



## Response to the National Assembly for Wales' Priorities for the Equalities, Local Government and Communities Committee August 2016

### 1. Introduction

- 1.1. Citizens Advice Cymru welcomes the opportunity to help inform the medium to longer term work programme for the Equalities, Local Government and Communities Committee of the National Assembly for Wales during the 5th Assembly, in particular the next 12 to 18 months.
- 1.2. We ask that the Committee considers the following as part of their work programme:
  - how the nature of employment in Wales contributes to in-work poverty and what Welsh Government can do to mitigate against this
  - the challenges and impact that personal independence payments (PIP) pose for Wales and what can be done to mitigate against this
  - current and future devolution of welfare benefits
  - the role of information, advice and guidance in supporting individual people to access their correct entitlements and enable the prevention of adverse outcomes
  - implementation, success and enforcement of registration and licensing within private rented sector under Part 1 of the Housing (Wales) Act 2014
  - the state and quality of housing stock in Wales
  - how the Welsh Government can achieve their strategic equality objectives and support others to strive to make Wales fairer
- 1.3. Citizens Advice Cymru would welcome the opportunity to discuss any of the areas raised in this paper with the Equalities, Local Government and Communities Committee.

## Citizens Advice Cymru work programme recommendations

### 2. In-work poverty

- 2.1. Across Wales, people are bringing more employment and in-work benefit problems to Citizens Advice, and in-work poverty is on the increase. This forms part of the picture of the changing nature of debt we see, with decreased consumer debt and increasing debt on essentials, like Council Tax, rent, and utility bills. We would welcome the Committee's focus on how the nature of employment in Wales contributes to in-work poverty and what Welsh Government can do to mitigate against this. That nature of employment in Wales for those in-work poverty includes:
- high levels of irregular and seasonal work
  - high rates of part-time workers
  - prevalence of zero hours contracts
  - lower than average pay in Wales when compared to rest of GB
  - issues relating to rurality and the valley regions
- 2.2. Citizens Advice has found widespread evidence across the UK that many people are struggling in 'second choice jobs'<sup>1</sup> such as those found across Wales, which make it harder for people to budget or manage their benefits and tax credit claims, while also making it unclear what their rights are at work. This increases exposure to debt and benefit overpayments / underpayments, making households financially unstable. Currently the benefits system is unable to keep up with the real time changes in many people's working patterns, leading to confusion on eligibility and accessing the correct levels of support. We ask for Committee consideration of how devolved benefits administered in Wales can better support people in fluctuating work and whether this could realise public savings.
- 2.3. In Wales, our recent research into council tax arrears<sup>2</sup> found a fifth of those in arrears are working and that the nature of employment in Wales (as above) can also be a key contributor to council tax arrears. Changes to council tax reduction (CTR) as a consequence of being in and out of work, only exacerbates an unstable financial situation for many, often leading to delays in a reduction being implemented, or a household's liability consistently changing, leading to uncertainty and confusion about what they actually owe (hence more likely to go into arrears).

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<sup>1</sup> See our 2015 report [Second Choice Jobs](#) examining the impact of fluctuating hours on people's lives.

<sup>2</sup> The Council Tax arrears report will be launched on the 21st of September at 12:30 in the media briefing room at the Senedd. The event is kindly sponsored by Jeremy Miles AM.

- 2.4. Additionally, we have seen an ongoing significant increase in discrimination issues in relation to women in work<sup>3</sup>, particularly maternity rights. We have seen a 100% increase in visits to our [pregnancy discrimination advice pages on our website](#) in the last year and a 58% increase in the number of maternity leave issues being brought to us for face to face help over the past two years. Examination of in-work poverty and the differentials attributed to gender and other protected characteristics would help the Welsh Government to develop appropriate responses to these challenges.
- 2.5. We would welcome the Committee's consideration of how the Welsh Government can mitigate against the nature of employment that creates in-work poverty by:
- using devolved benefits and taxes (including likely future developments)
  - promoting quality jobs that pay a decent salary that enable people to maintain a minimum standard of living
  - improving people's employability and skill levels
  - improving access to services that support people into work, specifically the role of:
    - integrated public transport
    - access to flexible, quality childcare
  - tackling discrimination in the workplace
  - supporting people in Wales to understand and apply their rights at work

