

SP 22

Blaenoriaethau ar gyfer y Pwyllgor Cydraddoldeb,

Llywodraeth Leol a Chymunedau

Priorities for the Equality,

Local Government and Communities Committee

Ymateb gan: Cyngor Gweithredu Gwirfoddol Cymru (WCVA)

Response from: Wales Council for Voluntary Action (WCVA)

1. Wales Council for Voluntary Action (WCVA) is a registered charity and umbrella body working to support, develop and represent Wales' third sector at UK and national level. We have over 3,350 organisations in direct membership, and are in touch with many more organisations through a wide range of national and local networks. WCVA's mission is to provide excellent support, leadership and an influential voice for the third sector and volunteering in Wales.
2. WCVA is committed to a strong and active third sector building resilient, cohesive and inclusive communities, giving people a stake in their future through their own actions and services, creating a strong, healthy and fair society and demonstrating the value of volunteering and community engagement.
3. We welcome the opportunity to respond to the Committee's consultation on its priorities going forward. We have views on several of the suggested areas, and these are set out below.
4. We thank Oxfam Cymru, Race Council Cymru, Chwarae Teg and Powys Association of Voluntary Organisations for their contributions to our response.

### **EU funding of tackling poverty programmes**

5. The European Structural Funds have been a significant source of funding to support voluntary and community organisations in the delivery of vital social inclusion projects to regenerate and revitalise communities across Wales. Since the referendum, many third sector organisations are concerned that the loss of direct contact and negotiation of these programmes will see the sector's tangible contribution to Welsh and UK policy development negatively impacted, with many of the current best practices led by structural fund programmes lost.
6. Many third sector organisations have been involved in the development and implementation of these programmes and have been used as exemplars across Europe (Equalities issues being one such example). The third sector continues to play a major role in the current EU programmes by delivering a wide range of ESF projects that are providing specialist, innovative approaches to helping the most disadvantaged to overcome barriers to employment, engaging with NEETs and raising the aspirations of young people, supporting the advancement of women in employment, taking forward the digital inclusion agenda and developing the social economy in Wales.
7. WCVA is working in partnership with WEFO to deliver four projects under the 2014-20 programmes, through which approximately £33m will be distributed directly to

third sector organisations that, through a range of activities, are engaging with the most disadvantaged in the labour market.

8. Many of the activities delivered by the third sector are aimed at individuals with multiple barriers that see them continually marginalised. Many live chaotic lives in socially isolated communities often lacking the basic skills, confidence and resources which are essential for them to feel they are employable. The needs of these clients are not met by programmes such as Jobs Growth Wales.
9. In a tightening labour market the gap increases between those employed and the most disadvantaged and lacking in sufficient skills and resources. Simply creating employment opportunities does not work. Government programmes often fail to reach many of these individuals.
10. Third sector organisations are working within these communities with individuals to rebuild their skills and confidence to enable them to take the first steps toward employment. Under the 2007-13 programmes third sector organisations generated a total investment of £176.1m, helped 18,800 of the most disadvantaged individuals gain qualifications, supported 7,100 of them into work and created almost 700 jobs and we are aiming to do the same under the 2014-20 programmes. If Wales is to tackle poverty through employment then the continuation of this work after structural funds cease will be essential, or the gap will only increase and result in more isolation and poverty for these individuals and the communities they live in.
11. Welsh Government's Communities For Work (CfW) programme has been expressly designed to 'bolt onto' the existing Communities First (CF) apparatus, namely: by being community-based, by capitalising on Communities First's engagement and community involvement strengths, and ensuring jobseekers' other needs (learning, health, parenting, etc.) can be addressed as well. It is the first time, at programme level at least, that European money has been brought into Communities First, though it has happened at a more local/borough level. It is still too early to know the impact in some areas, teams for CfW are only just beginning to form. Whilst working to improve people's employability and job-readiness is important, if the programmes are disconnected from more fundamental labour market interventions and economic development then the effect would be to move poverty around rather than lift significant number of people out of poverty.
12. The committee could look at which other 'levers' that affect poverty might benefit from funding: credit union opportunities for affordable credit, savings and loans; co-operativism that helps local people set-up their own enterprises to meet local deficiencies in childcare, social enterprise, learning and skills acquisition.
13. Post-EU funding arrangements could allow the Committee to revisit the boundaries of Competitiveness and Convergence areas, allowing for more flexibility to tackle pockets of need within the Competitiveness areas.
14. 270,000 jobs in Wales, mainly held by women, are paid at below two-thirds of the UK median hourly wage, according to Chwarae Teg, and if a woman in one of these roles is the main or only breadwinner in the home, this can cause pockets of poverty. Any discussion of in-work poverty must consider the factors that cause this situation.

