

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol](#)

[The Communities, Equality and Local
Government Committee](#)

27/01/2016

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Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn
ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in
the committee. In addition, a transcription of the simultaneous interpretation
is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies	Llafur Labour
John Griffiths	Llafur (yn dirprwyo ar ran Gwenda Thomas) Labour (substitute for Gwenda Thomas)
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
Gwyn R. Price	Llafur Labour

Eraill yn bresennol
Others in attendance

Chris Gittins	Pennaeth Yr Uned Chynhwysiant Ariannol, Llywodraeth Cymru Head of Financial Inclusion Unit, Welsh Government
Lesley Griffiths	Aelod Cynulliad, Llafur (y Gweinidog Cymunedau a Threchu Tlodi) Assembly Member, Labour (Minister for Communities and Tackling Poverty)
Maureen Howell	Dirprwy Gyfarwyddwr, Threchu Tlodi, Llywodraeth Cymru Deputy Director, Tackling Poverty, Welsh Government
Eleanor Marks	Cyfarwyddwr, Cymunedau a Threchu Tlodi, Llywodraeth Cymru Director, Communities and Tackling Poverty, Welsh Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Sarah Beasley	Clerc Clerk
Sarah Sargent	Dirprwy Glerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:02.
The meeting began at 09:02.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Christine Chapman:** Good morning, everyone, and welcome to the Communities, Equality and Local Government Committee. We've had apologies today from Gwenda Thomas, and John Griffiths is attending in her place. We've also had apologies from Lindsay Whittle.

Ymchwiliad i Dlodi yng Nghymru: Dulliau o Drechu Tlodi yn y Gymuned—y Gweinidog Cymunedau a Threchu Tlodi Inquiry into Poverty in Wales: Community-based Approaches to Tackling Poverty—the Minister for Communities and Tackling Poverty

[2] **Christine Chapman:** The first item today is the inquiry into poverty in Wales. As part of the second phase of our inquiry into poverty in Wales, we issued a call for evidence on community-based approaches to tackling poverty, and we did receive a number of responses to our initial call for evidence. These were analysed and we did subsequently write to the Minister for Communities and Tackling Poverty, asking her to address a number of the points arising from that evidence. So, today, we have that opportunity to explore some of those issues in more depth, and I would like to give a very warm welcome now to our panel. So, I would like to welcome Lesley Griffiths AM, Minister for Communities and Tackling Poverty, and her two officials, Eleanor Marks, director, communities and tackling poverty, and also Maureen Howell, deputy director, tackling poverty. So, welcome to you all.

[3] Minister, I know you have sent a paper, which Members will have

carefully read, so we will go straight into questions. You did make the comment that the Welsh Government's anti-poverty programmes are not primarily place-based, but, actually, there does seem to be a view among stakeholders that anti-poverty programmes are primarily place-based. So, could you comment on those, please?

[4] **The Minister for Communities and Tackling Poverty (Lesley Griffiths):** Yes, certainly. Two of the major tackling poverty programmes are place-based. So, we've got Communities First and Flying Start, and I suppose that Vibrant and Viable Places, by its very nature, is place-based, because that's responsible for regenerating communities. However, the other major programmes—so, Supporting People, Families First, the pupil deprivation grant and even the community facilities programme—are not place-based. So, that's what I meant by saying that they're not primarily focused on specific areas. Again, if you look at the investment, the two place-based programmes are £112 million for 2016–17, along with VVP. Then, we allocate £166 million to non-area-based revenue programmes and the others. So, that's what I meant by not being primarily place-based.

[5] I think the best means of tackling poverty is having a mixture of programmes. I think some need to be place-based and some need to be universal, so I think having that mixture is really important, and it's an approach that's been endorsed by the tackling poverty external advisory group. I think we need to reach as many people as possible that need support, and that's why I think it's important to have that mixture.

[6] **Christine Chapman:** Can I pursue that? You've acknowledged, then, that we have both: that it's universal and place based. That's fine, but what about the fact—? Do you feel that there is some confusion, then, amongst stakeholders who are dealing with or trying to address the aspects of poverty? There seems to be some confusion there. How do you respond to that?

[7] **Lesley Griffiths:** It's not something I've picked up, personally, when I've been on visits and talking to people. However, I accept that that's the conclusion that's come from your inquiry. I think what's really important is that we address the points that you've picked up, and I've made it very clear to officials that, when they're talking to partners and stakeholders—and myself as well—it's really important that people understand the approach that we're taking.

- [8] **Christine Chapman:** Okay. Peter.
- [9] **Peter Black:** I'm just trying to understand what you mean by 'place based'. What's your definition of 'place based'?
- [10] **Lesley Griffiths:** Well, they're geographical programmes.
- [11] **Peter Black:** Okay, because Supporting People is very much based around deprived communities.
- [12] **Lesley Griffiths:** But it's available across—. It's not just specifically geographical areas.
- [13] **Peter Black:** Yes. Okay, but Communities First is place based—
- [14] **Lesley Griffiths:** Communities First is, and Flying Start is.
- [15] **Peter Black:** Yes. Flying Start. Right; but they're your chief programmes, aren't they?
- [16] **Lesley Griffiths:** They're what, sorry?
- [17] **Peter Black:** Your chief programmes—your main programmes.
- [18] **Lesley Griffiths:** Yes, they're two of the major programmes.
- [19] **Peter Black:** Yes. So, when you're saying that your programmes are not place based, the two big ones are.
- [20] **Lesley Griffiths:** Yes, I said that Flying Start and Communities First are. Supporting People, Families First and the pupil deprivation grant aren't.
- [21] **Peter Black:** Okay.
- [22] **Christine Chapman:** Okay?
- [23] **Mike Hedges:** Can I just—
- [24] **Christine Chapman:** Sorry; I'll bring John in, and then Mike. John first, and then Mike.

[25] **John Griffiths:** Minister, those figures that you've given us, they're figures to spend within your department.

[26] **Lesley Griffiths:** Yes.

[27] **John Griffiths:** But I think I'm right in saying there's been a cross-Welsh Government trend or objective in recent years to concentrate certain spend in, for example, Communities First areas. Is that the case?

[28] **Lesley Griffiths:** Well, certainly since I came into post, we've had a refresh right across Government to the way that we look at tackling poverty. So, we've made, I think, some significant changes right across Government. So, I suppose you're saying, 'Are we looking at spend from other departments?' I've been very clear that I expect other Ministers to look at the infrastructure of Communities First, for instance, where we've put significant investment over 17 years. We've built up that infrastructure now. People, I think, trust Communities First staff. You know, they've built up an element of trust where—. I certainly think about my own constituency where I have a Communities First area where people didn't want to send their children to school because they'd had a really bad experience of school, and people have gone out and worked with those parents. So, I think there is an element of confidence-building and trust that's there, and I think it's really important that other Ministers, when looking at programmes towards tackling poverty, use that Communities First infrastructure.

[29] **John Griffiths:** Yes, I think that is the case, Chair, because I think quite a lot of outside organisations have been given that message: that it would be appropriate to consider the Communities First areas when they're taking forward a programme that seeks to tackle poverty in Wales. Is that your—

[30] **Lesley Griffiths:** That's right, yes. One of the things we're doing is trying to increase employability, and that's not just me. That's every Minister. So, if they can look at being able to use—. So, some of our—and obviously, these are from within my portfolio—Communities for Work and Lift. Now, every Minister is contributing to the Lift programme. Their portfolio is ensuring that there are opportunities within the Lift programme. So, I think that's a good example of what we're discussing.

[31] **John Griffiths:** Would it be fair to say, then, Minister, that if you looked at it across the piece in the way that we've just discussed in terms of Welsh Government spend to tackle poverty across portfolios, and also outside

organisations that have a key role in Wales in terms of tackling poverty, if there is an encouragement to spend and to take forward activity in Communities First areas, then in overall terms the effort in tackling poverty in Wales is probably more place based than would be the case for your individual portfolio in terms of the spend that you mentioned earlier?

[32] **Lesley Griffiths:** Yes, I suppose that if other Ministers are looking at the Communities First infrastructure, you could certainly say that. Yes.

[33] **Christine Chapman:** Thanks. Mike.

[34] **Mike Hedges:** Just for clarification, when you say 'place based', do you mean based on lower super output areas?

[35] **Lesley Griffiths:** Yes, as well as—

[36] **Ms Marks:** And geographically targeted programmes. Communities First is certainly based on the LSOAs.

[37] **Mike Hedges:** And Flying Start is based primarily on that.

[38] **Ms Marks:** Yes, it is.

[39] **Lesley Griffiths:** And the Welsh index of multiple deprivation.

[40] **Ms Marks:** And WIMD, which takes accounts of that. And things like Vibrant and Viable Places in your area—It's not necessarily on LSOAs, but it is geographically targeted. So, the two main ones we've been talking about are certainly targeted in that way.

[41] **Mike Hedges:** I got an answer I didn't expect then, which is unusual. How do you target a geographical area if you're not using LSOA?

[42] **Ms Marks:** It's about place-based investment, and my understanding of VVP is that they ask for bids to come in and they assess them with an independent panel to see what they are going to do. That kind of capital is inevitably invested in a place, therefore it's a place-based investment.

[43] **Mike Hedges:** Okay.

[44] **Bethan Jenkins:** I just want to ask a question on the strategic outlook

on this, because what always bothers me—and has, I think, since I was first elected—is when does it become a situation whereby place-based or poverty-based initiatives come to an end? So, you've got the target of child poverty coming to an end in 2020—that's your aspiration. I just want to understand whether, with some of these schemes, is it the motivation, as with EU objective funding, to not have areas that are applicable within these schemes, so that we move away, then, from the necessity of having place-based schemes? Not to say that they're not working effectively, but when does it become a realisation that they're no longer necessary? Otherwise, my concern is that we could be here in 20 years' time saying, 'Well, yes, we're getting x amount of people into employment', but that doesn't mean that we're actually lifting those people out of real-term poverty levels.

[45] I speak to people in Gilfach Goch, for example, and, down the road from the Communities First office, the community garden receives next-to-nothing support for that particular scheme. So, how, then, are they being utilised in terms of lifting that community out of poverty? So, that's my fundamental question in all of this; it's not about the detail of each scheme, per se, but about your vision, as a Minister and as a Government.

[46] **Lesley Griffiths:** You raise a very important point. You mentioned the child poverty ambition by 2020. I launched the revised child poverty strategy last March, and I really thought very hard about whether we should keep that ambition in, because it's going to be very tough, and outside influences aren't helping at all. I came to the conclusion, after looking at the consultation responses and talking to stakeholders, that we should keep that, and I think it was the right thing to do.

