

MEW 10

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

Making the economy work for people on low incomes

Ymateb gan: IWA

Response from: IWA



The IWA & Cardiff University debate: Has the Welsh Government given up on tackling poverty?

Eversheds-Sutherland offices | Callaghan Square, Cardiff | 13th June 2017

“We’re obviously asking the right question” said Auriol Miller, Director of the IWA, reflecting on the appetite and diverse turnout for the debate. Auriol explained the timeliness of the debate in contributing to current developments within Government and given the focus of Assembly Committees, and asked the panelists and audience not to hold back in sharing their reflections on progress and next steps. They certainly didn’t, in what was an energised, challenging and constructive debate.

Michael Trickey, Programme Director of Wales Public Services 2025, and Wales Advisor to the Joseph Rowntree Foundation, kicked off the evening by presenting evidence on the causes of poverty; population and poverty trends in Wales; and the Welsh Government’s approach to tackling poverty which he broke into three periods: 1999 - 2010, building a portfolio of poverty programmes; 2011 – 2016, moving from disconnected programmes to strategy; 2016 - present, giving up on poverty or re-framing the issue?

Michael also introduced a theme that resonated throughout the ensuing debate: the importance of laser-like clarity on exactly what the issue is and what we are trying to achieve. He reflected that terms such as poverty, deprivation, social exclusion, social justice and regeneration are often used interchangeably: they are closely connected, but it was important for the sake of clarity that policy should distinguish between them in setting goals. Michael defined poverty in line with the JRF definition “When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation)”, but reflected that this definition includes a huge range of experiences and circumstances. He also reflected that the Welsh Government has limited levers for tackling some socially complex issues, including poverty, and that progress can only be made where objectives and focus are very tightly defined.

Significant trends that he reported included the rise of in-work poverty; the projected increase in child poverty over the next 4 years; and worrying signs of a Wales specific trend for rising levels of poverty amongst older people. Michael reflected that tackling poverty has been part of political discourse in Wales since the inception of the Assembly, however since the 2016 elections in particular we have observed a shift in thinking which emphasised an inclusive approach to economic development, and a wider goal of economic prosperity for all, rather than highlighting the issue of poverty itself (which was not explicitly mentioned in the Programme for Government). Michael observed that most poverty programmes (Families First, Flying Start) had been retained, the main casualty being the Communities First programme.

Looking ahead, he observed that opportunities for progress on poverty included the new expanded childcare offer for 3-4 year olds, placing poverty at the heart of the City Deals' plans, the work of the Valleys Taskforce, and the forthcoming employability strategy. Michael's final reflection was that delivering impact at scale is "no easy job, especially in times of austerity", and concentrating resources on fewer programmes might be required to deliver a real impact on poverty.

Following Michael Trickey's presentation, Jordan Davies of BBC Cymru Wales, Chair for the evening, invited each of the four panellists, Rhianon Passmore AM, Rhian Davies of Disability Wales, Chris Johnes of Building Communities Trust and Sian Gwenllian AM, to "set out their stall" on the question.

Chris Johnes began by setting out 3 ways of looking at the issue of poverty: do people have enough money? Can they influence what is going on around them? Do they have capabilities to keep themselves out of poverty? Chris argued that the Welsh Government's approach has been defined by a focus on capabilities or skills, as this is where they have levers and have felt they can make a difference. He reflected that in order to make progress, the Welsh Government would need to re-think the tools it is using and what it hopes to achieve, in particular how anti-poverty strategies are linked to economic development. He also questioned what "resilient communities" will look like in practice, as public services diminish under austerity.

Rhian Davies responded to the question with a "qualified no". She argued that Welsh Government has instead reframed their approach, and recognised that they would be unlikely to tackle poverty without reducing other inequalities: "The surest way of tackling poverty is to deliver on inequality". She reflected on the previous place-based approach, and the inadequacies of this approach as "the experience of poverty is far more complex than just about where you live". Rhian pointed to the revised Framework for Independent Living and Well-being of Future Generations Act as vehicles for driving improved approaches to tackling poverty.

Sian Gwenllian AM began by pointing out that poverty exists across Wales - in both rural and urban communities - and that we need to tackle it everywhere and recognise that this is a Wales wide issue. Sian was in broad agreement with the Welsh Government's approach to looking at the problem through an economic lens, however she was frustrated by the lack of urgency. "We

haven't got an economic strategy and we are 13 months since the election". Sian reflected that major economic structural problems in Wales need tackling, and argued that Wales needs greater power over the economic levers to begin tackling those.

