

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:
Ystafell Bwyllgora 3 – y Senedd

Dyddiad:
Dydd Mawrth, 12 Mai 2015

Amser:
09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch â:

Michael Kay

Clerc y Pwyllgor

0300 200 6565

SeneddArchwilio@Cynulliad.Cymru

Agenda

1 Cyflwyniad, ymddiheuriadau a dirprwyon (09:00)

2 Papurau i'w nodi (09:00–09:05) (Tudalennau 1 – 3)

**Trefniadau Cyflenwi ar gyfer Absenoldeb: Llythyr gan Archwilydd Cyffredinol Cymru
Trefniadau Cyflenwi ar gyfer Absenoldeb (30 Ebrill 2015) (Tudalennau 4 – 28)**

**Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Llythyr gan
James Price, Llywodraeth Cymru (29 Ebrill 2015) (Tudalennau 29 – 32)**

**Pobl ifanc nadydynt mewn addysg, cyflogaeth na hyfforddiantg: Llythyr gan William
Graham AC, (1 Mai 2015) (Tudalennau 33 – 34)**

**Craffu ar Gyfrifon y Comisiynwyr 2013–14: Llythyr gan David Melding AC, Dirprwy
Lywydd (7 Mai 2015) (Tudalennau 35 – 39)**

3 Diwygio Lles: Sesiwn dystiolaeth 1 (09:05–09:50) (Tudalennau 40 – 65)

PAC(4)–13–15 papur 1 – Cartrefi Cymunedol Cymru

PAC(4)–13–15 papur 2 – Sefydliad Tai Siartredig Cymru (CIHC)

Papur briffio gan y Gwasanaeth Ymchwil

Sioned Hughes – Cyfarwyddwr Polisi ac Adfywio, Cartrefi Cymunedol Cymru

Paul Langley – Ymgynghorydd Uwch, Cartrefi Cymunedol Cymru

Helen Northmore – Cyfarwyddwr, Sefydliad Tai Siartredig Cymru (CIHC)

Hayley Selway – Pennaeth Tai a Gwasanaethau Adeiladu ar gyfer Cyngor Bro

Morgannwg (aelod o Fwrdd CIHC)

CIHC Board)

4 Diwygio Lles: Sesiwn dystiolaeth 2 (09:50–10:40) (Tudalennau 66 – 82)

PAC(4)–13–15 papur 3 – Shelter Cymru

PAC(4)–13–15 papur 4 – Cyngor ar Bopeth Cymru Cyngor ar Bopeth Cymru

John Puzey – Cyfarwyddwr, Shelter Cymru

Jennie Bibbings – Rheolwr Polisi ac Ymchwil, Shelter Cymru

Lindsey Kearton – Swyddog Polisi, Cyngor ar Bopeth Cymru Cyngor ar Bopeth Cymru

Elle McNeil, Swyddog Polisi, Cyngor ar Bopeth Cymru

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol: (10:40)

Items 6 & 7

6 Diwygiad Lles: Ystyried y dystiolaeth a ddaeth i law (10:40–10:50)

7 Cydnerthedd ariannol cyngorau yng Nghymru: Gwybodaeth gan Swyddfa Archwilio Cymru (10:50–11:00) (Tudalennau 83 – 85)

PAC(4)–13–15 papur 5 – Llythyr gan Archwilydd Cyffredinol Cymru

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: **Ystafell Bwyllgora 3 – Senedd**

Dyddiad: **Dydd Mawrth, 5 Mai 2015**

Amser: **09.00 – 10.57**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Cofnodion Cryno:

Preifat

Aelodau'r Cynulliad:

Darren Millar AC (Cadeirydd)
Jocelyn Davies AC
William Graham AC
Mike Hedges AC
Sandy Mewies AC
Julie Morgan AC
Jenny Rathbone AC
Aled Roberts AC

Staff y Pwyllgor:

Michael Kay (Clerc)
Leanne Hatcher (Ail Clerc)
Claire Griffiths (Dirprwy Clerc)
Tanwen Summers (Dirprwy Clerc)
Joanest Varney-Jackson (Cynghorydd Cyfreithiol)
Andrew Minnis (Ymchwilydd)
Stephen Martin (Swyddfa Archwilio Cymru)
Jeremy Morgan (Swyddfa Archwilio Cymru)
Matthew Mortlock (Swyddfa Archwilio Cymru)
Carol Moseley (Swyddfa Archwilio Cymru)

Derbyniodd y Pwyllgor, ar 28 Ebrill 2015, gynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod hwn.

1 Cyflwyniad, ymddiheuriadau a dirprwyon

- 1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.
- 1.2 Ni chafwyd unrhyw ymddiheuriadau.

2 Papurau i'w nodi

2.1 Cafodd y papurau eu nodi.

2.1 Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Llythyr gan Archwilydd Cyffredinol Cymru (24 Ebrill 2015)

2.2 Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Gwybodaeth ychwanegol gan y Sefydliad Siartredig Priffyrdd a Chludiant

2.3 Craffu ar Gyfrifon y Comisiynwyr ar gyfer 2013–14: Llythyr gan Ombwdsmon Gwasanaethau Cyhoeddus Cymru, Comisiynydd Plant Cymru, Comisiynydd Pobl Hŷn Cymru (28 Ebrill, 2015)

2.4 Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Llythyr gan James Price, Llywodraeth Cymru (28 Ebrill 2015)

3 Trefniadau cyflenwi ar gyfer absenoldeb athrawon: Trafod y wybodaeth ddiweddaraf gan Lywodraeth Cymru

3.1 Bu'r Aelodau yn trafod y wybodaeth ddiweddaraf gan Lywodraeth Cymru, ac yn benodol, Argymhelliad 3, lle'r oedd y Pwyllgor yn argymhell bod Llywodraeth Cymru yn diwygio'r Rheoliadau i'w gwneud yn ofynnol bod o leiaf un aelod o bob corff llywodraethu yn cael ei ddynodi i arwain ar faterion adnoddau dynol, a bod pob aelod o'r fath wedi'i hyfforddi'n briodol i gyflawni'r rôl hon.

3.2 Cytunodd Cynghorydd Cyfreithiol y Pwyllgor i baratoi Nodyn Cyngor Cyfreithiol ar y Rheoliadau ar gyfer ei drafod ymhellach gan y Pwyllgor.

3.3 Ar ôl cael y Nodyn Cyngor Cyfreithiol, cytunodd y Cadeirydd y byddai'n ysgrifennu at Lywodraeth Cymru yn nodi'n glir beth yr oedd y Pwyllgor yn gobeithio y byddai Argymhelliad 3 yn ei gyflawni, ac yn gofyn am roi rhagor o ystyriaeth i'r mater.

3.4 Cytunodd y Pwyllgor i ysgrifennu at Gadeirydd y Pwyllgor Addysg Plant, Pobl Ifanc i godi materion sydd o ddiddordeb fel rhan o'i ymchwiliad i drefniadau cyflenwi ar gyfer absenoldeb athrawon.

4 Gwasanaeth Awyr oddi mewn i Gymru – Caerdydd i Ynys Môn

4.1 Nododd yr Aelodau yr Adroddiad Arup a gyhoeddwyd gan Lywodraeth Cymru ar ddiwedd mis Mawrth, a thrafodwyd ef.

4.2 Gofynnodd yr Aelodau i'r Clercod baratoi adroddiad drafft i'w ystyried.

5 Llywodraethu Byrddau Iechyd GIG Cymru: Memorandwm Archwilydd Cyffredinol Cymru a thystiolaeth gan Fwrdd Iechyd Prifysgol Betsi Cadwaladr

5.1 Bu'r Aelodau yn trafod Memorandwm Archwilydd Cyffredinol Cymru ar Lywodraethu'r GIG.

5.2 Trafododd yr Aelodau'r wybodaeth ychwanegol a gafwyd gan Dr Peter Higson, Cadeirydd Bwrdd Iechyd Prifysgol Betsi Cadwaladr yn dilyn ei ymddangosiad yn y Pwyllgor ar 24 Mawrth.

5.3 Gofynnodd yr Aelodau i'r Clercod baratoi adroddiad drafft i'w ystyried.

6 Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: y prif faterion dan sylw

6.1 Bu'r Aelodau yn ystyried a thrafod y papur materion allweddol, a nodwyd y bydd y Clercod yn drafftio adroddiad i'w ystyried mewn cyfarfod yn y dyfodol.

7 Adroddiad Blynyddol y Pwyllgor Cyfrifon Cyhoeddus 2014–2015.

7.1 Ystyriodd yr Aelodau'r adroddiad drafft a chytunwyd y byddai fersiwn ddiwygiedig yn cael ei dosbarthu drwy e-bost er mwyn cael sylwadau arni.

8 Cydnerthedd ariannol cyngorau yng Nghymru: Sesiwn friffio gyda Swyddfa Archwilio Cymru

8.1 Oherwydd prinder amser, gohiriwyd yr eitem hon a chaiff ei hail-drefnu ar gyfer cyfarfod yn y dyfodol.

24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
Email / Ebst: wales@wao.gov.uk
www.wao.gov.uk

Mr Darren Millar AC
Cadeirydd y Pwyllgor Cyfrifon Cyhoeddus
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
Caerdydd
CF99 1NA

Cyfeirnod	PA141/MM/hcj
Dyddiad	30 Ebrill 2015
Tudalennau	1 o 4

Annwyl Darren

DARPARIAETH ABSENOLDEB ATHRAWON

Mae'r Archwilydd Cyffredinol wedi gofyn i mi gyflwyno sylwadau ar ymateb diweddaraf Llywodraeth Cymru, dyddiedig 13 Ebrill 2015, i adroddiad Mai 2014 y Pwyllgor ar *Darpariaeth Absenoldeb Athrawon*. Mae'n ddoeth ystyried yr ymateb diweddaraf ochr yn ochr â'r wybodaeth yn y llythyr gan y Gweinidog Addysg a Sgiliau ar 25 Chwefror 2015, ac yng nghyd-destun yr ymrwymadau yn ymateb gwreiddiol Llywodraeth Cymru i adroddiad y Pwyllgor. Ar y 15^{fed} Gorffennaf 2014, rhoddodd y Pwyllgor ystyriaeth i'r ymateb gwreiddiol hwnnw ac i gyngor yr Archwilydd Cyffredinol yn ei gylch. Ar 16 Medi 2014, rhoddodd y Pwyllgor ystyriaeth i ragor o wybodaeth gan Lywodraeth Cymru mewn perthynas â'i ymateb i argymhellion 1, 3 a 13.

Nid yw staff Swyddfa Archwilio Cymru wedi cael cyfle i drafod cynnwys yr ymatebion diweddaraf gyda swyddogion Llywodraeth Cymru. Fodd bynnag, rwyf wedi datgan isod rai o'n sylwadau ar y materion sy'n codi o'r ymatebion hyn. Bydd y Pwyllgor yn ymwybodol o'r ymchwiliad sy'n cael ei gynnal gan y Pwyllgor Plant, Pobl Ifanc ac Addysg (PPIA) i athrawon cyflenwi. Mae staff Swyddfa Archwilio Cymru wedi rhoi tystiolaeth i'r Pwyllgor PPIA ac mae cylch gorchwyl yr ymchwiliad hwnnw'n cyd-fynd yn agos â'r materion a godwyd yn yr adroddiadau gan y Pwyllgor Cyfrifon Cyhoeddus a'r Archwilydd Cyffredinol. Felly mae'n debygol y bydd y dystiolaeth sydd wedi'i derbyn eisoes, neu sydd eto i'w derbyn gan y Pwyllgor PPIA yn taflu rhagor o oleuni ar rai o'r materion yn ymatebion Llywodraeth Cymru. Nid ydym wedi adolygu'r dystiolaeth sydd wedi'i derbyn hyd yma gan y Pwyllgor PPIA.

Mae'r ymateb diweddaraf yn nodi bod Llywodraeth Cymru'n bwriadu cyhoeddi cyfarwyddyd ar reolaeth effeithiol ar bresenoldeb gweithlu ysgolion ym mis Gorffennaf 2015, i'w weithredu o fis Medi 2015 ymlaen. Mae llawer o gynnwys ymatebion Llywodraeth Cymru i argymhellion y Pwyllgor yn ymwneud â datblygu'r cyfarwyddyd hwn. Dylai ymgynghori anffurfiol ar y cyfarwyddyd fod ar droed yn awr. Fodd bynnag, nid yw staff Swyddfa Archwilio Cymru wedi gweld y cyfarwyddyd drafft ac nid ydym yn gallu cyflwyno sylwadau ar hyn o bryd ar i ba raddau y mae'n rhoi sylw i'r materion allweddol sydd wedi'u datgan gan y Pwyllgor ac yn adroddiad yr Archwilydd Cyffredinol, nid yn unig o ran rheoli absenoldeb staff, gan gynnwys amgylchiadau nad ydynt yn ymwneud ag absenoldeb salwch yn unig, ond hefyd y rheolaeth ar staff cyflenwi. Yn yr un modd, mae'r ymatebion yn cyfeirio at ddatblygu'r '*Model Cenedlaethol ar gyfer Gweithio Rhanbarthol - Adfywio Rheoli Pobl mewn Ysgolion*'. Mae geiriad yr ymateb diweddaraf yn rhoi'r argraff bod y ddogfen hon wedi'i chyhoeddi eisoes yn gynharach ym mis Ebrill 2015. Cyn belled ag y gwyddom ni [adeg ysgrifennu'r llythyr hwn], mae'r ddogfen honno eto i'w chyhoeddi ar wefan Llywodraeth Cymru.

Yn ei hymateb gwreiddiol, dynododd Llywodraeth Cymru y byddai'r cyfarwyddyd ar bresenoldeb gweithlu ysgolion yn cael ei gyhoeddi i randdeiliaid gyflwyno sylwadau arno ym mis Medi 2014, a'i gyhoeddi'n ddiweddarach yr hydref hwnnw. Nid yw Llywodraeth Cymru wedi esbonio'r rhesymau dros yr oedi yn yr un o'i dau ymateb diweddaraf. Wrth reswm, mae'r oedi wedi cael effaith o ganlyniad ar gynlluniau Llywodraeth Cymru i edrych ar y cwmpas ar gyfer adolygiad thematig pellach o'r trefniadau cyflenwi gan Estyn (fel ymateb i Argymhelliad 6 yn adroddiad y Pwyllgor). Ni fydd yr adolygiad hwnnw'n mynd rhagddo yn awr tan 2016-17 ar y cynharaf, yn amodol ar ystyriaeth o'r newydd i'r cynnig ym mis Hydref 2015.

