

**MINUTES OF MEETING HELD AT THE CARDIFF THISTLE PARC HOTEL
ON WEDNESDAY 10TH AND THURSDAY 11TH JUNE 2009**

Present:	Chair:	Sir Richard Tilt	
	Members:	Mr K Akuffo Mr L Allamby Mr J Andrews Mrs B Campbell Dr A Erskine Mr R Exell Ms A Garnham Ms C George Professor E Kempson Ms M Reith Ms P Smail Professor J Walker Professor R Walker	
Guests & Officials		Mr Gareth Hall Ms Janine Boyer-Day Mr Brian Gibbons Ms Angela Williams Ms Bernadette Jones Mr Andrew Heylin Ms Bon Westcott	(Item 2) (Item 2) (Item 5) (Item 5) (Item 6) (Item 6) (Item 6)
	Secretariat:	Ms G Saunders Dr A Bee Dr N Moss Mr D Cross Mrs H Gray	
	Apologies:	Mr S Bartley	

1. **Discussion of the Rights and Responsibilities paper and draft letter to the Secretary of State** (Paper 33/09)
Discussion of the draft telephony paper (Paper 37/09)

1.1 Members discussed amendments to these papers which will be taken forward by the Secretariat.

2. **Wales: The Response To The Recession**

2.1 **Mr Gareth Hall** the Director General of the Dept for Economic Development and Transport at the Welsh Assembly Government gave a presentation on Wales' response to the recession which was followed by Members questions.

2.2 **Mr Hall** stated that Wales has been particularly hit by the recession and their construction, manufacturing and small business sectors had been worst affected. He added that though there has not been a sustained increase in economic inactivity this may be yet to come. Unskilled men have been hit hardest, though professional and service sector workers are being affected.

2.3 An economic summit was called where the CBI and TUC set out the areas where they wanted Welsh Assembly action. The Government agreed to report back on these issues and at the second summit they announced the introduction of more land for affordable housing and increasing support for flagship training programmes. A reference group was set up to support the summit.

2.4 At the third summit ProAct was introduced to assist businesses in protecting staff from redundancy, with up to £2,000 training and/or wage costs. £38 million of the £48 million total cost has come from European Social Fund and 12,000 workers have benefited. Further summits focussed on bank funding for SMEs (Small and Medium Enterprises), and during the summits the banks representatives have admitted that their scrutiny levels for funding have tightened considerably and a plan was produced to help SMEs get bank funding.

2.5 Alongside the summits regional events called 'Weathering the Storm' have been held, presenting businesses with support services. A number of documents have been produced, with the support of various organisations, to provide further advice.

2.6 Money has been brought forward from next year's budget to invest in labour intensive projects to act as a fiscal stimulus and a safeguard for jobs. Furthermore a package of measures for training for the unemployed has also been produced.

2.7 **Mr Hall** concluded that Wales has been quick in coming to grips with the recession and has made an impact in tackling the issues encountered. They have worked well with their partners and stakeholders.

2.8 A **Member** asked whether, when the Government had decided against a national implementation of ProAct - in a large part due to deadweight issues - the Welsh response to the issue had been effective. **Mr Hall** replied that all the businesses applying for the scheme would be given a full diagnostic check to ensure viability. The programme also comes with a complete business support solution to ensure they remain viable. He added that the programme was trialled with the hardest-hit construction and automotive sectors but was now open to all sectors. The majority of initial applications have come from large companies where they have seen much success and the programme's relationship managers are promoting it to smaller businesses.

2.9 The **Chair** asked how much the programme costs. **Mr Hall** replied that the total scheme is £43 million, including EU funding for the first 12 months. So far thirty per cent has been committed, 157 applications have been made of which 43 have already been accepted and 12 rejected with a cost of £5.6 million. The **Chair** asked how many jobs this related to. **Mr Hall** answered that so far 2,500 employees have been supported.

2.10 The **Chair** asked where the non-EU money had come from and what had been the result for the affected budget. **Mr Hall** answered that the money has come from the education and skills budget, and there had been impacts, but Ministers have been quick to reprioritise budgets in light of current circumstances. He added that the programme has been supportive of the Education and Skills agenda particularly in relation to apprenticeships, which the programme is supporting.

2.11 A **Member** asked what had been the balance between preventing and deferring lay-offs within the programme. **Mr Hall** responded that the programme tries to turn around the applications and provide an 'in principle decision within a week. Also regional panels have been set up in order to provide guidance and the business viability assessments were key tools in ensuring that they were not just deferring the redundancies. A **Member** then asked if they were monitoring how effective the assessments are in ensuring viability of businesses and whether it was too early to tell yet whether substantial redundancies are being avoided. **Mr Hall** said that monitoring was an integral part of the process and that there is an insistence on gathering all data relating to performance and ensuring that the businesses are delivering. He agreed that it was too early to tell how many redundancies are being avoided but the programme is gathering the relevant data for analysis.

