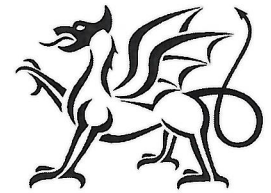


Lesley Griffiths AC / AM  
Y Gweinidog Cymunedau a Threchu Tlodi  
Minister for Communities and Tackling Poverty



Llywodraeth Cymru  
Welsh Government

Ein cyf / Our ref: MA-L/LG/0148/15

William Graham AM  
Chair  
Enterprise and Business Committee  
National Assembly for Wales

17 November 2015

Dear William

I understand the Business Committee has remitted the Legislative Consent Memorandum on the Welfare Reform and Work Bill for scrutiny by the Enterprise and Business Committee.

As the Committee will note, the Memorandum concerns Clause 5 of the Welfare Reform and Work Bill (HL Bill 69, as brought from the Commons), which sets out the United Kingdom Government's proposals to fundamentally reform the UK Social Mobility and Child Poverty Commission so it will no longer have a focus on child poverty. Clause 5 of the Bill outlines proposals to amend the name of the Social Mobility and Child Poverty Commission to the 'Social Mobility Commission'. Clause 6 of the Bill makes related amendments to the Child Poverty Act 2010. The Bill has completed its passage through the first House (the House of Commons) and first reading in the House of Lords took place on 28 October.

The Memorandum deals with only two provisions in the Bill, as these are the only provisions which we consider to be within the Assembly's legislative competence and which remain in the Bill following Report stage in the first House. The purpose of this letter and attachments is to explain what the provisions included in the Memorandum mean within the context of a package of amendments to the Social Mobility Commission provisions which were made at my request.

The decision to change the remit of the Commission has been made alongside other decisions by the UK Government, which will result in a loss of focus on child poverty. On 1 July this year, the Department for Work and Pensions announced its decision to step away from the target to eradicate child poverty by 2020 which underpinned the Child Poverty Act 2010. It also announced its intention to no longer use the relative income measure of poverty and to report instead on measures which are focussed on worklessness and educational attainment.

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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.

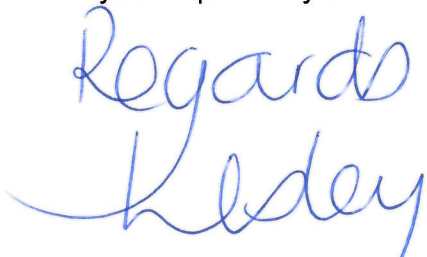
I responded to this announcement on 13 July when I issued a Written Statement informing members of the Welsh Government's intention to maintain its ambition to eradicate child poverty by 2020. I also reaffirmed our continued use of the relative income measure of poverty to assess whether we are delivering against this ambition, as one of a suite of poverty indicators we already use to measure the outcomes of low income households. A copy of my Written Statement is at Appendix A.

I gave detailed consideration to the provisions relating to the Social Mobility Commission included in the Bill at introduction and a full explanation of my consideration, including details of the amendments I requested, is attached at Appendix B. The key points are:

- I agreed the requirement that the Social Mobility Commission must publish an annual report setting out its views on the progress made towards improving social mobility in the United Kingdom should remain in the Bill. This provision, therefore, is one of the provisions which I consider to be within the Assembly's legislative competence and for which I am seeking the Assembly's legislative consent.
- I asked that the provision originally included, requiring the Commission's report to describe the measures taken by Welsh Ministers in accordance with a Welsh strategy, should be removed. The UK Government agreed this and the provision was removed by amendment at Report stage in the first House. As this provision has now been removed from the Bill, it is no longer relevant and is not included in the Legislative Consent Memorandum.
- I requested an amendment to the provision in the Bill at introduction which would have allowed a Minister of the Crown to direct the Commission to carry out activity relating to improving social mobility in the United Kingdom. The UK Government agreed to amend the Bill at Report stage, so that the Commission will not carry out this activity in Wales. As this provision has been removed from the Bill, it is no longer relevant and is not included in the Legislative Consent Memorandum.
- As a result of the Commission's change of focus, away from child poverty, I also sought an amendment to remove Welsh Ministers' function of appointing a Welsh Commissioner to the Social Mobility Commission. This is the second provision referred to in the Legislative Consent Memorandum.