Mae Llywodraeth Cymru wedi parhau i bwysleisio mai ysgolion a chyflogwyr sy'n gyfrifol am reoli a gwerthuso'r rhesymau dros absenoldeb athrawon, yn ogystal â graddfa a chostau darpariaeth gyflenwi. Mae Llywodraeth Cymru wedi dweud y bydd y dogfennau cyfarwyddyd arfaethedig y cyfeirir atynt uchod yn cadarnhau'r disgwyliadau mewn perthynas â chasglu data ac adrodd yn ôl ac y bydd yn adolygu data absenoldeb athrawon yn rheolaidd gyda'r Rhwydwaith o Gyfarwyddwyr Adnoddau Dynol a Chymdeithas Llywodraeth Leol Cymru. Nid yw Llywodraeth Cymru wedi esbonio pam na fydd yn bosib cyhoeddi data ar lefel yr awdurdodau lleol am absenoldeb athrawon yn gynharach na mis Mehefin 2016 ac mae ymateb Llywodraeth Cymru'n awgrymu y bydd y data hyn yn ymwneud ag absenoldeb salwch yn unig, ac nid y rhesymau eraill dros absenoldeb athrawon o'r ystafell ddosbarth. Yn gyffredinol, mae bwriadau Llywodraeth Cymru mewn perthynas ag unrhyw fonitro canolog ar ddata perthnasol am absenoldeb athrawon a darpariaeth gyflenwi, neu lefel y manylu yn y cyfarwyddyd sydd i gael ei gyhoeddi, yn parhau'n aneglur ar hyn o bryd. Rydym yn nodi bod Cymdeithas Llywodraeth Leol Cymru, yn ystod ei sesiwn tystiolaeth gyda'r Pwyllgor PPIA ar 18 Mawrth 2015, wedi cynnig rhagor o wybodaeth gan awdurdodau lleol am absenoldeb athrawon a'r defnydd o athrawon cyflenwi.

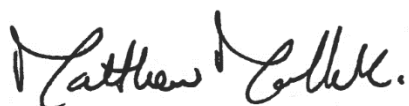
Nid yw Llywodraeth Cymru wedi darparu amserlen ar gyfer gweithredu fel ymateb i Argymhelliad 3 yn adroddiad y Pwyllgor, ar ôl gwrthod yr argymhelliad yn ei hymateb gwreiddiol. Wrth wrthod yr argymhelliad y dylai Llywodraeth Cymru ddiwygio rheoliadau i'w gwneud yn ofynnol i o leiaf un aelod o bob corff llywodraethu gael ei benodi i arwain ar faterion Adnoddau Dynol, nododd Llywodraeth Cymru na all y rheoliadau fynnu bod llywodraethwr unigol yn cael ei benodi'n arweinydd ar fater penodol. Mae'r ymateb diweddaraf yn ailadrodd safbwynt Llywodraeth Cymru, ac roedd Llywodraeth Cymru wedi ymhelaethu arno hefyd yn y wybodaeth bellach a ystyriwyd gan y Pwyllgor ym mis Medi 2014. Mae Llywodraeth Cymru wedi nodi eto bod darpariaeth eisoes i gyrrff llywodraethu ddirprwyo [rhaf] swyddogaethau i bwyllgor neu i unigolyn drwy ddewis. Hefyd mae Llywodraeth Cymru wedi nodi'n flaenorol bod y gyfraith addysg yn datgan bod awdurdodau lleol eisoes yn gyfrifol am roi i lywodraethwyr hyfforddiant i alluogi iddynt gyflawni eu rôl yn effeithiol. Er gwaethaf safbwynt Llywodraeth Cymru mewn perthynas â'r camau gweithredu penodol a gynigir yn argymhelliad 3, byddem yn dal i ddisgwyl i'r cyfarwyddyd arfaethedig ar reoli presenoldeb adlewyrchu materion perthnasol i rôl a chyfrifoldebau cyrff llywodraethu, gan gynnwys rôl a chyfrifoldebau perthnasol i ddarpariaeth gyflenwi.

Roedd Argymhelliad 10 yn ymwneud â'r fanyleb ar gyfer aildendro contract y fframwaith ar gyfer staff cyflenwi ysgolion ac mae hwn yn fater sydd wedi cael ei ystyried gan y Pwyllgor PPIA. Dilynodd fy nghydweithiwr Steve Martin y dystiolaeth a roddwyd gennym i'r Pwyllgor PPIA gyda llythyr am y trefniadau aildendro a thynnodd sylw at faterion penodol y byddai'r Pwyllgor PPIA wedi bod â diddordeb mewn mynd ar eu hôl. Rwyf wedi amgáu copi o'r llythyr hwnnw. Nodaf nad yw Llywodraeth Cymru wedi datgan yn glir yn ei hymateb diweddaraf i chi a yw wedi cytuno fel rhan o'r contract newydd, sydd wedi'i ddyfarnu i New Directions Ltd, y trefniadau penodol ar gyfer adfer unrhyw gostau ychwanegol am Ddatblygiad Proffesiynol Parhaus i staff cyflenwi, fel y crybwyllir yn Argymhelliad 10.

Fel ymateb i Argymhellion 11 a 12, mae Llywodraeth Cymru wedi nodi na fydd yn bwrw ymlaen â'r gwaith gwerthuso gwreiddiol a ragwelwyd er mwyn ymateb i'r argymhellion hyn. Mae Llywodraeth Cymru wedi cyfeirio at roi'r gorau i'r rhaglen Meistri mewn Ymarfer Addysgol bresennol ac at ddatblygu rhaglen newydd i gael ei gweithredu ym mis Medi 2016. Ar wahân i'r goblygiad y bydd bwllch yn y ddarpariaeth o bosib i newydd-ddyfodiaid rhwng nawr a mis Medi 2016, efallai y bydd y Pwyllgor yn dymuno gwneud ymholiadau pellach o ran sut, ar wahân i drwy gyfrwng y gwaith gwerthuso a gynlluniwyd yn wreiddiol, y bydd Llywodraeth Cymru'n sicrhau y bydd y gwersi o'r rhaglen bresennol, gan gynnwys materion perthnasol i ddefnyddio athrawon cyflenwi a gwerth am arian, yn cael eu hystyried wrth ddatblygu'r rhaglen newydd.

Yn olaf, ar hyn o bryd mae'r Archwilydd Cyffredinol yn cwblhau archwiliad gwerth am arian sy'n edrych ar ddatblygu trefniadau consortia addysg rhanbarthol. Gallai unrhyw ystyriaeth i'r adroddiad hwnnw gan y Pwyllgor Cyfrifon Cyhoeddus roi cyfle i aelodau edrych gyda Llywodraeth Cymru, a'r cynrychiolwyr consortia ac awdurdodau lleol eu hunain o bosib, y materion sy'n codi o ymatebion Llywodraeth Cymru i argymhellion y Pwyllgor ar ddarpariaeth ar gyfer absenoldeb athrawon mewn perthynas â rôl a chyfrifoldebau penodol pawb.

Yn gywir



Matthew Mortlock
Cyfarwyddwr Archwilio Perfformiad



24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
Email / Ebst: wales@wao.gov.uk
www.wao.gov.uk

Ms Ann Jones AM
Chair of the Children,
Young People and
Education Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Reference	PA134/SM/HCJ
Date	1 April 2015
Pages	1 of 3

Dear Ms Jones,

INQUIRY INTO SUPPLY TEACHING IN WALES: RE-TENDERING EXERCISE FOR SUPPLY TEACHERS

Thank you for the opportunity to give evidence to the Committee on 5 March 2015. At that meeting, I undertook to provide more information on the re-tendering exercise for supply teachers that is currently on-going. The tendering exercise is being undertaken by the National Procurement Service (NPS).

I have included below some further details based on information supplied to us by the NPS. I would emphasise that Wales Audit Office staff have not reviewed the arrangements for the on-going procurement exercise. Nor have we undertaken any audit work to consider the overall value for money of the contracts currently in place, further to the commentary and recommendations in the Auditor General's September 2013 report on *Covering Teachers' Absence*.

Background to the national framework contract for agency staff

In 2012, two contracts for the provision of temporary education staff were let as part of a larger exercise to procure agency staff for councils in Wales. This exercise was led by Cardiff Council on behalf of 17 local authorities. Both contracts (North Wales and South Wales) were awarded to New Directions (Education) Ltd, a large supply agency with headquarters in Cardiff. The contracts were for a three year period but have since been extended for a further year.

In July 2014, NPS issued a tender document for the award of a new three-year contract for the provision of temporary education staff. Again, this exercise forms part of a larger procurement of agency workers for local authorities. The contract will include the provision of supply teachers, cover supervisors, teaching assistants, tutors and education support staff. It will cover all local authorities in Wales. However, while all local authorities are customers of NPS and are expected to use its frameworks for services where these exist, schools have greater discretion under local management of schools (LMS) arrangements and are not mandated to use the contract to procure temporary staff.

We understand that the NPS is aiming to finalise the contract award by the end of March 2015. Although it will not come into operation until August 2015, the NPS plans to circulate award details to local authorities and schools before the end of the 2014/15 academic year.

Issues that the Committee might wish to follow up

The extent to which schools make use of the current contracts

The Auditor General's report noted that schools had little or no knowledge of the current contracts and had not been given guidance on how to use them effectively or their potential benefits. The report expressed doubts that the current contracts would lead to reduced costs and noted that there was no clear mechanism in place for reviewing their effectiveness (para 4.22-4.25). The audit work that informed the Auditor General's report was undertaken within a year of the contracts being awarded. The Committee might want to inquire with the Welsh Government about the extent to which it has reviewed the current contractual arrangements to assess value for money and to inform the re-tendering exercise. The Committee could explore the extent to which the contracts have been marketed to schools by local authorities and the extent to which they have ultimately been used by schools.

The guidance available for schools using supply agencies

As under the current contractual arrangements, schools will remain able to negotiate their own arrangements with one or more of the other 40 supply agencies operating in Wales. As a result, schools should still benefit from guidance on conducting negotiations with agencies as recommended in the Auditor General's report (paras 4.14-4.16 and Recommendation 4a). The Committee may want to explore what, if any, information and guidance has been provided for schools in this regard.

The scope to use the new contract to improve the quality of supply teachers and other cover staff

The Auditor General's report concluded that lack of involvement of the Welsh Government's Department for Education and Skills, local authorities' education departments and schools in the specification for the current contracts meant that the opportunity to incorporate requirements about the quality and training of supply teachers was missed (para 4.21). In May 2014, the Public Accounts Committee (PAC) recommended that the Welsh Government work with the WLGA, supply agencies and schools to develop the specification when retendering the contract for agency staff to ensure that supply teachers have appropriate CPD opportunities and to work out arrangements to recover any additional costs associated with providing training. The Welsh Government accepted this recommendation in principle. In a letter updating the PAC on progress in February 2015, the Welsh Government reported that the NPS had included in its tender documentation a specific evaluation question on how the supplier will ensure training and CPD is provided to the temporary workforce.

The NPS has shared the evaluation criteria for the new contract with us, a copy is enclosed with this letter. The tender document sets out a minimum of health and safety training, manual handling, safeguarding, conflict and behaviour management for education staff (such as 'Team Teach') and asks how the supplier will monitor CPD. Bidders were also asked to describe how they will maintain and improve the quality of agency workers, for example through pre-employment checks, placement feedback and performance management arrangements. The Committee may wish to inquire of the Welsh Government what, if any, involvement its Department for Education and Skills, local authorities and schools had in drawing up the evaluation criteria. Depending on timing of the contract award, the Committee might want to satisfy itself that the successful bidder has committed to putting appropriate quality and costing arrangements in place.

I hope that this information helps the Committee's inquiry.

Yours sincerely



Stephen Martin
Project Manager, National Studies



Tender for NPS-PSU-0010-14 Managed Service Provision for the Supply of Agency Workers Technical Evaluation Response Lot 3 – Managed Service Provider for Education Staff (Master Vendor or Neutral Vendor Solution)	
Evaluation Scoring Guidance and Method Statement	
Part 1	Evaluation Scoring Guidance
Part 2	Evaluation Criteria for Non-Commercial Elements
Part 3	Method Statement Questions

Part 1 – Evaluation Scoring Guidance

This template will be used by the Evaluation Panel to score the questions that require scoring and is being provided to bidders for guidance and completion.

In relation to the Method Statements, bidders will not progress to the next stage if they receive a zero marking for any individual question, or if they obtain a total score of less than 200 points.

This technical questionnaire consists of subject area specific questions. Each section consists of the following:

- Relevant question(s)
- Word count allowance (Any words provided after the acceptable word count for each question will not be evaluated)
- Marks to be allocated to the question
- A breakdown of what bidders will be expected to provide in their response

To assist in the fair evaluation of technical responses, you must not include names relating to your bidding organisation within your response to this document.

Please only embed documents as part of your response if requested

Please do not save your response as a PDF prior to uploading to the electronic tendering system.

