

MEW 02

Gwneud i'r economi weithio i'r rheini sydd ag incwm isel

Making the economy work for people on low incomes

Ymateb gan: Dinas a Sir Abertawe

Response from: City and County of Swansea

1. Brief description of the role of the organisation

1.1 The City and County of Swansea local authority has prepared this response to the inquiry through consultation with its Economic Regeneration, and Poverty and Prevention Departments.

1.2 We know that there is great income inequality in Swansea with rates of income deprivation varying enormously. Some people are very wealthy and some are very deprived. There are more poverty-pay jobs in Swansea (as a proportion of total jobs) than the national averages. The figure is 27.6% in Swansea East (Wales 25.6%; UK 22.7%).

How the Welsh Government's economic strategy and employability plan can:

2. Create more inclusive economic growth, that benefits people and places equally across Wales;

2.1 Improved business networking across all employment sectors that identify business growth opportunities can inform local employment support agencies and training providers with advance warning of sector based skills required by growing companies or those relocating to Swansea and other areas of Wales. Increased use of networking forums, joint working between employability support agencies, rebuilding and strengthening local government and Welsh government links with business is crucial to build intelligence around sector-based skills gaps and shortages, linked to up-coming job opportunities.

2.2 Local employability programmes such as Communities for Work and Workways+ provide examples of this, where we build business intelligence through our Employer Liaison function, so that early advice on potential growth areas can help ensure the economically inactive and unemployed are encouraged to develop the right skills to set them on positive employment pathways. This will enable them to engage in the full range of job opportunities from the most basic to higher added-value jobs in growth sectors further down the line and benefit from the major regeneration initiatives on the horizon.

2.3 The use of procurement and development processes as tools to bring economically inactive and unemployed people back to the workplace by use of social benefits clauses in procurement contracts and local sourcing enables opportunities to be targeted at people in need. Swansea's own award winning **Beyond Bricks & Mortar** scheme is an example of good practice in this area. With the Swansea Bay City Deal now agreed there would be a strong focus on delivering major employment creating schemes through our 'Swansea Working' model. This is a comprehensive, partnership led approach to create work experience placements, traineeships and quality apprenticeships, supporting sectors with harder to fill vacancies such as social and health care, retail and hospitality along with growth opportunities through housing, health and digital investment.

3. Interact with the UK Government's Work and Health Programme

3.1 Given the extent of health related barriers to individuals in Wales we are disappointed with the potential client flow numbers predicted for the Work and Health Programme. This will place increasing emphasis upon local provision to devise innovative ways to support those with work limiting health conditions.

3.2 Devolution of the Work and Health Programme to Wales should help enable closer working links with other provision at the local level, supporting other mainstream and EU funded employability provision to work in support of this initiative, and should help to ensure people receive the right person centred support tailored to their needs in order to access sustainable employment.

3.3 Collaborative working and sharing of data between a DWP, Welsh Government, Local Government and Third Sector provision is crucial to ensure there is no duplication between support providers, that there are no gaps in provision and that people are given every opportunity to access support services. Local providers should be encouraged to seek to maximise the use of mainstream provision before further intervention

4. Reduce the proportion of people on low incomes in Wales; and

4.1 There needs to be a focus on educational qualifications and skills as this is fundamental to improving performance, competitiveness and salary levels that ultimately raises prosperity for all. Skills ultimately provide the passport to work. Workforce skills provision requires closer alignment with strategic sectoral opportunities in order to make students and workers more ambitious for the future, with the right skills and experience to progress via labour market opportunities.

4.2 There is a current need to focus on digital skills to take advantage of this fast moving sector in Swansea. In addition, support is required for key sectors such as health and social care in terms of increases in the volume of provision.

4.3 Enterprise education is also important to embed leadership and entrepreneurial skills into the education system to develop our next generation of business people.

4.4 It is also important to make available all age careers advice so that those looking to enter the labour market or who are either underemployment or 'poor employed' can get the support needed to help map out a career path or progression route. Here existing employment support agencies need to be less restrictive around the type of client group they are targeting and supporting, and work more collaboratively. Key to this is better interaction between Welsh Government and other provision such as DWP, Careers Wales and Local Authority provision, including suitable data sharing protocols.