2.12 A **Member** asked how sustainable the programme is in the event of a continued economic downturn and what was expected in terms of the length of the downturn. **Mr Hall** answered that it is very difficult to tell, as the economists do not agree. In terms of the businesses they are supporting, their sustainability varies depending on various factors including scale. He added that he has spent time trying to influence the banks to maintain finance for the businesses, as this can be the deciding factor in some cases. As far as the recession is concerned, early indications from the CBI and the FSB are positive, but it remains to be seen how things will develop. Meanwhile, the programme is trying to strike a balance between helping in the 'here and now'

and being more forward-looking. The economists tentatively point to an end to the downturn in November / December 2009.

2.13 A **Member** asked how the programme is approaching issues around spending to save. That is, if money is being spent by the Welsh government but the savings that the programme dividends are not necessarily being felt by them, but rather by the UK government. **Mr Hall** said that it is not often clear what the cost-benefit is of any scheme in relation to devolved, versus national budgets. However, it would be interesting to see some benefits come back to the Welsh government, as the scheme is likely to be saving the UK government money.

2.14 The **Chair** asked whether, given the constraints of the UK Social Security System for a devolved government, the Welsh government would like their own Social Security System and what it would look like. **Mr Hall** responded that there are cabinet talks ongoing at which Wales Ministers are considering their response to welfare reform. However, he has not been party to the latest talks and would not be able to say.

2.15 A **Member** asked whether wage levels would remain the same within the ProAct scheme. The **Member** added that if they fell this could mean that employees could be entitled to more in tax credits and therefore, in effect, at least some subsidy would be coming from the UK government. The **Member** also referred to the fact that the EMA (Education Maintenance Allowance) is based on income for tax credits purposes, but that distinctions existed between the approach in Scotland and other parts of the UK. In Scotland claimants being made redundant are generally able to have their current year income adjusted to recognise their changed circumstances so potentially enabling an early claim for EMA. This was not possible in England. The **Member** asked if this been considered by the Department as an option for Wales. **Mr Hall** said that in relation to wages it is not the intention that employers use the programme as an excuse to reduce wages. As regards EMA, he stated that he would have to come back with more information as there are ongoing deliberations on the issue.

2.16 **Mr Hall** mentioned that the ProAct programme was prioritised by Ministers over other requests from the business community, such as empty property rate relief, on the grounds of affordability.

2.17 A **Member** asked whether the statement that men have been more affected by the downturn than women was based on survey information or claimant counts, as claimant count information will not represent those women who have partners who are claiming. The **Member** also asked if an effect been noticed on the childcare industry caused by the downturn and whether a scheme like ProAct had been considered in relation to family breakdown. **Mr Hall** answered, on the first point, that the gender statistics were based on claimant counts and that he recognised that you cannot therefore make generalisations based on them. He added that women have shown greater flexibility in taking part time-work and that certain sectors such as health and social care have stayed buoyant and that these disproportionately employ

women over men. **Mr Hall** said that a project was underway to audit all the interventions with individuals from economic inactivity into the labour market and then continuing into post-work and further progressions. He stated that this could avail a lot of information relating to the member's question but that there may well be gaps.

2.18 **Mr Hall** stated that a change in perspective was required, to start looking at the issues from the customer's point of view and effectively tackle problems, including those around lone parents and family breakdown. **Mr Hall** referred to this as the person-centred approach.

2.19 A **Member** commented that although the recession is affecting men more than women it should be noted that more women have been affected more than in previous recessions and that it is not a 'men only' recession. The **Member** added that that the group that are losing out most are young people and this is especially the case in Wales.

2.20 A **Member** stated that she was doing relevant work in the area of services for couples suffering from stress due to the recession and offered to give feedback on this. The **Member** asked whether the summit reports were available on-line. Mr Hall answered that they were available. (*Mr Hall has provided a copy of the Sixth Economic Summit update paper.*)

2.21 **Mr Hall** made a further point on the person-centred approach, relating to feedback from organisations such as RELATE and CAB concerning the kind of techniques needed to build a two-way compact between organisations and clients. A **Member** added that what the customers most often describe as most important is access to good information about what is available and how to access it.

2.22 A **Member** asked about what contributions the public sector organisations generally were making to help in the recession. **Mr Hall** replied that one example was local authorities speeding up their processing of invoices, which has had an impact especially for businesses. He added that there was much work being done in procurement, such as ensuring that local businesses get the contracts for major new projects.