### **3. Poverty and welfare reform**

- 3.1. We strongly agree the Committee should review poverty and welfare reform in light of ongoing and forthcoming changes over the coming parliamentary term. As our [annual Advice Trends report](#) showed, 4 out of 5 of the top problems seen in Wales relate to welfare benefits which now account for 39% of all the problems we see. During 2015 - 2016 we helped 49,886 people with 163,337 benefit related problems, a 9% rise against last year's figures. The most common problems we see continue to generally concern entitlements and eligibility; supporting people who've had a change of circumstances or helping people to make or manage a claim. For Employment and Support Allowance (ESA) and Personal

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<sup>3</sup> See our recent work examining unfair treatment and maternity rights '[Sharp practice: maternity rights](#)' for further detail.

Independence Payments (PIP) large numbers of the issues seen also relate to challenging a decision or making an appeal, highlighting ongoing problems with these new benefits as they embed into the welfare system.

- 3.2. With the ongoing delays to Universal Credit (UC) we would recommend the Committee focus more on the challenges and impact that personal independence payments (PIP) pose for Wales and what can be done to mitigate against this and consider the devolution of benefits alongside their investigation into housing benefit. As part of the Committee's work on poverty and welfare reform we would also welcome consideration of the role of information, advice and guidance in supporting individual people to access their correct entitlements.
- 3.3. PIP has fast become the number one issue people seek help from our network over the past year, rising 37% to 40,516 issues affecting 14,175 people across Wales. 1 in 6 people with a PIP issue sought help with an appeal, and the number of people seeking help with an appeal or to challenge a decision (not an appeal) rose over 50% during 2015 to 2016, up from 2,100 to 3,477<sup>4</sup>. To date local Citizens Advice have on average an 80% turnover rate at appeal and challenging decisions, showing issues with assessment and decision making process.
- 3.4. We believe scrutiny of PIP processes and the impact this has on people's physical, mental and economic well-being is required in order to address practice issues and ensure public money is not wasted as a result of inappropriate decision making. We will continue to work with DWP and Capita in Wales as well as working centrally with DWP regarding the problems we see and ways in addressing these, such as improving assessor training on mental health and rare conditions.
- 3.5. We ask the Committee to consider how current and possible future devolved benefits can support the Welsh Government's ongoing intent of mitigating the impact of welfare reform and addressing poverty in Wales. We ask for examination of: how and what benefits could be devolved in the future; what resources would be required; how budgets alter to reflect changes in need; and how they could be administered responsively to reflect the changing nature of work to better support people in Wales.
- 3.6. The former social fund, now Discretionary Assistance Fund (DAF), and council tax support were both devolved with a 10% reduction and no scope for increases despite any variation in need. We would welcome the Committee's consideration of the schemes and what lessons learnt from

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<sup>4</sup> For further details on the impact of PIP and other benefits seen by our network over the past financial year, please see our [annual Advice Trends report](#).

their devolution, and ways to improve current administration in light of both the expected Welsh Government decision regarding their future and applying learning to benefits devolved in the future.

#### **4. Post-legislative scrutiny of the new registration and licensing of private rental sector landlords imposed by the Housing (Wales) Act 2014: Part 1**

- 4.1. In addition to the scrutiny of the impact of changes to homelessness practice introduced by the Housing (Wales) Act 2014, we would strongly recommend the Committee's consideration in mid 2017 of the implementation, success and enforcement of registration and licensing within private rented sector under Part 1 of the Housing (Wales) Act 2014. After 23 November 2016 all landlords with property in Wales must be registered, and those managing their property along with letting agents operating in Wales must be licensed and appropriately trained.
- 4.2. Focusing on the implementation of Part 1 would allow scrutiny of the number of landlords and letting agents adhering to the new law, the impact this has had on private rented sector tenants, as well as any action taken by the single licensing authority and/or local authorities across Wales to increase compliance. We will be monitoring the impact through our network to see if the ongoing trend continues of around one third of all housing problems relating to PRS properties, despite only accounting for approximately 16% of housing stock in Wales, highlighting issues within the sector, such as repairs and maintenance which remain the top issue for people living in PRS seeking our advice and information<sup>5</sup>.