5. Address economic inequalities between different groups of people

5.1 The economic strategy and employability plan needs to include actions to ensure people, particularly those from more disadvantaged areas, are able to take advantage of the employment opportunities offered through equipping them with the right, labour market required skills.

5.2 Support to address barriers to employment such as effective transport options and appropriate childcare are also crucial to accessing job opportunities. Enterprise education is also important and therefore embedding leadership and entrepreneurial skills into the education system will help to develop our next generation of business people. It is worth highlighting here that Swansea's former Local Service Board's wellbeing assessment acknowledged that the main barriers to employment in Swansea are childcare, transport and a lack of skills and experience.

6. Provide an exploration of low pay sectors, and measures to improve pay of low-paid workers such as the living wage

6.1 Large and medium sized employers are key to the Swansea Bay City Region economy in terms of job creation and economic growth opportunities. We must work to exploit sector specialisms to improve competitive advantage to support business development and job creation. Linked to this there is a need for business advice and mentoring to improve workforce development to create in-work opportunities for upskilling of the SME workforce and enable staff progression opportunities.

6.2 Key growth sectors need to be targeted and supported to provide in-work support, enabling succession planning. Work should be encouraged across low pay sectors such as care, retail and hospitality to encourage in-house skills development, staff retention through cross sector wage rates (reducing poaching of staff) and consequently improved rates of pay.

7. Provide ways to increase the security of work in Wales

7.1 In order to increase security of the workforce in Wales it is firstly critical to retain key employers locally and support them to become rooted and committed to growth in the Swansea Bay City Region (or the region of Wales that they operate in). Strengthening links with key SMEs and key employers in the City is crucial to build local intelligence around skills gaps and workforce development opportunities, in order to ensure FE, HE and other training providers establish provision in line with labour market need. Regional Learning Partnerships have a key role to play here. Ultimately, we require provision that supports employers to ensure they have access to a suitable talent pool. Parts of the City Region are highly attractive to business. It is essential that we champion and market this widely to enhance our overall image, alongside improving key strategic employment sites and infrastructure to encourage companies to locate here. Work should be encouraged across low pay sectors such as care, retail and hospitality to encourage in-house skills development, staff retention through cross sector wage rates (reducing poaching of staff) and consequently improved retention through better conditions, skill and rates of pay.

8. Identify the role that welfare benefits play in supporting people on low incomes in Wales.

8.1 Vulnerable people in Wales will always require benefits. Changes in the benefits system are having an increasingly adverse effect upon vulnerable adults and their families. We should work to encourage a 'minimum living standard', which maximising the benefits to those that require them and seeking to ensure that they enable a comfortable lifestyle. At the same time, we should support people where they are able to work to access the skills and experience they need to secure work. A key part of this is that work has to pay to ensure people on low incomes can move forward. We should promote living wage payments from all employers.

8.2 The benefits system is increasingly complex, difficult to navigate and inadequate. The City and County of Swansea's Welfare Rights (WR) service and partners in Citizens Advice, Age Cymru and social housing providers report the following:

- WR Advice line sessions are highly over-subscribed, with more complex queries being brought and queries not all able to be dealt with during the session.
- Appeals representation is insufficient; more people require help than can be accommodated.
- Changes from Disability Living Allowance (DLA) to PIP/ESA (Employment Support Allowance) are creating insurmountable workloads. Reviews are frequent and decision-making is poor. People claiming are often unclear how the criteria and assessments operate.
- Poor decision-making is a costly, damaging and ongoing problem: nationally, 65% of PIP decisions alone are overturned on appeal. In Swansea, the Council's Welfare Rights service has a success rate of 91% at appeal (total for all benefits).
- Council WR Advisors have identified 25 local people with severe disabilities who may be receiving less than their full entitlement. Very few have responded to a direct offer (in writing) for support to examine and correct this. Further inquiry is needed to ascertain people's barriers to accessing this support in realising their full entitlements.
- Under-25s on Universal Credit are in a particularly difficult financial situation. People with very minimal budgets are unable to make ends meet.
- As claimants are already well below the poverty line, a sanction creates a desperate situation. The numbers of people being sanctioned and numbers of sanctions issued are both falling, but the aim needs to be for zero. The mismatch between these figures tells us that some people are having multiple sanctions.
- Case studies from a range of organisations show where welfare reform has reduced income and the consequent implications and need for debt advice.