[47] However, you are absolutely right. Some of these programmes—. If you think about Communities First, for instance, it's been there for 17 years, and we have had a different approach towards Communities First over the past 18 months, I would say, to have much more of a focus on employability. I don't think any one programme would lift somebody out of poverty; it's a matter of several interventions. I don't think we can ever say that one intervention has lifted somebody out of poverty. So, it's really important that we evaluate and that we look at what the programmes are doing.

[48] Families First, I think, is a classic example, also. Families First was never meant to be a forever programme. I think the ethos of Families First—that team-around-the-family approach, the multi-agency approach—is now embedded in local authorities' thinking going forward, or certainly, some

local authorities do it better. So—

[49] **Bethan Jenkins:** Sorry to intervene, but I think it would help those who are cynical—. There are people who are cynical about certain strategies and how they affect local people, and I've heard Labour Members say, 'Well, one area's Communities First, another is—'. It's for people to understand fully and simply where you're taking that vision, really. I don't think everybody does, quite often.

[50] **Lesley Griffiths:** I think you're right. Mike and I have had heated discussions about geographical areas, particularly with Flying Start, because I know Mike's got a street where one side is and one side isn't, but there is that flexibility to reach out to people and that's why you have to have the mix of place-based and universal programmes, because not everybody lives in the same street. So, you have to be able to have that flexibility and local authorities need to have that, because they know their local needs.

[51] **Christine Chapman:** Thank you. Gwyn.

[52] **Gwyn R. Price:** Just following on from talking about flexibility, I wonder what your view is on whether the flexibility shown by Communities First to include communities just outside defined areas should be used more widely and extended to other place-based programmes.

09:15

[53] **Lesley Griffiths:** Well, Flying Start is the other main place-based programme, as you say, and the funding for that—we've got outreach funding within the Flying Start programme and that can be used for children of families who, for instance, have moved out of a Flying Start area, because I think that's really important. If somebody's moved out, the money needs to, perhaps, follow them. So, they've got that flexibility there, or if we've got children or families who have never lived in a Flying Start area. So, there is that flexibility. I know there's been some work done with specific groups. I'm aware of some young teenage pregnant mums. They've had really intensive antenatal support within the Flying Start programme—you know, to that family. So, there is that flexibility that we've seen in Communities First in Flying Start.

[54] **Gwyn R. Price:** I'm sure you are aware there are concerns from stakeholders that area-based anti-poverty programmes mean people just

outside fail to benefit from these areas.

[55] **Lesley Griffiths:** Absolutely, and that's why we have that flexibility. Something else: over the past six months, in particular, local authorities—or, again, some local authorities—have been saying that it might be better to have one pot of tackling poverty funding, rather than having different programmes. I'm not ready to do that yet, but—yesterday, I think it was—officials have written out to local authorities saying that we're going to have a look at being more flexible. So, for instance, they'll be able to vire up to 5 per cent with Welsh Government approval—they'll be able to vire funding between the pots of money to, maybe, have a look at having much more flexibility. So, we could start off there, and then, perhaps, look—it'll be for a new Government to look at whether one pot of funding would be the way forward. So, I think we are helping local authorities build up some flexibility.

[56] Also, Communities First, I think, since, probably, the beginning of this term—maybe 2011 or 2012—have had the flexibility to use funding. So, for instance, if you have a school that's just outside of a cluster, you know, they've been able to support that school, even though it's outside of the Communities First area.

[57] **Gwyn R. Price:** I do think, Minister, we need to look at it, because, like Mike Hedges said, I think we've all got experiences of a cut-off place. I know you've got to cut off somewhere, but, sometimes, some people have more needs and they're only just outside the area, and the people inside, perhaps, not so much. So I'm glad you're looking at that. Thank you.

[58] **Lesley Griffiths:** Thank you, Gwyn.

[59] **Christine Chapman:** Alun wants to come in here. I just want to ask one pretty fundamental question about—we've started this discussion; Bethan, I think, raised it first of all—the holistic approach to poverty. Obviously, we're looking at the community-based approaches, and Bethan's question was whether there should be something more radical. In our report, which we did back in June, one of the recommendations, which, unfortunately, was turned down by Welsh Government, was that there should be an anti-poverty alliance of experts to really look at this in detail. Now, you say, Minister, you have your group. I just wonder: could you say something about that group, because we're not sure—? That might fit the bill, according to the recommendation, but we don't know much about that group, really.

[60] **Lesley Griffiths:** Well, I've got several groups, I suppose, which advise on tackling poverty. There are three main things. There's the tackling poverty external advisory group I mentioned, which is chaired by Professor David Egan, whom I think most people are aware of, and has some experts from right across the sector that meet regularly. I meet with them regularly—I met with them just a couple of weeks ago. They advise and I mentioned before that they supported an approach that we're taking.

[61] Another thing I started when I came into post was a tackling poverty practitioner group, and that's made up of people who are out there working in Flying Start, in Families First—I've got somebody who works in an integrated children's centre, who has worked on this agenda for 30-odd years. So, they meet regularly and, as I say, I meet regularly with them too.

[62] We also changed the way the Welsh Government's tackling poverty implementation board was run. Basically, what that was was—senior officials from right across Welsh Government would meet, I think, termly. I chair that, and my predecessors have chaired it. That was where officials came and we discussed across Government. The first one I held when I came into post—I didn't think it was strong enough, so we've changed that, so now every meeting that we have of that board, a Minister comes along, and we can talk openly and frankly about what that Minister is doing towards the tackling poverty agenda. So, at the last one, the Minister for Economy, Science and Transport came. It's really important that we understand where that department is. Huw Lewis has been. I think that Mark Drakeford's coming to the next one. So, I've got those three groups that advise and support me on that.

[63] I know there are examples of the truth commission. There's one in Leeds and there's one in Scotland. I know there are discussions that we could possibly have one in Wales. I don't think it would be for Welsh Government to lead if we did have one. I think it would be for stakeholders and the third sector to organise, and I know officials have been talking to the third sector about that. I don't know if Maureen wants to say any more about that.

[64] **Christine Chapman:** It's okay, Maureen; you don't need to touch—.

[65] **Ms Howell:** There are certain organisations that have looked at the models in Scotland and Leeds, and they held a first meeting last month and actually brought down representatives from Leeds to have discussions with a number of third sector partners in terms of establishing one in Wales. I think

a couple of my team went along to that meeting, on the understanding that we would welcome it if they want to establish one and would use it as a mechanism to feed in the conversations and some of the recommendations that they make to Government. So, rather than directly running it ourselves, we would use that as a sort of mechanism for checking our policies and taking on board any new recommendations that they may want to make.

[66] **Lesley Griffiths:** The other group that I meet with regularly is the End Child Poverty Network, which again is made up of stakeholders who are working with children. Also, I think the local authority tackling poverty champions—each local authority has one, and that’s also working very well. They meet regularly together also.

[67] **Christine Chapman:** Okay. Thank you. I think generally it’s just that, sometimes, there’s a view that it does seem very disjointed, so I welcome some of those things. I’m sure we will return to this. I know Alun wants—John, quickly then.

[68] **John Griffiths:** Just on the commission in Leeds, and did you say Scotland?

[69] **Lesley Griffiths:** There’s one in Leeds and there’s one in Scotland.

[70] **John Griffiths:** Has Welsh Government then done some analysis or looked at analysis of how those commissions are operating? Is it the Welsh Government view that they really have added value in a significant way to tackling poverty in those areas?

[71] **Ms Howell:** We’ve spoken with our Scottish equivalents, and they have a similar relationship with the Scottish one that we’re proposing for the Welsh one. There has been significant collaboration between the commission in Scotland and the Scottish Government. I wouldn’t say that we’ve evaluated it, but we’ve taken their recommendations on board, to the point where they’ve had members of the commission come into Welsh Government shadowing and vice versa, and people from Scottish Government shadowing members of the commission to get a real understanding of what it really means to live in poverty. The officials that we’ve spoken to from the Scottish Government who’ve undertaken that shadowing have said that it’s been quite beneficial to give them a broader understanding of some of the key issues.

[72] **John Griffiths:** So, is it the Welsh Government’s view that this

commission should come about in Wales?

[73] **Lesley Griffiths:** Well, I mentioned that officials had been having early discussions with them. As I say, I don't think it's for Welsh Government to lead. But, it's something that we could certainly help support if stakeholders think it's the way forward.

[74] **Ms Howell:** Certainly from the Scottish Government perspective, they valued the fact that it was an external organisation and that it was the third sector that had established that commission, because it gave it that sort of impartiality. They felt that it was delivering more from that perspective than if it had been set up by the Scottish Government themselves. So, I think we've communicated that to the third sector and they are indicating that they would like to set up something similar in Wales, and we would prefer it to go down that route.

[75] **Christine Chapman:** Thanks. Alun.

[76] **Alun Davies:** Thank you very much. I'm interested, Minister, in thinking about how we actually tackle poverty. I think that, sometimes, some of these discussions get bogged down in the technical issues and the minutiae of policy and the rest of it. I think you've been in post now something like 18 months—is it something like that?

[77] **Lesley Griffiths:** Sixteen.

[78] **Alun Davies:** Alright. Sixteen months. I'm just thinking, as you reflect on the policy area, the portfolio, the programmes and the rest of it, what do you think works, and what do you think doesn't work?

[79] **Lesley Griffiths:** That's a really interesting question. I came into portfolio—because obviously, as an Assembly Member, you're aware of all the programmes that I'm now responsible for—. From my own experiences, I know where I think Communities First, for instance, does better. So, I think that around employability we've had some really good success, and I still passionately believe that employment is the route out of poverty. Although we've seen a rise in in-work poverty, I still think that is absolutely the case. That's why you will have seen much more of a slant towards employability and skills from Communities First over the last 16 months, and I think that had started—you know, Lift and Communities for Work had started to be thought about—but I have made it very clear that I think that is where we can

help people the most.

[80] Flying Start is, again, a long-term programme, and it's taken a while to see positive outcomes, I think, from Flying Start, and a lot of it is anecdotal. Talking to high school headteachers who are now seeing the first cohort of Flying Start children coming through, to be told that you can't tell the difference between a child that's had provision from Flying Start and a child that hasn't is really good to hear, but we need that evaluation and we do have those robust data now—they're starting to come through. So, I think early years prevention and employability are the two areas where I would want to see the tackling poverty programmes focusing the most.

[81] **Alun Davies:** So, do you think that the current spend reflects that analysis?

[82] **Lesley Griffiths:** Yes, and I think, certainly for 2016–17, I've managed to protect Flying Start. Families First has seen a reduction of about £1.4 million, I think, in a £42-million budget, but, as I say, Families First was never intended to be a forever programme and I think that the team-around-the-family approach and the multi-agency approach, which I think are really important also, are embedded. I've protected Supporting People because I think it's really important that the people who we do support—. It helps the health service, for instance. So, you've got people with mental health issues; where would they live if we didn't have the Supporting People programme? Again, we've got the data to show that people who access the Supporting People programme don't visit the GP as often and don't visit A&E as often.