Rhianon Passmore AM summarised her response as "a succinct and categoric NO". She argued that Wales is a very different place to the early 2000s, and a renewed focus and new lens is needed. She posited that tackling poverty remains the golden thread in Welsh Government's approach, and the question they were now addressing is whether the approach has been the right one. She argued that the Communities First decision was a strategic and realistic response to a shrinking public purse, and that whilst Communities First had had a huge impact, it was mainly on soft outcomes which are difficult to measure. "Its aspiration has been its undoing". Rhianon pointed to in-work poverty as a huge challenge, and consideration of infrastructure and empowerment as levers to improve progress on poverty.

Jordan Davies began the discussion by asking the panel to reflect on lessons learned to date, and what they might mean for the future. Sian Gwenllian AM reflected on the importance of recognising poverty as not being confined to geographic areas, that communities all have different needs and so a degree of local responsiveness is vital, points reiterated and endorsed by Rhian Davies in relation to poverty and disability. Sian also argued that going forward we need greater focus on specific outcomes: "we can't spread the butter too thinly". Chris Johnes agreed that the ask of Communities First was too great on too small a budget, and the scale of the programme couldn't make a difference. He also reflected that Communities First wasn't clearly defined and "had no idea what it was trying to do for a lot of the time - it was initially a community development programme not a tackling poverty programme". Rhianon Passmore AM accepted that, moving forward, Welsh Government will continue to learn lessons and needs to be more focused, and also to respond to the evidence on what works. She also argued that success required everyone pull together in the same way.

Articulating one of the central themes of the night, Chris Johnes argued that clarity of purpose will be essential for success. He argued that involving people who are experiencing poverty is a clear challenge, but absolutely essential to ensure any successor initiative is impactful. Rhian Davies agreed that co-production - pooling expertise, respecting others' opinions and understanding to identify the issues and solutions - and involving people experiencing poverty in designing solutions would be essential. Rhianon Passmore AM agreed with these points, and pointed to Welsh Government's commitment to improve other public services such as education and apprenticeships that she argued will improve the quality of offer to people living in poverty. Chris Johnes argued that the true test of success is not whether we improve GCSE averages across the board, but whether results from the poorest communities improve. He articulated that cultural leadership is a huge challenge - students from primary schools in sink estates are not expected to do as well as others - and this lack of aspiration needs to be challenged. Rhianon Passmore AM agreed that some schools have much further to go.

Sian Gwenllian AM reflected that the forthcoming Welsh Government economic strategy presents a significant opportunity, however expressed concerns about the transitional period. She argued that the Communities First announcement had been badly managed, and that we are already losing skilled staff who are moving to other jobs. She also questioned what had happened to the announcement of Children's Zones in late 2016, and the need for clarity on what Children's Zones and in communicating what "Adverse Childhood Experiences", which are at the centre of the Welsh Government approach, actually means.

Further interrogating the term Empowerment, Jordan Davies asked the panel for their take on this approach. Chris Johnes explained that this should mean that people's views are taken seriously, but crucially that people can also take action for themselves. He felt empowerment was a vague term, and work done on this in Wales in the past has been "substantially unsuccessful". He reflected that the Well-being of Future Generations Act offers a ray of hope and creates space for citizen voice, but questioned whether this will reach those on the lowest incomes. Rhian Davies agreed that empowerment means people are able to make choices and have control over the own lives, but warned there are no cheap options to achieve this. She believes that a focus on empowerment can help overcome the culture of dependency which Chris referred to. Questioned about the recent General Election results, Sian Gwenllian AM reflected that it was good to see people empowered to vote, whilst Chris Johnes argued it has thrown the dominant model of austerity into doubt and opened up the debate on public services. Rhianon Passmore AM agreed it is encouraging to see public consent shifting on austerity and how public services are delivered.

Jordan Davies then opened questions up to an impatient audience, keen to scrutinise the views of the panel. Roger Tanner from Cardiff Civic Society argued that Communities First, despite being vague in its aims, did achieve significant impact through "a kaleidoscope of uncoordinated initiatives that were interconnected". He argued that a central issue with Communities First was measuring success through the ranking system of the Welsh Index of Multiple Deprivation, which didn't give absolute progress, and that a key issue for future programmes was proper and useful monitoring. The panel broadly agreed, and Chris Johnes extended the point by pointing to the interaction of UK and Welsh Government decisions and the need for honest indicators about what issues each Government can contribute to.

