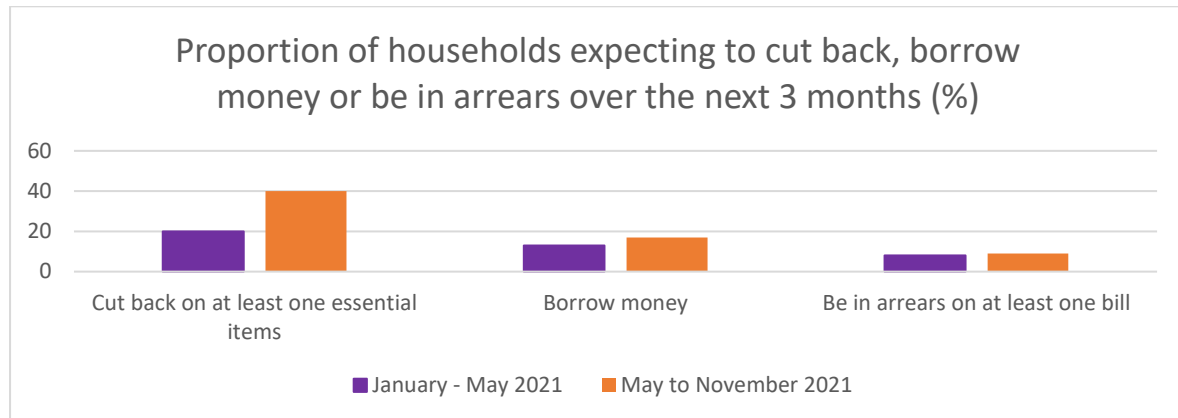
The proportion of private renters reporting that they are worried about the prospect of being evicted over the next three months has more than doubled since May 2021. The fact that the proportion of private renters who are worried about being evicted from their home has increased is in itself not surprising. The removal of temporary protections from evictions and rising rents have put pressure on tenants. The fact that the proportion has risen so significantly so that one in six private renters are worried about the prospect of being evicted over the next three months is extremely concerning, however, and is likely to be putting pressure not only on households themselves but on already stretched public services.

¹¹ Calculations done by Bevan Foundation based on Welsh Government Household estimates for Wales, 2020 data

8. Next three months

8.1 Position in November 2021

Households are significantly more pessimistic about their prospects over the next three months than they were when asked a similar question in May, especially when it comes to cutting back on everyday items.¹²

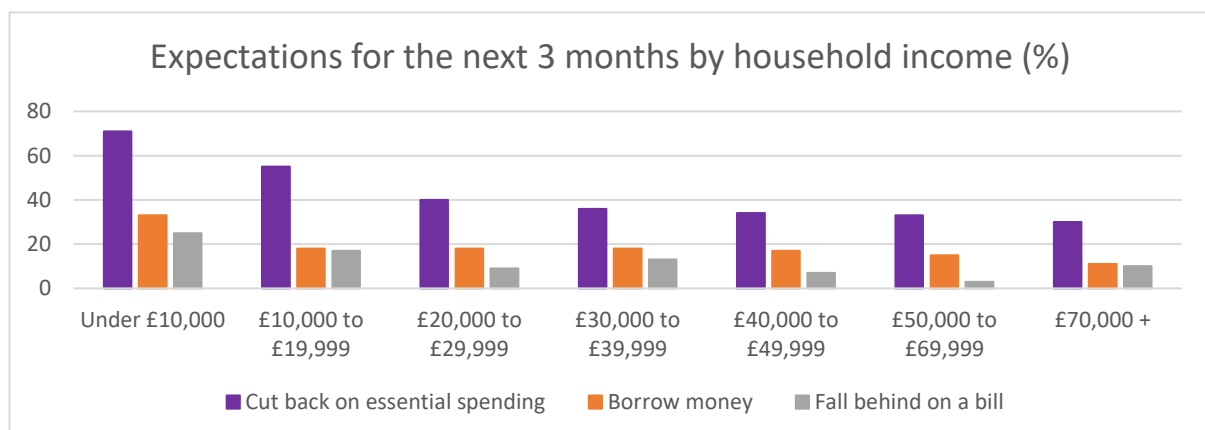


The position for households is made even more stark when looking at individual costs:

- 29 per cent expect to cut back on their heating electricity and/ or water over the next three months (compared with 11 per cent in May)
- 22 per cent expect to cut back on food for adults over the next three months (compared with 11 per cent in May)
- 22 per cent expect to cut back on clothing for adults over the next three months (compared with 12 per cent in May).