[83] Then you've got Communities First where, again, they've had a cash-flat settlement going into next year. But, it's been made very clear to them that it is a bit of a transitional year and they need to be looking much more at focusing on employability and skills.

[84] **Alun Davies:** So, what doesn't work?

[85] **Lesley Griffiths:** What doesn't work?

[86] **Alun Davies:** What isn't working?

[87] **Lesley Griffiths:** I think you have to make sure that you don't dilute things too much. So, I'll go back to Flying Start; we've had a huge expansion of Flying Start this year, and we've managed that very well. I'm not sure

Communities First—. The expansion—well, not—. We've got 52 clusters of Communities First and 19 lead delivery bodies. I'm minded to look at whether we need to reduce the number of clusters so that we don't dilute it too much.

[88] **Alun Davies:** Okay, so you think dilution is an issue rather than structure and the delivery of the programme.

[89] **Lesley Griffiths:** I think we have to be careful that we don't dilute. I think the structure of Communities First is—. I think that infrastructure is really important, because I'm not sure if you were here when I was saying about building up trust and confidence with communities that are really hard to reach. And, certainly, I've seen some Communities First where—. I was speaking to one woman in Janice Gregory's constituency—I can't remember where it was—who hadn't been out of the house for a couple of years. So, the work that she'd done with that Communities First person was—. It was incredible to hear of that experience.

[90] So, I think the structure—. I'm not saying the structure is perfect; I'm not saying there's not more we can do, but I think the structure is there, it's been built up over many years, and I don't think we should just say, 'Right, we need to change the structure'. I think we need to concentrate on perhaps lesser areas.

[91] **Alun Davies:** Okay. I'm interested in what works and what doesn't work, because if you look back at your record, the Welsh Government's record isn't especially good in reducing poverty, and it certainly doesn't really bear comparison with other administrations in the United Kingdom. I accept that you use different figures to paint different pictures. But, there must be something there that isn't quite working, and it would be useful, I think, for the committee if we could understand where the ambition of the Government would be come 5 May. We're running to the end of this Assembly now, and that's five years of significant protection for this policy area, significant investment in tackling poverty, and a Government that has put tackling poverty at the heart of its programme. So, how do we assess progress, do you think, when it comes to the end of this Assembly?

09:30

[92] **Lesley Griffiths:** One of the things that's a priority for me, and important for me, is the number of people that we've moved on into

employment, because, for me—

[93] **Alun Davies:** Yes, I accept that.

[94] **Lesley Griffiths:** —employment is the route out of poverty. Certainly, I was looking at some figures the other day that were saying that if people move into employment, 70 per cent then move out of poverty. So, I think that's absolutely the right way forward. So, we'll have the figures of how many people we've helped into employment, through Lift for instance, through Communities for Work, and how many opportunities we've given people to improve their skills. We're using the parents, childcare and employment programme now to help people who see childcare as a barrier to improving their skills. We'll have all those figures, and I think that's the right way forward. But, I think, going forward, we do need to look very carefully, particularly at Communities First, and I don't think I've made that a secret at all. But, I don't think that changing the structure of it completely is necessarily the way forward.

[95] **Alun Davies:** I wish I could persuade you, or tempt you perhaps, into possibly an indiscretion—I don't know. But, you're going almost there with Communities First, because your attitude to Communities First is different to that of other Ministers who have held this portfolio. But, you seem to get somewhere and then you sort of move back a bit.

[96] **Lesley Griffiths:** Well, no, you're saying, 'Is it the structure, or is it—?' I mentioned dilution, and I do think dilution is an issue. We have 52 clusters, and I've gone to Communities First areas, where I've wondered why part of it is in that. So, maybe we do need to narrow it. I think we need more flexibility for instance, so I've spoken about flexibility. You asked me whether I think it's the structure, and I do think with the structure of Communities First that there is an element of concern there. But, I do think we've started to address that, and I think the focus of Communities First on employability, for instance, is really important. I think educational attainment is really important, and again, on Communities First, we've got figures to show the number of children whose educational attainment has improved through their experiences of Communities First.

[97] **Alun Davies:** Okay, because we do tend to measure—

[98] **Christine Chapman:** Can you make this your last question because I've got other Members who want to come in?

[99] **Alun Davies:** Okay. We do tend to measure what we put into the programmes in terms of cash and resources and people and the rest of it. And then we measure what comes out of that in terms of some of the things you said, which is employability and the rest of it. What we don't appear to measure very well is the impact that those outputs have on the community, the wider community and addressing poverty as a whole, and I think there's a lack of coherence there possibly in the Government's approach, in understanding the impact of its actions within a wider community.

[100] And the second question—I'll take notice of the Chair, otherwise I'll get in terrible trouble—is that Mrs Howell indicated that Welsh Government officials have spoken to colleagues in Scotland, but she said it was a means of understanding the issues and what it means to live in poverty. I'm interested in whether the Welsh Government proactively looks at places, not simply in the United Kingdom—although I accept the United Kingdom is the easiest in terms of an economic unit—where anti-poverty work has been successful and has actually achieved significant reductions in poverty, and to what extent the Welsh Government proactively seeks these places, goes to these places, learns the lessons from these places, and then applies those lessons back in Wales.

[101] **Lesley Griffiths:** On your first point, I agree with you: it is very difficult to show that one intervention has lifted somebody out of poverty, and I absolutely agree with you; it is really difficult. That's why I think having a look at how we align our programmes going forward will help with that. In relation to your second question, I often look to Scandinavia for policy, to how their policies are looking; I think we can learn a lot from Scandinavia. So, I looked at Scandinavia, and then I realised their success is probably because they have such high taxes, so you kind of have to then look at what we've got with the funding that we have. I have not gone to many places outside of Wales to look particularly at tackling poverty programmes. I don't know if officials can say anymore.

[102] **Ms Howell:** In terms of the UK, we meet on a four-nation basis to discuss different policies, and different impacts of different policies, in the four UK countries. We've also, through the Young Foundation, had some information, which we've shared with the Minister, around some work that they undertook or informed in the Basque region of Spain, which alluded to some work that's gone on there, but not just around poverty—actually changing communities and community behaviour, and the broadest aspect of

things as well. And we've recently formalised the links between our tackling poverty external advisory group and the Scottish group, looking at exploring some of the mechanisms in terms of how they've managed to reduce child poverty, a lot of which is linked to higher-paid jobs, and the ability to get second earners into work. So, very much a focus around in-work poverty, which is something that we're taking on board. So, we are learning from other parts of the UK, in particular.

[103] **Lesley Griffiths:** Just picking up on that, the Young Foundation is an area where—. We've got the Young Foundation working with three areas now in Wales. That's something new—I forgot about the Basque country, so thank you for that, Maureen—and it was following on from a meeting I had in relation to that. So, they're focusing on three areas—Connah's Quay, up in Alyn and Deeside, Port Talbot, down in south Wales, obviously, and Aberystwyth, in west Wales.

[104] **Christine Chapman:** Okay, thank you. Peter.

[105] **Peter Black:** Thank you, Chair. Alun's mostly asked my questions, but I'll just follow up a couple from the replies there. Minister, you said that you recognised getting people into work is the key way to deal with poverty, and I think your official's just referred to tackling in-work poverty, which, of course, is also a key issue, which I think the Welsh Government does need to address in the next term, if it can. How are you changing your programmes to, basically, support people back into work? We know about Communities First, about building capacity, about helping people get skills, et cetera. But there are other, more basic things—to help people get childcare is a key one, for example, and transport. How are you bending your programmes, and building on that, on the work you're doing, to make sure that those particular aspects will help people get back into work?

[106] **Lesley Griffiths:** I mentioned PaCE before.

[107] **Peter Black:** You did.

[108] **Lesley Griffiths:** So, that's supporting childcare for people for whom childcare is a barrier, particularly lone parents, and predominantly women—

[109] **Peter Black:** But there are still huge problems finding adequate childcare, all around Wales.

[110] **Lesley Griffiths:** Yes, but PaCE is one area where we are helping. Childcare is a big issue, and, certainly, if we want to expand childcare, we need to work very much with the sector, and that's work that we've undertaken, alongside the Minister for Education and Skills. I think professionalising the childcare sector is really important, because I don't think people see it in a career way, and I think we need to. I think we can learn a lot from the social care sector, which has managed to do that. And I think you're right, we need to do work around that.

[111] You mentioned transport. Transport is incredibly important, and that was one of the discussions we had when the Minister for Economy, Science and Transport came to the tackling poverty implementation board. Again, within the Lift programme, where we've been giving people opportunities to work, we help them fund the transport. Because, for some people, to come down from the Valleys to Cardiff is a lot of money, to come by transport. So, we've supported them with that. Again, looking at the metro, and discussions I've had with the Minister, it's really important that there are opportunities within there to help on that agenda.

[112] So, within the programmes we have, we are able to bend. So, you mentioned transport. Also, within the Lift programme, for instance, if somebody needs a suit for an interview, we could help with that. It sounds very simple, but, for somebody, that could be a real issue.

[113] **Peter Black:** Coming back to the childcare issue, there are, I think, massive gaps in terms of childcare. In Townhill, in Swansea, for example, there's a nursery in the Phoenix Centre. It's an area with quite a lot of deprivation, but the nursery can't offer full-time childcare because it's not big enough to pass the relevant inspections. It's not big enough, basically, to have the right child-carer ratio. Wherever you go around deprived communities, the provision of affordable childcare is quite sparse. Are you looking, for example, in the next term, at maybe putting more money, or moving programmes, to try to tackle that particular issue, particularly based around those areas that are deprived, with lots of single parents, who need that childcare to get back into work?

[114] **Lesley Griffiths:** Yes. We've started that work already. Within the Vibrant and Viable Places programme—certainly at Wrexham, for instance, I know that they've opened a childcare facility from funding within that programme. So, I think you're right: we need to use all the programmes to look at the provision of childcare because I think it is a huge barrier for many

people to going back into work.

[115] **Peter Black:** The other thing that struck me about your answers, particularly when you talk about Communities First, is you've said that you were looking at maybe reducing the number of, I think, delivery—

[116] **Lesley Griffiths:** Clusters.

[117] **Peter Black:** Clusters, yes. The recent reincarnation of Communities First is much more centralised than it was, even though local authorities do still deliver it. Given that the Welsh Government has taken much stronger control over the Communities First programme, how is that interacting with work being carried out by local authorities, for example, and other bodies? They're doing things as well, even though they may well be delivering the programme on your behalf. Is that joined-up work happening there, given that you have taken much stronger control over that particular programme?