SECTION A: SUPPLY CHAIN MANAGEMENT, PERFORMANCE AND OPERATIONAL DELIVERY		
<i>Maximum points available – 240</i>		
Question		Max points
1	Maintaining & Improving the Quality of Agency Workers	60
2	Supply of Agency Workers	100
3	Tier Management	40
4	Electronic Ordering & Approval Solution	20
5	Professional Training	20
	Total points	240
SECTION B: ACCOUNT MANAGEMENT		
<i>Maximum points available – 110</i>		
Question		Max points
6	Agency Worker Regulations Management	5
7	Extended Hours Provision	40
8	Implementing & Managing Change	50
9	Contract Management	15
	Total points	110
SECTION C: POLICY RESPONSES		
<i>Maximum points available – 50</i>		
Question		Max points
10	Equal Opportunities & Diversity	5
11	Welsh Language Requirements	15
12	Community Benefits	20
13	Pension & National Insurance Requirements	10
	Total points	50

Part 2 - Evaluation Criteria for Non-Commercial Elements

Scoring Guidance

Your response is to be marked as indicated below:

	Evidence	Scores (%)
Good / Strong Evidence	<p>Strong Evidence To be issued when evidence far exceeds expectations in terms of relevance to the area being tested and when compared to the requirements of the grade.</p> <ul style="list-style-type: none"> • Evidence is well presented and structured; and • Evidence is directly and wholly relevant to the area being tested; and • Evidence is judged to far exceed the minimum requirement for the grade and may actually correspond to the requirements of a higher grade. 	100
	<p>Good Evidence To be issued when evidence exceeds expectations in terms of relevance to the area being tested and when compared to the requirements of the grade.</p> <ul style="list-style-type: none"> • Evidence is well presented and structured; and • Evidence is well aligned to the area being tested; and • Evidence is judged to exceed the minimum requirements of the grade. 	75
Competent Evidence	<p>Competent Evidence To be issued when the evidence offered is sufficient in terms of relevance to the area being tested and when compared to the requirements of the grade.</p> <ul style="list-style-type: none"> • Sufficient evidence is presented and follows a basic structure; and • Evidence is sufficiently aligned with the area being tested; and • Evidence is judged to meet the minimum requirements of the grade. 	50
Poor / Unsatisfactory Evidence	<p>Unsatisfactory Evidence To be issued when the evidence offered is insufficient in terms of relevance to the area being tested and/or when compared to the requirements of the grade.</p> <ul style="list-style-type: none"> • Some evidence is presented but assertions and statements are insufficiently supported; or • Evidence offered is only partly relevant to the area being tested; and/or • Evidence offered is/may be relevant to the area being tested but is judged to be insufficient when compared to the requirements of the post in terms of sophistication/complexity. 	25
	<p>Poor Evidence To be issued when the evidence offered is way short of expectations in terms of relevance to the area being tested and/or when compared to the requirements of the grade.</p> <ul style="list-style-type: none"> • Little/no evidence is presented to support assertions or general statements; or • Evidence does not correspond in any way to the area being tested; and/or • Evidence is/may be relevant to the area being tested but is judged to be far below the required level for the post in terms of sophistication / complexity. 	5
	<p>No Evidence attempted To be issued when evidence is missing from a Method Statement.</p>	0

Part 3 – Method Statement Questions

Section A – Supply Chain Management, Performance and Operational Delivery

[Question 1]: Maintaining & Improving the Quality of Agency Workers

Bidders must provide a method statement, in no more than 2500 words, outlining how they will maintain and improve the quality of Agency Workers provided to users under this framework.

Background Guidance

We would wish to be satisfied that you have robust plans and processes in place to maintain and improve the quality of agency workers provided under this arrangement.

Response Guidance

Bidders will be expected to provide evidence of a systematic approach to ensuring continuous improvement over the duration of the framework agreement, including as a minimum:

a) Pre Employment Checks

Please provide details, per job category, of the checks that you and / or Tier Providers would undertake prior to engagement, to include how you would ensure compliance by the said Tier Providers.

b) Personal Protective Equipment

Please provide your methodology as to how you would ensure that when requested you issue Agency workers with appropriate PPE, to the Users required standard, prior to engagement.

c) Managing Performance Issues

Please provide details of how you intend to maintain and improve the quality of workers supplied to the User, and also how you intend to manage any performance, disciplinary or any other issues as soon as they are reported.

d) Assignment History Risks

How would you monitor previous employment/assignments so that you can advise the hiring manager on possible risks/considerations? E.g. unsuccessful previous assignments with the User and / or previous unsuccessful applications for Agency Worker assignments with the User?

e) Non-engagement of individual workers

How you would manage a request from the User that a particular individual should not be engaged in any capacity.

Bidders should also provide information on how they would work with individual Users Hiring Managers to ensure they receive the support they need to use your service. This should include information on training on your electronic ordering system, understanding Users specific requirements, understanding complex requirements, information regarding start dates, checking to ensure User satisfaction following placement, managing placement renewals and end of placements.

'Please enter your response here'

Scoring Guidance
Marks available = 60

Section A – Supply Chain Management, Performance and Operational Delivery

[Question 2]: Supply of Agency Workers

Bidders must provide a method statement, in no more than 2500 words, demonstrating their process for supplying agency workers across all job categories, and their end-to-end booking process.

Background Guidance

We would wish to be satisfied that you are able to supply all types of agency workers as required within the Lot you are bidding.

Response Guidance

Bidders will be expected to provide evidence of a systematic approach to supplying agency workers to all Users under this arrangement, including as a minimum:

- a) Please detail how you will ensure that there is sufficient resource to cater for all categories of staff and skill sets required at all times, either by direct provision or via tier arrangements. Please include how your Managed Service Provider Solution is tailored to the multi sector, multi spend requirements of the Welsh Public Sector, and how you will deal with requests in more rural areas, or where requests are for types of workers which in your experience are difficult to meet the volumes required.
- b) Please provide details on your end-to-end process for satisfying bookings, including short-notice bookings and requests for highly specialist roles.
- c) Please provide details on your process for ensuring all pre-employment and background checks are undertaken for all agency workers (your own and tier providers), and how the different types of workers require different checks, relevant to their position, location, etc. Where applicable please include information on how you ensure these checks are kept up to date. Please include information relating to the following:
 - Central Compliance Team
 - Safeguarding
 - Process for ensuring all DBS checks undertaken relevant to the type of worker
 - Process for ensuring all Vetting undertaken relevant to each type of worker
 - Process for ensuring all successful agency workers are provided with the appropriate on-boarding information, and receive the relevant pre-employment checks for the role, prior to commencing (including but not limited to identity checks, DBS checks, right to work verification, verification on training and qualifications, Welsh Language, etc.)
- d) How do you ensure all Agency Workers are paid promptly (within 5 days of approval of the relevant timesheet)?

- e) Please provide brief details of the content of your proposed handbook that will be supplied to all Agency Workers under your management within this arrangement, that will govern their conduct whilst in placement
- f) Please explain your Sourcing Strategy for ensuring continuity of the service provision, including an e-procurement solution based on the tender proposal, provision of specialist workers and posts which may be more difficult to recruit to, and how you will develop the workforce in these areas to improve availability over the life of this arrangement – innovative ideas are welcome.
- g) Please also detail how you propose to manage competing requests for agency worker requirements, and how you would manage prioritisation.
- h) in the event that your own organisation fails to deliver any element of the Service, or any tier providers that you manage fail to deliver, how will such failures be addressed by your organisation and what remedial action will be taken. Please also provide details on how you will keep the User advised on developments?
- i) Bidders should explain how they will ensure that the Total Charge Rates for agency workers are visible, consistent and competitive. It is important that the methodology to be adopted particularly with regards to engagement and buy-in from Tier Providers is clearly explained. This must clearly make reference to where the approach outlined has been successfully implemented. It is expected that the methodology will reflect how rates submitted in the Commercial Envelope take into account current market conditions.

'Please enter your response here'

Scoring Guidance
Marks available = 100

Section A – Supply Chain Management, Performance and Operational Delivery

[Question 3]: Tier Management

Bidders should provide a method statement in no more than 2500 words describing how they will ensure that Tier Providers are effectively managed.

Background Guidance

We would wish to be satisfied that your process for Tier Management is fair, open and transparent, and helps to deliver an excellent service to the Framework Users.

Response Guidance

Bidders response must include as a minimum:

- a) Details on how you will deliver this outcome, including how you envisage engaging with and encouraging local and specialist Agencies to sign up to this agreement, ensuring that a fair, equitable and transparent opportunity to supply to the User is offered to all providers. Your plan should reflect previous proven methods adopted in developing and supporting Tier Providers.
- b) Your process for informing Tier Providers of job opportunities, and ensuring the tier provider and candidate has the correct information to provide the best candidate to satisfy the role.
- c) How you ensure compliance with all applicable legislation and employment regulations across the Supply Chain (for Managed Service Provision and Tier Providers)?
- d) Details on how you will engage with local agencies, and promote business and employment opportunities within regions in which you are awarded business under this arrangement.
- e) How you ensure your supply chain embodies the principles of equal treatment, broadness, diversity and accessibility, and ensure it remains accessible to SMEs? Please reference examples with existing users.
- f) Detail on the advice and assistance you provide to SMEs wishing to join your supply chain, and what facilities you offer to attract SMEs into your supply chain.
- g) Your process for ensuring that Tier Providers are paid in an accurate and timely manner, how often they will receive payment, and what arrangements you will make in respect of their requirements to invoice yourselves as the provider? Please detail what contingencies you have for any emergency payments to be made to Tier Providers. Managed Service Providers will be expected to adhere to OGC Policy Note 07/10 25th March 2010 in their payments to tier providers, and it is expected that all tier providers are paid within 5 days of approval of the relevant timesheet.

- h) Details of how you will manage and structure the Tier Providers to ensure continuity of supply, and awarding providers according to performance, including the use of agencies who do not sign up to this arrangement. This should also include details of qualification and acceptance criteria for the Tier Providers and how you will manage performance and movement between the tiers.
- i) Your proposals for recording and reporting complaints and compliments (these should be from both Users and Tier Providers).
- j) Detail how you will work with Tier Providers to ensure that the Agency Fees detailed in your Commercial envelope provides Value for Money and offer Tier Providers reasonable revenue, to encourage engagement and remain sustainable for the duration of the contract.

'Please enter your response here'

Scoring Guidance
Marks available = 40

Section A – Supply Chain Management, Performance and Operational Delivery

[Question 4]: Electronic Ordering & Approval Solution

Bidders should provide a method statement in no more than 1000 words, describing their electronic ordering and approval solution that must be available to all Users, and throughout your supply chain as the primary means in managing the provision of agency workers under this arrangement.

Background Guidance

We would wish to be satisfied that your process for an electronic ordering solution meets all requirements as specified.

Response Guidance

Bidders response must include as a minimum:

- a) Please provide an overview of the way your e-ordering solution would meet this outcome.
- b) Please detail how you would ensure that users are provided with suitable training across both the User and Tier Providers.
- c) Please describe the business continuity procedures you have in place? What are your alternative processes to make booking requests should a User prefer this method of ordering? The minimum information required will be the same as that required for the e-booking system

'Please enter your response here'

Scoring Guidance
Marks available = 20

Section A – Supply Chain Management, Performance and Operational Delivery

[Question 5]: Professional Training

Bidders are requested to explain in no more than 1000 words how they would ensure Training and Continuous Professional Development is provided to their temporary workforce (appropriate to their role), thus ensuring these workers possess the same skills as permanent workers, and enabling them to competently undertake the role they are placed into.

Background Guidance

We would wish to have confidence that all temporary workers (particularly those in a professional role) possess the appropriate training, skills and qualifications to undertake the role they are placed into.

Response Guidance

Bidders response must include as a minimum:

- a) How you will ensure all temporary workers receive training relevant to their role / post / profession, consistent with full-time workers. Include details on whether this training is accredited, and how / by whom.
- b) Health & Safety Training provision
- c) Manual Handling Training provision
- d) How you ensure that where relevant, workers receive specialist training appropriate to their role e.g safeguarding level one etc.
- e) How do you monitor Continuous Professional Development (CPD) for professional roles?
- f) Lot 3: Education – staff are trained in conflict and behavioural management (e.g. Team Teach training)

'Please enter your response here'

Scoring Guidance

Marks available = 20

Section B – Account Management
<p>[Question 6]: Agency Worker Regulations Management</p> <p>Bidders should provide a method statement in no more than 500 words, outlining its ability to meet the specification requirements for advice and guidance on Agency Worker Regulations to both the Client and Users, when requested.</p>
<p>Background Guidance</p> <p>The Client will expect Service providers to provide advice and guidance to Users to ensure that they manage effectively their responsibilities with regard to the requirements of the Agency Worker Regulations</p>
<p>Response Guidance</p> <p>This outline should include but not be restricted to:</p> <ul style="list-style-type: none">a) Details of the process of how you will monitor the duration of assignments, and what information you will provide to ensure Users meet their legal duties in relation to the Agency Workers Regulations.b) How you ensure the User pays the correct contribution under the Working Time Directives.c) Explain your methodology for calculating Working Time Directives contributions.
<p><i>'Please enter your response here'</i></p>
<p>Scoring Guidance Marks available = 5</p>

Section B – Account Management
<p>[Question 7]: Extended Hours Provision</p> <p>Bidders must provide a method statement in no more than 1000 words, demonstrating how it will provide a service to all Users under this framework that is available 24 hours a day, 7 days a week, 365 days a year.</p>
<p>Background Guidance</p> <p>Bidders should be able to respond to all orders and queries, whenever these are placed, in-line with the diverse nature of User requirements and service provision within the Welsh public sector.</p> <p>Certain business areas have a greater need for out of hours service e.g Environmental /Leisure and Social Care Services.</p>
<p>Response Guidance</p> <p>Bidders response should include procedures for the following as a minimum:</p> <ul style="list-style-type: none">a) Please provide details on how you will ensure a service provision 24 hours a day, 7 days a week and 365 days of the year.b) Please detail how you will achieve this outcome, with reference to an existing user with similar requirements.c) Please provide details on how you work with Users to identify business areas which require out of hour provision and provide solutions to address these needs
<p><i>'Please enter your response here'</i></p>
<p>Scoring Guidance Marks available = 40</p>

Section B – Account Management

[Question 8]: Implementing & Managing Change

Bidders must provide a method statement, including an implementation plan for a model organisation, in no more than 2500 words, demonstrating how it will implement their managed service provision to new Users, and effectively manage this change process.

Background Guidance

Bidders should demonstrate a professional, high quality, thorough and realistic approach to User implementation and change management.

Response Guidance

Bidders response should include the following as a minimum:

- a) Include a sample implementation plan including details of the key steps and milestones. These steps should include a communication plan and training and marketing schedule for Users, how the new processes will be implemented, tier engagement, the roll out for the electronic solutions for ordering, approving, time sheet capture and invoicing etc.
- b) Please indicate by way of implementation timetables, one for a User who is currently operating a managed service and one for a User which has previously not operated a managed service. Detail how you will monitor the implementation programme and activity to ensure you meet the agreed dates, the process is robust and delivered to the satisfaction of the User.
- c) Details on how you will engage with the Users existing agencies to ensure as many of these register with yourselves prior to each user agreement start date.

