

Equality and Social Justice Committee

Minister for Social Justice - Action Points from the meeting held on 20.10.21

1. *To provide statistics of the number of cases where addiction was an underlying factor of debt. (p.19)*

The below response has been received from Citizens Advice Cymru, the lead organisation in the Single Advice Fund (SAF).

“Unfortunately, we do not currently collect any performance management data on underlying factors of debt for SAF clients. Our Advice Partners will have case studies/client records which reference addiction as an underlying cause of debt, for example, if the client disclosed this or provided bank statements indicating that gambling was an issue. However, at present there is not a specific way of categorising such underlying factors of debt on our case management system.

I reaffirm that the Action on Gambling Harm project at Citizens Advice is improving our training for all advisers and volunteers to help them identify clients who show possible signs of gambling harm. We know there are other addictions that serve as an underlying cause of debt, but recognise that these are not straightforward to measure.”

Officials will discuss with Citizens Advice Cymru the potential for the future collection of performance management data on underlying factors of debt.

2. *To provide more information on the sustainability and support given to energy advice projects.*

A number of third sector partners in Wales benefit from the industry initiatives element of the Warm Homes Discount (WHD) Scheme. The UK Government recently concluded a consultation on the next iteration of the scheme, in which the UK Government appeared to signal a reduction in this support. In our response, Ministers noted that continued investment in advice services and other support projects previously provided through the WHD scheme should continue to be available through the industry initiatives. Funding for projects should be confirmed at the start of the financial year to provide confidence to third sector partners to enable successful in year delivery. The proposal for Ofgem to recalculate and notify suppliers of their updated Industry Initiatives obligations on or before 31 October will result in many projects not being funded owing to the lateness of this in year decision making. An early decision on next year's funding however, would be the preference.

Further support is also provided through the energy redress scheme. The Energy Saving Trust was appointed by Ofgem in April 2018 to deliver the Energy Redress scheme, which distributes voluntary payments made by energy companies that may have breached regulations. Its core priority is to support energy consumers in vulnerable situations. A small proportion of the funding can also support projects that develop or trial innovative products or services that will support energy consumers. The funding is made available to charities in England, Scotland and Wales to deliver projects and services that meet the priorities of the scheme. Charities can register their interest the scheme at any time and if they pass a basic due diligence process, they can then submit applications when a funding round opens.

In Wales, we are running the advice services pilot to inform how energy efficiency advice and support services to householders could be improved. This will be included in the consultation on the next iteration of the Warm Homes Programme.

3. *To provide information on a strategy that pulls together the causes of debt and poverty, particularly relating to the national insurance increase, universal credit cuts and fuel poverty.*

We know the rising cost of living and the ending of the £20pw Universal Credit uplift payment means that some families on low incomes face a tough winter. A comprehensive assessment of the combined impact of the UK Government's Autumn Budget published by the [Resolution Foundation](#) notes:

“The Chancellor’s answer to this winter’s cost of living crunch was a significant increase to the generosity of Universal Credit (UC) for working households. The move to ensure that those on the benefit can keep significantly more of each extra pound earned, and raising the amount that households with children can earn before their benefits start to be reduced. But, overall, these changes will be overshadowed by last month’s £6 billion cut to entitlement: three-quarters of families on UC will lose more from the £20 cut than they gain from the Budget changes. Even if we also take into account the impact of the faster-than-average-earnings increase to the National Living Wage, the poorest fifth of households will still be an average of £280 a year worse off overall.”

Tackling poverty and inequality is a priority for this Senedd term. Through the Programme for Government we have set out our commitment to improve outcomes for low income households. This includes continuing to support our flagship Flying Start programme; a commitment to review eligibility criteria for free school meals; and additional funding for childcare where parents are in education and training. Our support for a more generous ‘social wage’ through initiatives such as our Childcare Offer, our Council Tax Reduction Scheme, our Warm Homes Programme and Free Prescriptions, has the effect of leaving more money in the pockets of Welsh citizens.

I continue to meet ministerial colleagues to discuss opportunities to prioritise tackling poverty in the development and delivery of their Programme for Government commitments, and within their policies and service delivery considerations. These discussions focus on evidence of what works in tackling poverty. They take on board the recommendations arising from the Child Poverty review, to ensure that Welsh Government funded programmes have maximum impact on the lives of children living in poverty. They will also be supported by findings from the research and analysis currently being undertaken by the Wales Centre for Public Policy into tackling poverty in Wales. This is considering international poverty alleviation strategies and effective poverty reduction programmes and policies.

In addition, poverty has once again been a cross-cutting theme in the budget planning process, with a ministerial budgetary thematic discussion recently taken place.

4. *To provide more information on the role of the equalities data unit.*

An Equality Data Unit will sit alongside a Disability Disparity Unit and a Race Disparity Unit. Each will be looking to improving use and availability of equalities evidence in Wales. The Welsh Government are in the process of developing a recruitment strategy for the Units at the moment. The scoping of the Units has identified some projects that the Units will look to focus on once the resource is in place. Once the Units are resourced we will look to develop the individual evidence programmes for each Unit. At this point we will be able to provide more details about the exact nature of the work and what the key priorities will be.

It is expected that the Equality Data Unit will explore innovative ways to produce gender analysis, working alongside other Welsh Government analysts. Gender will remain a priority for analysts across the organisation KAS will shortly be reviewing the information we publish on sex and gender to ensure we are reporting data with clarity. This will include drawing on the recommendations of the Inclusive Data Taskforce as well as other official statistics guidance.