[118] **Lesley Griffiths:** Yes. Officials work very closely, obviously, with the lead delivery bodies. I'm not saying I'm going to reduce the cluster; I'm just saying that we need to look at whether, 17 years on—

[119] **Peter Black:** Yes, but the latest incarnation of Communities First is a much more centralised approach.

[120] **Lesley Griffiths:** It is much more centralised, but, in answer to your question, yes, officials work very closely to ensure that the delivery plans, for instance, are being delivered on, that, where there are concerns, we are able to go in and help them if they are underperforming, or where they're overperforming—you know, have a look at what's going on. So, yes, there is a lot of work. I don't know if Eleanor wants to say any more about—

[121] **Ms Marks:** One of the areas that you've already touched on that we're working on is the alignment programme between the major programmes, which, actually, local authorities spoke to us about to say, 'Can we have a bit more flexibility between the programmes?', so we're engaging in those discussions with them. We're also, in each area—Families First, Flying Start and Communities First—in regular contact with the local authorities and I know that they've been invited to a conference on 10 February to take this discussion forward. The letter went out yesterday. I think we'd had about 50 individuals replying by last night, wanting to come to that. The following day is the Communities First conference, which will, again, talk about

employability, employment, much more sharing and how it works to tackle poverty and to start to think about what a transition year may look like.

[122] **Peter Black:** So, local authorities have expressed those concerns to you then about the alignment of their programmes with your programmes?

[123] **Lesley Griffiths:** Yes. This letter that went out yesterday—

[124] **Peter Black:** So, it is an issue for them as well.

[125] **Lesley Griffiths:** Yes. It was in answer to—. Swansea was one of them, where they felt that much improvement could be made in relation to commissioning, so that's why we've agreed to this.

[126] **Peter Black:** And, with that, I should declare I'm a member of Swansea council, as Swansea's been mentioned.

[127] **Christine Chapman:** Okay. Mike's just got a supplementary on that.

[128] **Peter Black:** Yes, go on, that's fine.

[129] **Christine Chapman:** Have you finished all your questions?

[130] **Peter Black:** Yes. I've finished, yes.

[131] **Christine Chapman:** Okay, Mike.

[132] **Mike Hedges:** Can I just say how I see anti-poverty in Wales, and tell me if you think I've got it wrong. I think the first thing is I see it in two stages: one is trying to stop it happening in the future, therefore, we have Flying Start, then we have the pupil deprivation grant, and we have Communities First, working with pupils in schools to try and improve academic attainment, because we know that unemployment is structural and we know that the higher the level of academic attainment, the better you're likely to be paid. So, you have that. And that's going to take a number of years, from when it starts to when it finishes, to actually start showing fruition. It's a bit like one of the other schemes I talk about a lot, which is the teeth work that's being done, where you've got children brushing their teeth in school—it's going to take a long time for it to come through, but you're starting to see now a lack of fillings.

[133] The other one is on adults at the moment and that you've got to try and improve their health, first of all, and you haven't said anything about Communities First health. Because there's an awful lot of work being done on improving lifestyle, getting people to stop smoking, getting people to eat better, getting people to exercise, so that they're actually fit enough to go to work. There's a number of people, who, even if they wanted to go to work, their level of health is such—and some of it's caused by lifestyle—it stops them from doing it. So, improving their health and then getting people into employment—. Because I think most of us believed, before we were told it this morning, that getting people into higher-paid employment is the best way of getting people out of poverty. I think that's probably one thing that very few of us, if anybody, in this room would disagree with, but that is the aim, to get people—. The Lift programme itself only works in sub-regions within Communities First, doesn't it? Is there any intention of expanding it into other sub-regions, because I think that what you've done is something that perhaps people ought to do more, which is to drill down into some of the Communities First areas, because they're not all homogenous. I have mansions in a Communities First area on Mynydd Newydd Road. These are five-, six-bedroomed houses, probably going for £400,000 to £500,000, but they are in a Communities First area. I have also got people—[*Interruption.*] Pardon?

09:45

[134] **Peter Black:** There's a lovely view of Swansea from there.

[135] **Christine Chapman:** Mike, we've got about quarter of an hour left.

[136] **Mike Hedges:** It's the last thing I'm going to say on this. So, really, it's about drilling. Isn't there more drilling down that's needing to be done, so that we actually not just have the lower super output areas, which gives you an average over an area, but you actually look at inside of it? You've done it with Lift, where you've actually identified that Blaenymaes and Portmead are the poorest part of the Communities First area. Should more be done to drill down into the lower super output areas for some of the other schemes?

[137] **Lesley Griffiths:** I suppose that was what I was getting at about clusters, and, you know, you mentioned mansions, and you're not the only Assembly Member who's ever said that to me. In my own constituency, I've got a Communities First area where you would say that maybe it shouldn't be there any longer. So, yes, I think you're right; we do need to look at that, and

that's what I was alluding to before.

[138] In relation to trying to stop poverty in the first place, absolutely. Early years intervention is so important, and it is a long-term programme, and I do think we are now starting to see the benefits of Flying Start, which I've said before.

[139] You're absolutely right about health, and, again, Communities First, I can tell you that we've got over 11,000 people who've got improved academic performance. We've got 14,981 people who've increased their physical activity, and there are, I think, 6,000 people who eat five fruit and veg a day who didn't before. But I think you're absolutely right: Communities First needs to be working with those people to get that health and wellbeing improved, and I think most Communities First areas do have a 'healthy living' part of it. Certainly, in my own constituency, I know of it very well.

[140] So, I think you're right—

[141] **Christine Chapman:** Can I just ask—? I'm sorry; this is such a big issue. Should we be looking at this from another angle, though? Obviously, it's about getting people fit and healthy to work, but what about the employers themselves who are perhaps not offering those highly paid jobs? What work should be done with those, for example? Because it's not the sort of—. You know, the solution's not just going to come from the people in poverty; it's the other side as well.

[142] **Lesley Griffiths:** Absolutely.

[143] **Christine Chapman:** This is what all of us here are trying to ask questions about.

[144] **Lesley Griffiths:** When I came into post, one thing that hit me was that we hadn't engaged with the private sector to the extent that I thought we should have done. I've had two tackling poverty summits over the last couple of months: one was in Cardiff in October, and one was in Deeside last month, where we engaged with the public, the third sector and the private sector, and I thought it was really important that we did that. It was really interesting to hear private sector employers—some quite large ones—saying that they didn't think about childcare, they didn't think about healthy living with their employees. So, I think you're absolutely right. On the other hand, we're seeing fantastic engagement. I was in Swansea on Monday, talking to Lift

participants, and they were all starting their work experience yesterday, in Morrison's, the Driver and Vehicle Licensing Agency—you know, really big employers, providing Lift opportunities, who have taken on board. But I think you're right: we do need to engage with the private sector. Employers do need to understand their commitments.

[145] **Christine Chapman:** This may not be your part of the portfolio, because it could be the economy Minister, for example—

[146] **Lesley Griffiths:** Well, I think it is a bit of both, really. But I think it was important that we did engage the private sector. I'm not sure whether it was this committee I said it to last week or another committee, but, the tackling poverty summit we had in south Wales, we had a very large company there who, at the end, offered us land to build a childcare setting—just from the beginning of the summit to two and a half hours later, the change was fantastic to see. But I think engaging with the private sector is very important in this agenda.

[147] **Christine Chapman:** Thank you. I apologise to Members, because we've only about 12 minutes left. I know Mark wants to come in, and Bethan as well, possibly. So, Mark to ask some questions.

[148] **Mark Isherwood:** Okay. Do you believe Welsh Government currently has sufficient data to effectively target place-based anti-poverty schemes?

[149] **Lesley Griffiths:** Yes, I think we do have those data. I think they're very robust data; I think we get them from recognised sources, and we use very similar methods to the other UK countries. So, I do think we have that. Communities First concentrates on the 10 per cent most deprived communities in Wales, and that's defined by the Welsh index of multiple deprivation. Each cluster's based on those areas, and we have very robust data—sorry, we had very robust criteria in the beginning to determine where those areas were to be. Flying Start is targeted using data from the Department for Work and Pensions and Her Majesty's Revenue and Customs. That's obviously focused on geographical areas where we have the highest proportion of children under four years of age living in income-benefit households. WIMD uses the best possible range of data available and that's mainly drawn from the census or the administrative data systems, and the Flying Start expansion also relies on local authorities and their input also.

[150] **Mark Isherwood:** We know that child poverty in Wales fell back from

the UK average in the first five years of devolution but started rising from 2004. It remains the highest amongst the UK nations, second highest amongst the UK regions according to the 2014 Social Mobility and Child Poverty Commission. We know that Wales has the highest worklessness in the UK and it's been rising over recent quarters and we know that the December figures on GVA for 2014 show that the relative prosperity gap has widened again, not only in the poorest areas but even in places like Wrexham and Flintshire, which have gone backwards again. They are fairly robust data, so what robust data do you have that can actually evidence reductions in poverty specifically to any of your anti-poverty programmes, and how are those measured—because to be empirical, they have to be measured against communities in areas where those programmes have not applied to see whether the performance has been impacted by these programmes or despite them?

[151] **Lesley Griffiths:** Well, our programmes primarily seek to improve skills, to secure employment, to improve health, aid childhood development—you know, early-years interventions I've talked about, enhanced parenting—and evidence tells us that they are absolutely the right things we should be doing to help prevent poverty. The programmes we have are only able to capture successful outcomes from the specific interventions that they are providing, and that will help someone leave poverty, we know that. But there are challenges. I mentioned it's very hard to show that one single intervention lifts somebody out of poverty and there are challenges around that. But we've got the evidence from the Office for National Statistics that tells us that we are taking the right approach. I mentioned before the data I'd seen that showed that, of those people aged 18 to 59 not working and living in a household in poverty, 70 per cent of those who then entered employment left poverty, so I think that's absolutely the right approach. The data that we have show we are increasing numbers of people into employment, and the programmes that we have—Lift, Communities First and PaCE—are all helping us with that agenda.

[152] **Mark Isherwood:** Unfortunately, and sadly, it's not something to celebrate—quite the opposite—we've seen overall worklessness rising over recent quarters. But finally, if I may, an issue raised with me repeatedly is the need to go beyond the area-based to using the intelligence available from local networks. I know the Welsh Government's appointed recently somebody from Knowsley Housing Trust, for example, to chair one of the—. It may not be you—

[153] **Lesley Griffiths:** Oh, yes. It is me.