This should also include your contingency plans for dealing with situations where existing agencies are not prepared to sign up to the new arrangements.

Please explain your process for exiting that Agency and for migration of any workers to ensure continuity of service for the User.

- d) A sample risk register for the project that relates to the Preferred Approach and examines risk pre, during and post contract showing the following:
 - Detail of the risk
 - Project Stage (i.e. Contract Design, Go-live, etc.)
 - Likelihood of occurrence (High, Medium, Low)
 - Impact (High, Medium, Low)
 - Owner (User, Service Provider, Both)
 - Mitigation
- e) How you will mitigate the risk of not sourcing required workers, or workers being placed and not turning up for assignments.

- f) Details on how you will ensure a suitably resourced team to support this framework, including dedicated account managers.
- g) Details of proposals for dealing with multiple organisations with conflicting go- live dates.

'Please enter your response here'

Scoring Guidance
Marks available = 50

Section B – Account Management

[Question 9]: Contract Management

Bidders should provide a method statement in no more than 1000 words describing the systems and processes they have in place to enable them to cope with the Contract management demands of multiple diverse customer organisations.

Background Guidance

Bidders should be able to demonstrate an effective, pro-active approach to contract management, both to the framework overall and in relation to individual User Agreements.

The scope and size of the framework indicates that there will be a need for a significant level of ongoing contract management for all Users.

Some Users will only have a small demand from the Framework, however, we would expect the quality of service and contract management to be consistent across all Users.

Bidders are also requested to provide information on how their Commercial return covers their overheads and other Management Costs.

Response Guidance

Bidders response should include the following as a minimum:

- a) Detail your Contract Management processes and how you will manage multiple/different sized Users throughout the contract term.
- b) Details of how you will work with Users to identify and agree any specific Contract Management issues.
- c) Please explain how you cover the management costs including IT systems for resource provision, staff payment, training costs, marketing costs, staffing costs and profit etc. within the booking fee element of your proposal and how this will be reduced throughout the period of the framework.

'Please enter your response here'

Scoring Guidance
Marks available = 15

Section C – Policy Responses
<p>[Question 10]: Equal Opportunities & Diversity</p> <p>Bidders are requested to explain in no more than 500 words details of their approach to Equal Opportunities and Diversity.</p>
<p>Background Guidance</p> <p>We are keen that Service Providers support the principles of Equal Opportunities & Diversity.</p> <p>The Welsh Public Sector has very high standards of Equal Opportunities monitoring with regard to all opportunities. The same standards will be applied to the recruitment of agency workers. In addition, bidders are required to provide equality and diversity training to staff employed in delivering the Services, and also to all agency workers to ensure that they are aware of their responsibilities in relation to Equality and Diversity.</p> <p>Under the various Acts relating to Equal Opportunities, Service Providers must do everything possible to promote equality within their organisation and as part of their recruitment process for Agency workers.</p>
<p>Response Guidance</p> <p>Bidders should include as a minimum:</p> <ul style="list-style-type: none">a) What your organisation does to meet equality commitments, both internally and as part of the recruitment process for Agency Workers.
<p><i>'Please enter your response here'</i></p>
<p>Scoring Guidance</p> <p>Marks available = 5</p>

Section C – Policy Responses
<p>[Question 11]: Welsh Language Requirements</p> <p>Bidders are requested to explain, in no more than 500 words, details of how they will comply with requirements of the Welsh Language Scheme.</p>
<p>Background Guidance</p> <p>We are keen that Service Providers support the principles of the Welsh Language Scheme.</p> <p>The Welsh Public Sector place significant importance on engaging with Service Providers via the medium of the Welsh Language, with regard to all opportunities. The same levels of importance will be applied to the recruitment of agency workers. In addition, bidders are required to provide Welsh Language service provision to all Users, Tier Providers and Agency Workers/Candidates across this arrangement (where required).</p> <p>Under the Welsh Language Scheme, providers must do everything possible to promote and support the Welsh Language within their organisation.</p>
<p>Response Guidance</p> <p>Bidders should include as a minimum:</p> <ul style="list-style-type: none">a) How you ensure that services provided under this agreement are and will remain compliant with the Welsh Language Scheme?b) How you ensure Welsh Language provision throughout your service, for Users, Tier Providers and Agency workers/Candidates wishing to engage via the medium of the Welsh Language.
<p><i>'Please enter your response here'</i></p>
<p>Scoring Guidance</p> <p>Marks available = 15</p>

Section C – Policy Responses
<p>[Question 12]: Community Benefits</p> <p>Bidders are requested to explain in no more than 2000 words how they will comply with the community benefits requirements detailed within Part 4 of the Specification.</p>
<p>Background Guidance</p> <p>The Welsh Governments Community Benefits Policy supports the vision that sustainable development will be the central organising principle for Wales. It also contributes to other policy areas such as tackling poverty in Wales and supporting the training and skills development.</p> <p>Principle 4 of the Wales Procurement Policy Statement, announced in December 2012 by Jane Hutt AM, Minister for Finance, stated that the delivery of added value through the Community Benefits policy must be an integral consideration in procurement. The Welsh Public Sector will apply Community Benefits to all public sector procurements where such benefits can be realised, and apply the Measurement Tool to all contracts over £2m to capture and report outcomes to the Welsh Government.</p> <p>Providing opportunities for employment and training to disadvantaged individuals not only transforms their lives but can also have a positive affect on their families and particularly children, as well as the wider community.</p>
<p>Response Guidance</p> <p>Bidders should include as a minimum:</p> <ul style="list-style-type: none">a) Your process for identifying, recruiting and training inactive persons, and how you will develop and apply this to the framework.b) Details of your mechanism for supporting effective promotion of employment opportunities for local residents and raising understanding of routes to apply for Agency Worker roles. You shall work closely with the User to target and actively encourage registration from hard to reach groups such as lone parents, older candidates, women returnees, disabled minority groups and those from socially disadvantaged areas. You shall ensure you will actively promote the means by which individuals can register for suitable vacancies, and shall provide evidence of the process to the User on request.c) Explain how you will open up opportunities and work with local SME Agencies to join the tier provision and assist with the supply of agency workers.
<p><i>‘Please enter your response here’</i></p>
<p>Scoring Guidance Marks available = 20</p>

Section C – Policy Responses

[Question 13]: Pension and National Insurance Requirements

Bidders are requested to explain in no more than 500 words how they manage their obligations under the Pension Auto-Enrolment law and how they calculate National Insurance Contribution requirements.

Background Guidance

Pension Enrolment

Automatic enrolment is a Government Scheme to help more people save for later life through a work based pension.

In the past, many workers missed out on valuable pension benefits, because their employer didn't offer them a pension, or they didn't apply to join their company's pension scheme.

Automatic enrolment changes this. It makes it compulsory for employers to automatically enrol their eligible workers into a pension scheme. The employer must also pay money into the scheme.

National Insurance (NI)

We are aware that Service Providers calculate National Insurance in different ways. We expect Service Providers to ensure that the correct National Insurance contributions are made, and that no NI is charged until the free pay limit is exceeded.

We are also aware that Service Providers have different models and methodologies for calculating National Insurance.

Response Guidance

Bidders should include as a minimum:

- a) How you will ensure that sufficient information is provided to your workers regarding their entitlement for a Work Based Pension and the Auto-Enrolment process.
- b) Details on your current Pension take-up across your temporary workforce. (For information only and not scored.)
- c) The arrangements you have in place to comply with the impending changes to the employers minimum pension contributions:

Date	Employer's minimum contribution
Employer's staging date to 30 September 2017	1%
1 October 2017 to 30 September 2018	2%
1 October 2018 onwards	3%

- d) How you ensure the User pays the correct National Insurance.
- e) Explain your methodology for calculating National Insurance contributions taking into account the tax free threshold.

'Please enter your response here'

Scoring Guidance
Marks available = 10



Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport

Cyfarwyddwr Cyffredinol • Director General

Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee

29 April 2015

Dear Mr Millar

Public Accounts Committee: Inquiry into value of money of Motorway and Trunk Road Investment

Thank you for your letter of 22 April 2015. As requested please find attached additional information on how the Welsh Government ensures value for money in acquiring and disposal of land related to trunk road and motorway projects, both in terms of acquisition for construction and blight.

Yours sincerely

James Price



A Acquisitions

There are two principle ways in which the Welsh Government acquires land required for road schemes.

The first, which was the subject of the recent correspondence from the Auditor General, follows qualifying applications for statutory blight or discretionary purchase. Each application must meet certain criteria and is subject to rigorous assessment including expert advice from the District Valuer Services of the Valuation Office Agency (DVS) and from the project team in relation to the scheme's impact on the property.

The three powers used are:

- 1) Discretionary Purchase Applications. Landowners are able to submit an application under Section 248 of the Highways Act 1980, prior to a preferred route being protected, if their property is directly affected by one of the routes under consideration and they are trying to sell it for reasons unconnected with the proposed scheme but cannot do so as a consequence of the uncertainty.

Once a preferred route has been announced this then triggers Statutory Blight under the Town and Country Planning Act 1990 and "off line" discretionary purchase powers under Section 246(2A) of the Highways Act 1980.

- 2) Statutory Blight Notices. Section 150 of the Town and Country Planning Act 1990, enables property owners to serve on Welsh Ministers a Blight Notice requesting their property be purchased in advance of need if it is directly affected by the protected route.
- 3) Off Line Discretionary Powers. Section 246(2A) of the Highways Act 1980, enables property owners to submit an application requesting purchase of their property which is considered seriously affected by its proximity to the protected route and they are trying to sell it for reasons unconnected with the scheme but cannot do so because of it.

The second method is by Compulsory Purchase through the service of 'Notices to Treat and Enter' on all persons with an interest in land required for a scheme.

In both cases, the DVS are instructed to provide an expert valuation of the land and assess the compensation payable on behalf of the Welsh Ministers. Each claimant is also entitled to employ the services of a professional surveyor to prepare its claim and to negotiate with the DVS for the open market value of the land, based on comparable evidence (actual market transactions), disregarding any affect on its value due to the road scheme. This is the amount which the land/property might be expected to realise if sold on the open market by a willing seller to a willing buyer.

The basis for assessment of compensation is founded on the principle of 'equivalence' and is in line with statute and case law i.e. the claimant should not be placed in a worse or better position to that which existed before the acquisition took place.

Once the compensation has been agreed between both parties or where a statutory advance payment is requested, the DVS provides a valuation report breaking down the agreed compensation, the land and rights required and relevant other information. Before any payment is made, this information is submitted to a Property Leadership Team (PLT) within the Department for Economy Science and Transport which consider policy compliance and value. The panel assesses each submission based on a number of factors including the area of land-take, type of land, value per acre etc. All payments are then submitted to the Minister for approval.

When assessing market values, the VOA has access to a database that details every land transaction (sales/transfers) across the country – since around 2003. The VOA also subscribes to various commercial websites providing data within the profession for commercial property. When looking to the future costs of land, an inflation related index to allow for uplift in value is calculated. Residential data is already generally publically available.

The date of valuation for blights/discretionary purchases is fixed as at the date of agreement; the date of valuation for CPO land is fixed at the date of entry for the building of the road scheme (the date of loss of use by the owner).

B Disposals

The overriding principle applied to all property disposals, irrespective of size or method of sale is that “value for money” needs to be achieved and witnessed. Aligned with that is a requirement and that all potential purchasers are treated with equality and fairness. Whereas acquisition values are valued in a no scheme world, disposal values achieved recognise the presence of the road scheme.

Transport assets are reviewed at the point of acquisition and decision made to retain for the associated road scheme or immediately identified as surplus (an example would be a property that acquired under discretionary offline powers). All properties are reviewed annually or if there is a development in relation to a road scheme, for example a preferred route announcement, alteration or publication of draft Orders. The project team are asked to identify whether properties are required for the future proposed scheme.

Having identified an asset as surplus we aim to expedite its disposal. An annual asset realisation programme is prepared and every property has its asset value independently assessed. These assets are offered internally to other Welsh Government departments to provide opportunity to meet other programme for government objectives.

To accord with the land transfer protocol, in advance of marketing, the assets are hosted as surplus on the e-PIMS system. Access to e-PIMS is available to all organisations within the public sector and also extends to Housing associations and faith organisations. User bodies have to register.

The land transfer protocol (LTP) encourages collaboration within the public sector but transfers of assets will normal take place at market values. Prospective purchasers would need a properly costed business case supported by appropriate funds to pursue a formal purchase. The LTP seeks to avoid delays in disposals by reason of purely speculative enquires.

Should the decision be made to take a property to open market sale, in accordance with recognised best practice professional advice is sought on the appropriate disposals method and value. Agricultural assets are specialised and advice from chartered surveyors is sought who advise on how best to parcel the land plots and advise on the appropriate disposal method.

Should a route change or a scheme be cancelled, the threat of compulsion is lifted and under Crichel Down, the property is first offered back to the original seller for the market value at the time of the potential sale.

Where land affected by a scheme proposal is held by Welsh Ministers for a non-transport purpose, an internal transfer takes place (as with Berryhill Farm, part of Queensway Meadows).

C M4 Properties

You have asked for particular comment about the M4 properties. All transport properties were acquired under one of the 3 statutory or discretionary powers detailed above. Any sales would have been as a result of scheme route developments where property holdings would have been reviewed to consider if they should be retained.

Properties held as part of the Economy portfolio were inherited from predecessor bodies such as the WDA and were acquired for Economic Development purposes.

Darren Millar AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

1 May 2015

Dear Darren

Auditor General Report: Young People not in education, employment or training

Thank you for your letter of 23 September 2014 in which you made the Committee aware of the Welsh Government's response to the Auditor General for Wales' Report: Young People not in Education, Employment or Training.

We launched our inquiry on 'Assisting Young People into Work' in January. We followed up the report from the Auditor General by taking oral evidence from Steve Martin of the Wales Audit Office. Our inquiry looked at the issues facing young people aged from 16 - 24. We considered some of the issues raised by the Audit Office, including the higher proportion of young people aged between 19 and 24 who are not in employment, education or training. Partly in response to this we recommended that the Welsh Government should extend the Youth Concessionary Fare Scheme from 16 and 17 year olds to include all those under 24.

