

# Equality, Local Government and Communities Committee – Inquiry into poverty in Wales: making the economy work for people on low incomes

## Background

As part of the Committee's inquiry, the Assembly's Outreach Team has been holding focus groups with a variety of groups across Wales. Contributions were gathered from a mixture of frontline staff including support workers, programme managers and scheme managers, and service users, including young people, low income families, and single parents, some of which were employed, some were in part time work or zero hours contracts, and others were out of work. Participants came from each of the five Welsh electoral regions.

The Outreach team held 8 sessions, engaging with groups from Swansea, Caernarfon, Blaenau Ffestiniog, Conwy, Lampeter, Ton Pentre, Cardiff, Merthyr Tydfil, Ebbw Vale, Torfaen and Rhondda Cynon Taff. The views of the 76 people who contributed have been summarised into key themes.

## Summary of key themes and contributions

### 01. Public transport

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"Transport is a big issue above all where you are getting minimum pay" (Young person, Swansea)

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One common theme that emerged from every session in all parts of the country was difficulty in accessing public transport (specifically bus services), and how this is a big barrier to finding and keeping a job, and to be able to access training and support. This was an issue raised by those in rural and urban areas. People also brought up the following concerns:

- That the costs of maintaining a car means that many on low incomes are heavily reliant on bus services in particular to get to and from work;
- Dissatisfaction with the lack of basic information available, including timetables, bus stop locations, the price of fares, as well as a consensus view across all groups that bus services are unreliable;
- Many spoke of working shift patterns at times where bus services aren't as frequent, so getting to and from work is difficult;
- A number of participants spoke of needing to make a number of connections to get to the end destination, often running late.

The majority of those who contributed believed that cheaper bus fares, and more frequent and reliable bus services would significantly help them access work and maintain work.



## 02. The benefits system

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“Some have to make a decision between work or benefits because you are not going to get more money working.” (Service user in part-time employment, Cardiff East)

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Participants responded very passionately to discussions around benefits system, with most feeling that it wasn't effective in encouraging, and supporting people into work. Many thought that being in employment would make their financial circumstance worse due to travel costs to and from work, and the resulting cuts to benefit. Single parents spoke examples where their children were no longer eligible for free school meals once they were in employment. Many groups expressed resentment towards the benefits system, and a perceived lack of fairness that, in their eyes doesn't reward those prepared to work.

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“I got a pay rise, then they cut my tax credits – I was worse off.” (Young mother in employment, Swansea)

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Social housing was raised repeatedly as an issue for those we engaged with. A lack of social housing, expensive private rented alternatives of varying quality, and private landlords with a 'no DSS' policy were all raised as problems across the country.

The Spare Room Subsidy was criticised, with many participants referencing the additional burden it places on low income families, and the lack of suitable alternative accommodation.

There was wide scale concern regarding the Universal Credit System and a feeling that things are going to get worse. Some young people we engaged with were on Universal Credit and spoke of being prescribed medication to deal with the resulting anxiety it is causing.

A number of those we spoke to felt that more information needed to be made readily available on how the Universal Credit System works, what people are entitled to and how to access support.

Many young people spoke of not being aware of what their rights were, and what they were entitled to. They also expressed dissatisfaction at the way payments were administered.

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“You have to wait 6 weeks for your first benefit payment, so you're immediately in the red.” (Young person, unemployed, Ebbw Vale)

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## 03. Job opportunities

Every group spoke of a lack of job opportunities in their area. Where work is available, much of it was low paid work in sectors like social care, retail, hairdressing, hospitality and leisure, and factory work. Many spoke of not being able to sustain employment in the care sector because of the expectation that expenses are paid for by the employee, leaving them out of pocket. In some areas, particularly in North West Wales, much of the work is seasonal.

There was a general call to attract more employers to Wales to increase the number of jobs available, with some groups referencing large employers who were cutting back on staff, and some smaller employers going out of business, meaning less work was available. Those in rural communities spoke of the significant impact the reduction of jobs has in those areas.



Young people spoke of the challenges they face in accessing work, particularly as it related to those with less qualifications and experience.

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“If you’re a young person coming out of school with no experience, it’s really difficult to get a job” (Young person, unemployed, Cardiff)

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Some staff in the third sector felt that Jobs Growth Wales should be the vehicle to give young people with less skills and experience a ‘foot on the ladder’, however those with a direct experience of recruiting through the programme spoke of only being provided with a shortlist of applicants who all had University degrees. They questioned if those young people who would benefit most from the programme were being filtered out of the process. One young person also spoke of being in a Jobs Growth Wales placement for 14 months, and being denied training by the employer.

Single parents spoke of the specific challenges they faced in accessing work, and the lack of family friendly work opportunities with the necessary flexibility.