[154] **Mark Isherwood:** And the Heseltine initiative, which was hugely successful, was about community ownership, community engagement, putting the community in control. We know that Families First was originally a Welsh Government pilot through five third sector bodies; there was an independent evaluation, the Welsh Government never publicly responded to that and instead transferred the work into the state sector and then re-employed some of those third sector people. A repeated concern for me recently, over recent months, is that the impact of the change on Communities First has led to it being perceived as a local government programme fitting in with local government objectives rather than something being owned and run by the community. So, how can we better utilise the networks that do exist on the ground as equal partners in design and delivery, such as social enterprises? Knowsley was based on housing—it was a housing trust—and Merseyside, 25 years ago, moved on to the housing-regeneration-based model for this wider agenda that we're all keen to see delivered. And in your own area and part of my area, the Caia Park community partnership was established in 1995 after a damning report on high levels of poverty, and it is actually delivering many programmes for Communities First because it has the expertise and the critical mass already on the ground. So, it's about using these, using local networks, to target the need where it exists, rather than having what's perceived as a top-down state programme.

[155] **Lesley Griffiths:** I have a couple of points, first. On unemployment, we are seeing a fall in unemployment now, and certainly we've got data to show that the percentage of children living in workless households has been decreasing consistently since 2009. It was 20 per cent in 2009, and it was 16.5 per cent in 2013, and we will see a further drop when the next figures come out, I'm sure.

[156] You talked about several things there. On housing, which we haven't really discussed, I see housing as very important in this agenda also. People living in good-quality housing—it improves their health, it improves their chances of getting employment. With the funding that we've put in to raise all social housing to the Welsh housing quality standard, we're well on target to achieving that by 2020. I think it's 72 per cent now of houses. I think the issues you raised about housing and health are very important too.

[157] It's interesting—you know, Peter Black was saying that Communities

First has become much more centralised, and you're saying that local authorities are going off and doing it on their own—I think that's what you were saying, anyway.

[158] **Mark Isherwood:** Grant recipient bodies are confusing their roles and are increasingly delivering programmes to benefit their own objectives, which wasn't how Communities First was originally intended to operate. The failings identified by the audit office, which triggered the changes, were about failure to put in proper corporate services. It wasn't about the programme so much on the ground. That was used to give local government the big stick, and, in some cases, that's led to at least the perception in communities that need most support that the power's been taken off them.

[159] **Lesley Griffiths:** That's certainly not my experience, talking to local partners. You mentioned Caia Park specifically, and I would say that that's definitely not my experience there. I think what's really important is that our programmes complement each other, that they work together. I think we have seen much more of a focus on that, going forward. Not all lead delivery bodies are delivered by local authorities. We've got third sector involvement, certainly, in Anglesey and in Cardiff. So, I think it's good to have a look at what each LDB is doing differently, to see if there are lessons that we can learn. I don't know whether Eleanor wants to say any more.

[160] **Ms Marks:** Indeed, the lead delivery bodies, the main bodies—there are no grant recipient bodies any longer—can deliver the programmes themselves, as they do in places like Swansea, and, on the other hand, there are very good models in Cardiff, which has a service level agreement with three different third sector bodies to deliver Communities First. In Anglesey, the local authority is the lead delivery body, but it is delivered through a community-interest company there. Community involvement remains at the heart of the programme. Yes, some areas are better than others at it, but it is very important that the community has a say in that. We're very much looking to work with communities, taking into account the requirements of the new future generations Act as well, where communities need to have a say in what is going forward, and Communities First is part of that equation.

[161] **Mark Isherwood:** Okay.

[162] **Christine Chapman:** Bethan, did you have any—? Obviously, we want to go on to the next session, but we want a short break first. So, did you have any final questions?

[163] **Bethan Jenkins:** Jest cwestiwn clou ynglŷn â'r data. Rwy'n credu ei bod hi'n bwysig gofyn, oherwydd roedd Dr Peter Matthews wedi dweud mewn tystiolaeth i'r pwyllgor cynt, pan oedden nhw'n cymryd rhan yn y comisiwn a oedd wedi creu'r adroddiad gan y pwyllgor yma, fod problemau gyda grwpiau lleiafrifol neu ffeindio data mewn llefydd penodol ar leiafrifoedd ethnig, pobl anabl, os oedden nhw mewn lle penodol. So, a ydych chi'n gwybod bod yna ddata yna? A ydych chi'n defnyddio data'r cyfrifiad i sicrhau bod lleiafrifoedd ethnig neu pobl LGBT, er enghraifft, yn gallu cael eu cydnabod o fewn y *place-based* strategaethau sydd gyda chi?

Bethan Jenkins: Just a quick question about the data. I think it's important to ask, because Dr Peter Matthews said in evidence to the previous committee, when it contributed to the commission that led to the report from this committee, that there are problems regarding minority groups or finding data in specific places on ethnic minorities, disabled people, if they were in a specific place. So, do you know whether the data exist? Do you use the census data to ensure that ethnic minorities or LGBT people, for example, can be acknowledged within the place-based strategies that you have?

[164] **Lesley Griffiths:** Certainly, they can target specific groups if they want to. I mentioned a group of young teenage pregnant mums. So, if they have an ethnic minority group that they specifically want to target within their cluster, or even if they see somebody outside their cluster, they can help.

10:00

[165] **Bethan Jenkins:** It was just that the evidence was—perhaps I didn't make it clear—. I think there was evidence from Scotland that it was hard to identify, within a place-based environment, the non-heterosexual, the sexual orientation of somebody, whether they were of an ethnic minority or whether they were disabled. Therefore, it was hard, then, to target a scheme because they couldn't initially identify them. So, do you use different sources of data to identify them in the first instance?

[166] **Lesley Griffiths:** No, because we seek to target all people living in poverty. So, I suppose if—

[167] **Bethan Jenkins:** But they're not homogenous—

[168] **Lesley Griffiths:** No, they're not.

[169] **Bethan Jenkins:** I think that's what the argument was: they would have specific needs within that place-based environment. I think that's—

[170] **Lesley Griffiths:** I think, in some communities, it would benefit specific groups with protected characteristics, for instance, but I don't think we have the data.

[171] **Ms Marks:** No, but there are equalities grants that help certain particular groups in those areas. Certainly, in the move from the last version of Communities First to this one, we had discussions with various black minority ethnic groups and now we invest the money into the area, but there is some flexibility in Communities First to look at the specific local needs. Again, that is something, in agreeing the flexibility with the local authorities and where they want to invest, that we could look at with them.

[172] **Lesley Griffiths:** So, if, for instance, they had a Gypsy/Traveller community, as long as they put it in their delivery plan that it was a community of interest, they could do that.

[173] **Bethan Jenkins:** But they would have to actively put that in.

[174] **Lesley Griffiths:** Yes.

[175] **Bethan Jenkins:** So, they could have Gypsies and Travellers but they would say, 'Well, no, we don't actually want to put anything in for them as a project.' It wouldn't be a stipulation that they would need to, for example.

[176] **Lesley Griffiths:** Yes, they could do it in their delivery plan.

[177] **Bethan Jenkins:** They could, but it wouldn't be obligatory for them to do so.

[178] **Lesley Griffiths:** No.

[179] **Bethan Jenkins:** Right.

[180] **Christine Chapman:** Okay. Thank you. Can I thank the Minister? There may be some other questions, which we will sort of write to you about, Minister, if that's okay.

[181] **Lesley Griffiths:** Okay.

[182] **Christine Chapman:** Can I thank you and your officials for attending? I know you'll be staying, Minister, for the next part of this meeting, but we will send you a transcript as usual, so if you can check that—. Thank you for your attendance.

[183] **Lesley Griffiths:** Thank you.

[184] **Christine Chapman:** We will take a very short break now before we scrutinise the Minister on the refreshed financial inclusion strategy. So, if you could come back just after 10.05 a.m., or just before 10.10 a.m. Okay. Thank you.

*Gohiriwyd y cyfarfod rhwng 10:02 a 10:10.
The meeting adjourned between 10:02 and 10:10.*

**Strategaeth Cynhwysiant Ariannol ar ei Newydd Wedd: y Gweinidog
Cymunedau a Threchgu Tlodi
Refreshed Financial Inclusion Strategy: the Minister for Communities
and Tackling Poverty**

[185] **Christine Chapman:** Welcome back, everyone. On this next item for the meeting, if you remember, before the Christmas recess, we did agree, as a committee, to invite the Minister to give evidence on the Welsh Government's refreshed financial inclusion strategy. So, again, can I welcome back Lesley Griffiths, Minister for Communities and Tackling Poverty, and also Eleanor Marks, director, communities and tackling poverty, and also, Chris Gittins, head of the financial inclusion unit? Welcome, again.

[186] Minister, you know that, as we said, we did have a paper, as well, from Bethan Jenkins, who has been doing a lot of work on this. So, we will ask some questions around the strategy. I just want to start off. Have you done an evaluation of the effectiveness and outcome of the 2009 financial inclusion strategy?

[187] **Lesley Griffiths:** Yes. There's been some in-depth work done on that by the previous financial inclusion delivery group. That's where a range of partners took forward a variety of actions aimed at tackling financial

inclusion. We've also had independent evaluations taking place on major areas, which were key to the implementation of the strategy. For instance, an evaluation was undertaken around credit unions and the support that we've given to them, and also the discretionary assistance fund. More recently, we've supported the Better Advice, Better Lives scheme, and that's run by the citizens advice bureau with support from us, and there's a current evaluation being undertaken on front-line services, as well.

[188] **Christine Chapman:** What aspects of the strategy have had the biggest impact?

[189] **Lesley Griffiths:** The biggest impact, well, some of the schemes that came out of the strategy—I've just mentioned the Better Advice, Better Lives scheme. We also introduced the discretionary assistance fund. Obviously, we're not responsible for post offices, but we had the post office diversification fund for several years. So, I think those three schemes are probably the aspects where we've had the biggest impact from the strategy. I can give you some figures. The Better Advice, Better Lives scheme has helped almost 60,000 people and they've brought in confirmed benefit gains of more than £52 million. The evaluation that we had—I think I published it towards the end of last year—showed that there's been a significant positive effect on those who access the services it supports, particularly the Better Advice, Better Health strand. That helps individuals who are unlikely to access any advice from any other source. So, I think that was a really important point.

[190] You'll be aware that there were changes to the social fund, and that's where we worked with stakeholders, and then we've had the discretionary assistance fund brought forward. That provides emergency assistance to between 1,500 and 2,000 people each month. I've actually sat in and listened to some of the phone calls, and we're talking about people who are in absolute crisis—again, a huge impact on the health service. The last time I visited the DAF office, somebody had rung up who had no funding to take their child from north Wales to Alder Hey hospital in Liverpool for a scan, and that was turned around within half an hour, and they were able to have that appointment, which, you know, the cost to the NHS—. So, I think the discretionary assistance fund goes beyond my portfolio. Then, I mentioned the post office diversification fund, and that's half of Welsh post offices benefiting from grants worth around £6.6 million, and if we're talking about financial inclusion, I think post offices have a really important role to play.