8.2 Different groups

Broadly speaking lower-income households are more likely to be concerned about having to cut back on everyday items or about falling into debt than higher income households. More than half of households with an income of less than £10,000 expect to cut back on food for adults over the next three months.



¹² Caution needs to be taken when making direct comparisons between the May 2021 and November 2021 data due to the question being asked in a slightly different way. The May 2021 poll asked respondents to reflect on the impact of the pandemic. To reflect the possible impact of other factors on household we did not directly ask respondents about the pandemic

Amongst the other groups that are especially concerned about their prospects across the next three months are:

- Disabled people or people with a long-term health condition – 54 per cent expect to cut back, 22 per cent expect to borrow money and 18 per cent expect to fall behind on a bill.
- Private renters – 57 per cent expect to cut back, 23 per cent expect to borrow money and 19 per cent expect to fall behind on a bill.
- Social renters 58 per cent expect to cut back, 35 per cent expect to borrow money and 27 per cent expect to fall behind on a bill.

9. Public support for action

Despite presenting a bleak picture our latest snapshot survey offers some room for optimism. Our latest survey shows that there is broad public support for the Welsh Government to take further action to support households struggling this winter.

Among the measures we found public support for were:

- Provide emergency money to all families struggling as a result of loss of income or a crisis (71 per cent in favour)
- Invest in schools to close the attainment gap between children (68 per cent in favour)
- Building more social housing (67 per cent in favour)
- Provide more funding for young people aged 16 – 18 who want to continue in education/ training (66 per cent in favour)
- Capping social rents (59 per cent in favour)
- The provision of additional help to support people with Council Tax (58 per cent in favour)
- Provide Free School Meals for every child (55 per cent in favour)
- Provide free part time childcare for all children from 9 months (50 per cent in favour)
- Replacing Council Tax with a local tax system (40 per cent in favour)

It is encouraging to see that the Welsh Government has already committed to take at least some action in relation to many of these measures. This latest data should therefore provide the Welsh Government with confidence that it is on the right tracks and that the public would support action to implement policies such as the provision of Free School Meals to all children in primary schools as quickly as possible.

The data does suggest that the public would support the Welsh Government if it took even greater action. For example, no reference was made to the Education Maintenance Allowance in either the Welsh Government's Programme for Government or in the Labour/ Plaid Cymru Co-operation Agreement. Given that the broad public support for action to support young learners, there is scope for the Welsh Government to revisit this policy to make it more generous in the near future.

10. Conclusion

The unequal impact of the pandemic and of the cost-of-living crisis has been long established.¹³ This briefing has highlighted, however, just how difficult life is for thousands of Welsh families this winter. With few indications that things are getting better, the need for action has never been greater. There are four key messages that emerge from this briefing.

10.1 Life is difficult for thousands of people across Wales and is getting tougher

Nearly four in ten Welsh households (39 per cent) do not have enough money to buy anything beyond everyday items. That's four in ten families who are denied access to a decent quality of life. There are now 165,000 households in Wales who are struggling to cover the cost of everyday essentials, higher than the number of households there are in Cardiff.¹⁴

This briefing has showed how the position has deteriorated significantly since May 2021. The increase in the number of households struggling to cover the cost of everyday essentials is equivalent to the total number of households in Gwynedd.¹⁵ With a quarter of households already forced to cut back on food for adults and a third forced to cut back on their heating, electricity and/or water many households, life is already difficult enough for many. But as we head deeper into the winter, things could yet get deteriorate further.

10.2 Incomes and costs

Falling incomes continue to be an issue in Wales. This is the third snapshot survey undertaken by YouGov on behalf of the Bevan Foundation over the past twelve months and each has found clear evidence that more households have seen their incomes decrease than has seen their incomes increase. This combined with the unequal distribution of income changes has exacerbated its impact on living standards.

A factor that may have had a more significant impact on living standards however has been rising living costs. More than half of Welsh households have seen the cost of food increase since May with more than six in ten seeing the cost of their utilities increase. These increases are on top of increases reported earlier in the year. For households that were already struggling to make ends meet, managing further increases in their living costs is proving a significant challenge.

10.3 Children are feeling the pain

The number of households with children who are reporting having to cut back on items relating to their children is a serious source of concern. With more than one in five families having to cut back on items for children including books, toys, nappies and clothing, it is clear that this Christmas will be especially challenging for thousands of families.

