

Conference Report: Can Welfare Work for Wales? with Craig Williams MP

In the final of our ‘Can Welfare Work for Wales?’ discussions, we were joined by Craig Williams, Member of Parliament for Cardiff North and the only representative from a Welsh constituency sitting on the Work and Pensions Select Committee.

Craig’s talk was filled with insights inspired by his time on this highly-influential committee, and it was followed by a lively panel discussion with Catherine A’Bear (Rehab JobFit), Gwendolyn Sterk (Welsh Women’s Aid) and Cerys Furlong (Learning and Work Institute Wales).



Craig Williams MP

Craig began by highlighting the importance of committee work to the parliamentary process. He said the last Social Mobility and Child Poverty Commission ‘State of the Nation’ report did well to frame the challenges facing the UK, and described his particular interest in improving the outcomes of children born into and raised in poverty

Moving on to the Work Programme, he said that the committee had looked at this in considerable detail which led them to conclude that, in the broadest sense, it was very successful at getting people back into work. He said providers struggled with the scope of what they had been asked to do, and that there are ‘tricky challenges when you dig into the particular’. The conclusion the committee and the UK Government were coming to is that you cannot deal with all the different groups using one solution, as had been asked of the Work Programme.

Sustainability of social security was also addressed, with Craig referring to the committee’s inquiry on intergenerational justice. He emphasised the importance of Wales-based organisations contributing to the committee’s inquiries, noting that South-East England seemed over-represented in submissions.

Above-average rates of benefit dependency, economic inactivity and claimants per job vacancy in Wales were highlighted. He said that we need to discuss a way forward on this together, and that the UK Government has a strong interest in changing this pattern. He was explicit in his belief that people should earn a higher income from work, not from welfare, and that a long-term economic plan is essential to the system's sustainability.

Craig was passionate about the role of employment in tackling poverty. He said that tax cuts and the new National Living Wage will also support this, resulting in an additional £0.50 per hour for some of the UK's lowest paid. He highlighted that Wales has 270,000 workers receiving less than two-thirds of Britain's median hourly wage and a considerable problem with in-work poverty, adding that there is a direct link between increasing productivity and improving living standards.

Moving on to the Welfare Reform and Work Bill 2015-16, he said it was a step towards reversing the combination of factors which had led to one in five households where no one worked – which had been the case when the coalition government was formed. The bill has three key elements:

1. Work is the best route out of poverty, and being in work should always pay more than living on benefits.
2. Spending on welfare should be sustainable and fair to the taxpayer, while protecting the most vulnerable.
3. People on benefits should face the same choices as those who are not on benefits.



Craig emphasised the importance of work at several points during his talk. He said he supported changes to ESA, stating that those in the work-related activity group are not currently given enough support to return to work when compared to those on JSA.

Describing the current situation as 'not all doom and gloom', Craig said employment in Wales has returned to pre-financial crisis levels and a record number of people in work. He also highlighted the increase in capital spending, describing it as a potential lever if the private, third and public sectors work together.

Proposals to alter the way in which child poverty is measured were also addressed. He explained that the Government had been responsive when faced with criticism over its decision to drop the statutory requirement to collect data on income as part

of the child poverty measure, announcing that it would continue to collect this on a non-statutory basis.

On Universal Credit, Craig said it would create flexibility for people, but warned that those on the fringes would need to be protected. He said that a lot of work had gone into addressing the challenges of Universal Credit, but one of the big concerns many organisations have had about it was raised when Ian Lewis from Tenovus pointed out that 40% of cancer patients are not online.

The decision to limit child tax credit entitlement to the first two children was also raised. Craig said this approach is fair, and spoke about how having a child should be viewed as a huge responsibility.

Craig Williams was clear that he thought the greatest challenge is getting the Welsh and UK Governments to work together on matters of social security. He highlighted how collaboration had succeeded in bringing Aston Martin to Wales, and said that this could be repeated if such a positive working relationship between UK and Welsh Governments could be fostered again. The Cardiff City Region Deal was also mentioned as a way that both governments have restored faith in Wales' economy, as well as hinting that local authorities in Cardiff should consider bidding for further powers to be devolved to them.

Concluding with the subject of life chances, Craig told delegates that the government is determined to stop the intergeneration transmission of poverty using more social and inclusive strategies than ever before. He spoke of a 'lifecycle approach' and said that it is widely accepted that someone's early years play a crucial role in shaping their health and wellbeing.

The Panel

The Chair invited our three panellists to introduce their organisations and explain what welfare reform had meant for their service users.

Gwendolyn Sterk:



Gwendolyn spoke about the impact of changes to the Local Housing Allowance, and the introduction and proposals to lower the benefit cap on women's refuges.

She explained that refuges collect rent via the women's housing benefit which covers their running costs, and if the cap were to be applied then this would impact on refuges' income (she acknowledged that the Government had very recently decided to not apply the benefit cap to people living in supported accommodation such as

a refuge). She said that funding for women's refuges had 'fallen through a hole' as it is officially devolved but many aspects continue to be pan-national.

The risk posed by only paying universal credit to one person in the household was also raised by Gwendolyn. She said that control over household finances is a frequent form of domestic abuse, and boldly stated that the new arrangements are 'basically collusion'. She also described how the social security system can put barriers in place when a woman leaves a violent relationship. Explaining that this is the riskiest time for someone in this situation, she said a strong welfare system is vital for domestic abuse survivors.

Catherine A'Bear

Catherine was very interested in what devolution could mean for work programme providers. She described what Rehab JobFit do and the challenges that they and other providers face.

She spoke about how they could benefit from some flexibility in terms of what they are able to offer, and how a devolved government could be more sensitive about the solutions it needs to offer Wales.



Cerys Furlong



Cerys Furlong explained why she thought the current approach to getting people into employment is not working, and that the work programme is not 'joined up' with Wales as it is run centrally. She said it is difficult to see how Wales' below-average employment levels will improve if the DWP continues with its 'one size fits all' approach to commissioning. Cerys said that in the short-term she would like it to be co-commissioned by the Welsh and UK Governments, but that welfare to work should be commissioned and managed by the Welsh Government in Wales and this should eventually be devolved.

Discussion

The panellists' introductory statements were followed by discussion which highlighted some of the problems which may be encountered if welfare to work were devolved. This included how the work programme interacts with existing EU funding arrangements for Wales, the limited funding offered by the UK Government if the programmes were devolved, poor programme alignment, the unattractiveness of

benefit conditionality and skills mandating. One delegate raised the issue of the devolution of the work programme to local authorities in South East Wales, rather than the Welsh Government.

This event was part of a series of discussions under the theme 'can welfare work for Wales?'. For more information about these events and our work on [making welfare work for Wales](#) please visit our website.