Admin Data Research Wales is applying for funding to take forward a project to create a UK-wide research-ready dataset of individual / household-level deprivation indicators. This work would complement existing area-based indices of deprivation (such as the Welsh Index of Multiple Deprivation (WIMD)), which currently form the core evidence base for deprivation available to analysts and policymakers. It is expected that the Units will work with ADRU to ensure that this project considers aspects of equality in measurement of household deprivation, including gender. A funding decision is not expected until 2022.

5. *To provide more information on how the Welsh Government supports those in work who are pushed into debt, but do not qualify for government support.*

The Welsh Government is committed to helping all households struggling with their finances. We will continue to focus on our objectives to reduce the number of children living in workless households, increase the skills of parents, reduce inequalities in education, health and economic outcomes and action to increase household income. Activities that focus on supporting all households to maximise their income are briefly outlined below.

- a) The Self-isolation Support Scheme has financially helped those legally required to self-isolate, if they will experience a loss of income and this has helped to reduce the risk of households incurring debt\ further debt. From 7th August, the self-isolation support payment increased from £500 to £750 and the scheme has been extended until March 2022.
- b) The Tenancy Hardship Grant offers financial support to private sector tenants to clear rent arrears that accrued during the pandemic. The grants are ringfenced to tenants who are not in receipt of any financial support towards their housing costs from the social security system.
- c) The Discretionary Assistance Fund is available to support people in Wales experiencing financial hardship. Access to an Emergency Assistance

Payment not dependent on a household being in receipt of a social security benefit.

- d) The Welsh Government is committed to helping everyone in Wales to claim all the financial support they are entitled to and recently launched its second national '*Claim What's Yours*' welfare benefit take-up campaign. The campaign's creative messages are designed to communicate positively with people who have no previous involvement with the social security system.
- e) The Welsh Government's commitment to supporting advice services ensures that people across Wales can access free and impartial debt advice (and other social welfare advice). The Single Advice Fund service delivery model is founded upon the principle of early intervention that aim to reach people before a problem has developed to crisis.
- f) Welsh Government works very closely with credit unions and provides significant funding so they can promote access to affordable credit to all households and attract people away from using high cost lenders and illegal lenders. During 2020-21, we provided a total of £2.5 million to credit unions to support their important work.

6. *To send information of the Welsh Government view on debt bonfires.*

We know that the consequences for a household struggling with debt can be severe. A debt relief scheme, where Welsh Government purchases bad debt accrued as a direct consequence of the pandemic and cancels it for the most vulnerable in society, is a proposal that will require detailed and careful consideration. For example, such a scheme must ensure there is equality and fairness to households who were struggling financially because of the pandemic, but paid their financial commitments, perhaps by choosing to cut back on other household expenditure. The scheme would also need an objective and transparent eligibility criteria that is able to distinguish between those households who could pay their financial commitments, but choose not to pay and those households who could not pay.

It is important to note debt relief schemes do exist to help people manage debt that has accrued during the pandemic. For example, while a local authority has a duty to pursue council tax arrears from households who have the means to pay, they may write off arrears if they judge that there is not a reasonable prospect of recovering the debt. Personal finance creditors will also write off debt where there is compelling evidence that, due to the individual circumstances of their debtor, there is no prospect of the debt being recovered. (For information, during the period January 2020 to September 2021 the debt advice services delivered through the Single Advice Fund supported over 30,000 people to deal with 113,971 debt issues, with debts with a total value of £13,983,727 being written off by creditors.)

7. *To confirm whether the six month notice period currently in place is to be extended until the Renting Homes Act 2016 comes into force and what assessment has been made of what may happen if there is a gap until the Act comes into force.*

The measures in relation to residential tenancies in force under the Coronavirus Act 2020 relate to three of the overarching aims of the 2020 Act, these being: containing and slowing the virus; easing the burden on frontline staff; and, supporting people. Use of the powers needs to be justified on that basis, so it is possible that the measures may be ended before the Renting Homes Act is implemented.

However, since we intend to implement Renting Homes by summer recess next year, any reversion to the arrangements that applied before measures were enacted under the 2020 Act will be relatively brief. It is also important to note that the six-month notice period currently in force under the 2020 Act applies to all grounds for eviction, other than anti-social behaviour and domestic violence. Under Renting Homes, the six-month notice period will apply only to the landlord's notice issued under section 173, and under a landlord's break clause in a fixed term standard contract. Other notices, such as in relation to breach of contract and serious rent arrears, will be for shorter periods. Therefore, there will in any case be a change to the notice periods that apply under the 2020 Act. We will, of course, be continuing to work closely with stakeholders to ensure the transition to the new arrangements under Renting Homes is as smooth as possible.

8. *To provide more information on what the government is doing to support victims of domestic abuse who may have debt problems?*

We know that domestic abuse and sexual violence can have a severe and lasting impact on all aspects of life for victims. Financial abuse, mainly a form of coercive control is experienced by the vast majority of victims. Victims often find it difficult to access the support they need. It is imperative within all sectors to use all possible opportunities to detect abuse and to ensure those at risk have the chance to receive the support they need. We must see the whole picture for every victim, survivor and family so that those experiencing domestic abuse can be supported efficiently and effectively.

This year Welsh Government has increased the funding allocation to Third Sector specialist VAWDASV organisations by 4% to ensure they can respond to the increased demand as a result of the pandemic. Specialist organisations are able to work with victims on a strength-based, needs-led approach, which includes debt advice and signposting to specialist debt advisors where needed. Several organisations supporting those experiencing domestic abuse are Access Partners in the Single Advice Fund.
