

Hannah Blythyn AS/MS
Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

John Griffiths AM
Chair
Equality, Local Government and Communities Committee

20 May 2020

Dear John,

As promised in my letter to you of 13 January 2020, I would like to update you on the actions we have taken since the Equality, Local Government and Communities (ELGC) Committee published its report and recommendations *Benefits in Wales*.

The COVID-19 pandemic crisis has created unprecedented challenging times for everyone, and ensuring that support is provided wherever needed in Wales, and in particular to the most vulnerable individuals and families, is of critical importance. This has required the UK Government Department for Works and Pensions (DWP) to make rapid and significant changes to the financial support on offer, and the way in which that support is delivered, so that the UK social security system can provide the safety net in this time of utmost need.

The Welsh Government is using all its powers and working collectively with the UK Government to support the people of Wales throughout this difficult time. Officials in the Welsh Government are working together and at pace with UK Government officials, particularly with those from the DWP, to ensure all measures being taken by the UK Government to mitigate the impact of the COVID-19 pandemic crisis are integrated with all current and new support being provided by the Welsh Government. The DWP has been able to respond, in some cases, through flexible administration of social security for those ill, self-isolating or unfortunately displaced from work.

As this Covid-19 pandemic crisis is showing, the social security system needs to be sufficiently robust and flexible to respond to challenges both large and small. There will be many lessons to be learned from our response to Covid-19, and it is difficult to predict how the substantial emergency changes that have been, and may yet be made to the UK Government's social security system to mitigate this crisis may permanently alter this safety net during the recovery, and post-recovery period.

Against this backdrop of such uncertain times now does not appear to be the best time, both in terms of available resource and availability of evidence, to consider fully long-term changes to social security.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Hannah.Blythyn@llyw.cymru
Correspondence.Hannah.Blythyn@gov.wales

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

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

Therefore, I will revisit this important issue again when we have been able to fully consider any changes that have been made to the UK social security system, how the UK Government's social security system has been able to meet the challenges in Wales of this global crisis, and had the opportunity to review any evidence for how this crisis has been met by the different models operating for devolved social security arrangements in other devolved nations. I note the work of the Committee with the current inquiry on Covid-19.

I have set out below an update on the Welsh Government actions against the *Benefits in Wales* ELGC inquiry's recommendations.

Recommendation 1

The immediate priority for Welsh Government 'benefits' is ensuring they are fit for purpose and adapt with pace to meet the challenges caused by the Covid-19 pandemic crisis.

The cross-government Review of our existing programmes and services (to ensure that they have maximum impact on the lives of children, young people and families living in poverty) is nearing completion. The Review has drawn on the evidence base of what works in tackling poverty, as well as a range of Welsh Government evaluations and external research. A significant programme of engagement was also undertaken with external stakeholders, representatives across Government and children and young people directly. We're currently in the process of finalising actions to take forward following the Review. When implemented these will bring greater coherence and integration to relevant Welsh Government 'benefits'.

We will be building on action already undertaken in response to the current crisis when progressing this work. This will include further developing a set of principles and values on which a 'Welsh benefits system' will be based, taking account of feedback received during engagement for the Review, and building on the core principles the Welsh Government has already outlined of compassion, fairness, dignity and understanding.

Children, young people and families in need remain a high priority for this Welsh Government and we will continue to focus on what more can be done for this significant proportion of the people in Wales.

Recommendation 2

The single site which provides information on eligibility to Welsh Government programmes and schemes has been updated to include where relevant information regarding expenditure on devolved benefits, where this is possible and practicable to do so.

<https://gov.wales/eligibility-criteria-passported-benefits-and-schemes>

Recommendation 3

The Discretionary Assistance Fund (DAF) is being kept under constant review during the Covid-19 emergency. Welsh Government is investing an extra £11.2m into this fund to help support the increasing demands caused by the crisis. Families across Wales are turning to the fund for additional support to help them with some of the financial pressures and challenges they are facing. To provide more help to individuals facing significant additional hardship due to the Coronavirus crisis, including those who have suffered income shocks and are waiting for first Universal Credit Payments to be paid, during the period 1 May to 31 of July 2020, Welsh Government has asked DAF Service Centre personnel to apply greater

flexibility and discretion with regard to the number and frequency of EAP payments that clients may require.

The UK Government has made a number of changes that may mitigate some of the impacts of the so called '5 week wait' for Universal Credit as a result of Covid-19, and the UK Parliament's Work and Pensions Committee launched an inquiry into the '5 week wait' at the request of the Secretary of State for Works and Pensions. I am concerned that the UK Government's main tool for supporting those struggling with the 5 week wait remains repayable advances, which are widely recognised to be a weak and, for some, damaging 'solution' and I have written jointly with the First Minister to the Secretary of State for Works and Pensions requesting that these advances are made into non-repayable grants. The UK Government has shown throughout the Covid-19 pandemic crisis that it can rapidly make changes to the social security system where it chooses to do so. It is difficult to predict which of these changes the UK Government will leave in place in the longer-term, and how the social security system will need to evolve to meet ongoing challenges throughout the recovery period and beyond.

Please find attached a copy of our letter to the Secretary of State for Work and Pensions, and our written submission to the Work and Pensions Committee on the five week wait for the first payment of Universal Credit.

In respect of the Discretionary Assistance Fund (DAF), guidance for the Emergency Assistance Payment (EAP) has been updated to further ensure that claimants, or support agencies, are aware that it is a grant to help with essential costs after an emergency, following a disaster such as a flood or fire in the home, or extreme financial hardship for reasons including delays in benefit payments.