Natasha Davies, Chwarae Teg, picked up on this and asked how it is possible to marry increasingly divergent approaches of the UK and Welsh Government, as decisions taken in Whitehall have a significant impact on our ability to tackle poverty in Wales. Sian Gwenllian AM argued that this was a reason for increasing Wales' power and control of economic levers which could be used to create a more equal society. Rhian Davies agreed this is a persistent challenge, but there needs to be improved coordination with organisations such as the DWP.

Neil Anderson, a consultant in transport and economics, paid tribute to the presentation by Michael Trickey, but reflected that the debate “felt like the movement of deckchairs”. He asked where the panel believed we will be on poverty in 10 years time and whether an economic strategy from the Welsh Government, which has already been delayed because of Brexit, will be resilient enough to deliver in the future? Chris Johnes answered that he suspected a strategy won’t be enough, as Wales only has some of the tools to overcome the scale of the challenge. He reflected that the City Deals are traditional regeneration models, and there is limited flexibility for local areas to respond to the needs of their area which is essential for inclusive growth. He pointed to young people getting involved in new companies as part of the digital economy as a sign for optimism, as this equips young people with flexible skills to help them migrate around the labour market. Rhianon Passmore AM argued that social procurement for big infrastructure projects provides a key opportunity to deliver the aims of a new economic strategy, and ensure resources stay in Wales. Sian Gwenllian AM articulated the need for a sense of urgency and political will, and a need to focus on delivery, in particular on in-work poverty and infrastructure, to drive real change.

Eve Elliott, Cardiff University, challenged the panel to acknowledge the impact of the phase out of Communities First and the impact that will have on future ambitions. She reflected that most Communities First workers she knows heard about the phasing out on TV, and this was “cruel for staff and the communities they were serving”. She argued that projects which have taken years to build up are disappearing “in a flash” and asked how legacy programmes can be successful when the capacity of the workforce has been so swiftly diminished? Rhianon Passmore AM agreed it is important that projects continued where they are successful, but was mindful that the public purse is shrinking and difficult decisions need to be taken. Chris Johnes agreed with Eve Elliot that unless a project can find new funding quickly, there is little chance of the connections being maintained. He reflected that, in his experience, the reaction to the loss of Communities First has been mixed, “about 50/50”, which is a reflection of its mixed effectiveness. He also argued that Public Service Boards have no capacity at present to pick up the slack and support successful projects to continue. Sian Gwenllian AM agreed it was unacceptable how the Communities First announcement was made, and that this was indicative of bad planning. She reflected that the loss of trust that has been built up over years between staff and communities was significant. Eve Elliott responded to the panel’s comments by asserting that Public Service Boards are unable to “do their job when the ground is shifting and we don’t know what we are transitioning to”.

Steve Clarke, a specialist in community development, argued that “anything that comes only from the top down cannot be successful” but that the bottom does not have the structures to survive unaided. He asked the panel for their thoughts on Welsh Government’s role in guiding local regeneration processes so that poverty can be tackled at a local level. Sian Gwenllian AM agreed with the premise of the question that Welsh Government has to show leadership but also engage others in the process. She reflected that the “trust needed to get initiatives off the ground has been lost, and there are a lot of bridges that need to be rebuilt”. Rhian Davies

commented that if disabled people had “sat around waiting for Government we would still be waiting” for social change, and that success is a mix of grassroots passion and lived experiences alongside a Government that listens and act. Rhianon Passmore AM articulated that there is a strong will within Government to provide leadership, but warned this would be a shared responsibility once the economic strategy has been published and would require all partners to play their part. She pointed to the Well-being of Future Generations Act and its requirement for assessment of local need as a helpful tool to make sure we get local services that are right for communities across Wales.

In closing, Jordan Davies summarised the key themes of the debate as the valuable impact of Communities First versus the challenge in measuring progress made; the central importance of clarity of purpose; the challenge of retaining skilled staff and trust from communities; the balance between the need for a Wales-wide strategy and local responsiveness; and the need to unpick exactly what empowerment means and can deliver.