We are also grateful to you for alerting us to the difficulties surrounding data sharing between local authorities and the Department for Work and Pensions. Whilst this was not directly addressed in our report, the need for greater information sharing between local providers was echoed during our evidence gathering.



There is likely to be a Plenary debate on the Welsh Government's response on 20 May.

I will be happy to update your Committee members with the highlights of this debate, in the meantime I hope you will find our report useful. It can be found here:

<http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=11185>

Thank you again for bringing this useful report to our attention. Like yours, our Committee is keen to see the employment situation improve for young people in Wales.

Yours sincerely,



William Graham AM

Chair, Enterprise and Business Committee





Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

7 May 2015

Dear Darren,

Public Accounts Committee Report on the Scrutiny of Accounts 2013-14

I am writing in response to the Public Accounts Committee report on the Scrutiny of Accounts 2013-14. In particular, I would like to take the opportunity to let the Committee know how the Assembly Commission is taking forward your recommendations.

Recommendation 2

The National Assembly for Wales's Commission should clearly identify the savings from the investment made in information technology and translation during 2013-14 in its accounts for 2014-15.

We will clearly identify the savings that result from our investment in new technologies and ways of working, including ICT and translation, in our accounts for 2014-15. The Commission has made informed decisions to invest in services to improve the quality of services we provide to Assembly Members and other stakeholders, but also to deliver savings and efficiencies. The basis for the decision to bring ICT services in-house was that the ICT budget would not increase and that the much-needed investment in infrastructure would be funded from savings. Both these objectives have been met. Our work to improve the effectiveness of translation services has

Bae Caerdydd
Caerdydd
CF99 1NA
Cardiff Bay
Cardiff
CF99 1NA

Ffôn/Tel: 029 2089 8430
Epost/Email: david.melding@wales.gov.uk



seen a 20% increase in efficiency, allowing us to extend and improve the bilingual services we provide to Members. We will cover these achievements in our annual report and accounts, together with the impact of other investments and value for money savings. We will demonstrate that we have already delivered savings and benefits as a direct result of key investments, and how they will produce further significant savings in the future.

Recommendation 7

The National Assembly for Wales's Commission and Welsh Government should set out in their budgets and accounts their approach to financial management – in particular their target for underspends.

We are confident that our approach to financial management enables to achieve our strategic goal to “Use resources wisely”. The Commission’s practice throughout the course of the Fourth Assembly has been to make necessary investments to ensure that the Assembly is fully equipped to operate effectively as a parliament, but at the same time making best use of tax-payers’ money in the way we deliver services and manage costs by continuously improving efficiency and value for money.

Importantly, at the outset of the Fourth Assembly the Commission set out a budget strategy for the entire duration of the Assembly. Each year we have set our annual budget within this multiple year planning and funding framework. We have a corporate financial target to achieve a year end underspend position of less than 1% of the operational budget and achieved a 0.1% underspend against this target in 2013-14 and 2014-15. Value for money (VFM) savings targets have also been a feature of our budget management every year. At the moment, we are working to raise our game still further through a business efficiency review and setting a VFM savings target based explicitly on service and contract savings.

As you know, the Commission has its budget scrutinised annually by the Finance Committee. One of the outcomes of this was the introduction of our Corporate Performance Report, which includes key performance indicators (KPIs) on service delivery, budgetary performance, governance and assurance. This report is published three times a year and reflects the Commission’s commitment to operating in an open and transparent manner.



The Commission has established strong assurance arrangements to ensure that we deliver on our obligations to stakeholders and achieve our strategic objectives, including the appropriate management of the budgets agreed for the Commission by the Assembly. Our Assurance Framework, which has been praised by the Audit and Risk Assurance Committee and by our auditors, outlines the way in which the Commission's management obtains their assurance that internal controls are working effectively. It includes a wide range of component parts, including compliance with central standards and guidance such as the Financial Reporting Manual (FReM) and International Financial Reporting Standards (IFRS). I am attaching a one page illustration of the Assurance Framework for the Committee's information.

Recommendation 9

The Committee encourages organisations funded by public money to consider how they present information to ensure that it is readily understandable for the public, and that shows the organisation's priorities and the level of resource committed to those priorities.

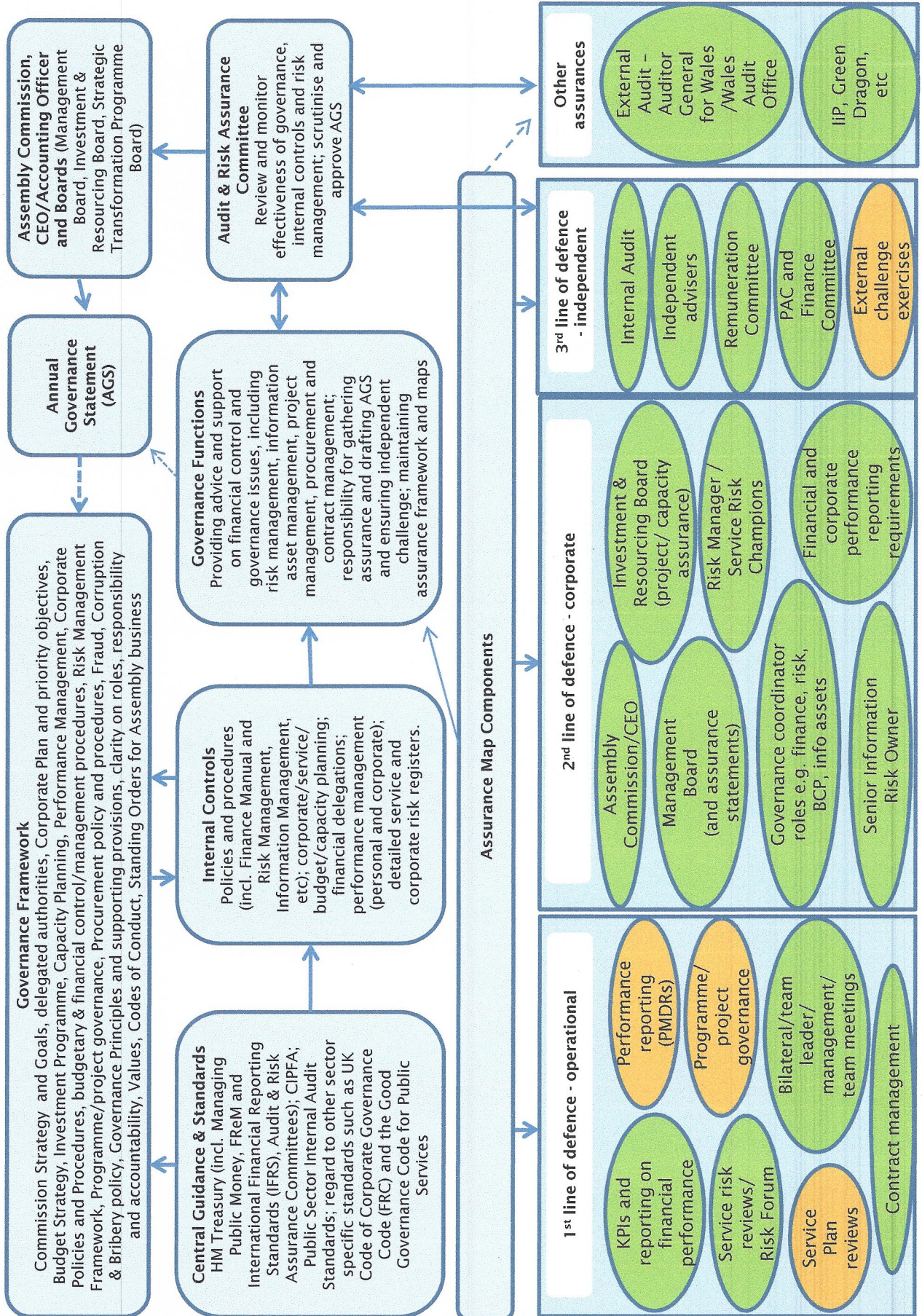
Each year our aim is to produce documents, particularly our budget, annual accounts and corporate performance report, which are clear, transparent and accessible. We regularly look at the practice in other organisations and take on board suggestions from our independent advisers, auditors and others to ensure that we continuously improve and consistently deliver best practice.

Yours sincerely

David Melding AM
Deputy Presiding Officer

cc Dame Rosemary Butler AM, Assembly Commission Chair
Peter Black AM, Assembly Commissioner
Sandy Mewies AM, Assembly Commissioner
Rhodri Glyn Thomas AM, Assembly Commissioner

Assembly Commission Assurance Framework



RED: There is currently insufficient assurance and immediate action is needed to address this.

AMBER: There are weaknesses in assurances which must be addressed.

GREEN: There is sufficient or strong assurance.



Evidence for the Public Accounts Committee Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales.

About Us

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2013/14, our members directly employed 8,400 people and spent almost £2bn (directly and indirectly) in the economy, with 81% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

For a long time CHC has foreseen that the planned welfare reform programme will have devastating consequences for communities in Wales. We have campaigned against these proposals and have introduced the Your Benefits Are Changing campaign to mitigate the impact on those communities.

It therefore came as no surprise when a recent WAO report published evidence stating that welfare reform is having an adverse and disproportionate effect in Wales. The report found that a greater proportion of Welsh social housing tenants had had their housing benefit reduced, than elsewhere in the UK, with 51% of tenants reporting an increase in personal debt. This was backed by evidence from social landlords showing a £1.1m increase in rent arrears in the first six months of the bedroom tax.

For some Welsh social housing tenants, the changes to welfare will have created a level of hardship and a spiral of social and economic deprivation that will be hard, if not impossible, to break. This is easier to understand in the context of:

- higher (on average) unemployment than anywhere in the UK
- a heavy reliance on the public sector as an employer
- households paying 5 percent more for electricity than the rest of UK
- higher rates of digital exclusion than other UK regions
- a five-fold increase in the use of foodbanks over the last 2 years
- £4.1m cut in specialist advice services despite increasing need

1. Value for money

a) Robustness of Department for Work and Pensions' impact assessments, including methodology and evidence of savings/costs resulting from the changes;

The savings are calculated in a very basic and crude way, they do not consider the impact of tenant choice on the overall Housing Benefit bill. For instance, a tenant could take in a lodger or move to the private rented sector, both of which would impact the overall bill and thus reduce any calculated savings. Wales and West Housing Association reportedⁱ that 'more than £40m of public money is set to be wasted in Wales due to the removal of the spare room subsidy from disabled people living in specially adapted properties'.

b) The cost of managing the impact of welfare reform on the Welsh Government, the third sector, local government and housing associations;

Housing Associations have had to put vast resources into the communication of welfare change, the advice to tenants and the support of a revolving welfare timetable has been a costly process (74% have seen an increase in rent management costs). Prior to the bedroom tax/Removal spare room subsidy (RSRS), the majority of housing associations delivered literature or met face to face the affected tenants as well as creating the Your Benefits Are Changing (YBAC) campaign to raise awareness across multiple organisations. The campaign shared material and content to reduce expenditure and give a single clear message about reform, however this was still an additional cost in managing the impact which remains the sole burden of housing associations. Following the RSRS introduction, Housing Associations (HAs) also had to adapt the support and delivery of services to tenants, including changing job roles, the creation of new teams and adapting payment methods. Business plans have had to be reviewed to include substantial increases in rent arrears (an additional £1.1m during the first six months) and innovative ways created to assist tenants. Additional finance has been put into many areas of support. An example would be food parcels because food poverty has grown in tandem with welfare reformⁱⁱ, as many Housing Associations (Rhondda, Monmouth, Cynon Taf included) have partnered with Fareshare Cymru. The partnership allows HAs to provide subsidised food packs to tenants who have to make decisions between home, heat or eat.

The administration of so many additional Discretionary Housing Payments (DHP) since the RSRS introduction has increased workload significantly for both HA and Housing Benefit departments, a short term solution for many tenants the scheme will be cut by 14% (£1.2M) for the current financial year with subsequent years seeing further cuts.

The RSRS/bedroom tax impact has been significant, but the national rollout of Universal Credit (UC - now live in four local authorities in Wales) brings further problems to HAs. Currently Community Housing Cymru and its counterparts in England & Scotland are recording data on the impact of UC from landlords and tenants in live areas to form a Wales and UK evidence base. Early information shows a huge increase in arrears as well as the need for system changes and further support in areas such as digital inclusion, budgeting and the communication of new terminology. Localised support under the Universal Support Delivered Locally (USDL) is fragmented as Personal Budgeting Support (PBS) contracts are delivered differently across Local Authorities, early evidenced from CHC members in pilot areas have seen huge support needs for small numbers of tenants accessing the pilot. The change from a managed rent payment by a local authority to a direct tenant payment will have huge consequences for both landlord and tenant. A preferred action for all would be for tenant choice on how payments are paid.

The Welsh Government's support to those affected by council tax benefit changes has been a grateful relief to an additional cut but, along with the Discretionary Assistance Fund, the future funding for this is unclear.

2. Advice and Support for tenants:

a) Local Authorities engaging with and responding to the needs of tenants affected by the spare room subsidy/benefit cap;

HAs have worked closely with their Local Authorities in supporting tenants. DHP decisions have been inconsistent but the new Welsh Government guidance which enhances current DWP guidance is a welcome action. Through the Your Benefits are Changing campaign HAs informed tenants of their options in paying the bedroom tax. Early research by the campaign found the following responses from tenants on how they would manage the additional cost:

- 75% of tenants believed that DHP would be their only option of paying the RSRS/bedroom tax
- 9% wanted to actively seek smaller accommodation through Homeswapper or HouseSwap Wales. Tenants indicated that disabilities, parental responsibility, community safety, work & cost were all factors in not being able to move.
- 12% of tenants indicated they would be prepared to pay the shortfall, worrying CHC research shows 18% of tenants affected by the change are borrowing to pay the shortfall.
- 4% of tenants would consider taking in a lodger. The YBAC website distributed lodger packs (designed by Simon Inkson) to both RSLs and tenants, but the majority of people indicated that safety, children and the effect on current benefits & income would make this an unviable option.

Houseswap Wales has been led by Cadwyn Housing Association and allows tenants to discuss mutual exchanges via facebook. The successful scheme now has over 5000 members across Wales and is sponsored by 17 different housing associations.