<https://gov.wales/discretionary-assistance-fund-daf>

The DAF's Decision Makers Guidance is currently being reviewed and I will update you when this is completed.

Recommendation 4

The Single Advice Fund remains a significant pan-Wales approach to promoting and increasing the take-up of all devolved and non-devolved welfare benefits, with a range of partners who work seamlessly to ensure advice services reach deep into communities, and are delivered from the places where people most in need go. Individual schemes, such as the Council Tax Renewal Scheme, also promote take-up through their bespoke networks and stakeholders.

In November 2019 officials established a Working Group comprising of representatives from key stakeholders, officials from the DWP to consider how to end the cycle of under-claiming so more older people can access their legal entitlement to Pension Credit, and other Welfare Benefits.

The coronavirus crisis has demonstrated clearly the importance of the welfare benefit safety net. It is important that we continue working in partnership with the DWP in order to deliver the appropriate advice and support to communities in Wales to ensure that no-one falls through any gaps. Many more people are likely to be in need of help not during the current crisis but also beyond. Partnership work is critical in raising awareness of the financial support available from the welfare benefit system. The Working Group continue to meet during this time maintaining to convey the message on the take-up of Pension Credits and other benefits to help those most in need.

We are now looking to broaden out the work of this group to look at all welfare benefit take-up, both UK Government and Welsh Government to maximise the financial support on offer to vulnerable groups.

Recommendation 5

We are continuing to explore with the UK Government the best mechanisms to improve Wales's voice in UK Government decisions on social security policy. Welsh Government officials have drawn this recommendation to the attention of counterparts in the other governments of the UK with a view to exploring it further as part of the machinery workstream of the joint Intergovernmental Relations Review commissioned at the Joint Ministerial Committee (Plenary) in March 2018. We continue to press for progress on this Review.

We also continue to press the UK Government to reverse the damaging policies they have implemented through welfare reform and austerity that have significant negative impact on families most in need. Ahead of the UK Government Budget Statement in March 2020, the Minister for Finance and Trefnydd wrote to the UK Chancellor requesting that the UK Government prioritises helping those most at risk, particularly people who are on low incomes or otherwise disadvantaged, including making significant changes to Universal Credit. We will continue to press the UK Government to deliver a social security system in Wales that delivers our core principles.

Recommendation 6

I have met Rachel Cable, the Chief Executive of Oxfam Cymru, to discuss how the Sustainable Livelihoods Toolkit can be adapted and start to be best used across Welsh Government programmes. Oxfam Cymru staff have agreed to deliver a poverty awareness raising session for Welsh Government policy leads initially within Financial Inclusion, Homelessness and Advice Services. During my meeting we also agreed to explore the practicalities of applying the toolkit in local authorities delivering homelessness interventions, and with 'Approved Partners' applying on behalf of their customers accessing the Individual Assistance Payment of the DAF. It is our ambition with this approach and using Oxfam's toolkit's flexible approach that we will be able to identify those most at risk before they are at a crisis and support them in ensuring they are receiving their full entitlement to both UK Government and Welsh Benefits, and develop improved signposting and referrals to other key service provision.

Recommendation 8

I will be writing to the Rt Hon Therese Coffey, Secretary of State for Works & Pensions to commend to her your inquiry's statement on informal kinship care. I will be asking that she reviews the definition of kinship care across all non-devolved benefits, with a view to broadening it to include family members and others who are closely connected to the family but are not parents who are caring for a child or young person in an informal, full time capacity. The social security system delivered in Wales needs to be compassionate and fair, providing greater support for informal kinship carers.

Recommendation 9 - 17

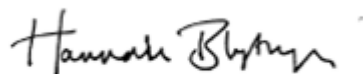
The Wales Centre for Public Policy has published its rapid evidence review *Administering Social Security in Wales*. As the report states, this preliminary analysis is to help inform discussion about any additional analysis and evidence related to devolving the administration of social security in Wales. The report highlights that focussing on those parts of the social security system that could be considered 'administration' is likely to require at least primary

UK Government legislation to secure any transfer of powers, as the design of security is set out in detail in UK legislation, such as via Regulations. An initial investigation of the feasibility of securing powers over one part of one social security benefit (over Universal Credit flexibilities (Recommendation 9) as has occurred in Scotland) would at least require the UK Government to be willing to undertake the development of primary legislation and potentially opening discussions on the devolution settlement. I want to stress that the Scottish Choices regarding the payment of Universal Credit are not available until after the first payment has been made to a claimant and therefore the five week wait for the first payment of Universal Credit is the same in Scotland as in Wales and England.

In my evidence to your inquiry, I confirmed the commitment of this Welsh Government to the social union and the important role that a UK-wide social security system plays in meeting significant challenges. How the UK can work collectively to meet very significant challenges is in all of our minds at this time, and only further highlights the need for Wales to proceed with caution when considering the devolution of social security.

In relation to recommendations 9 to 17 I will be considering further the direction that will be taken in this Government term over the devolution of any parts of the social security system. It is crucial that we explore this further to ensure that the social security safety net is there for all and particularly that in furthering any discussions on this matter with the UK Government that we establish a clear set of principles for social security, that we assess the implications for the devolution settlement, and that any funding transfers and negotiations are informed by a good, sound evidence base.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hannah Blythyn'.

Hannah Blythyn AC/AM

Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing and Local Government