These amendments, as further explained in Appendix B, reflect the continued focus of the Welsh Government on the issue of child poverty, and the Social Mobility Commission's increasing focus on social mobility in England. The UK Government agreed these amendments which were tabled on 21 October and subsequently agreed by Parliament and included in the Bill. Similar amendments have been agreed in relation to Scotland.

If you require any additional information, please let me know.



**Lesley Griffiths AC / AM**

Y Gweinidog Cymunedau a Threchu Tlodi  
Minister for Communities and Tackling Poverty

**Written Statement issued 13 July 2015**

**Lesley Griffiths AM, Minister for Communities and Tackling Poverty**

On 1 July 2015, the UK Government issued an Oral Statement on child poverty. The Statement outlined their intention to step away from the UK Government target to eradicate child poverty by 2020, which underpins the Child Poverty Act 2010, and introduce legislation to change the way child poverty is currently measured. This will mean a move away from measuring child poverty using a relative income measure, which is defined as the percentage of children living in households below 60% of the median income. Instead, the UK Government plans to introduce a new statutory duty to report on measures which are focussed on worklessness and educational attainment. Alongside these new statutory measures, they will also be developing a range of other indicators to measure the progress against the root causes of poverty. This will include measures on family breakdown, problem debt and drug and alcohol dependency.

Whilst the target in the Child Poverty Act is a UK Government target, the purpose of this Statement is to confirm the Welsh Government will maintain its ambition to eradicate child poverty by 2020.

We will also continue to use the relative measure of poverty to assess whether we are delivering against this ambition, as one of a suite of poverty indicators we already use to measure the outcomes of low income households, as part of our Tackling Poverty Action Plan and revised Child Poverty Strategy. This includes indicators on the number of children living in workless households and educational attainment amongst pupils eligible for Free School Meals. We also have no intention of amending the Children and Families (Wales) Measure 2010, which provides the legislative framework for tackling child poverty in Wales.

Despite recognising the considerable challenges posed by the ambition to eradicate child poverty, our recent consultation on our revised Child Poverty Strategy has shown how important it is to maintain a focus on this ambition. It maintains momentum, prioritises the issue and sends a strong and clear message to all partners and external stakeholders that tackling child poverty should be a key objective for all of us. Everyone needs to concentrate their efforts to support those living in low income households to achieve better outcomes.

We are fully aware of the significant challenges ahead in terms of delivering on our ambition. Ongoing analysis of the impact of welfare reform in Wales continues to highlight their disproportionate impact on those around the poverty line and particularly those households with children. Despite this backdrop, we remain committed to doing all we can with the levers available. Our revised Child Poverty Strategy sets two new objectives for tackling child

poverty in Wales. The first is to use every available lever to create a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales. The second is to support families living in poverty to increase household income through debt and financial advice, action to address the “poverty premium” (where households pay disproportionately more for goods and services) and action to mitigate the impacts of welfare reform. At the same time, we will continue our focus on reducing the number of children living in poverty, increasing skills to enable parents and young people to secure well paid employment and reducing the inequalities which currently exist in the health, education and economic outcomes of those living in poverty.

Through our Tackling Poverty Action Plan, we will continue to tackle the root causes of poverty, with a specific focus on investing in the early years, improving educational attainment and supporting people into work. The targets we have in our Action Plan are all driving progress and we remain fully committed to delivering each one.

As stated in the revised Child Poverty Strategy, we will continue to develop our understanding of what it will take to achieve the required shift in the headline indicator on child poverty. Work will be taken forward to provide an assessment of what needs to be achieved by when, if we are to eradicate child poverty. We will be using this work to develop interim outcomes and milestones. Partnership working and a collaborative approach to tackling child poverty will be critical in taking this work forward.

## WELFARE REFORM AND WORK BILL

### Consideration by Welsh Government of Provisions in Relation to the Social Mobility Commission

#### Clause 5: Social Mobility Commission

##### A1C Promotion of social mobility, advice and reports

***A1C(4): The Commission must publish a report setting out its views on the progress made towards improving social mobility in the United Kingdom.***

- **Agreed:** This function should include Wales.

While I remain deeply concerned at the UK Government's shift in focus away from child poverty, I recognise the value of the Commission publishing its annual State of the Nation Report on social mobility. In previous annual reports, the Commission has included specific sections on work being taken forward to tackle child poverty and improve social mobility in the devolved administrations.