¹³ For example see the Bevan Foundation's previous Snapshot reports n(1) and n(2)

¹⁴ Calculations done by Bevan Foundation based on Welsh Government Household estimates for Wales, 2020 data

¹⁵ *ibid*

Perhaps of even more concern, however, is the number of families who are having to cut back on food for their children. More than one in twenty households with one child and one in ten households with two children are having to cut back on food for children. Given the significant body of evidence that demonstrates the impact of poor nutrition in childhood on a child's long-term health, educational attainment and wellbeing it is likely that the impact of the present economic crisis on children will be felt for years to come.

10.4 There is support for action

There is broad public support for taking action to support struggling households. This should provide Welsh Government with the confidence to accelerate some of its plans to support low income families over the coming years including the expansion of Free School Meals and Council Tax reform. Given the depth of the crisis facing many families this winter, we believe that there is an especially strong case to begin implementing the proposals to expand Free School Meals to all primary school children as soon as practically possible, starting by expanding existing eligibility criteria to ensure that those who are most in need benefit first.

CLAD DAG



Leaseholder Disability
Action Group

Agenda Item 6.6

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LeaseholderDAG@gmail.com

John Griffiths MS, Local Government and Housing Committee
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

17 December 2021

Dear Mr Griffiths,

Residential flats with flammable cladding and fire defects: Disabled Leaseholders and those with health conditions

We write to you in your capacity as Chair of the Local Government and Housing Committee.

We advocate specifically for disabled and older leaseholders who are affected by the building safety crisis in multiple and complex ways. As you will be aware, nearly half of those who lost their lives in the Grenfell Tower fire were disabled.

We were pleased this week to hear Julie James MS announce plans to launch a buy-out scheme in the New Year for leaseholders who find themselves facing significant hardship. Many disabled people are trapped in flats which are no longer accessible for them. For example, they have become disabled and/or their conditions have progressed during the crisis, and are unable to sell or move to suitable accessible homes. You can see some of their stories here:

<https://claddag.org/2021/12/16/disabled-leaseholders-must-be-included-welsh-governments-buy-out-plans/> You will appreciate how dangerous this is, both in terms of managing daily needs and emergency evacuation.

We would be grateful if as a committee you will reflect on the manner in which disabled and older leaseholders are experiencing additional barriers and we include a briefing note of our findings.

Please do not hesitate to contact us if we can support you with this work.

Yours sincerely

Sarah Rennie and Georgie Hulme
On behalf of the CladDAG - Leaseholder Disability Action Group

Disabled and Older Leaseholders: Building Safety Crisis

Claddag, a disability action group, advocates for disabled leaseholders affected by the building safety crisis. We echo UKCAG and End Our Cladding Scandal's position, but seek to highlight the additional ways disabled and older people are impacted. Here are our key asks of Government in its plan to resolve this crisis.

Ask #1: Protect leaseholders from the costs of remediation works

No leaseholder should have to pay to fix the historic defects caused by developers, construction companies and flawed regulatory systems. The financial expectations placed ordinary people is absurd and cruel. However, as advocates for disabled leaseholders, there are structural, practical and health issues we must raise.

The distress caused by crisis is having a detrimental impact on our health. 8 out of 10 disabled leaseholders that we surveyed consider that their existing health conditions have worsened or they have been diagnosed with new physical and mental health conditions as a result of the stress caused by the crisis.

"I am Epileptic and my seizures have become more regular and more severe since the stress of building safety scandal."

"My husband became suicidal. I have had panic attacks and we both have trouble sleeping."

There are many reasons why disabled and older people are less likely to have access to the substantial funds which leaseholders are currently expected to pay towards remediation works, including waking watch and insurance premiums hikes.

The Joseph Rowntree Foundation reports that out of 14 million people in the UK living in poverty, 25% are disabled people and further 25% have a disabled person living in their household. Disabled people must pay for the extra costs of disability and care charges, have additional energy costs and live on fixed incomes eg pensions.

Three out of four respondents fear losing their home as a result of the financial impact of the crisis.

"I live alone and in recent years I rely on Universal Credit because I'm unable to work due to health issues. As a shared-ownership leaseholder, I only own 25% of my property yet I'm liable for the full cost of this remedial work. I have no idea at all how I'm going to pay."

Many older leaseholders do not identify as disabled but nevertheless experience impairments, access issues and financial barriers in a very similar way. 64% of older people told us they feared losing their home because of the crisis.