## In-work poverty

15. Communities First has long had a focus on jobs and employment. It recently adopted an 'increased focus on employability' and this has brought in-work poverty into sharp focus. It would be interesting to see if there is a disparity between areas of 'traditional' poverty in Wales, such as Communities First areas, and those where in-work poverty might be concentrating. If there is, then the problem requires a different approach (but this should not be seen negatively against Communities First).
16. In-work poverty affects some different economic sectors, including hospitality, food production and caring, more than others because some have larger proportions of female and/or ethnic minority workers, who often don't have English as a first language, or are agency workers, non-unionised or on zero hours contracts. Any inquiry must fundamentally ask the question 'what is work for and what is work?' Edgar Cahn on the reciprocity of work is helpful here. Communities First is beginning to grapple with the moral dilemma of having to get people into work as required by the programme, but recognising that work *per se* may not be suitable for a particular individual due to their caring responsibilities, fragile mental health or because of other household/domestic circumstances. So it recognises that a job might be of long term benefit to someone in lifting them out of poverty, but not necessarily *any* job. This obviously presents ethical dilemmas when programme targets need to be met.
17. Rural Wales suffers a high level of in-work poverty, and it would be useful if the Committee could consider the dynamics of in-work poverty in these areas, considering elements such as sparse public transport; the seasonally-affected employment of the agriculture sector, and the high level of job losses in the public sector.

## Poverty and welfare reform

18. The Joseph Rowntree Foundation and the Bevan Foundation have identified that the true levers for affecting poverty lie within the welfare system which is not devolved to the Welsh Government. Steve Clarke's work on the impact of welfare reform in Wales suggests Wales is at risk of being exposed to a perfect storm: being disproportionately affected by Westminster's welfare reforms, and lacking the means to prevent these things from happening. The effect is to find ways within Welsh Government budgets to mitigate impact, but achieve little fundamentally or in the long term. Welsh Government is to be commended for taking action, but declining budgets and rising costs mean this is unsustainable. The Committee's suggestion to look at the three stated measures is helpful in providing focus to any inquiry but is there a risk that the focus is too narrow and omits what the third sector is doing to mitigate welfare reform: housing providers, Citizens Advice, credit union sector, etc.
19. It would also be useful for the Committee to look at the impact that welfare reform has had on stimulating demand for third sector support services at a time of constrained resourcing.

## The effectiveness of Communities First

20. Any analysis of the effectiveness of Communities First must recognise that there are factors addressing poverty in Wales which Communities First cannot affect. Too often Communities First becomes a political football. That said, Communities First has a much clearer focus recently, plus a more robust outcomes framework and so it is more capable of 'defending' itself.
21. An omission here is the effectiveness of the collaboration of the various programmes that tend to be working with many of the same people/families in the same communities: Families First, Flying Start, Communities First and Supporting People. They have the potential for real impact if they collaborate and combine budgets imaginatively; for instance, can the CF budget be transferred to Flying Start if there is a merit in doing so that benefits someone? This taps into the co-production idea of budgets following people and is being introduced in Communities First this financial year.

### **Local government reorganisation and reform**

22. Any reorganisation should take into consideration the work of the County Voluntary Councils, and ask how to continue their work should county boundaries be changed. Their expertise, skills and grassroots knowledge of the needs of their communities should not be allowed to disappear simply because of a boundary reorganisation.
23. Thought must also be given to local authority assets such as libraries and leisure centres. If local authorities need to make changes to these types of services during this process, the third sector should be among those given the chance to consider the options to be an effective partner or lead any takeover of assets and continue to provide those services to the community. Asset transfer has proved difficult for the sector at times however, and Welsh Government could consider how support such as funding, loans and community shares could be provided.
24. The Committee should also consider what happens to those organisations providing cross-county services - for example, if a group were funded to deliver services in Newport and Torfaen, they will need clear guidance about what will happen in the event of those boundaries changing. Similarly, any issues around which local authority is funding what would need to be resolved long before any boundary changes finally occur.
25. Should local government reorganisation necessitate local elections, it is important that candidates from a diverse range of backgrounds are encouraged to stand, particularly those representing the protected characteristics of the Equality Act, in order to reflect the diversity of Wales' communities.
26. The *Reforming local government white paper* of 2015 proposed greater citizen and third sector involvement in scrutiny, which is something we would still support. Scrutiny is one of the 'pillars' of WCVA's *Putting people at the centre* policy, and Participation Cymru in WCVA has much experience of supporting citizen engagement in this area.
27. The seven wellbeing goals of the Wellbeing of Future Generations (Wales) Act should be borne in mind right from the start of any reorganisation process to ensure they are embedded in any change process.

## Additional areas

28. It would be useful to know what regard will be given to data gathered through wellbeing assessments as part of the area plans required by the Wellbeing of Future Generations (Wales) Act, as consideration of this data helps the sector understand the impact/evidence of the topics identified by the committee.
29. Some partners in rural Wales have concerns about the Committee drawing assessments from the Welsh Index of Multiple Deprivation, feeling some headline indicators are flawed - such as the level of car ownership per household indicating affluence. In rural Wales it is felt that this can be more of an indicator of poverty, as each working member of the family typically requires a car in order to access employment, adding significantly to family expenditure.
30. Regarding equality, WCVA supports the Chwarae Teg position of adopting a gender mainstreaming strategy to ensure all policies contribute to improving levels of equality throughout Wales.
31. We endorse Race Council Cymru's three strands for Black History Month - recognising and raising awareness about Wales' shared history; recognising the considerable contribution black people have made to the development of Wales' today; celebrating the vibrant black contribution, culture and presence in Wales today.
32. WCVA supports the recommendations around refugees and asylum seekers made by Oxfam Cymru in their response to the Committee.

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2 September 2016.