

John Griffiths

By email

23<sup>rd</sup> July 2021

Dear John,

Congratulations on your election as Chair of the Local Government and Housing Committee. We believe that your committee will have a vital role to play in scrutinising the Welsh Government to ensure that they are taking appropriate measures to solve poverty and inequality. We look forward to continuing working with you to achieve these goals.

I am sure you, committee members and the committee team are currently exploring possible inquiries that could be undertaken by the committee over the course of the Senedd. We wanted to take the opportunity to get in touch and suggest some policy areas that your committee may wish to focus on with regards to poverty and inequality.

### Council Tax and the Council Tax Reduction Scheme

Council Tax is a major additional cost for households. Our estimates suggests that Council Tax typically adds 33 – 50 per cent of rent to a household's housing costs. This cost has increased significantly over recent years due to changes in local government finance, squeezing families who were already finding money tight. The challenges faced by low-income household are exacerbated by the limitations of the Council Tax Reduction Scheme (CTRS).

As you will know CTRS provides people from low-income households with a discount on their Council Tax, or exempts some households from having to pay any Council Tax at all. Strict eligibility criteria mean that thousands of low-income households are not eligible for CTRS, however, despite living in poverty as their income is not deemed low enough. On top of this, even where households are eligible for CTRS, take-up is substantially below expected levels and is decreasing as households receiving Universal Credit are not 'passport' to CTRS. This leaves families in real hardship and sometimes in arrears.

We believe that an inquiry undertaken by your committee could allow us to gain a better understanding of the issues within the current system and to develop solutions that could have a positive impact on people's lives and improve local government financing.

### Better housing for people on low incomes

Everyone in Wales deserves to live in a warm and secure home, but for too many people on low incomes this is not possible.

A lack of affordable housing pushes thousands of Welsh households into poverty, whilst others are pushed into homelessness. Many people on low incomes are forced to live in poor quality housing, increasing their risk of living in fuel poverty and having a devastating impact on their health. Those who live in the private rented sector often lack housing security, with others forced to move from their community to find an affordable home.

The impact of the pandemic is likely to have worsened this situation. The Bevan Foundation's *A snapshot of poverty in spring 2021* report highlighted that 80,000 Welsh households have either already lost their home or have been notified that they will lose their home.<sup>1</sup> With protections from eviction coming to an end, alongside the unwinding of furlough and the cut to Universal Credit there are concerns that this situation could worsen further.

We believe that it is important that the committee explores this issue over the coming months. This could take the form of a short inquiry to explore the immediate impact of the pandemic on housing for people on low incomes, or a longer inquiry that seeks to take a more holistic view of the problem.

## The role of local authorities in reducing poverty

The *Benefits in Wales: options for better delivery* report published by the Equality, Local Government and Communities Committee during the last Senedd under your chairmanship demonstrated the significant role that local authorities can play in solving poverty. We were delighted to see the recommendations made to develop a Welsh Benefits System and understand that the Welsh Government are making some progress in this work.

The role of local authorities in solving poverty however, is not just limited to their administration of welfare support. From education, to leisure to tax, decisions taken by local authorities can both ease or exacerbate the challenges faced by people trapped in poverty.

We believe taking an inquiry into this area would provide us with an opportunity to develop a more holistic approach to solving poverty at local government level and provide for opportunities for greater co-operation between local authorities and Welsh Government.

## Creating cohesive communities

Everyone in Wales deserves to live in strong cohesive communities in which they feel a sense of belonging and welcome and where they have opportunities to develop meaningful relationships with others. It is not right that people living in Wales, including those who have migrated, face hostility, discrimination and live isolated lives.

During the pandemic our communities have shown resilience and strength and demonstrated that strong relationships was vital in mobilising support to help the most vulnerable, however the pandemic and associated restrictions is likely to have increased rates of isolation, with people having even fewer opportunities to develop social connections.

We were pleased that the report *Into sharp relief: inequality and the pandemic* published by the Equality, Local Government and Communities Committee during the last Senedd under your chairmanship recommended the Welsh Government undertake a review of community cohesion with a view to developing an integration strategy in the long term.

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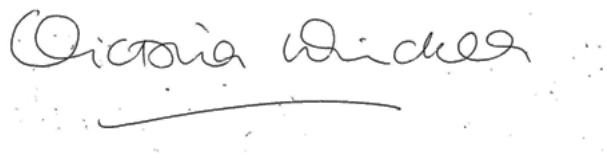
<sup>1</sup> Bevan Foundation, *A snapshot of poverty in spring 2021* (July 2021) available at - <https://www.bevanfoundation.org/resources/poverty-in-spring-2021/>

We believe an inquiry into this area would provide us with an opportunity to develop a greater understanding of what cohesion and integration means and to what extent a national framework would be beneficial but also examine ways to increase cohesion at a local level.

If you would like to discuss any of our ideas further then we'd be delighted to meet with you and your team.

I hope our work is of interest.

Yours sincerely

A handwritten signature in cursive script that reads "Victoria Winckler". The signature is written in black ink and is positioned above a horizontal line that spans the width of the signature.

Victoria Winckler,

Director