[191] **Christine Chapman:** Thank you. Alun.

10:15

[192] **Alun Davies:** It's difficult to disagree with anything you've just said, Minister—

[193] **Mike Hedges:** But you're going to try. [*Laughter.*]

[194] **Alun Davies:** I'm not trying to either. In terms of the refreshed strategy, I remember similar debates we had on the private Member's Bill that Bethan Jenkins brought forward were based on the 2009 strategy, if I remember it correctly. So, what are you doing today that's different to what was being done then? My memory at the time was that the Government argument was that we didn't need the Bill because we had a strategy and we were delivering financial inclusion through an alternative means, which didn't require legislation.

[195] **Lesley Griffiths:** I too should say that we've worked very closely with Bethan Jenkins and with Bethan's representative on our delivery group, and I think Bethan's work has really focused us on this. As you say, Bethan came forward with a proposal for legislation, and we had many discussions going forward on whether that legislation was needed, but we did feel that we have the strategy and we're now building on that strategy. We have to accept that the economic climate has completely changed since we had that strategy, and I think it's really important that we do now ensure that our financial inclusion has a very direct impact on people who are living in low-income households, for instance.

[196] We're also working much more closely with the Money Advice Service. They launched a financial capability strategy for the UK. They have a stand-alone strategy document for Wales, which was launched here in the Senedd in November, and we're going to support Money Advice Service Wales going forward. There were also many discussions—. I think when we gave evidence, the Minister for Education and Skills came along too. I know that Bethan's had discussions there to make sure that we are addressing financial inclusion with children in schools. I think that's really important, if we can start there, and we've got junior credit unions. I've visited a couple; we've got them in schools also. So, we felt that, right across Government, there were aspects that fed into this agenda and that the legislation wasn't needed. But, as I say, we have worked very closely with Bethan going forward.

[197] **Bethan Jenkins:** I just wanted to say that I think the motivation was—I ought to declare an interest, given the Bill—that there wasn't anything fundamentally wrong with what was happening; it was how it was tracked back. When I was looking at evidence, either through the education system or local authorities, it was very sporadic, very patchy, as to what was happening. So, the reason for putting it in legislation was to try and make sure that that would happen because, with all due respect, it's only since we've had this refreshed strategy that we've been looking at the issue anew. That's not to take away from the fact that we are where we are now and there's lots of work going on, but that was the motivation for the legislation, although I appreciate that that time has passed.

[198] With regard to education, for example, obviously, we've got the numeracy and literacy framework but, within that, actually, financial education was minimal. So, it's now looking to see whether that can be improved as well. Sorry; I don't want to take over in giving evidence rather than scrutinising the Minister—[*Laughter.*]—but I just wanted to add that to what the Minister was saying.

[199] **Christine Chapman:** Thank you, Bethan Jenkins, for the clarification. Okay, thanks. Alun, did you want to finish?

[200] **Alun Davies:** Yes. One assumes that the financial inclusion strategy, which you've described, and which Bethan describes, is aligned with the tackling poverty action plan. I make that assumption. Is that correct?

[201] **Lesley Griffiths:** That's absolutely correct. It links with other key strategies but absolutely with the tackling poverty action plan.

[202] **Alun Davies:** I am aware that the future generations Act, as it now is, includes an indicator relating to poverty. Does that include financial inclusion or is that a wider issue?

[203] **Lesley Griffiths:** As I mentioned, financial inclusion is a key priority as part of our tackling poverty agenda. So, it has links with all our key strategies. You may be aware that, in the revised child poverty strategy, we added a new objective about supporting people living in poverty to increase their household income through debt advice and financial advice. So, again, the child poverty strategy also feeds into that.

[204] In relation to the Well-Being of Future Generations (Wales) Act 2015, we recently consulted on our proposals to measure the achievement of the seven wellbeing goals for Wales, and the indicators have an important role, I think, in helping to measure the progress towards the seven of them. There were two measures specifically relating to poverty within the draft indicators, but we do recognise, of course, that poverty is multi-layered, so we're therefore proposing a second indicator on material deprivation, and that measures whether households can afford necessary goods and activities through a series of questions on the national survey, including a question on keeping up with bills and credit commitments. I think if we know whether people can afford essential items and activities, that will really help us know far more about over-indebtedness in Wales.

[205] **Alun Davies:** And is that a part of a movement on poverty in terms of what the Welsh Government measures in terms of poverty reduction? Because, at the moment, we use very traditional measures of poverty, which are measures of inequality as much as they are measures of poverty. We are where we are with all of those. So, does this indicate that the Welsh Government is moving towards a more fundamental measure of absolute poverty rather than simply relative poverty?

[206] **Lesley Griffiths:** Yes, I think it does, and the Act—we all, obviously, have to take heed of the Act, and that will help us on this agenda also.

[207] **Christine Chapman:** Okay. Bethan.

[208] **Bethan Jenkins:** So, how will that new indicator feed into the action plan for the revised financial inclusion strategy?

[209] **Lesley Griffiths:** It's something I think we can look at as we develop the action plan. We can look at that, can't we?

[210] **Mr Gittins:** Yes, when the action plan or the delivery plan is developed—

[211] **Bethan Jenkins:** I don't care what it's called as long as it gets done, believe me.

[212] **Mr Gittins:** It's something that, without a doubt, we will look at as we progress that delivery plan.

[213] **Christine Chapman:** Okay, thank you. Peter.

[214] **Peter Black:** Minister, when you consulted on the strategy, why did you not also consult on an action plan delivery plan along with it?

[215] **Lesley Griffiths:** Well, I think that was something that the financial inclusion development group wanted to leave, going forward—not necessarily for the next Government, because I think it will just follow on, but I think they thought it was better to wait and get the strategy published. I intend to publish the strategy mid-March, before the end of term, and then after that the development of the delivery plan will take place over 2016. But I think that was something that sort of came forward. Discussions were held within the group, and that was what they thought would be the best way forward.

[216] **Peter Black:** So, will the final strategy include a formal commitment to monitoring and evaluation, possibly including annual reports?

[217] **Lesley Griffiths:** Yes, absolutely. An annual report, yes.

[218] **Peter Black:** And monitoring and evaluation as well.

[219] **Lesley Griffiths:** Yes.

[220] **Peter Black:** And will it contain clear targets so we can measure progress?

[221] **Lesley Griffiths:** Yes. We'll certainly have a look at setting targets. I think they've got to be very clear, measurable actions, but, absolutely, an annual report.

[222] **Peter Black:** So when that comes out in March, it will all be there, complete.

[223] **Lesley Griffiths:** That will be the strategy, and then we'll go forward.

[224] **Peter Black:** And that strategy will contain all that when it comes out in March.

[225] **Lesley Griffiths:** The strategy will contain that, yes.

[226] **Peter Black:** In March.

[227] **Lesley Griffiths:** Yes.

[228] **Christine Chapman:** Okay. Alun, you had a supplementary.

[229] **Lesley Griffiths:** Also, can I just say that one thing I'm very keen to see in the delivery plan is an independent evaluation?

[230] **Christine Chapman:** Okay. Alun.

[231] **Alun Davies:** I think we would all welcome that. I know that Government is very fond of doing this, but I don't see any purpose at all to a strategy without a delivery plan, because all a strategy is is a means of achieving what the objectives are. It's a very simple concept, but Government seems to think it's so extraordinarily complex. Why publish a strategy that doesn't have objectives, doesn't say how you're going to deliver something, and doesn't have means of measuring it?

[232] **Lesley Griffiths:** The group was very keen that we didn't do it. We published the strategy and then we looked to develop the delivery plan over the next few months. So, I didn't sit on the group. Bethan's representative sat on the group, along with representatives from credit unions, legal, Citizens Advice—

[233] **Mr Gittins:** Community Housing Cymru, the illegal money-lending unit, and others.

[234] **Lesley Griffiths:** So, it was something that—

[235] **Alun Davies:** You're washing your hands of this one, are you?

[236] **Lesley Griffiths:** No, I'm not washing my hands of it. I'm just saying that I listened to what the group—

[237] **Christine Chapman:** Sorry, was it because they wanted to make sure that they got it right, as opposed to rushing things through?

[238] **Lesley Griffiths:** Yes, I think so. Also, the future generations Act had an impact on it as well. I think they also wanted to look at how that fitted in.

[239] **Christine Chapman:** Okay. Bethan, you had on this—

[240] **Bethan Jenkins:** I think it's important to put on the record that I did raise concerns about the fact that a delivery plan was necessary and, to be fair, officials have listened to that. But I fundamentally do agree that people should have been consulted on an action plan or a delivery plan, because it's hard then for groups. I've had e-mails concerned about how people are consulted as part of how it is delivered—participants and people who receive that service. And so, I would hope that—. I think it's going to be delivered in a future Government—

[241] **Lesley Griffiths:** Absolutely.

[242] **Bethan Jenkins:** —not now, but there's potential for that. But, certainly—. I know timelines were tight, but—.

[243] **Lesley Griffiths:** It is difficult with timelines, as you say, but I absolutely commit to—a delivery plan will come forward over the next few months.

[244] **Bethan Jenkins:** We've got you on record now, anyway.

[245] **Lesley Griffiths:** You've got me on record, and that's why I said it.

[246] **Christine Chapman:** Okay, thank you. Mark, have you got some questions?

[247] **Mark Isherwood:** Right, yes. Again, with reference to the plan, the strategy, and referring back to the 2009 strategy, which referred to provision of fee-free cash machines, what monitoring has the Welsh Government undertaken of progress on that since 2009, and where are we up to?

[248] **Lesley Griffiths:** Okay. Where we're up to is that Link are the largest provider of ATMs in Wales, and the aim was that they would provide free-to-use cash machines in 185 areas in Wales, and 144 areas have been resolved. I have asked officials to be in more regular contact with Link going forward, because I think we need to get up to that achievement of 185. So, I've asked officials to meet with them more regularly, to review progress more regularly, but that's where we are at the current time.

[249] **Mark Isherwood:** And, beyond that, what direct contact has the Welsh

Government had, or does the Welsh Government have, with banks, post offices now delivering banking services—HSBC are now on board, thankfully—and other financial institutions that can deliver on some of the commitments in your strategy—including, I think, the Institute of Financial Services, which, when we did an inquiry in the last Assembly, were providing excellent support in some schools in Wales—helping to develop not only an interest in financial matters but addressing all levels of need, but engaging, in terms of, obviously, cash machines, with the wider networks and other transactional processes and accounts?

[250] **Lesley Griffiths:** Well, banking is obviously a matter for the UK Government, but, in answer to your question, I don't think we have enough contact with them. One thing I would be very keen to see is the banking sector represented on the new group going forward. So, we've had the delivery group now, but, going forward, following the publication of the strategy, we need to look at the membership of the group, and I would like to see the banking sector represented on the group, because I do think we need to have much more contact with banking than we do at the moment.