Closing the session, Kevin Morgan, Cardiff University, thanked the panel and audience for a robust discussion. He emphasised the importance of opportunities such as this to exchange ideas and offer constructive challenge, and of ensuring this isn’t viewed as disloyalty but rather ambition for Wales. He reflected on the importance of clarity of purpose, and its absence from the early days of Communities First. He urged the panel, audience, Wales and the Government to learn from this “in an honest way”. He emphasised the importance of understanding what works, where and why, and that in the context of Brexit it is increasingly important for Wales to look outwards and for the Welsh Government to work with universities and civil society to draw on the evidence and deliver the greatest benefit to Wales and its people.



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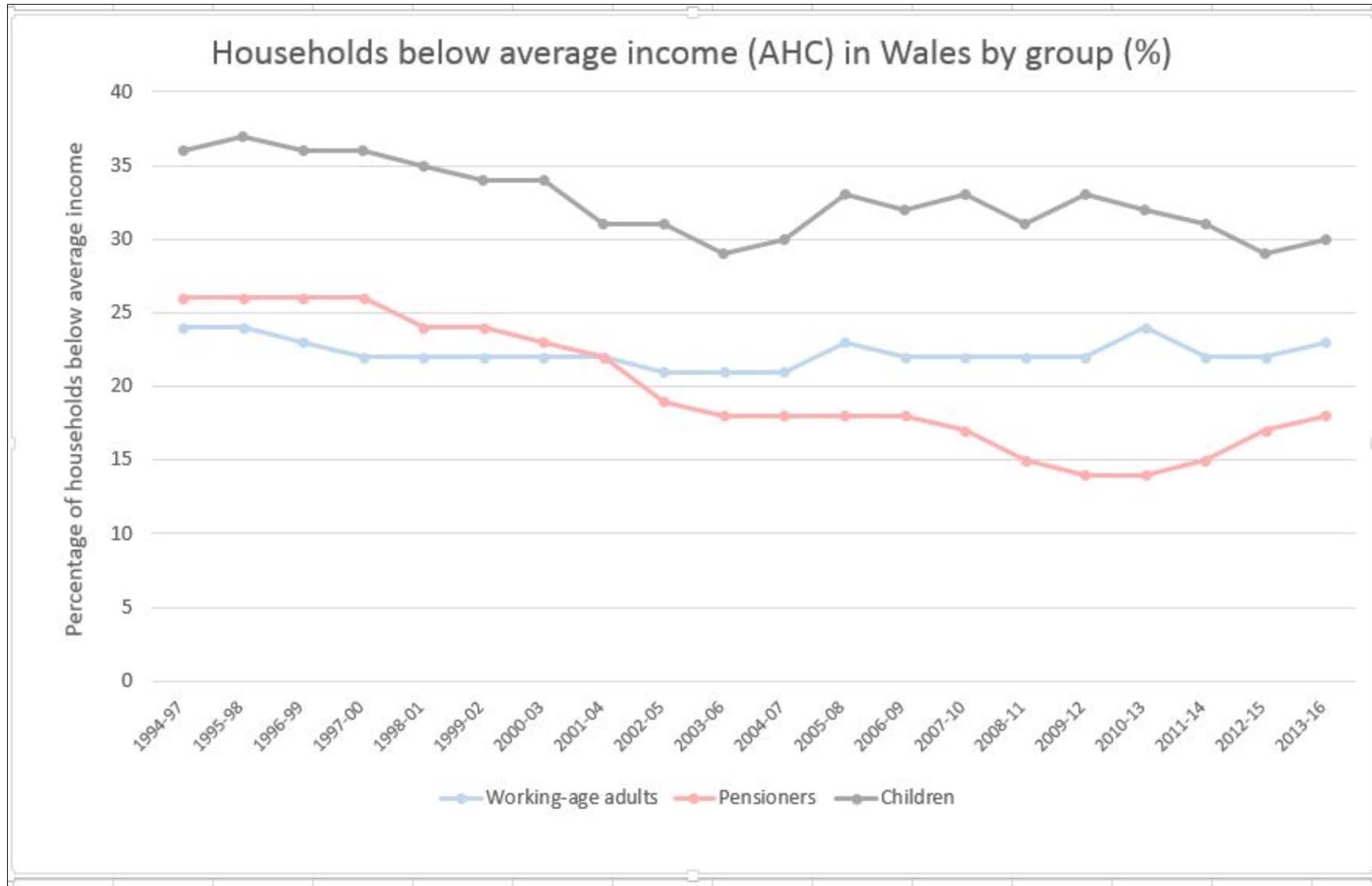
13th June 2017

