

## Conference Report: Can Welfare Work for Wales? With Leanne Wood AM

Over 80 attendees gathered in the Pierhead, Cardiff Bay, to discuss how the benefits system can be a better fit with Wales' needs.

The Bevan Foundation's Chair, Viv Sugar, opened the event by welcoming delegates and setting out the state of welfare in Wales and the "*huge agenda*" we have to consider. She then introduced Leanne Wood AM, Leader of Plaid Cymru, who delivered the keynote address.

### Leanne Wood AM, Leader of Plaid Cymru

Leanne Wood began by speaking about Aneurin Bevan's legacy, noting that his values have been "*taken into the hearts*" of people in Wales. She said he believed in explicitly class-based solutions which crossed national boundaries, stating that this was ever present for her while growing up in the valleys. She encouraged those who believe in a Welsh national approach to social questions to recognise that the "*new Wales*" must include an appreciation of the social values articulated by Bevan, but that his principles (and the extent to which they can be implemented) were strongly influenced by the circumstances following the Second World War.



Leanne Wood recognised that we now face a very different set of circumstances, and that Bevan's legacy must be adapted to meet new times. The current terms of debate around social security have made it very difficult for progressive voices to be heard, especially at the UK level, and it has castigated those claiming benefits.

She described how a toxic environment has been created, where people are considered to be responsible for the circumstances they find themselves in and wild speculation about benefit entitlement, which has directly led to the deaths of thousands of people. She highlighted the prospect of a cut to Working Tax Credits, arguing that the UK Government do not even treat those in work as the "*deserving poor*."

The talk went on to warn that this debate should not be one where the idea of the 'Tory bogeyman' is reinforced, emphasising that concerns around welfare have predated this government, and that these points were not meant to be about tribalism. She suggested that successive governments have introduced welfare

changes in response to a “*perceived climate of media hostility towards those who have been failed by the markets and require social security assistance.*” She noted that there have been over one-hundred changes to social security during the past decade, and doubted that the vast majority had not left claimants with a higher income than before.

She was keen for the debate to focus on the overall cumulative impact of the welfare system, rather than specific changes such as the bedroom tax. She spoke about the fundamental impact of welfare reform on communities in Wales, noting the additional 80,000 food bank users in Wales between 2011 and 2014, a third of which were children.

The impact of benefit sanctions was also highlighted. She noted the direct relationship between sanctions and food bank use, tenancy arrears and pressures on primary healthcare services. 74% of cuts have come from women’s pockets, exacerbating inequality. 78% of landlords have seen an increase in rent arrears. The cuts also have a knock-on effect on Wales’ high streets and small businesses.

Leanne Wood went on to describe the treatment of those on disability benefits as the “*greatest scandal of all,*” stating that many claimants have been “*stripped of their dignity.*” She said the assault on disability benefits was two-fold, noting that the first regressive change was to move people off Incapacity Benefit and on to Employment and Support Allowance, which included the introduction of Work Capability Assessments (WCAs). She said that WCAs are poorly suited to complex conditions, and that the providers are incentivised to find as many people fit for work as possible by the DWP. She also addressed the stress caused by failing a WCA and the lengthy appeals process.



The perception of benefit claimants was a theme which ran throughout her speech. She said people have been sold a tale of a welfare system that is out of control, and the “*myth that Universal Credit is the solution,*” adding that this will actually lead to a disincentive to work and disproportionately effect those in abusive households as it is paid to only one person in the home. She went on to say that politicians in Westminster see no votes in strengthening the welfare safety net, so cannot foresee positive change if the power remains with them, and highlighted the role of anti-austerity policies and social security in the strong ‘yes’ vote in the 2014 Scottish referendum.

She doubted whether many Welsh politicians – of all the parties represented in the Senedd – supported welfare reform in its entirety. She said there is something about Wales’ political culture which makes it desirable to achieve a sense of ‘fair play’, but that this is not always achievable because of the constraints on Wales’ finances. She said the debate about devolving aspects of welfare is not about whether Wales could pay for this system, but about what should be devolved to improve its delivery, warning that Westminster can no longer be trusted with social protection, and that Wales should seek the powers to control its own safety net. The difference between an affordable policy and one that is not is often the timescale that you give for the project.

Leanne Wood admitted that Wales was unlikely to be granted full responsibility over welfare in the near future, but said she would like to start achieving consensus on three areas of social security:

1. *Jobcentre Plus and all welfare to work responsibilities* – she described how Wales should have a “*genuine New Deal*” to help people into work, the abolition of sanctions, and an end to work programme providers making a profit when the services provided are poor.
2. *Employment and Support Allowance* – she suggested this could be linked to the social care and health system to aid independent living, help people into supported employment and look after people who cannot return to work.
3. *Devolving Housing Benefit* – she said that the ‘bedroom tax’ has not resulted in any savings, and that it makes no financial sense to rehouse people in adapted accommodation or disrupt children’s education. She also mentioned that it would align the incentives to develop more social housing if Housing Benefit were devolved.

She ended by asking if it could help people in other parts of the UK if Wales and Scotland did things differently in terms of welfare. She asked if there was a consequence of leaving the entirety of social security reserved to Westminster, and if this would be more damaging than devolving competence.

The discussion afterwards focussed on housing, with specific questions about how Housing Benefit could be redirected towards investing in new house building and the Supporting People programme. This was followed by a presentation from Victoria Winckler on the Bevan Foundation’s work on welfare in Wales.