[251] **Mark Isherwood:** I would commend the IFS and I know some of the banks would welcome that, and some of the social banks and building societies as well. You mentioned the UK Government: has your representation on the UK financial capability board helped in taking these issues forward?

[252] **Lesley Griffiths:** I think so. Eleanor's the representative on it, so—.

[253] **Ms Marks:** Yes, it has. We've been engaging and invited to be on the board with them. The conversation, then, is about what is happening in England and what is happening in Wales, and we've been able to join up the intentions behind the MAS strategy for Wales and our own financial inclusion strategy, which will be published, and there is a good contribution and two-way dialogue between both sides.

[254] **Mark Isherwood:** Right, thank you. I know the next set of questions, which are not mine, relate to matters that—. I've got to leave shortly, unfortunately, and I did want to ask one question about credit unions without touching on the specific questions to follow for yourselves. If funding for credit unions currently from, I think, the UK and Welsh Governments is ending in 2017, how will credit unions in Wales be supported to develop the critical mass for transition to so-called sustainability, because without that

we're going to fall back on a limited network of very local organisations without the critical mass to expand the services to meet the needs that we're all talking about?

[255] **Lesley Griffiths:** You know I passionately believe in credit unions and I've been working very hard with credit unions since I've been in post to try and make sure that they are sustainable going forward. It's really important, I think, that they work with the private sector far more than they are doing. Certainly in north Wales you'll be aware of the North Wales Credit Union. They've now got links with Airbus.

10:30

[256] So, I think what they need to do is make sure that they are sustainable. We're seeing more mergers now and I know they are looking to do that. Again, they've worked very closely with us on this strategy and I think we need to make sure—. They have transformed over the past 15 or 16 years, but they need to continue to build up their membership to make sure that they are sustainable.

[257] **Mark Isherwood:** The North Wales Credit Union, as you probably know, has an annual general meeting next Saturday in Wrexham. There is genuine concern that without—not as much, necessarily, support—. But, without financial and material support, that transition in 2017 won't work and things will go backwards. So, I hope to hear some commitment from all parties as we move towards the election on that matter.

[258] Finally, yet again, without trying to touch on other people's territory, debt advice: I have two daughters who are qualified debt advisers, who work in debt advice in the third sector, and a recurring problem in Wales is that the focus on a small number of financial organisations has led to a focus on crisis management. So, it's when the bailiffs are coming, or when the landlord or building society is threatening to repossess, rather than tackling the revolving door through intervening, helping people to plan budgets, and helping with wider financial education—something that is being delivered by some third sector bodies and networks, which no longer receive any Welsh Government support or acknowledgement. The consequence is that some Welsh-based organisations are seeing a massive growth in demand from English-based organisations, but a significant contraction in referrals from Wales. How would you respond to that?

[259] **Lesley Griffiths:** The National Advice Network are having a look at the way we fund organisations. I'm going to bring some recommendations through, so I suppose it would be for the next Government to look at that, but I think that the evaluation that we've had up to now—I mentioned Better Advice, Better Lives—has shown that that's the right way forward. Good quality advice is really important. If you have bad advice, that's just the same as having no advice. So, I have asked the National Advice Network to have a look at that going forward.

[260] **Mark Isherwood:** I would stress that these are properly qualified, accredited people; they're not just do-gooders. They're that as well.

[261] **Christine Chapman:** Okay, thank you. Mike, you had a supplementary.

[262] **Mike Hedges:** Yes. On banks, I don't want to go into bank closures, but the problem that we have, and does the Minister agree, is that, when they close banks, in many cases, they also close the cashpoint outside. I've said on more than one occasion that it's exceptionally expensive to be poor because you've then got to try and make your way to a free site and, the poorer the area, the less likely it is you have a free site. What representation has the Welsh Government made to the banking sector, not to stop them closing banks—I think we're going to have a debate on that in the next couple of weeks—but to not take out all the cashpoints as well?

[263] **Lesley Griffiths:** As I say, I don't think we've had enough contact with banks. I think you raise a really important point that we can certainly take up with them. One of the reasons why I've asked officials to review the progress that Link have made is because of that.

[264] **Christine Chapman:** Okay?

[265] **Mark Isherwood:** Yes.

[266] **Christine Chapman:** Bethan, did you have some questions?

[267] **Bethan Jenkins:** Well, I think, Mark—you know, some of the issues there, it's quite interesting to me to hear about what he has to say, but, on credit unions, obviously, you will know that, I suppose, some of my concern comes from—. Because we haven't seen a delivery plan, it's how the credit union, just moving on from Mark, really, I suppose, will deliver on some of the issues that we've discussed as part of the group in terms of improving

access to affordable short-term credit. Because having spoken to—and I think Peter Black has had the same experience—the credit union sector on the ground, it's amazing that you stand up in Plenary and say how great they are, but I think, sometimes, the reality is that they feel that the rhetoric doesn't reflect the actual ground-level support that they need to build sustainable credit unions for the future. So, when we say 'work with', when we say, 'we will endeavour to', I think what we need to know, as a committee and for future Assembly Members, regardless of whether we're still sitting here after May, is how they will be able to deliver on the plan, the financial inclusion strategy, moving forward, if they have their own challenges ahead and lack of potential investment.

[268] **Lesley Griffiths:** Yes. I do think they're great; I also think that they're kind of a best-kept secret. I don't think enough people think about them—discussions I've had with my own daughters, you know, they really had no idea what they did and what they provided, et cetera. I think it's down to all of us as Assembly Members to make sure they're not best-kept secrets. I, and Eleanor will back me—well, Eleanor does it as well. We'll go to meetings now and we'll say, 'Hands up, who's a member of a credit union?' We embarrass people into joining. It's quite a good way of doing it. I do think they do fantastic work. I just don't think people realise that they're there for the purposes that they are there for. So, if somebody wants to buy a car, I don't think they would think necessarily of going to a credit union for a loan for a car. So, I think it's down to not just me as Minister but all of us as Assembly Members to get that message out. So, I do think they are great, but they're a bit under the radar sometimes, which they shouldn't be.

[269] **Bethan Jenkins:** But, for example, Swansea council will put on the forms they send out to people about joining the credit union—can we not make that a scheme across Wales, for example, of promotion in already publicly-funded literature?

[270] **Lesley Griffiths:** Absolutely. Across the public sector, we've made great progress on getting people to join up—you know, health boards, and, again, ministerial colleagues have been very good writing out to the public sector that they're responsible for ensuring that happens. I think it's the private sector where we need to make strides, but I think that's down to credit unions to do. I mentioned North Wales Credit Union, which now have Airbus on board, and it's great—. I had a credit union conference and Airbus came along and were really positive about it, but they need to be doing more work there. I also think we need to do more work with the Department for Work

and Pensions, so that they can signpost universal credit claimants to credit unions. I think that would be a way of engaging more people—

[271] **Bethan Jenkins:** Have you talked to the DWP about that?

[272] **Lesley Griffiths:** Yes. Well, officials have. I'll ask Chris to come in now. So, I think that's a really important thing we can do just to try and raise awareness of credit unions, and those are the sort of people that probably need credit unions the most. That's something I do want to see in the delivery plan: working much more closely with DWP and they then being able to signpost claimants towards a credit union to see what services they can provide for their claimants. Do you want to say more, Chris?

[273] **Mr Gittins:** Do you mind? Yes. The DWP and Jobcentre Plus Wales were part of the financial inclusion delivery group. Certainly, we've had some good discussions with them in terms of the commitments but we need to work with them on the action plan. I think that goes without saying. On the credit-union side, on the payroll agenda, what we do have is the credit union collaboration group, which brings together credit unions or representatives from credit unions, and one of the areas on the agenda there is payroll and how they can work collectively as a movement to improve payroll with our support and with support from others, such as local authorities. Credit unions themselves as well are developing their own credit union strategy and that's something we will need to feed in and work with them on. We work very closely with both trade bodies, the Association of British Credit Unions Limited and Access to Credit Unions for Everyone as well.

[274] **Lesley Griffiths:** I was very keen to see a credit union strategy, because there wasn't one and I think it's really important that they do have that.

[275] **Christine Chapman:** Before we move on from credit unions, I've got a couple of supplementaries, first of all from Peter, then John.

[276] **Peter Black:** Specifically on that issue about the DWP, obviously the biggest concern in terms of universal credit has come from housing providers. I think it's excellent that DWP will signpost, and some councils in fact—I'm just going to declare I'm a member of Loans and Savings Abertawe Credit Union here as well—and I think Swansea is actually working through the housing with their tenants to try to signpost them there. So, are you also doing work with housing providers as well to make sure that they signpost tenants on universal credit to credit unions because there is a concern about

the money being paid in arrears and entering into rent arrears as a result of that?

[277] **Lesley Griffiths:** Could I just say—we're all going to do this now—I'm a member of North Wales Credit Union? Yes, absolutely, CHC were—

[278] **Mr Gittins:** Yes, Community Housing Cymru were—

[279] **Lesley Griffiths:** Community Housing Cymru were on the group, so that is something that we can look at.

[280] **Peter Black:** And local councils as well, or—?

[281] **Mr Gittins:** Yes. Well, the Welsh Local Government Association were part of the financial inclusion delivery group.

[282] **Peter Black:** WLGA don't always feed things back to their members, do they?

[283] **Lesley Griffiths:** Well, perhaps councillors could—

[284] **Peter Black:** Did I say that in public? Gosh. [*Laughter.*]

[285] **Christine Chapman:** Okay. John.

[286] **John Griffiths:** I'm a member of Newport Credit Union, Chair.

[287] **Lesley Griffiths:** Good.

[288] **Christine Chapman:** I'm a member of a credit union—

[289] **Lesley Griffiths:** I think every Assembly Member is actually a member of a credit union.

[290] **Christine Chapman:** Yes, okay. So, we just need to—. Okay. Sorry, John.

[291] **John Griffiths:** I'm just interested, Minister, in what view you have in terms of which credit unions within Wales have developed apace as it were and which are relatively slow to develop. Because I think there's a view that there is a responsibility on credit unions themselves to promote themselves

and to be proactive and to get out there and market and interact, and make sure that individuals and organisations sign up and that they develop relationships with lots of other organisations. Is that your view, and is that one of the main reasons why some credit unions have developed relatively quickly compared to others?

[292] **Lesley Griffiths:** Yes. It's like everything, isn't it; there are some better than others. I'm not being biased, but I do think North Wales Credit Union has led the way, really, just with their engagement with the private sector. I was really impressed with what they did with Airbus; it was great to see it. Some, perhaps, are more fortunate because of where their position is on the high street, for instance. You know, if you've got a high-street setting that looks much more like a bank, I think that can help as well. And I know some of the smaller ones are looking at how they can make themselves more sustainable. Did you say you were a member of Newport?