The Welsh government and poverty: a brief overview

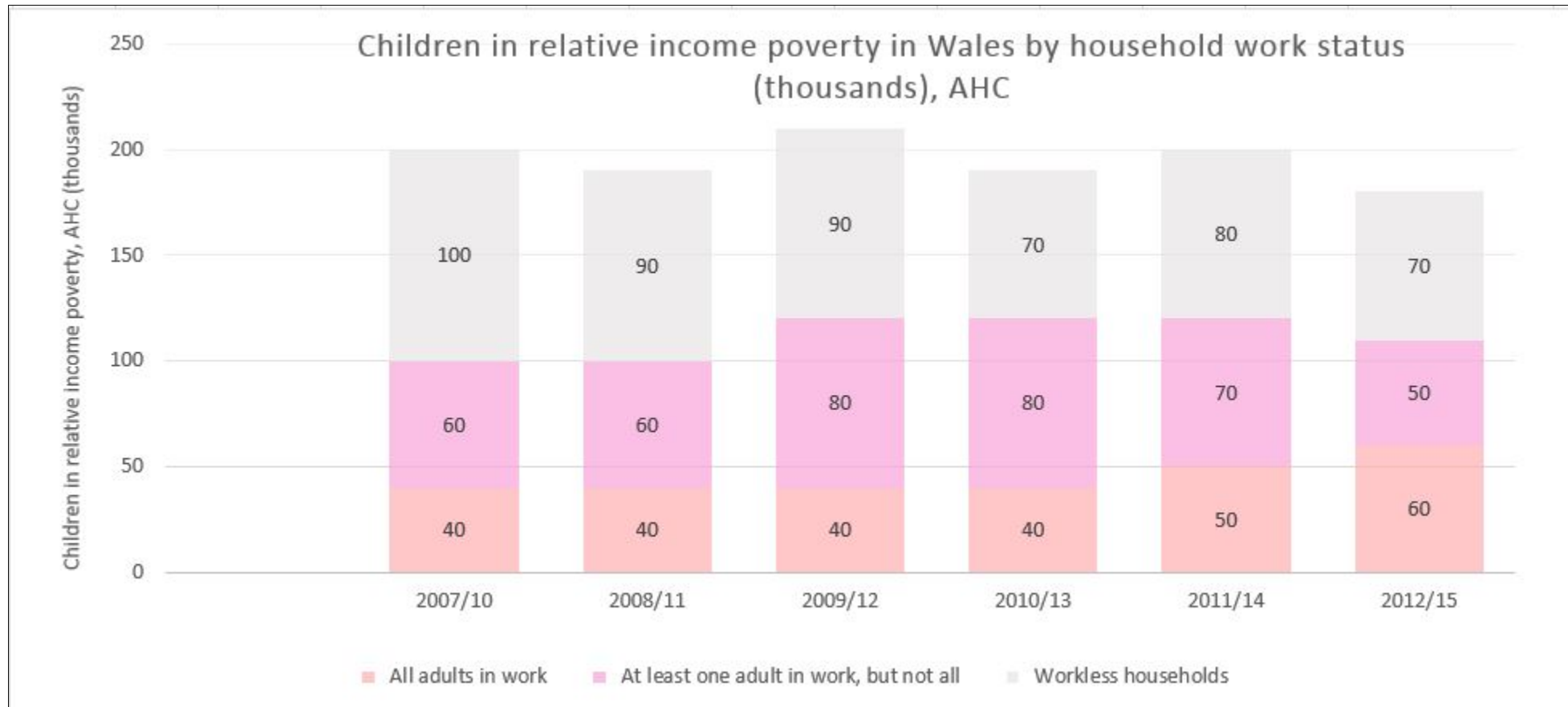
Michael Trickey

JRF's 5 causes of poverty

- Low wages, insecure jobs, unemployment
- Lack of skills
- Family circumstances
- Ineffective tax/benefit systems
- High costs – housing, utilities, transport, food etc