#### **5. Housing conditions**

- 5.1. In addition to the proposed work by the Committee on housing supply, we believe it would be beneficial for work to be undertaken on current housing stock conditions and quality. This could be included within the proposed housing supply work, or run separately as a complementary work programme.
- 5.2. We believe this work is required as Welsh Government have not updated their work or knowledge base of housing conditions in Wales since the last [Welsh housing condition survey](#) published in 2001 based on data from

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<sup>5</sup> The top 3 PRS issues for the past two consecutive years have been: repairs/maintenance of the property (up 7% to 753); rents and other charges (down 6% to 528); and tenancy deposit protection problems (down 18% to 545). For further information see our [Annual Advice Trends 2015 - 2016](#).

1998. Given the ongoing reform programme for housing in Wales, having an up-to-date picture of the state of repair of houses in Wales will help ensure programmes designed to improve and expand housing supply will target their resources effectively.

- 5.3. We continue to strongly support the provision of funded energy efficiency retrofit programmes for households in poverty. With Arbed being funded in part via European Union money, and with a successor scheme to Nest being consulted on now, there is clearly some uncertainty around the current schemes. We have some concerns about the proposed direction of travel outlined in the Nest consultation - most notably around changes to the eligibility criteria. We will be responding in full to the consultation and will be happy to share our response to the committee in October.
- 5.4. There is also a real opportunity for Wales to improve housing conditions in the private rented sector under the fitness for human habitation regulations resulting from the Renting Homes (Wales) Act 2016 which this work programme could help inform.

## **6. Equality and community cohesion in Wales**

- 6.1. As highlighted in the Equality and Human Rights Commission (EHRC) [Is Wales Fairer?](#) there are a number of key challenges facing Wales that will be need to be addressed in order to make Wales a fairer country. As outlined in 2.4, we would welcome Committee consideration of discrimination in the workplace as well the impact of the referendum in June on Wales.
- 6.2. We believe that the referendum outcome in June, increases the challenge of making Wales fairer, due to both the potential loss of targeted money addressing inequality and promoting jobs and growth from the EU, as well as increased incidents of hate crime against minority groups negatively affecting community cohesion. We saw a spike in hate crime around the time of the referendum, consequently we are monitoring this closely at a national level and working with the network to understand what this means for migrants and BAME living in Wales.
- 6.3. In light of this, we would welcome the committee's consideration on how the Welsh Government can achieve their strategic equality objectives and support others to strive to make Wales fairer.

## About Citizens Advice Cymru

Citizens Advice is an independent charity covering England and Wales, operating as Citizens Advice Cymru in Wales with offices in Cardiff and Rhyl. There are 19 local Citizens Advice in Wales, all of whom are members of Citizens Advice Cymru, delivering services from over 375 locations.

The twin aims of the Citizens Advice service are:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The advice provided by the Citizens Advice service is free, independent, quality assured, confidential and impartial, and available to everyone regardless of race, gender, disability, sexual orientation, religion, age or nationality.

The Citizens Advice Service has responsibilities for consumer representation in Wales as a result of the UK Government's changes to the consumer landscape<sup>6</sup>. Since 1<sup>st</sup> April 2014 this includes statutory functions and responsibilities to represent post and energy consumers.

### For further information or any queries please contact:

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<sup>6</sup> On 1st April 2013 responsibility for consumer representation was transferred from Consumer Focus to the Citizens Advice Service (including Citizens Advice Cymru) following the UK Government's review of the consumer landscape. From 1st April 2014 this includes statutory functions and responsibilities to represent post and energy consumers