### **Victoria Winckler, Director of the Bevan Foundation**

Victoria Winckler began by stating that the event marked the start of the Bevan Foundation’s latest project which will look at how the social security system can be made to work better for people in Wales. She described it as a “*£10 billion cash injection into the Welsh economy*” in the past year which is continuing to rise. In spite of this expenditure, she said that there are aspects of the welfare system that

continue to not work for Wales. She continued, “*there is bad fit between benefits and the circumstances here.*”

Victoria Winckler went on to highlight the three areas which will be focussed on during the project:

1. *Helping people into work* – there are around 43,000 unemployed people in Wales, most of whom find employment in the first six months of making a Jobseekers’ Allowance (JSA) claim. Around three out of 10 unemployed people in Wales remain unemployed for one year or more. She stated that Universal Credit would result in an increase in the scope of helping people back into work as it is based on activating all adults in a household to find employment. She also highlighted the poor results of work programmes in Wales, stating that the project will look at how this can be done better.

2. *Disability and ill health* – She described disability and sickness benefits as a far more important area than JSA. She said the lack of employment and reliance on benefits means that 163,000 people claim ESA or Incapacity Benefit in Wales, outnumbering JSA claims by four to one. She highlighted that there has been no decrease in this figure in the past two years, and that the prevalence of disability and ill health is also leading to an increase in Carers’



Allowance entitlement. She said we need to work to find effective ways of supporting disabled people and their carers, and encourage employers to recruit and retain them.

3. *Housing* – Victoria Winckler explained that reforms to Housing Benefit have been done with the English housing market in mind, which differs significantly from Wales. She said we have plentiful two and three bedroom social homes, a low turnover of tenants and people have been hit hard by the ‘spare room subsidy’ because of a lack of alternatives to social housing. She said campaigning on this issue has focussed on maintaining direct payments to landlords, and that it must look beyond offsetting the impact of the removal of the ‘spare room subsidy’.

She stated that these are three areas in which the social security system could operate more effectively for Wales. Over the next five months, the Bevan Foundation will be developing fresh proposals for these three areas, adding that “*we want our*

*own welfare reform.*” She referred to the exciting work being done in Scotland and England looking at the potential of devolving aspects of welfare, and said that Wales should be part of this work as well.

To conclude the event, representatives from organisations working directly with people engaged in the welfare system were invited to speak about their experiences of welfare reform in Wales. The panellists were:

- Cath Stenson, Head of Inclusion and Support at Bron Afon Community Housing;
- Tony Graham, Wales Foodbank Manager for The Trussell Trust; and
- Sarah Stone, Executive Director for Wales at Samaritans

### **Cath Stenson, Head of Inclusion and Support at Bron Afon Community Housing**

She explained that in the past year and a half, the housing association has been part of the DWP’s demonstration pilots which has given them an insight into the issues around the direct payment of Housing Benefit to tenants. She said there was an in-built assumption that if tenants were given advice about budgeting then it should be ok, but this was not the case. Very few of the tenants on the project wanted this type of support, and they had much more complex needs. She highlighted several issues that were raised by the pilot, including low levels of literacy, people not having bank accounts and people lacking confidence when dealing with money. They trialled one-to-one support with tenants which worked well to encourage behaviour change, but she added that the housing association has had to invest a lot of resources to ensure that they can succeed as a business. She explained that managing people on Universal Credit was equally resource intensive, and that on average claimants were only receiving their first payment after seven weeks.



She explained that they also have 1,200 under-occupiers, with a significant proportion not managing to pay the ‘bedroom tax’. Over 54% of under-occupiers were in arrears.

She said that the housing association’s support workers had noticed that their tenants were approaching them with increasingly complex cases, as well as an increase in anxiety and depression brought on by tenants’ financial circumstances. They have had to invest in additional training for frontline staff to deal with this.

She noted an increase in fuel poverty, partly observed by the housing association's employees who were visiting tenants in very cold properties and issues with damp and condensation caused by not using heating for long periods of time. She also said that there is a worrying trend of tenants asking to have their gas meters capped so that they do not incur a standing charge.

### **Tony Graham, Wales Foodbank Manager for The Trussell Trust**

Tony began by explaining the huge increase in foodbank users during the implementation of welfare reform, and the fact that this is continuing to rise. He highlighted the different rights and treatment of those in employment and the sort of sanctions they could face by their employer, compared to what is expected of benefit claimants and the DWP.

He gave several different examples of the reasons why people have been referred to foodbanks, including a man who was sanctioned after missing his JCP appointment because his father had passed away, and families who are reliant on the service to feed their children.

### **Sarah Stone, Executive Director for Wales at Samaritans**

There were over 350 suicides in Wales last year, and men in Wales are four and half times more likely to die from suicide than women (higher than the rest of the UK).



She highlighted the strong link between suicide and socio-economic circumstances in its broadest sense, including poverty of income, poverty of choice and poverty of opportunity. It must be addressed as a health and gender inequality.

She explained their outreach presence in foodbanks and other locations across Wales, and that they are extending this service after observing the high demand for emotional support by foodbank users.

She also highlighted research which found a link between the recession and an increase in male suicides in the UK. She quoted Professor David Gunnell from Bristol University, who said: "prior to the recession, rates of suicide were declining. Around the time of the recession, this decline reversed and similar patterns were seen in other European countries and North America. The greatest rise in incidents of suicide appeared to be amongst young men. The consequences of recession on individuals – unemployment, the risk of losing a home, or financial difficulties caused by debt, wage cuts, demotions, reduced hours or disputes over benefits – are all likely to be important contributors to the rises."