Local Authorities are not able to respond to the needs stated above due to a lack of DHP resources. Fundamentally the core principles of the policy are flawed, because tenants needs differ so greatly from the emphasis of the policy. An end to the policy would be welcome.

b) Quality/effectiveness of advice provided to tenants by third sector and local authorities;

Advice regarding the bedroom tax/RSRS has been clearly provided by HAs through the YBAC campaign and given further support by the financial inclusion, money advice and housing teams within each housing association. Extended advice has been difficult to gauge due to numerous different legal challenges to the bedroom tax and the on-going funding cuts to advice agencies and legal aid assistance. Valleys to Coast Housing Association worked alongside other HAs, advice agencies and support groups to raise awareness of the right to challenging the RSRS/bedroom tax in Bridgend. The impact was hampered by numerous other High Court challenges ending with decisions in favour of the DWP, but the exercise was productive in bringing together multiple organisations and reiterating the importance of clarifying detail for those who should be exempt. The YBAC campaign has found 11% of tenants accessing advice to have some form of exemption.

Providing advice around the wider welfare agenda has been increasingly difficult and costly due to the changing timescales and locations of live Universal Credit sites. Awareness of Universal Credit amongst tenants varies across Wales. 54% surveyed had not heard of UC, and we are yet to see the full impact of Personal Independence Payments.

c) Ability of tenants to access ICT, and support for increasing access;

HAs are increasingly involved in digital inclusion activities, assisting tenants in training, accessing and using digital equipment to help communities get online.

According to the National Survey for Wales 2013-2014:

- 34% of social housing tenants do not use the internet, compared to 11% in private rented accommodation and 20% of owner occupiers.
- 44% of social housing tenants do not have home internet access, compared to 19% in private rented accommodation and 21% of owner occupiers.

The Your Benefits Are Changing helpline asks all callers that are not online why they do not use the internet. Here are the reasons cited:

- 43% cannot afford to use the internet, this compares to Welsh Government's national survey result of 5%.
- 29% don't feel that they need or want to use the internet
- 21% lack the skills
- 1% cannot use the internet due to a disability
- 2% are concerned about internet security and privacy.

The social housing sector has been proactive in overcoming the three barriers to digital inclusion; motivation, affordability and skills. Our members continue to overcome the skills and motivation barriers through digital inclusion projects, but affordability is the most difficult to overcome, and more support is needed from government and internet service providers to bring down the cost for those unable to afford home broadband.

Since June 2013 Community Housing Cymru has facilitated the running of a Digital Inclusion Network to bring together those providing digital inclusion training and support to communities across Wales. The network provides an opportunity for the sharing of good practice, collaboration between organisations and an opportunity to be kept informed of policy changes and news. The network is attended by digital inclusion officers working within the social housing sector and other digital inclusion organisations.

The following case study demonstrates the involvement of the sector:

Merthyr Valley Homes: Digital Merthyr

80% of residents on the Gellideg estate in Merthyr Tydfil are affected by welfare reforms. This means they will become increasingly reliant on online access to essential services such as banking and benefits. However, less than a third of the estate is connected to the internet. Improving access and skills locally is an urgent priority. Without making improvements, Gellideg will remain at a severe disadvantage as commercial broadband is simply unaffordable.

With Nominet Trust funding, the Gellideg community have prototyped the design, installation and development of a community led network – moving from a Local Area Network to enabling access to the World Wide Web. To start, they are running a prototype with 40 homes, with a view to testing the feasibility of scaling to more than 4,000 homes across both the Gellideg and the Gurnos estates.



3. Availability and provision of alternative housing and its impact:

a) Level of 1 and 2 bed stock availability, including scale and affordability of housing associations' development programmes;

Most HAs took the decision not to suddenly start building 1 or 2 bedroom properties overnight as a reaction to the bedroom tax/RSRS. Its long term future is going to be determined by subsequent elections, and development plans are a long term strategy. The Welsh Government put in place a "Smaller Properties" programme and made £20 million available in 2013/14, £5m available for 2014/15 and £15m available for 2015/16, to support the building of 1 and 2 bedroom affordable homes. HAs responded to this funding initiative and have helped develop an additional 375 units with an anticipated further 400 to follow. This would treble the current level of smaller properties available to those who wish to downsize. However further investment is required because demand from those currently wishing to be housed needs to be balanced against those wishing to downsize.

b) Impact of rent arrears on ability of tenants to transfer to more appropriate property under the new arrangements;

This differs depending on individual organisations own policies but many located within a shared common housing register have agreed that rent arrears would not prevent tenants from downsizing if this was a financially better option.

c) Impact of changes on other households in housing need seeking social housing – homeless people, waiting list growth, for example;

Use of the private rented sector;

During the first year of the bedroom tax/RSRS we recorded that over 700 new properties were left void. This could be a direct approach of individuals to not engage with social housing due to welfare changes. This leaves many moving into the private housing sector where tenure security is weak and the overall cost of housing benefit is increased. The private rented sector is more expensive to both the DWP (housing benefit via a 3 bed Local Housing Allowance (LHA) rate is higher than a social rent) & tenant (who will still have to meet the market rate after payment of LHA). For example in Merthyr a 3 bed house will cost a social housing tenant £299 pcm in rent with a maximum £299 Housing Benefit. In the private rented sector (PRS) housing benefit would pay £376.44 pcm. Only 12% of available properties on rightmove would be met by this amount, thus leaving tenants with larger payments to be met.

4. Preparing for change:

a) How effectively local government, the Welsh Government and housing associations prepared for changes associated with Welfare Reform.

HAs have prepared for the changes, the YBAC campaign being the first example, and further work is being done by Housing Associations to understand and adapt services to meet the changing need brought by Universal Credit. As previously documented, the work of the housing federations will give better insight into the support, advice and systems changes that will be required, but it is already evident that sustainable tenancies are at high risk of failure due to UC. In Scotland they are preparing for further change as the Smith Commission and 'Home Rule Bill' will allow them greater power to limit the impact of future reforms.

HAs are supporting each other through new networks, including those based on digital inclusion, advice and welfare but, this is additional work, cost and pressure on housing associations. The DWP have worked very closely with Local Authorities and Welsh Government has supported many advice agencies in preparation for further welfare changes but Housing Associations are filling many of the gaps in areas in which these statutory services are unable to assist, including: provision of alternative banking methods, digital inclusion, financial inclusion and budgeting support. There is little financial assistance available for those services that cater for general needs housing; this comes at a time when services aimed at the most vulnerable tenants in social housing are facing cuts through the Supporting People budget. The Supporting People budget funds services, often offered by or in partnership with housing associations, which are designed to prevent significant social problems, particularly homelessness. The SP budget has been cut by £10m to £124.4m in 2015/16, 7.6% of the overall Supporting People budget. To illustrate the impact of such a cut; in the region of the Vale and Cardiff, £10m is the equivalent of the annual funding for all services for men and women at risk of domestic abuse, young people with support needs, people with learning disabilities, people with mental health issues, people with alcohol issues, people with substance misuse issues, ex-offenders and families with support needs.

Since 2013 Community Housing Cymru has facilitated the running of an Advisory Network to bring together those within housing associations providing welfare, money, housing and debt advice and support to communities across Wales. The network provides an opportunity for the sharing of good practice, collaboration between organisations and an opportunity to be kept informed of policy changes and news.

CHC, in its capacity as the membership body for housing associations, has campaigned for the following in the run up to the general election:

- The ‘bedroom tax’ or removal of the spare room subsidy is a policy that is flawed both in practice and its financial merits. We therefore believe it should be abolished.
- The Welsh Government should have the power to prevent the greater impact of welfare reforms on the most vulnerable people in Wales, including giving tenants a choice on how housing payments are made.
- Increased investment in the social housing model. An increase in the number of social housing properties would assist in alleviating rising housing benefit bill which is driven by the private rented sector and Local Housing Allowance.

**Community Housing Cymru
April 2015**

¹ Who Pays? -The Impact of the Removal of the Spare Room Subsidy on Disabled Residents living in Adapted Properties in Wales - <http://bit.ly/1Q2WLE>

² Trussell Trust Foodbank use tops one million for first time - <http://bit.ly/1GK43bp>

Chartered Institute of Housing Cymru

4 Purbeck House
Lambourne Crescent
Cardiff Business Park
Llanishen
Cardiff
CF14 5GJ

Tel: (029) 2076 5760



Evidence Submission to
The National Assembly for Wales
Public Accounts Committee

**The impact of welfare reform on social
housing tenants**

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org

In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

For further information on this response please contact
Helen Northmore, Director, on Helen.northmore@cih.org or 029
2076 5760

Introduction

The Chartered Institute of Housing Cymru agrees with the Auditor-General's report that the changes to Housing Benefit introduced by the welfare-reform programme are having a significant impact on Welsh Councils and housing associations. The impact will continue as further welfare reforms such as Universal Credit are rolled out. The recommendations in the report are clear and CIH members support the recommendations for improving strategic planning, governance, accountability and management of performance on welfare reform

Comments on the Report

1. Data Collection

Paragraph 18 states that there are limitations and quality and coverage of data currently collected to understand the impact of welfare reform on social housing. Some key data to measure the impact of the welfare reforms is not collected. CIH recommends that there is further data collection on a qualitative and quantitative basis. Real Life Reform (<http://www.northern-consortium.org.uk/services/policy/welfare-reform-and-financial-inclusion/welfare-reform/real-life-reform/>) is a study being undertaken across 7 housing associations in the north of England to understand in detail the decisions made and the challenges faced by a range of tenants affected by welfare reform. Each participating organisation works with 10-15 households over a period of approximately 18 months, undertaking a survey/interview every three months using an agreed questionnaire being completed by trained staff. The questionnaire covers the under occupation deduction, applying for and receiving benefits, responding to non-benefit dependency, how they manage their finances now and when Universal Credit comes into play and generally how they cope.

2. Changes to the social housing stock

Paragraphs 22 and 23 states that there has been little change to the existing social housing stock and increased demand for smaller homes. It will take time to develop new housing stock and CIH is concerned that a rush to develop smaller properties could be detrimental in the long term if the removal of the spare room subsidy is overturned if there is a change of government. Political expediency is always a concern when looking at such long term decisions.

3. In addition the impact of the spare room subsidy removal is having an impact on social landlords. Evidence is emerging from local authorities and housing associations that there is an increase in voids, particularly in 3,4 and 5 bedroom homes. It is becoming increasingly difficult for social landlords to let these properties, which will have significant impacts on their operation and development plans.

4. Engagement with tenants

Recommendation 5 asks for improved engagement with tenants, including the provision of support to tenants specifically affected by the removal of the spare

room subsidy to participate in regional/national employment schemes. CIH led the development of the i2i programme, providing social landlords with a toolkit to improve the benefits to the community from their procurement spend, particularly focussing on employment opportunities. This toolkit is still relevant and many social landlords have improved the employment prospects for their tenants through the use of the can-do toolkit.

Yn rhinwedd paragraff(au) vi o Reol Sefydlog 17.42

Mae cyfyngiadau ar y ddogfen hon



Evidence to the National Assembly Public Accounts Committee inquiry on the Wales Audit Office study *Managing the impact of welfare reform on social housing tenants in Wales*

28 April 2015

Shelter Cymru

Shelter Cymru works for the prevention of homelessness and the improvement of housing conditions. Our vision is that everyone in Wales should have a decent home. We believe that a home is a fundamental right and essential to the health and well-being of people and communities.

Vision

Everyone in Wales should have a decent and affordable home: it is the foundation for the health and well-being of people and communities.

Mission

Shelter Cymru's mission is to improve people's lives through our advice and support services and through training, education and information work. Through our policy, research, campaigning and lobbying, we will help overcome the barriers that stand in the way of people in Wales having a decent affordable home.

Values

- Be independent and not compromised in any aspect of our work with people in housing need.
- Work as equals with people in housing need, respect their needs, and help them to take control of their lives.
- Constructively challenge to ensure people are properly assisted and to improve good practice.

Introduction

Shelter Cymru welcomes the opportunity to give evidence to this inquiry. We provided qualitative and quantitative evidence to the Wales Audit Office to help inform the study. In our view the final report provides a thorough and precise description of how local authorities and social landlords have responded to the challenges of welfare reform, which closely reflects our casework experience.

Value for money

We agree with the report's finding that the Department for Work and Pensions' impact assessment methodology is overly simplistic and does not take account of the impact of tenants downsizing or moving to the private rented sector (PRS), both of which would have the effect of reducing savings.

While it is true that the vast majority of tenants affected by welfare reform are doing their best to remain in their homes, there are also likely to be thousands who are failing to keep financially afloat and are losing their homes as a consequence.

Although there has been no formal research to evaluate how many tenants have lost their homes as a direct result of welfare reform, our research has found that social housing evictions dramatically increased during 2014. We analysed Ministry of Justice data which showed that social housing repossessions in Wales hit a seven-year high with nearly a thousand social tenant households losing their homes during 2014. This represents a 12 per cent increase on the previous year.

Possessions peaked in January to March – during these months Welsh social landlords were making more than 21 households homeless per week, or three households homeless every day.

Unfortunately there is no reliable data to tell us where these households have gone. There has been little impact on homelessness statistics but this is because homelessness services are in the process of change, with a stronger emphasis on prevention, and this has meant more households being assisted without being recorded in the official figures – an effect which should be improved from the end of April 2015 with new duties and the introduction of new statistical monitoring.

We know that during 2013/14, numbers of households accessing social housing via the homelessness route dropped to their lowest level in ten years, comprising just 12.8 per cent of lettings compared with 17 per cent the previous year. This is likely to be the result of two factors: the reduction in homelessness acceptances due to more prevention; and the higher priority that many landlords will be placing on transfers due to downsizing.

One consequence of higher levels of homelessness prevention is larger numbers of households being homed in the PRS. Our research has found that Housing Benefit costs

for smaller PRS accommodation are often more expensive than larger accommodation in the social sector. In 2013 the Local Housing Allowance (LHA) rate for two-bedroom privately rented properties outstripped rents for three-bedroom social housing by as much as 46 per cent in many parts of Wales. This effect is likely to have had a significant impact on welfare reform-related savings, but at present there has been no research to quantify this.