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“Not really an issue to find a job, but it’s difficult to find an accessible, flexible job” (Young mother in part time employment, Cardiff East)

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#### **04. Advice and support**

A regular theme that was raised during these discussion was the perceived lack of support received from the Job Centre. Participants spoke of their displeasure at the Job Centre’s inability to effectively signpost appropriate training, employment opportunities, and to relay how taking on certain job opportunities (in particular short term or part time work) would impact on an individual’s benefits. Some were sympathetic to the pressure Job Centre Work Coaches were under, and some support officers suggested a closer working relationship between third sector groups and the Job Centre would be of benefit.

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“I think there needs to be more of a structured way of working between the job centres and local organisations in the 3rd sector, providing CV, job search, upskilling support.” (Support worker, Swansea)

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Young people felt that what they are taught at school doesn’t effectively provide them with the necessary knowledge and skills to find work, manage money, and live an independent, healthy life.

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“You’re not taught how to survive when you leave school” (Young person, unemployed, Rhondda Cynon Taf)

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Young people spoke of the need for schemes that provide work experience and skills training for young people. Though some third sector staff expressed their concern at the changes to the way in which the money available through the Supporting People revenue grant is no longer being ring-fenced, and may not be spent on crucial support for vulnerable young people, including accommodation, independent living skills, healthy living and emotional support.

Some spoke of difficulties in accessing training outside of employment, because of a lack of availability outside of employment, distance to travel, and the time, energy and mental capacity required.



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“How are you going to think about training and qualifications when you’re spending all of your energy thinking about feeding your family...you’re literally just surviving” (Young mother, unemployed, Cardiff East)

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## 05. Zero hours contracts

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“They need to be stopped. Awful things – cause people stress and anxiety.” (Service user, Swansea)

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Participants were overwhelmingly against zero hours contracts, and many referenced that the number of jobs zero hours contract work had increased in recent years, especially prevalent in the care sector.

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“They call you at late notice, 20minutes before a shift starts. You don’t want to turn it down or they won’t call you again” (Young person, unemployed, Torfaen)

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Many people felt that being employed on a zero hours contract doesn’t enable you to plan appropriately. For families and individuals on low incomes it makes it impossible manage an already very difficult financial situation.

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“I went a month without work. If I didn’t live with my parents I wouldn’t have been able to afford to live.” (Young person, unemployed, Torfaen)

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## 06. Living wage

Most people we engaged with were supportive of employers offering the National Living Wage instead of the National Minimum Wage, and thought that salaries had not risen at the same speed that living costs, so it was right to do so.

Many of those we engaged with spoke of the amount of stress they were under trying to make ends meet. Being paid the National Living Wage would have a beneficial effect on their emotional well-being, it would improve their mobility and therefore be able to access training opportunities, and increase the likelihood of obtain better paid work.

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‘You don’t earn enough to live, you scrape by.’ (Support worker, Lampeter)

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Some questioned why businesses would pay the National Living Wage, suggesting that employers have a large amount of people to choose from to fill low paid vacancies, so there is no reason for them to do so. A few raised concerns on the impact it could have on smaller businesses, but the majority felt that larger employers in particular should pay the National Living Wage to its employees.

## 07. More vulnerable groups

Some of those we spoke to believed that there is a stigma attached to black ethnic minorities, single parents, and people with a disability making it harder for them to access employment.



Some third sector staff we spoke to told us that those living in rural communities find it harder to access work. They felt that there was a false perception of wealth in rural areas, and many service users become isolated, and their emotional well-being suffers as a result.

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“Isolation and depression is one of the biggest things the families we work with suffer from.”  
(Scheme Manager, Lampeter)

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People with limited English language skills and young people were also referenced as groups who find it particularly challenging to find work.

## Annex

During this project, the Outreach team worked with the groups listed below to gather the views of staff and service users. We would like to thank all those who contributed.

Llamau	Homestart Cardiff
Homestart Aberaeron	Ethnic Youth Support Team
GISDA	PATCH
Gingerbread	

## Format

Participants were asked the following questions as part of the focus group sessions:

- What barriers are there to accessing work in your local community?
- For those who are in work in your local community, do they face any particular barriers?
- What factors do you feel contribute to in-work poverty?
- What three things do you think would help to improve the quality of work in your job/your community?
- What effect would employers paying the voluntary living wage have on people in low-paid work in your community?
- Has there been a change in the amount of insecure work like zero-hours contracts in your local community, and what could be done about this?
- Which groups of people do you think are more likely to be in low paid work or in poverty despite working, and what should be done to address this?
- How well do welfare benefits work in supporting people on low incomes, whether they are in work or out-of-work?