[293] **John Griffiths:** Yes.

[294] **Lesley Griffiths:** I think Newport are very good. Also, they've just moved to a much more appropriate setting because, as I say, I don't think people realise what credit unions are there for and what they do. So, I think we need to go back to best practice and look at some best practice, and make sure that best practice is shared. But, I do think credit unions, probably because they know their funding is ending next year, are now stepping up to the plate a bit more.

[295] **John Griffiths:** Just one more, if I may, Chair. In terms of individuals—and individuals in more deprived circumstances particularly—benefiting from credit unions, is it clear to you now that credit unions do make a better offer to people in terms of interest rates? Because for a long time, I think, there was a view that, in actual fact, some of the rates that credit unions were charging—if that's the right word—weren't that attractive compared to some other providers. Is it your view now that what the credit unions offer in general across Wales is a good offer for people in terms of repayments they have to make, and so on?

[296] **Lesley Griffiths:** Yes, certainly, in general. I've not come across any—. I'm going to ask Chris if he's got any specifics he can offer.

[297] **Mr Gittins:** I think, in general, they do provide a very good offer, but I know that some credit unions will vary, particularly if somebody payroll

deducts with them—they would offer a different rate, potentially. But, generally across the board, there's a very good offer from the movement, really.

[298] **Christine Chapman:** Okay, thanks. I'm going to bring Mike in now. Just to remind Members, we've got about 20 minutes maximum, so if you can make sure your questions are fairly concise. Mike.

[299] **Mike Hedges:** Can I just start off by saying that they may not be competitive against high-street banks, but they're certainly competitive against doorstep lenders? The question I was going to ask was about providing information, and you talked about the commitment to providing information. Can I say—it's not a criticism of you in particular, but a criticism of Governments across the board—that 'providing information' quite often is 'We'll put it on our website and hope somebody can find it'? There are people who are not IT literate and people who don't have access to IT devices. I won't say that people don't have broadband, because most of the stuff you can pick up on baseband anyway, which I think is something that is quite often ignored. But, some people need paper to flick through; some people have got certain problems which mean that having it available for them in non-electronic means makes life a lot easier. Are you going to make sure that the information is available for people in other forms apart from 'You'll find it somewhere on the Welsh Government website, good luck'?

[300] **Lesley Griffiths:** Absolutely, and I think that's something that will need to be in the delivery plan. I think it's really important that in the delivery plan we commit to providing that information, whether it be face-to-face, telephone, paper—. You know, we have made inroads into digital inclusion, but I absolutely accept that not everybody gets their information from the internet. And certainly, the advice service network—I've put extra funding in because whilst we can't mitigate—. Well, we certainly can't plug all the gaps that are coming from the UK Government, but I think mitigation is really important, and one part of mitigation that I personally think is very important is that advice service network that we've put significant funding into. So, when we draw up the delivery plan, I think it's really important that we make it very clear that that information will be available in forms other than the internet.

[301] **Mike Hedges:** Thank you.

[302] **Christine Chapman:** I just want to ask something around financial

education. Did you ever consider requiring regular thematic reviews of financial education that could be carried out by Estyn?

10:45

[303] **Lesley Griffiths:** Yes, but the bidding process for Estyn picking up on thematic reviews is actually finishing. But I know that the Minister for Education and Skills gave a personal commitment, when we were discussing whether to have legislation or not, that they would have that. So—

[304] **Christine Chapman:** Just to clarify, it is something he would like to happen.

[305] **Lesley Griffiths:** Well, it is going to happen.

[306] **Christine Chapman:** So, it is going to happen.

[307] **Lesley Griffiths:** It is going to happen in 2016–17, because he personally committed to it, but the bidding process is stopping.

[308] **Christine Chapman:** Right. It was that the timing's not right yet.

[309] **Lesley Griffiths:** Yes. So, Estyn's remit for 2016–17 will include the thematic review of the quality of provision of financial education in primary and secondary schools, because that was one of the commitments we gave going forward.

[310] **Christine Chapman:** Right. Okay. And in terms of whether you feel that the commitment in the draft strategy relating to improving the financial education and financial capability of the wider population—do you think the commitments there are sufficiently ambitious, Minister?

[311] **Lesley Griffiths:** Yes, I do. I think the strategy acknowledges the importance of access to both financial services and advice being underpinned by the need to improve the financial capability of people in Wales. To be financially capable, you need to have that confidence, you need to have that ability, and you need to have the motivation to apply the skills and knowledge gained through financial education. We work very closely with the Money Advice Service, and they launched, as I mentioned before, the financial capability strategy for the UK. We've got a stand-alone document for Wales, which was launched here in the Senedd. I'm going to make sure

that we continue to support the Money Advice Service Wales to take forward any proposed actions that come from the strategy, when it's published in March—the strategy that we're publishing—which will contribute to the commitments that we are going to make in the strategy.

[312] **Christine Chapman:** Okay. Thank you. Bethan.

[313] **Bethan Jenkins:** I just want to follow on from education, because one of the other elements—I appreciate it's not your portfolio, but the wider educational aspects I still am a bit concerned about, in the sense that, in the Bill, I was trying my best to put in provision for further education and HE, because, based on evidence, having spoken to FE, they were saying that there are so many cutbacks at the moment that, if a tutor is going to deliver a lesson, or if someone is going to opt for a module, it's unlikely they will be opting to take one on financial education, given the pressures that that individual would feel to be able to get the skill that they're going to college for, be it plumbing, be it hairdressing, be it engineering. And so, I hope that perhaps there can be some more work from the educational side on that—that's a message to the education Minister, not particularly yourself.

[314] But on the Money Advice Service strategy, you will know my concerns just in terms of wanting to clarify, if they are not going to be married in one single strategy, how you will be able to differentiate between the Welsh Government strategy and the Money Advice Service strategy, and also how you will then be carrying forth discussions with them on that. Obviously, it's a similar path, but a different path in the sense that there will be two co-existing strategies. I still have a bit of a concern over that, really.

[315] **Lesley Griffiths:** Well, as I say, we have worked very, very closely with them going forward, and I will—. I think what we perhaps need to do is—. Obviously, we'll have our strategy; we need to look at the group going forward—you know, the terms of reference—because I know you've raised concerns about the group, and I think it's really important that we get the group right, following the strategy, and then getting the delivery plan there. The UK Financial Inclusion Commission recommended the development of that financial capability strategy for the UK, which was co-ordinated by the Money Advice Service, and I think it's really important that we work very, very closely with them to take it forward. We did think about having a single strategy document, as you're probably aware, and the group discussed the potential for it. I think what's important is that you kind of embed the relevant content from the other one into this. But I do think it's something

that we need to keep an eye on going forward.

[316] **Mr Gittins:** Yes, we do. In terms of when we develop the delivery plan and the group, there will have to be a clear mechanism for the Money Advice Service work to feed into that, because the Money Advice Service does have a Wales financial capability group as well that monitors our actions. I sit on that as well. So, part of my responsibility, and others there, is to make sure we feed back and forth, because we don't want to duplicate, but we want to work together.

[317] **Lesley Griffiths:** Yes, it's really important work with the development of the delivery plan as well.

[318] **Bethan Jenkins:** It's just because, as Peter was saying earlier about targets, if there's going to be a target on certain action points within the Welsh Government strategy, we want to make sure that that is achievable within what you can do, and not then say down the line—I appreciate you as an individual Minister may be concerned, but a future Minister might not be so concerned—'Well, actually, the Money Advice Service are doing that; we don't need to touch it.' So, that would be my concern, which is the whole reason for legislation.

[319] **Lesley Griffiths:** I think Bethan raises a really important point, and it's very important that everybody knows what their role is, what their responsibility is going forward. As you say, you can't just say, 'Well, they're doing it.' Everybody needs to be very aware of that.

[320] **Bethan Jenkins:** Okay.

[321] **Christine Chapman:** John, your final question.

[322] **John Griffiths:** In terms of the financial inclusion strategy, Minister, has any consideration been given to the impact of decisions across Welsh Government, in terms of policy strategy and funding decisions? Is it joined up across Government? Would you be in a position to state what cross-Government decisions are in terms of impact on that financial inclusion strategy?

[323] **Lesley Griffiths:** Well, the new strategy will obviously build on existing funded programme commitments, but it will identify ways that we can take forward any new actions, I think, going forward, in collaboration with partner

organisations. The financial inclusion strategy has many links to other key policies and programmes, from right across Government, so I do think there is that joining up that you asked about. Funding to support financial inclusion won't just come from my portfolio—it will come from other portfolios as well. Obviously, there's financial education, which we've already talked about, and there's digital inclusion. Two areas we haven't spoken about are fuel poverty and food poverty, which sit with other Ministers. And housing support has been alluded to, which, obviously, is in my portfolio.

[324] So, there is a range of budgets that support the agenda. Probably most of it does come from my budget, but there is, certainly, that join-up right across Government.

[325] **John Griffiths:** Would you have given specific consideration to the impact of decisions on allocation of funding by other Welsh Government Ministers on the financial inclusion strategy? Is that something that would have been considered and analysed?

[326] **Lesley Griffiths:** I'm not sure about analysed. It would have been considered.

[327] **Mr Gittins:** It would have been considered as part of the financial inclusion development group. We had partners there across Welsh Government, as well. But I think that, when we get into the specifics, it will be something that will be looked at as part of the delivery plan as well.

[328] **Bethan Jenkins:** I suppose what, perhaps, John is trying to say is that we need to have an equality assessment, or an impact assessment, as to how, then, when you're budgeting for future Government portfolios, you would be able to deliver on those aims, throughout Government, as opposed to just one ministerial portfolio.

[329] **Lesley Griffiths:** Yes, absolutely. We have BAGE, which is the group that looks at the equality aspect of the budget. So, they would be able to have a look at it.

[330] **Christine Chapman:** There aren't any other questions, Minister. So, can I thank you and your officials for attending? Obviously, we will send you a transcript of the discussion, so that you can check it to see whether there are any inaccuracies. But thank you very much for attending.

[331] **Lesley Griffiths:** Thank you.

10:53

**Papurau i'w Nodi
Papers to Note**

[332] **Christine Chapman:** Before we close the public part of the meeting, there is a paper to note: a letter from the Minister for Health and Social Services.

10:54

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o
Weddill y Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Remainder of the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[333] **Christine Chapman:** Could I now invite the committee to move into private session, to discuss the evidence that we have received today? Are you content for that? Okay.

Derbyniwyd y cynnig.

Motion agreed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 10:54.
The public part of the meeting ended at 10:54.*