Given the costs of managing higher arrears and carrying out higher numbers of evictions, it is not surprising to note that social landlords have taken a financial hit in the last year. Global accounts for Wales' largest 37 housing associations show that the sector's surplus was reduced to £74 million in 2013/14, a 12.9 per cent reduction on the previous year.

Bad debts and voids increased to 3.0 per cent, from 2.5 per cent the year before.

Considering the scale of financial pressures facing social landlords, these results would appear to indicate a degree of resilience in the sector.

Our casework experience shows that many social landlords have responded to welfare reform by introducing new commercially-driven policies which place tenants' ability to pay first and foremost before housing need.

For example, we reported in our *Bedroom Tax Snapshot* report of May 2013 that some landlords were insisting on four weeks' rent in advance from new tenants, ostensibly in preparation for Universal Credit which has yet to be introduced across much of Wales.

Since the publication of our report this practice has become more widespread and we continue to see clients who are unable to take up social housing offers because they cannot raise the requisite advance rent without going into debt.

We have also seen Notices Seeking Possession being used very quickly, as a first rather than last resort, to get tenants to engage. This adds at least £250 in court costs on to tenants' debt, which is sometimes enough to more than double the amount of arrears. In 2014 there were 4,729 possession claims issued by Welsh social landlords.

With rigorous financial capability assessments now a central part of most landlords' processes for taking on new tenants, our concern is for the unknown number of people who may be unable to take up housing offers they are deemed unable to afford. There is an urgent need to understand how many social landlords have rejected would-be tenants on this basis, what has happened to those individuals' situations as a result, and what has been the consequent cost for other services.

Advice and support for tenants

Our *Bedroom Tax Snapshot* reports of May and November 2013 found a mixed picture in terms of advice and support from landlords and local authorities. Many took a very proactive approach, taking steps to reach tenants in their homes: Flintshire, for example, contacted all tenants identified as being affected by the spare room subsidy and offered

them the chance to meet with a member of the Housing Team, an offer that was taken up by 78 per cent of tenants. By contrast, we also saw tenants who had not had any communication from their landlord about whether they would be affected, and heard about their liability solely through their Housing Benefit award letters. This lack of information, combined with the extensive media coverage of the 'Bedroom Tax', meant that our clients became extremely confused and anxious about their situation, and this led to many wasted contacts between tenants, landlords and local authority Housing Benefit departments.

We found that many Housing Benefit departments were sending out clearly written letters that included details about appeal rights. However, we also found that some were failing to include information about how to challenge decisions.

The Wales Audit Office's findings around the administration of Discretionary Housing Payments (DHPs) reflect our experiences. In our view, the DHP system is critically flawed since there is no relationship between local budget size and housing need. It remains, however, a lifeline currently keeping thousands of Welsh households in their home at least for the short term.

In the wake of welfare reform we found that awareness of DHPs among our clients was invariably extremely low. Local authorities do not tend to publicise DHPs for fear of inflating demand. Surprisingly, however, we also found that a small number of landlords were not publicising DHPs: although the majority saw DHPs as an important tool to help lessen the financial pressure of welfare reform, we also came across a small number of landlords that chose not to make tenants aware of their right to apply for DHP.

In court we heard landlords argue that the reason they did not inform our clients about DHP was because their application probably wouldn't be successful and as DHPs are time-limited, the client would have to pay eventually anyway.

We would strongly welcome a more consistent approach to DHPs in Wales. If Welsh Government pursued the devolution of DHPs this would at least ensure more equitable distribution even if the pot didn't increase.

We note the report's finding that 92 per cent of local authorities and social landlords were planning to strengthen referral arrangements with independent advice agencies in preparation for welfare reform. With a few exceptions we have found that referral arrangements with local authorities are generally good: we have formal joint working protocols in place with several authorities, with several more in development. Six out of 22 authorities also provide us with financial support to provide independent advice in their areas.

However we have found that some authorities have been less easy to engage with, we believe due to competing work priorities and in some cases staff restructuring. There are some authorities that have remained reluctant to refer to us throughout the whole period.

In terms of our work with housing associations, we don't have any formal protocols in place but most associations do refer to us.

Availability and provision of alternative housing and its impact

The Audit Office report found that few landlords were planning to substantially increase numbers of smaller accommodation units. We are aware of and strongly welcome the Welsh Government's £40 million investment to support the building of 1- and 2-bed homes. It will inevitably take some years before the benefits come to fruition.

In the meantime we understand that some social landlords have begun converting what were formerly larger family homes into shared accommodation, despite lacking experience in providing this type of housing. Anecdotally we have heard that some of these conversions may not meet Houses in Multiple Occupancy (HMO) standards. However, social landlords are exempt from HMO regulations. We believe there is a role for the Social Housing Regulator here, to ensure that basic standards related to space, safety and shared facilities are adhered to.

We have had much direct experience of landlords' transfer policies and can confirm the Audit Office's finding that the majority of landlords adjusted policies in a timely way to ensure that arrears related to welfare reform could not be a barrier to downsizing. However, by the time of our second *Bedroom Tax Snapshot* report in November 2013, there remained a small number of landlords who had not yet updated their transfer policies in this way; and as recently as April 2015 we have seen a client affected by the spare room subsidy who was informed by her housing association landlord that she could not downsize since she owed water charges arrears.

There is a need to conduct further work to understand how welfare reform, as well as other legislative changes by the Welsh Government, is affecting the profile of households accessing social housing. This is not only linked to social landlords' stricter financial capability assessments referred to above, but is also evident in the significant reduction in social housing lettings from the homelessness route in 2013/14. Further changes as a result of the Housing (Wales) Act 2014 are in our view inevitable, with the severing of the route from homelessness to social housing.

Preparing for change

Our research found that many social landlords and local authorities took an extremely proactive approach to preparation. Many landlords employed additional staff to work with tenants, and there were also numerous examples of assistance funds being created.

The spare room subsidy in particular highlighted issues around the accuracy of landlords' records: we had several clients whose landlords told them they had more bedrooms than appeared in their tenancy agreements. Landlords undertook massive data-gathering exercises to ensure they held accurate information. As already mentioned, the most proactive landlords were also ensuring they made personal and sustained contact with

tenants, referring to income maximisation support and in some cases independent housing advice.

Welsh Government clearly recognised the need to strengthen certain key services and provided substantial additional funding at a number of points, as detailed in the Audit Office report. Some of this funding was in place as early as April 2011 to local authorities to help prepare private tenants for the 30th centile reduction in Local Housing Allowance. The Government has funded research into impacts and, importantly, has continued to make the case to the UK Coalition Government about the disproportionate impacts of welfare reform in Wales.

We welcomed the additional £1.3 million that was made available to top up DHPs but we noted that the funding was provided late in the financial year. For this reason not all local authorities felt they could spend the money within the tight timescale. It was disappointing that some authorities rejected this additional funding, with only around £1 million actually taken up.

We recognise that the Welsh Government is determined not to carry the direct cost of offsetting welfare cuts. At a time of considerable uncertainty about further cuts to come, we would be strongly in favour of devolution of Housing Benefits to Wales in order to mitigate against further cuts and allow a more equitable distribution of funds that might, for example, be less discriminatory to disabled people.

For more information please contact Jennie Bibbings, Policy & Research Manager

jennieb@sheltercymru.org.uk

02920 556903

Cyngor Ar Bopeth Cymru
Citizens Advice Cymru



Response to the National Assembly for Wales' Public Accounts Committee inquiry into the impact of welfare reform changes on social housing tenants in Wales – May 2015

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 member Citizen Advice Bureaux 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.

Impact of welfare reform:

1.1 Up until recently debt-related issues have consistently been the largest problem area for which clients seek help from Citizens Advice bureaux across both England and Wales. Benefits issues have generally been the second biggest area, however over the last four years we have seen a shift in position. Since 2011 benefits-related problems have taken over debt to become the largest problem area dealt with by bureaux advisers in Wales. The table below demonstrates this.

Table 1: Changing demand for advice across Citizens Advice bureaux in Wales

Year:	% of benefit problems:	% of debt problems:	% difference
2010/11	35%	36%	-1
2011/12	39%	32%	+7
2012/13	45%	27%	+18
2013/14	42%	31%	+11
2014/15	39%	33%	+6

Much of this shift can be attributed to benefit changes that have come into effect following welfare reform.

- 1.2 The evidence from Citizens Advice bureaux across Wales shows the extent to which the benefit changes are impacting on many of our clients. During 2014/15 they helped over 45,800 clients with more than 151,000 benefits/tax credit related problems.

Over half of bureaux clients (54%) who have sought help regarding a benefits-related problem over the last year are disabled or have a long term health condition (the proportion of all clients with a disability/long term health condition is 41%). This is reflected in the two biggest issues seen by bureaux, namely problems relating to personal independence payments (PIP) and employment and support allowance (ESA) - see table 2 below.

Almost two thirds of benefit clients (64%) are tenants – 38 per cent social housing tenants; 27 per cent PRS tenants.

Table 2: Top five benefit/tax credit issues in Wales during 2014/15

Type of benefit:	No. of problems:	No. of clients:
Personal independence payments (PIP)	29,433 (20%)	10,666
Employment & Support Allowance (ESA)	27,850 (18%)	12,780
Housing Benefit (HB)	14,900 (10%)	9,194
Working & Child Tax Credits	12,146 (8%)	7,836
Council tax reduction	9,696 (6%)	7,076

The most common problems affecting benefit clients living in social housing relate to ESA, housing benefit and PIP. Around one in eight social housing tenants who sought help with a housing benefit problem (12%) had an issue relating to the under-occupancy penalty¹.

To date bureaux in Wales have helped relatively few clients with problems relating to the benefit cap (only 115 clients during 2014/15).

- 1.3 It is also important to remember that many people have experienced or will be experiencing more than one change to the benefits they receive. Their ability to cope with the cumulative impact of this will obviously vary depending on individual circumstances. Our recent report '[One day at a time](#)'² sought to gain a better understanding of how benefit claimants in Wales were managing in this situation.

¹ It should be noted that we do not routinely collect household tenure information for every client however the sample size is sufficient to calculate the proportion of social housing clients seeking help for this issue.

² One day at a time: examining the cumulative impact of welfare reform on benefit claimants in Wales, Citizens Advice Cymru, July 2014

The findings confirm how the reforms are currently having a predominantly negative impact on claimant's lives, particularly those living with a disability or long term health condition. People already living on a low income have had their income reduced further by the changes – in some cases they've had no or very little income at all while waiting for appeal decisions, the outcome of a new claim (eg. PIP) or due to a sanction. As a result the majority are struggling to maintain a minimum standard of living, frequently going without basic essentials (most commonly food; adequate heating in their home and clothes) to pay rent and other essential bills.

- 1.4 Evidence from bureaux across Wales and our additional research confirms how the financial difficulties many people are experiencing as a direct result of the benefit changes are placing considerable pressure on people's ability to keep up with rent payments. As a result many are facing rent arrears, or living with the daily threat of being made homeless or having to move away from family, friends and wider support networks, including those living in specially adapted properties. In order to ensure they can stay in their adapted home many are choosing to go without food or heating or have taken other measures to help secure their home, such as taking in a lodger. Some of those who have moved report increased feelings of isolation and loneliness.

Case study

A client in West Wales is aged 33, in receipt of ESA and lives in a local authority 2 bedroom flat. He was allocated the property on the suggestion of the local authority as his children stay over a couple of nights a week. He has four children from a former relationship. He was previously self-employed but is claiming ESA following a domestic abuse injury in 2014. He now suffers from long term depression/anxiety. His weekly income is £72.40 ESA but he has deductions for 3 social fund loans so only receives £61.90. In spite of originally suggesting he move to a 2 bed property the local authority has since classed him as only needing one bedroom. He therefore needs to pay £25 a week to cover water charges, a shortfall in his rent (£11.25) and rent arrears (£3.65). He has total rent arrears of £844 and other debts including a Magistrates Court fine and council tax arrears which he is unable to pay.

The client is suffering from severe financial hardship, The local authority is seeking possession and he is at risk of losing his home and is unable to pay priority bills such as gas/electric. His phone has also been cut off and he doesn't have enough income to properly feed himself. The shortage of social housing in his area, particularly one bedroom properties, means he's unable to downsize.

Inquiry questions

a. Value for money:

- 2.1 Citizens Advice believe that the impact assessments undertaken by the Department for Work and Pensions (DWP) for many aspects of the Welfare Reform Act were inconsistent, and often based on limited evidence. For example, their assessment of the behavioural impacts on claimants in the social rented sector affected by the under-occupancy penalty was only based on one study. While they acknowledge that existing evidence in this area is limited we believe further research should have been undertaken. There was also little consideration of the potential impact on individuals, poverty or the health and well-being of affected tenants.

Some work has since been undertaken to evaluate the impact of each of the individual reforms, however we are unaware of any work that specifically assesses what has happened following implementation against the estimates/projections in the original impact assessments.

- 2.2 The level of change we're currently experiencing within the benefits system is unprecedented in modern times. The rising demand for advice services as a consequence of the changes has come at a time of significant funding cuts. In 2013/14 Citizens Advice bureaux funding in Wales decreased by 9 per cent (compared to 2012/13), from £12.3 million to £11.1 million. This was largely as a result of legal aid reforms which cut 83 per cent of the funding provided to bureaux through legal aid contracts, leaving funds only for residual cases. This cut in funding impacted most heavily on the provision of specialist benefits, debt and housing advice.

Across England and Wales we estimate that bureaux were able to help 120,000 fewer people with the most complex cases during 2013/14.

- 2.3 Welsh Government funding for the wider advice sector to help mitigate the impact of these cuts has been very welcome. Citizens Advice Cymru were successful in securing £1.3m this year for specialist benefits, debt and housing advice in a joint bid with Shelter Cymru.
- 2.4 Local authorities remain the core funder of bureaux across Wales. In 2013/14 funding from local authorities increased (from £3.6 million in 2012/13 to £4.1 million in 2013/14), which was very welcome and reflects the importance local authorities place on independent advice services during these difficult times. The situation did however vary across Wales with some authorities making cutbacks to their funding of local bureaux.

Core funding is vital for the sustainability of any bureau. While investment in specialist advice is always very welcome, a bureau's ability to provide specialist advice is often reliant on other core funding being in place. Clients will frequently move from generalist advice

provision (usually supported through core funding and more responsive to local need) to receiving more specialist advice on the same or a different topic. As local government finances continue to come under increasing pressure we believe we're likely to see further reductions in this vital core funding over the coming years.