"We are pensioners on a fixed income. We cannot afford remediate our building and will lose everything. We had realised we needed to move because ageing is starting to affect our ability to live here. We are trapped and cannot hope to move any time soon. Our whole retirement years are being destroyed along with our mental health. We have no time to recover from this."

The exclusion of buildings under 18 metres from the building is grossly unfair and must be rectified. Most disabled people live on upper floors of mid-rise buildings – in our survey 71% disabled leaseholders lived on floors 1-5.

We ask the Government to recognise the unfairness and life-altering consequences of current policy and protect us all from financial liability.

Ask #2: Fund accessible alternative accommodation

Many disabled and older people have experienced a progression in their health conditions and are trapped in flats which are no longer accessible for our needs but are unable to move. We cannot afford to move to accessible properties whilst we are still paying service charge, rent and mortgage on our current, unsuitable flats.

"I was diagnosed with MS in 2018. My condition is deteriorating. It's only a matter of time before I won't be able to walk. I want to move into more suitable accommodation but my flat is unsellable."

Remediation works on our buildings, whilst welcomed in principle, mean that many leaseholders will be forced out of our flats as works make properties inhabitable. Disabled people are telling us that their agents cannot find suitable alternative accommodation - 60% felt that they would not have anywhere suitable to live temporarily. One of the reasons disabled people are pushed towards full or shared ownership is the ability to adapt our properties to meet our accessibility needs - one in four disabled respondents told us they had invested in adaptations to their flat. Accessible rental properties are in scarce supply.¹

"All leaseholders in my building will be forced to leave our flats for at least a month next year. I need structural equipment such as a ceiling hoist, a wash/dry toilet, a profile bed and a wet room. My managing agent can only find a simple level-access flat as a 'reasonable adjustment' for me - nothing else. This will be grossly unsafe for me and my care assistants. My social worker cannot help me. Where will I go?"

We ask the Government to secure and fund suitable alternative accessible accommodation for disabled leaseholders until they are able to sell their flat or move back in.

Ask #3: Fund the aids and equipment needed for safe evacuation

42% of disabled/older leaseholders we surveyed would have difficulty evacuating from their flat in an emergency or hadn't been asked to consider the issue. Of these, only 18% had a personal emergency evacuation plan ("a PEEP"). Whilst we expect the Government to impose requirements for PEEPs following the 2021 consultation, we are very concerned that the onus is on disabled residents to trigger the process and the lack of funding for essential evacuation aids. Of the few disabled we know who have secured evacuation aids from their landlords, they have been funded through 'crowd funding' or been put through the service which is causing resentment from fellow leaseholders.

"My husband has late stage Alzheimer's, has difficulty with the stairs and following instructions. I have arthritis in wrists and spine with two full knee replacements."

"I'm a wheelchair user. For the last 10 years, the Fire Service reassured me that I could use the lift to evacuate my high rise building. It now transpires that the lift was negligently constructed and the lift cannot be used in a fire, as signed off. Now I'm trapped."

"In April there was a fire alarm test in my building. The people who were meant to come and help me evacuate did not come... This left me stranded in bed thinking there could be a fire"

We ask the Government to establish a central fund to cover the costs of evacuation aids (or extend the remit of disabled facilities grants) for affected disabled leaseholders irrespective of building height.

More information

You can find more information and resources at www.claddag.org or contact us via leaseholderDAG@gmail.com.

Facebook: @LeaseholderDAG

Twitter: @Claddag

November 2021

¹ 1.8 million disabled people have an accessible housing need and at least 1 in 6 households that need accessible homes do not currently have all the accessibility features they need, according to Hidden Housing Report by Habinteg

Agenda Item 6.7

Y Pwyllgor Plant, Pobl Ifanc
a Chymraeg

Children, Young People and Education Committee

John Griffiths MS
Chair, Local Government and Housing
Committee

6 January 2022

Youth Homelessness

Dear John,

The Welsh Government figures on people placed into temporary accommodation state that as of 30 September 2021, of the 6,935 people in temporary accommodation, 1,742 were dependent children aged under 16. The figures do not detail those young people over the age of 16 who are in temporary accommodation, but End Youth Homelessness Cymru have said that every year over 7,000 people under the age of 25 ask for help with homelessness.

These are clearly concerning numbers of children and young people who do not have the stability that comes from living in permanent, safe and secure housing. Whilst we, at the moment, do not have the capacity to look at this issue in more detail, it would be useful to know what work, if any, your Committee is planning to do in this area. In particular, how will you ensure that the specific issues around children and young people experiencing youth homelessness will be considered? We would very much welcome being kept updated with any work your Committee undertakes in this area.

