

Council for Economic Renewal

Tackling Poverty

Introduction

1. Tackling Poverty in Wales is one of the Welsh Government's highest priorities, as reflected in our revised Tackling Poverty Action Plan - 'Building Resilient Communities' – which we launched on 3 July 2013. The Action Plan can be found at:

<http://wales.gov.uk/topics/socialjustice/publications/taking-forward-tack-pov-plan/?lang=en>

Background

2. The Welsh Government is committed to tackling poverty not just because it's right to do so but because it makes financial and economic sense. The cost of dealing with poverty is an enormous charge on public finances and the lower level of skills, poor health and poverty of ambition that deprivation brings with it are a brake on the potential of the Welsh economy. We are committed to putting in place the support which Welsh Communities and individuals need to grow out of poverty.
3. The current financial climate makes our commitment to tackling poverty even more important by prioritising the needs of the poorest and protecting the most vulnerable to poverty and marginalisation. The impact of the cuts in funding has forced Welsh Government and other public sector organisations to re-think ways of working, to put the money that we do have to the best possible use.
4. The Tackling Poverty Action Plan draws together actions from across every portfolio in the Welsh Government, in support of the three key objectives of preventing poverty; helping people into work; and mitigating the impact of poverty. This integrated approach is also one which we are encouraging the rest of the public service in Wales to take, along with partners in the third sector and business. The foundation for this is the statutory duty placed on the public bodies to prepare and implement a child poverty strategy.
5. Effective interventions will be those that prioritise lifting people, and particularly children, out of poverty by impacting on learning, health and employment prospects but attention will also be given to actions that address the lived experience of poverty. The Action Plan, with its clear milestones and targets, provides a framework for these efforts. Progress will be overseen by an Implementation Board, chaired by the Deputy Minister for Tackling Poverty, which will meet three times a year.

Tackling Workless Households

6. Workless households are strongly linked with severe and persistent poverty and higher rates of child poverty: Wales has higher rates of workless households than most other parts of the UK, with over 200,000 households currently workless.

7. The Tackling Poverty Action Plan includes a cross-Government commitment to offer 5,000 opportunities to people living in workless households to find sustainable training or employment by the end of the 2017 calendar year. In order to meet this ambitious target each Welsh Government portfolio is being asked to identify training, work experience or employment opportunities. This could include:
 - employment and skills programmes;
 - Jobs Growth Wales;
 - public sector employment opportunities; and
 - private sector opportunities.
8. The Tackling Workless Households (TWH) project will build on a model developed between Communities First (CF) and Job Centre Plus, embedding advisors in the CF Cluster teams and providing services via Integrated Children's Centres. Following a preliminary analysis of the data, a mapping exercise of existing provision and an assessment of the capability of the Clusters concerned, it was decided to pilot the TWH Programme in eight CF Clusters across Wales.
9. Each TWH pilot Clusters will be supported through the development of a package of interventions and additional dedicated staffing which will form part of the Cluster Delivery Team. The TWH model will adopt a five stage approach which allows participants to progress as quickly as possible, with training or employment opportunities offered at every stage as appropriate. Intensive support for households with more significant barriers and needs will be embedded in the model.
10. The private sector and all parts of the public sector have a vital part to play in supporting the TWH Programme, and hence Tackling Poverty in Wales, through identifying training and employment opportunities for people participating in the Programme. The Wales Social Partners Unit was formed explicitly to assist engagement between the social partners and the Welsh Government and will therefore have a key role in this. We will be discussing this further with them over the coming months, but comments or suggestions from Council members would also be very welcome.

Communities First

11. Communities First (CF) is the Welsh Government's major programme to support the most deprived communities in Wales. The programme began in 2001 but since 2012 has been reshaped as a Community Focused Tackling Poverty Programme based on fewer, larger areas than previously known as Clusters. A new Outcomes Framework has been developed by three principal themes: Prosperous Communities; Healthier Communities; and Learning Communities.
12. There are 52 CF Clusters in Wales, with an average population of 10-15,000 people living in each of them. Between them they include all of the 10 per cent most deprived areas in Wales according to the Welsh Index of Multiple Deprivation 2011.
13. Welsh Government funding supports Delivery Teams and a range of activity in each Cluster area. Community Involvement and cross-sectoral partnership

working remain fundamental aspects of the programme and private sector involvement is strongly encouraged in each area. In the past CF partnerships have often struggled to achieve this, but local businesses have often contributed to work in their own areas. There is now greater flexibility than in the past for each Cluster to develop the structures and methods that will work best in its own area to get as many local people and partner organisations involved in their work.

14. Our ambition now is to develop more strategic and long-term partnership working with larger businesses and major employers. This is in line with the approach being taken with the programme as a whole, where national and regional initiatives are being linked with several Clusters at once through "Shared Outcomes" projects. Officials are working with the Department for Economy, Science and Transport to explore options, including potential links with the Tackling Workless Households Programme.