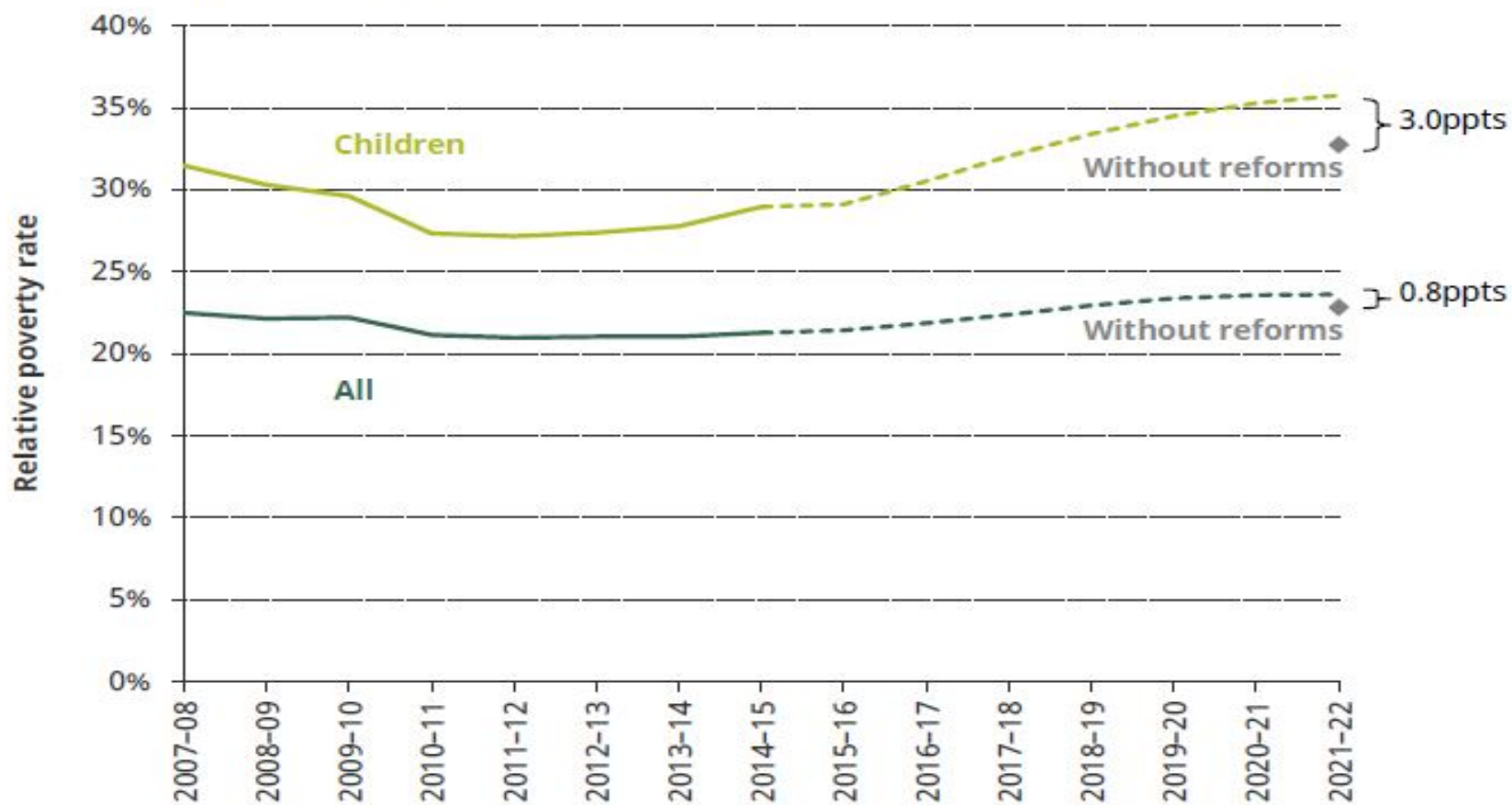


Source: <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/householdbelowaverageincome-by-year>



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Figure 3.8. Relative poverty rates with and without direct tax and benefit reforms during this parliament, AHC incomes



Note: Poverty line is 60% of contemporaneous median income.

Source: Authors' calculations using Family Resources Survey, various years, and projections for 2015-16 to 2021-22 using TAXBEN and assumptions specified in the text.

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- 1999 – 2010 Building a portfolio

E.g. Communities First, Cymorth, Child Poverty Strategy, Flying Start, School Breakfasts, Fuel Poverty, regeneration programmes

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- 2016 – date **Giving up on poverty or just changing the language?**
E.g. No “p” word in PFG, eradication target dropped, but child care programme, Future Generations, city regions?, Valleys Task Force?, employability programmes?

4 issues

- Being clear about the precise issue
- Delivering action at scale
- Sticking to the knitting over long-term
- Integrating action on economic development and poverty



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