Yours sincerely,



Jayne Bryant MS
Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



To: Chairs of Senedd committees, via email

7 January 2022

Review of the committee timetable and committee remits

You will recall that, on 16 December 2021, the Chairs' Forum considered, and endorsed, the Business Committee's suggested approach to conducting a review of the committee timetable and committee remits.

Chairs expressed a range of different views at the 21 December meeting, with some Chairs finding the current timetable challenging, whilst others expressed concerns about changing the current approach. There were no concerns raised about committee remits, although it is proposed that remits will continue to fall within the scope of this review.

To build on this, I invite you to discuss the review with your committees and to provide a written response to the review. The focus of this aspect of the review is to gather the agreed view of each committee.

In doing so, I would be grateful if you would consider the terms of reference for the review, and a number of specific questions. Whilst addressing the questions will be helpful, they are not intended to be prescriptive.

The terms of reference, and questions, are enclosed with this letter.

I also enclose a copy of the paper considered by the Business Committee and the Chairs' Forum.

Whilst you might wish to refer to feedback you have received from external stakeholders in your response, the Business Committee does not expect committees to consult with stakeholders in the time available for this review.

The timescale for this review is tight, as the Business Committee is aiming to implement any changes arising from the review at the start of the summer term 2022.

Consequently, as agreed at the Chairs' Forum meeting on 16 December 2021, the review will need to be completed in early March in order to provide committees with sufficient time to plan for any changes made.

To enable this, please submit your written response by 12pm on Friday 4 February 2022. This is a week later than the original deadline proposed in the suggested approach.

Alongside this consultation with committees, Business Managers will be discussing the review with their Groups, and individual committee members will be surveyed too.

Draft proposals, based on the evidence gathered, will be discussed at the Chairs' Forum meeting on 17 February 2022. The Business Committee will then make decisions about the future timetable and committee remits in the light of that discussion.

If you require any further information, please contact the Clerk to the Chairs' Forum, Alun Davidson, who is supporting the Business Committee with this review.

Yours sincerely,

A handwritten signature in blue ink that reads "Elin Jones". The signature is written in a cursive style.

Elin Jones MS

Llywydd

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Business Committee: Review of the committee timetable and committee remits

Terms of reference and consultation questions

Terms of reference

To review the current approach to the committee timetable, and committee remits, with a view to identifying any changes to the approach that could improve committee effectiveness, whilst maintaining an appropriate balance between the time committee members spend on committee work (in and outside committee meetings) and their wider responsibilities.

Consultation questions

Timetable – status quo

To what extent does the current approach to the committee timetable provide:

sufficient time for committees to undertake their work effectively?

sufficient flexibility to meet peaks in committee workloads and/or future business requirements for additional committee capacity?

an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

Timetable – alternatives to the status quo

What changes could be made to the committee timetable to improve committee effectiveness, whilst maintaining flexibility to accommodate additional committee business, and an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

If changes are to be made to the timetable, when should these changes be implemented?

Remits

Do you believe there is a need to adjust the remit of your committee? For example, to balance work across committees, and/or to improve lines of accountability.

Measuring the effectiveness of your committee

Has your committee established a means of assessing the effectiveness of its work?

This question is posed in order to determine whether any changes made as a consequence of this review can be monitored in this context.



[Enclosure 2 – Business Committee paper]

Review of the committee timetable, and committee remits: Draft approach

Purpose

1. To provide a draft approach to the review of the committee timetable, and committee remits, for consideration by the Business Committee.

Background

2. The Business Committee agreed a fortnightly committee timetable at the start of the Sixth Senedd, on the basis that it would provide:
 - sufficient meeting time for committees to perform their roles;
 - a fair balance between the time members are expected to spend on committee work and their wider responsibilities;
 - flexibility for committees to hold additional meetings when there is a need to complete time-limited work, and/or address peaks in workload; and
 - sufficient flexibility to accommodate an additional committee in the system, if needed (currently the Special Purpose Committee).
3. In addition to a fortnightly timetable, the Business Committee increased the amount of time available during the week within which committees could meet – this includes Monday mornings and the occasional use of Fridays for Stage 2 consideration of Bills.
4. Protected weeks were retained, to provide dedicated time for the Chairs’ Forum, Scrutiny of the First Minister Committee, and further additional meeting time for committees to request if needed.
5. A secondary objective, expressed at the time the timetable was agreed, was to encourage committees to make efficient use of their meeting time. For example, to hold one-off stakeholder roundtables to gather a range of evidence at once, rather than deploying the more traditional “panel after panel” approach to evidence gathering over a number of weeks.
6. The Business Committee previously agreed to review the committee timetable, and the remits of committees, at Easter 2022 i.e. after two terms of operation.