Engagement with Schools / Work Experience

15. The Welsh Government launched its new Youth Engagement and Progression Framework on 1 October. This made clear that schools have the critical role to play in strengthening work with employers and building young people's understanding of the world of work pre-16. We recognise that we are making many demands of schools at present and it is vital they continue to focus on the three core priorities of literacy, numeracy and breaking the link between poverty and attainment. Given their limited capacity we think we need to provide additional support to schools to support their work with employers. We intend to work with a range of partner organisations including Careers Wales to develop a strategic project for Employer Engagement and delivery of an enhanced Careers and World of Work programme by March 2014 with a view to attracting ESF funding.
16. In addition to helping schools to strengthen their engagement with employers we also believe we should look more closely at the purpose and use of work experience in Wales. There is a debate about whether the current model of offering all Year 10 and 11 students a fixed period of work experience is providing a tailored offer to young people, and whether it helps to ensure that those who are most at risk of disengaging have the widest possible range of opportunities pre-16. As part of developing our proposed project on Employer Engagement we therefore also plan to review the work-focused experience requirements of the Careers and the World of Work framework by March 2014 to recommend improvements in the use of work experience in Wales.
17. Careers Wales will also continue to support schools in offering independent and impartial information, advice and guidance on learning, training and careers opportunities. Informing young people in schools about their options for future education, careers options and giving them careers management skills forms part of the Careers and the World of Work Curriculum Framework. Delivery of this is a school responsibility. As part of the remit for Careers Wales in 2013-14 the Welsh Government is asking the company to consider how it can best work with schools to support schools delivery of CWW programmes – including Careers Wales' approach to capacity building and the delivery of the Carers Wales (Quality) Mark.

Childcare

18. In July this year, we published 'Building a Brighter Future: Early Years and Childcare Plan' which sets out our commitment to improve the life chances and outcomes of all children in Wales. The ten year Plan brings together a range of programmes and policies and sets out how we will work with key partners to support children and their families across the early years.
19. The Plan acknowledges the importance of childcare provision to the economy and recognises the vital role that the business community can play as one of our stakeholder partners, in delivering on the Plan's key actions. Affordable, flexible and accessible childcare enables parents to work or access training, and supports our drive to increase economic growth, tackle poverty and reduce inequalities.
20. In taking forward the wide range of commitments within the Plan, we intend to engage with the business community to promote early education and childcare and family-friendly policies. The Plan provides an invaluable opportunity to harness the expertise that exists within the business community to assist with identified issues, including addressing the needs of parents who work atypical hours, as well as those who need additional support.
21. We also intend to support and develop the childcare market, in partnership with the childcare sector and local authorities, to increase capacity and ensure sustainability. This will build on our already considerable investment in the expansion of the Flying Start programme, where we are investing an additional £55m revenue and £19m capital over the three year period 2012-15. By May 2016, 36,000 children will be benefiting from the programme, which includes 12.5 hours per week of free high quality childcare for 2-3 year olds.
22. Some specific priorities outlined within the Early Years and Childcare Plan, which will involve working closely with the business community, include the intention to:
 - run a campaign from autumn 2013 in two areas that need additional childcare capacity to **encourage new business starts in childcare** and offer a range of support, including tailored business advice and training to achieve childcare qualifications;
 - offer advice on the range of support available through Business Wales, to **develop the childcare market**, including support for childminders and childcare business expansion;
 - ensure **childcare is part of major regeneration or economic development** projects;
 - continue to develop the Social Firms Wales pilot project, working to develop childcare provision and support to enable parents to participate in training or return to the workplace; and
 - consider **testing childcare co-operatives** in areas that do not have sufficient childcare based on models run in other parts of UK.

Credit Unions

23. As ethical providers of basic financial services, the Welsh Government considers Credit Unions to be key contributors to fulfilment of the Government's objectives to tackle poverty and financial exclusion where it persists in our communities.
24. The number of Credit Unions in Wales has been reducing and currently there are 22 providing all Wales coverage. As at the end of June 2013, there are 34 Credit Union offices, whilst there are a total of 256 collection points throughout Wales. As at the end of June 2013, adult membership for all Credit Unions in Wales is estimated to be 56,600. Total membership including junior savers is now estimated at more than 68,400. Assets of Welsh Credit Unions have also continued to grow. In 2000, assets were estimated at £4m, which have increased to an estimated £29m by June 2013. In the same period, the value of the loans provided by Welsh Credit Unions is estimated to be in excess of £14m, whilst savings have reached more than £23.7m.
25. From October 2010, funding of £4.056m has been made available jointly by the Welsh Government and European Regional Development Fund until September 2013 to continue the Access to Financial Services through Credit Unions Project. Additional funding of up to £2m for Credit Unions this financial year was announced at the Credit Union Summit in June 2013.

Sustainable Development / Planning

26. Taking an integrated approach to tackling poverty also means examining how the key strategies and plans produced at both national and local level can contribute to achieving these three objectives. This is consistent with a sustainable development approach, which seeks to maximise the long term economic, social and environmental wellbeing of Wales and of the populations we serve; and which includes a strong emphasis on engaging with local communities. The Future Generations Bill currently under preparation will make this approach a statutory requirement on Welsh public bodies when taking strategic decisions.
27. The single integrated plans which local authorities and their partners have prepared, coupled with local development plans, provide a framework for this at local level. Planning decisions for example can have a significant influence in shaping the provision of affordable housing; of public transport and active travel options for connecting communities with places of work and educational establishments; and of access to local facilities, including green space for play. They can be key to regeneration.

Summary

28. Members are invited to discuss these issues and suggest ways in which the private sector can support the delivery of these important policies and programmes.