This will be at a time when **demand for advice services is likely to increase further as some of the biggest changes to the welfare system are implemented**, most notably the wider rollout of universal credit and more existing disability living allowance (DLA) claimants being invited to apply for PIP.

- 2.5 A recent pilot study by Citizens Advice³, '[Universal credit managing migration](#)', sought to understand how 'universal credit relevant' clients⁴ would be affected by universal credit, including their capability in the following key areas: managing monthly payments; budgeting; banking; staying informed and getting on-line.

The findings showed nine out of ten such clients would need support to manage the transition in at least one identified capability area. Almost two-fifths of clients (38 per cent) would need support across all five capability areas.

Without adequate resources from DWP advice agencies and others will find it increasingly difficult to fulfil demand.

- 2.6 There is also growing concern about the health impacts of welfare reform, and the subsequent increases in costs to the NHS in Wales as people's health and well-being deteriorates. A recent [briefing](#) aimed at frontline health and social care professionals, produced by the Welsh NHS Confederation '2016 Challenge Policy Forum' (of which Citizens Advice Cymru is a member), provides further evidence from a range of organisations in Wales of how changes to the benefits system are affecting people's health and well-being.

Nearly all those who took part in our 'One day at a time' research felt their mental health has been negatively affected by the recent benefit changes and more than two-fifths believe their physical health has suffered, largely as a result of living on reduced incomes and the increased levels of stress they are experiencing.

"My mental health was severely affected by what was going on with my finances. I was struggling to cope with the new diagnosis but not being able to feed my family just made everything seem beyond bleak. My GP was very supportive, she said it wasn't good for me to be so stressed but there was no answer."

³ 'Universal credit managing migration pilot', Citizens Advice, December 2013

⁴ i.e. clients currently in receipt of one or more benefits that will come into universal credit.

“I am 50 years old not five, yet I need help with dressing and showering. I have no money now because of PIP and because of that my friends have to help me; they shouldn’t have to do that. So you ask me what has changed? I have lost my dignity and pride.”

[both taken from One day at a time’ report]

b. Advice and support for tenants:

3.1 The evidence from bureaux and wider Citizens Advice research shows the extent and manner to which local authorities and housing associations are engaging with tenants affected by the under-occupancy penalty/spare room subsidy varies across Wales.

Many community landlords signed up to the ‘Your benefits are changing’ campaign, co-ordinated by Community Housing Cymru. During our research we have also heard how some local authorities and housing associations have taken a positive, proactive approach to the prevention of rent arrears by engaging with affected tenants at the earliest opportunity eg. visiting tenants at home to explain the changes, assisting with applications, holding open meetings to provide advice on options. Initiatives such as this are generally regarded by tenants as very helpful and supportive.

Caerphilly Council were recently showcased by Citizens Advice as an example of good practice as part of our [Making Welfare Work Locally](#) project. This project aims to improve the experiences of people affected by welfare changes by promoting innovative and effective work by local authorities and housing associations across England and Wales.

Case study:

Caerphilly County Borough Council found that around 20 per cent of their 11,000 households would be affected by the under-occupancy penalty and 26 households by the benefit cap. They set up a senior-led programme board and a co-ordination team that included staff from across the council as well as Jobcentre Plus and the Citizens Advice Bureau (CAB). They focused resources on direct support for tenants through the employment of Tenancy Support Officers (TSOs) who visited tenants to provide a range of advice and support. Information sharing agreements enabled a smooth referral process to specialist organisations for support around debt, energy and employment support. The friendly, supportive role of the TSOs, together with the range of support on offer, had a positive impact on tenants’ overall wellbeing as well as their ability to sustain their tenancy. Early indications from ongoing customer satisfaction surveys are that a significant percentage of tenants were very happy with the support provided.

There have also been cases where community landlords have been less helpful. Conflicting or limited information, eg. regarding potential help that may be available via discretionary housing payments (DHPs), has only added to the confusion and financial hardship of their tenants, giving them less time to make contingency plans. Many have had to be proactive and seek out available support themselves.

“We had an awareness that the bedroom tax was coming in because a lady from the housing association rang us up to inform us .. She told us that we wouldn’t be affected by the bedroom tax because we were living in an adapted house so we left it and didn’t worry. It wasn’t until May or June when we rang Housing Benefit about another issue that we were advised that we had had our benefit reduced by 25% for two spare bedrooms. We complained to the housing association about the bad advice that we had received but they denied all knowledge of this.” [taken from One day at a time’ report]

Bureaux have also reported instances where housing associations have been unsympathetic to clients who have built up rent arrears after having their benefits stopped leaving them with no money at all, for example while appealing an ESA decision after they’ve been found fit for work.

- 3.2 During 2014/15 bureaux in Wales helped over 1,600 clients with problems relating to discretionary housing payments. Their evidence indicates inconsistencies in the approach adopted by different local authorities when assessing DHP claims and making awards, including cases where an award has been made previously but not renewed, and cases where local authorities are including DLA/PIP in their income calculations for DHPs.

Citizens Advice Cymru have been calling for local authorities to disregard disability benefits such as disability living allowance and personal independence payments when assessing a claimants income during the application process for a DHP (as is already the case for housing benefit and other means-tested benefits). We are aware the Welsh Government has been working with the Welsh Local Government Association and the majority of local authorities in Wales to develop protocols to awarding DHPs, to help ensure the approach is fair and more consistent across Wales. We look forward to seeing further details of the protocols once they are available.

- 3.3 Our research found those people who are already linked in to existing support services generally felt their awareness of the benefit changes was good. They also tended to feel more confident about their capacity to manage changes in the future, although very few had any real knowledge of universal credit and how it may affect them. While there were exceptions, on the whole, most had found the advice they’d been given helpful.

Citizens Advice's experience is that often people are afraid or reluctant to seek advice so building trust is critical. Some may be more wary of speaking to their landlord directly or others in authority, particularly in cases of rent arrears, for fear of reprisals.

Our findings highlight that the method of engagement and the identity of the organisation delivering support and advice are both important factors in encouraging people to seek the help they may need. People valued the availability of independent advice.

Additional research commissioned by Citizens Advice Cymru in March 2014 also confirms the importance of continuing to provide advice face-to-face. Around half of adults in Wales stated face-to-face as their preferred method for receiving debt advice (53%); housing advice (51%) and benefits advice (46%)⁵.

- 3.4 The rollout of universal credit will see the majority of claimants being expected to make and manage their claim on-line. The main aim being to help simplify the process and reduce administration costs. The Citizens Advice universal credit managing migration research (referred to in paragraph 2.5) found two-thirds of participants (66 per cent) were unable to get on-line to manage a claim at the initial assessment stage. Following support from the bureaux over six in ten (62 per cent) had improved their skills and abilities in this area.

Therefore to be successful the 'digital by default' approach will need to be supported by additional resources for advice agencies and others to help claimants develop the skills needed to manage an on-line claim. Such skills are very different to using social media or other internet services.

A number of people who took part in our 'One day at a time' research also expressed concern about the over-reliance of the internet and putting information on-line as for many people with particular conditions or disabilities this is not an accessible option.

- 3.5 During 2014/15 Citizens Advice bureaux across Wales have helped 384 clients challenge a housing benefit decision (without going to a formal appeal) and almost 200 clients to appeal a housing benefit decision. Whilst we are not able to identify how many of these challenges/appeals relate to an issue with the under-occupancy penalty, we are aware of a number of cases where bureaux advisers have helped clients to appeal such decisions, as well as challenge decisions relating to discretionary housing payments provided by the local authority. We do not have sufficient data to be able to assess the overall efficiency and fairness of local authorities' appeals systems.

⁵ A total of 1,012 interviews were conducted between 3rd and 21st March 2014 using the Beaufort Research Wales Omnibus Survey. The sample is representative of the population resident in Wales aged 16 and over.

c. Availability and provision of alternative housing and its impact:

4.1 We do not have any specific evidence regarding the availability of one and two bedroomed social housing properties in Wales. We are however aware that some community landlords are converting family homes (category C family accommodation) into shared accommodation (category D) to make use of their larger properties and to meet some of the considerable shortfall in smaller properties within the social rented sector. Currently community landlords are exempt from complying with licencing requirements for houses of multiple occupancy (HMO) under Schedule 14 of the Housing Act 2004. This means non-compliance with the minimum standards that apply to the Private Rented Sector (PRS) of bedroom size, shared spaces, kitchen and bathroom facilities, as well as not being required to consult with the local community on the change of use. We are concerned that this growing practice is currently without monitoring or regulation, and that it could lead to the growth of substandard shared accommodation within the social housing sector at a time when Welsh Government are taking action to improve rented accommodation and renters rights in Wales.

4.2 The latest figures from Statistics for Wales⁶ show the number and percentage of all social housing tenancies in rent arrears increased for the second consecutive year, reaching 33 per cent, during 2013-14.

Citizens Advice bureaux in Wales are seeing increasing numbers of people seeking help with rent arrears across both the social rental sector and the private rented sector (PRS), accounting for 5 per cent of all debt enquiries in Wales during 2014/15.

Comparing 2014/15 with the previous year, we have seen bigger increases in rent arrears problems in the PRS (48% increase) than rent arrears in the social rental sector, however increases in the latter are still notable (24 per cent increase amongst clients living in housing association properties; 19 per cent rise in rent arrears problems amongst clients living in local authority properties).

Bureaux in Wales also saw a 22 per cent increase in actual homelessness-related issues during 2014/15.

4.3 Due to the shortage of smaller social housing properties in many areas of Wales an increasing number of social housing tenants are having to move into the PRS. This sector contains some of the worst housing stock in Wales. Currently PRS tenants account for nearly a third of all housing issues brought to Citizens Advice. We consistently see double the amount of clients renting in the PRS compared to those renting from community landlords, despite both now housing similar numbers in Wales⁷.

⁶ 'Social housing vacancies, lettings and rent arrears' , 2013-14

⁷ [Stats Wales estimates](#) Local Authority and Registered Community Landlord housing stock for 2012-13 is 16% of the market. The Private Rented Sector is estimated at 14%.

- 4.4 There is also increasing evidence that this option is not always a more affordable alternative for tenants.

Case study

A client in South East Wales is a 58 year old divorced person with no dependants and is in receipt of Employment and Support Allowance at the assessment phase of £73.10 per week. She is currently resident in one bedroomed privately rented accommodation where Local Housing Allowance of £67.76 applies. She has a shortfall in her rent of £12.24. She has taken significant steps to address her housing situation including, downsizing from two bedroom Local Authority accommodation and trying to negotiate a lower rent with her landlord - to no avail, as their view is that the rent charged reflects the local market conditions.

The client has registered for social housing however has been classed as a low priority for re-housing. The local bureau have assisted her in obtaining a number of Discretionary Housing Payments however, the view of the local authority is that she should now consider a move to shared accommodation.

The client suffers with health problems including anxiety and depression. The uncertainty of her housing situation is impacting on her mental health.

d. Preparing for change:

- 5.1 The actions taken to date by the Welsh Government and others to monitor and help mitigate the impact of welfare reform on benefit claimants in Wales have been very welcome. In particular the additional funding to local authorities in Wales to return the council tax support budget to the level it was before council tax benefit (CTB) was abolished by the UK Government (which has meant to date people previously in receipt of CTB have seen little change in their payments, unlike in England where in many areas claimants now have to make a contribution to their council tax bill); continuation of funding for the Wales-wide Discretionary Assistance Fund until March 2016; the provision of specific funding for frontline specialist debt, benefits and housing advice following the loss of civil legal aid funding, and on-going policy interventions to help tackle poverty in Wales.

As we have referred to in our response to section b there has also been some very positive interventions by community landlords to help mitigate the impact of welfare reform on their tenants, however this has by no means been consistent across Wales.

- 5.2 Bureaux evidence and the additional research undertaken by Citizens Advice Cymru confirms many benefit claimants did not have any comprehensive understanding of the benefit changes and how they would be affected until they were being implemented. The distribution of incorrect or inaccessible information and a perceived lack of

communication between key agencies, including the DWP, Jobcentre Plus, local authorities, housing associations and health care providers, only served to exacerbate this situation leading to feelings of confusion and helplessness for many.

- 5.3 In addition to benefit claimants, welfare reform will continue to have major implications for a range of organisations and services over the coming years, including advice providers, Welsh Government, local government, community landlords, and health and social care services. It is therefore vital that lessons are learnt across a range of agencies ahead of two of the biggest reforms still to be rolled out on any great scale – universal credit (UC) and the continued replacement of disability living allowance with personal independence payments.
- 5.4 Rollout of UC in Wales has been fairly limited to date therefore the number of people seeking help from bureaux in Wales remains very low, although we expect this to increase over the coming months as rollout is expanded. During 2014/15 bureaux in Wales have helped 78 clients with an UC-related problem. Such queries have largely concerned eligibility/entitlements or making/managing a claim.

As rollout continues Citizens Advice Cymru is planning to monitor how clients are managing/coping once they have started to claim UC, to establish what is going well as well as any emerging problems. Flintshire Citizens Advice bureau are currently taking part in a specific research project, along with a consortium of bureaux in England, to assess clients experiences of UC.

Some of the emerging housing related issues being seen by bureaux to date (especially where rollout has been more extensive eg. North West England) have included DWP miscalculating housing costs under UC and housing associations withholding credit on tenants rent accounts or asking tenants to pay additional rent in anticipation of rent arrears once they go on to UC.

- 5.5 Our research into the cumulative impact of the reforms to date highlights the importance of early, targeted intervention; the provision of holistic advice and support; and the need for a multi-agency approach. Effectively managing and co-ordinating how different agencies in Wales and key UK agencies (including DWP and Jobcentre Plus) can work better together to help people affected by welfare reform in Wales will be fundamental if people's future support needs are going to be met. We believe the Welsh Government is well placed to provide the strategic direction needed.

For further information please contact:

Lindsey Kearton, Policy Officer, Citizens Advice Cymru
Direct line: 03000 231 392
Email: Lindsey.Kearton@citizensadvice.org.uk

Mae cyfyngiadau ar y ddogfen hon