Reports have included observations and recommendations for the different countries of the UK, including Wales, which is something we have found useful in the past. The report also draws comparison between the countries of the UK and provides us with examples of good practice, enabling us to learn from one another.

The report does not just consider the work of Governments. It also looks at, for example, the role which non-governmental bodies such as business and the professions can play in improving outcomes for low income families. I welcome this broad focus which identifies cross-boundary issues which have an impact on social mobility in all the countries of the UK. I have, therefore, asked officials in the Welsh Government's Tackling Poverty Division to remain engaged with the Commission on this aspect of its work.

***A1C(5): The report must also describe (b) the measures taken by the Welsh Ministers in accordance with a Welsh strategy.***

- **Amendment:** Reference to the Commission describing the measures taken by Welsh Ministers in accordance with a Welsh Strategy to be removed.

**Background:** The Bill as originally drafted proposed the Commission's annual State of the Nation report on social mobility in the UK, should describe the measures taken by Welsh Ministers in accordance with a Welsh Strategy.

The Welsh Government does not have a social mobility strategy for the Commission to report against and it would not be appropriate for the Commission to use our Child Poverty Strategy as a basis for reporting on what the Welsh Government is doing to promote social mobility in Wales. I therefore requested an amendment to the Bill which has resulted in the removal of the reference to the State of the Nation report describing the measures taken by Welsh Ministers in accordance with a Welsh strategy.

The Welsh Government is obligated by legislation to undertake its own analysis of its child poverty policies and programmes. In line with the requirements of the Children and Families (Wales) Measure 2010, the Welsh Government will continue to report every three years, providing an assessment of progress made towards achieving the objectives contained in the Child Poverty Strategy for contributing to the eradication of child poverty.

***Clause 6(6) “Welsh Strategy” means a strategy prepared by the Welsh Ministers under Part 1 of the Children and Families (Wales) Measure 2010.***

- **Amendment:** As a consequence of the amendment to A1C(5), the description of what a ‘Welsh strategy’ means, which is set out in clause 6(6), should also be deleted.

***A1C(10): A Minister of the Crown may direct the Commission to carry out any other activity relating to improving social mobility in the United Kingdom.***

- **Amendment:** The Commission should not carry out activity relating to improving social mobility in Wales.

**Background:** The role of improving social mobility in Wales is a devolved matter as the area of ‘social mobility’ is within the legislative competence of the National Assembly for Wales. I therefore requested the Commission should not carry out activity relating to improving social mobility in Wales and this reference has been removed.

## **Clause 6: Other amendments to the Child Poverty Act 2010**

***Paragraph 1(1)(c) of Schedule 1: The members of the Commission are to be (c) a member appointed by the Welsh Ministers.***

- **Amendment:** This paragraph should be omitted and the term in office of the Commissioner for Wales should come to an end when the Welfare Reform and Work Act is passed and the changes to the Commission take effect.

**Background:** The appointment of the Chief Executive of Children in Wales to the post of Commissioner for Wales reflected the Welsh Government's priority of tackling child poverty.

The decision by the UK Government to move away from a focus on child poverty does not fit with the priorities of the Welsh Government. I therefore requested the term in office of the Commissioner for Wales should come to an end when the Welfare Reform and Work Act is passed and the changes to the Commission take effect. The UK Government agreed to table an amendment to the Bill, to amend the Child Poverty Act so that there will no longer be a requirement for a member of the Commission to be appointed by Welsh Ministers.

My decision to withdraw the Commissioner for Wales was not taken lightly. The Commissioner was well qualified to act as a spokesperson for child poverty and to present the work the Welsh Government is taking forward to address this. She will remain engaged with our Tackling Poverty External Advisory Group through the policy sessions they hold on an ongoing basis. Her views and opinions, as well as her extensive knowledge of child poverty, are very much valued.

The Welsh Government is not alone in taking this action. Reducing child poverty is also a central priority of the Scottish Government and the Scottish Minister, Alex Neil, felt the child poverty element of the Commission's work was key to its remit. As a result of the changes to the Commission, the Scottish Minister has also taken the decision to withdraw their Commissioner for Scotland.