7. However, the volume of requests from committees for additional meetings, and the concerns expressed by some committees with the current timetable, have led to this review being brought forward.
8. The Llywydd has also indicated that the Chairs' Forum would be consulted on the review at its 17 February meeting.
9. Most concerns raised to date have been in relation to timetabling, rather than remits, though concerns have been raised about the breadth of the remit set for the Legislation, Justice, and Constitution Committee.
10. The proposals in this paper suggest reviewing both timetabling and remits at the same time, due to the possible interdependency between the two i.e. if a review of remits resulted in the creation of a new committee, the timetable would need to take account of this.
11. It would be possible to separate these reviews, should that be the Business Committee's preference, though a review of remits that took place at a later date might necessitate further changes to the timetable.

Draft terms of reference

12. Draft terms of reference are suggested in the box below:

Draft terms of reference

To review the current approach to the committee timetable, and committee remits, with a view to identifying any changes to the approach that could improve committee effectiveness, whilst maintaining an appropriate balance between the time committee members spend on committee work (in and outside committee meetings) and their wider responsibilities.

13. The review will consider the status quo and options for the future operation of the timetable.
14. Under the headings below are questions that expand on the terms of reference, and could be addressed during the course of the review:

Timetable – status quo

Does the current approach to the committee timetable provide:

- sufficient time for committees to undertake their work effectively?
- sufficient flexibility to meet peaks in committee workloads and/or future business requirements for additional committee capacity?

- an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?

Timetable – alternatives to the status quo

- What changes could be made to the committee timetable to improve committee effectiveness, whilst maintaining flexibility to accommodate additional committee business, and an appropriate balance between the time Members spend on committee work (in and outside committee meetings) and their wider responsibilities?
- If changes are to be made to the timetable, when should these changes be implemented?

Remits

- To consider whether committee remits should be adjusted. For example, to balance work across committees, and/or to improve lines of accountability.

Interdependencies

15.The review will need to consider:

- the resourcing and/or technological constraints on timetabling, and how this should be managed in the future e.g. the number (and type) of committee meetings that can be held concurrently; and
- the impact on Senedd Commission resources, including staffing, of any changes proposed as a consequence of this review (or maintaining the status quo, should that be the preferred option).

Committee effectiveness

16.The review could consider the extent to which Committees have established means of assessing the effectiveness of their work, so that any changes made as a consequence of this review can be monitored in this context.

17.This could be extended to capture any committee innovation that has arisen in response to a fortnightly (and more flexible) timetable e.g. alternative approaches to evidence gathering, work conducted outside meetings etc.

Evidence gathering

18.The following approach to evidence gathering is proposed:

- **Committees** – the Business Committee invites each committee to provide a written response to the questions posed by the review.
- **Committee members** – committee members will be invited to complete a survey to obtain their views on the time currently allocated for committee work, their view on what the correct balance should be between time spent on committee work and

their wider responsibilities, and the level of priority they are able to dedicate to committee work.

- **Chairs** – the Chairs’ Forum is consulted on any proposals for change that arise from the review, prior to proposals being finalised.
- **Party Groups** – Business Managers invite a view from their party groups.
- **Data** – data on the usage of allocated time, additional meeting time, and types of committee activity, can be provided.

Timescales

December 2021

- Consult the Chairs’ Forum on the terms of reference and approach to the review (16 December).

January 2022

- Three-week period of evidence gathering (10 – 28 January).

February 2022

- The Business Committee considers draft proposals, based on the evidence received (8 February)
- The Chairs’ Forum considers the draft proposals and the timing of the introduction of any changes to the timetable (17 February)).

March 2022

- The Business Committee confirms proposals (1 March).
The Business Committee publishes a report and tables any motions needed to give effect to remit changes (should there be a need for any) (to be made in Plenary on 9 March).

April 2022

- Timetable changes to be implemented at the start of the summer term.

Consulting the Chairs’ Forum

19. Whilst there is an appetite to resolve perceived issues with the timetable quickly, there is a tension between this and the lead-in time needed for committees to plan their work.

20. The Business Committee might wish to consult the Chairs’ Forum, at its meeting on 16 December, on the scope and timescale for the review before taking a final decision.