2.23 The **Chair** thanked Mr Hall for the presentation.

3. Minutes of meeting of 6th May 2009, Chairman's Report, and report back from the work programme sub-group

3.1 Minor amendments were made to the draft minutes of the meeting of 6th May 2009. The minutes were then agreed.

3.2 The **Chair** advised that the report back from the work programme sub-group and the updated programme have been circulated. Members considered the revised work programme and agreed that the paper on 'vulnerable' customers needed considerable input and that publication should be tied in with the November Stakeholder seminar. **Les Allamby** offered to

redraft the paper on disability and disregards for the August sub-group meeting. It was agreed that the work on tracking outcomes from consultations would consider a limited set of regulations from 2003/2004. It was reported that Professor Paul Gregg had accepted an invitation to speak at the Stakeholder Seminar. It was agreed that the next research sub-group meeting would consider the topic of 'contracting-out'.

3.3 The **Chair** reported on the HMRC event at Nottingham that he had attended, and his meetings with Sue Owen and Kate Green. He also reported the departure of Phil Wyn Owen (his temporary replacement will be Alan Woods). Kwame Akuffo reported on the senior stakeholder meeting he attended on 1/6/09, and Jan Walker reported on the one she attended on 9/6/09 (*the follow-up letter from the Department on the latter has also been circulated to members*). John Andrews reported back on the last PSF meeting.

3.4 Ministers have responded to the Committee's letter on the Welfare Reform Bill, and members made a number of observations on points in the reply. The Secretariat has received a number of requests for published SSAC-generated material from members of the House of Lords and others interested in the progress of the Bill. A helpful reply has also been received from Ministers to the 'transitions' letter and copied to members.

3.5 The correspondence generated by the update from officials on the response to the Committee's report on the FND proposals has been concluded, with members indicating that they will keep an eye on matters of concerns as the FND is implemented. The draft guidance for contractors will be circulated in the next couple of months.

3.6 A redraft of the EM dealing with the proposed extension of Pathways to those aged under 25 has been circulated. This has generated a number of follow-up questions, but nothing that would merit reconsideration of the decision not to go for formal referral. A response from officials is awaited but the go-ahead letter has been issued.

3.7 The **Secretary** drew Members' attention to the increasing numbers of proposals cleared in correspondence. *Those dealt with since the May meeting are listed below.* Correspondence continues on a number of technical and drafting queries relating to draft regulations scrutinised at the May meeting.

No. & date	Title of paper	Date cleared
27/09 29/4/09	The Social Fund Winter Fuel Payment (Temporary Increase) Regulations 2009.	6/5/09
29/09 11/5/09	The Social Security (Incapacity Benefit Work-focused Interviews) (Amendment) Regulations 2009 (re-drafted paper)	1/6/09
31/09 21/5/09	The Social Security (Students and Income-related Benefits) Amendments Regulations 2009	8/6/09

No. & date	Title of paper	Date cleared
34/09 21/5/09	The Housing Benefit (Child Benefit Disregard) Regulations (Northern Ireland) 2009	8/6/09
35/09 28/5/09	The Social Security (Deemed Income from Capital) Regulations (Northern Ireland) 2009	8/6/09
36/09 4/6/09	The Social Security (Students and Income-related Benefits) (Amendments) Regulations (Northern Ireland) 2009	8/6/09

3.8 The **Secretary** also noted that a number of visits are being arranged and that it is likely that these will be the last until the autumn.

3.9 Members have been sent copies of the consultation paper on the reform of medical evidence and a number of them have responded. A presentation on the proposals is scheduled for the August meeting, and it was agreed that the Committee would put in a response.

3.10 A **Member** reported that she had contacted the Payments Council and offered advice and information in response for their call for evidence on the impacts of the phasing out of cheques.

3.11 The updated SSAC website went live on 4 June.

3.12 A member of the Secretariat will be attending an HMRC internal meeting on the Charter, and will take forward any points suggested for discussion by the Members.

4. Private session without secretariat **(reserved item)**

4.1 *In a private session, the Committee reflected on the past year's work; the Committee's working practices; and the role of SSAC and the Equality Bill.*

4.2 The **Chair** announced that Mr Richard Exell has decided not to put himself forward for re-appointment to the Committee. **Members** wished Mr Exell well in his new role with the Industrial Injury Advisory Council (IIAC). The **Chair and Members** thanked Mr Exell for his many years of service on the Social Security Advisory Committee.

5. Child Poverty – the Welsh context

5.1 **Dr Brian Gibbons**, Minister for Social Justice and Local Government at the Welsh Assembly Government gave a presentation on child poverty in Wales which was followed by Members' questions.

5.2 **Dr Gibbons** stated that the recent statistics released on Households Below Average Income show that, regrettably, progress on child poverty in Wales has stalled. He added that the statistics do not take account of the impact of the recession and the numbers could get worse. However the

numbers have improved over the levels inherited in 1997, and many of the levers for influencing the statistics remain with the UK government.

5.3 The Welsh Assembly Government will use all the levers it has to help the most disadvantaged children. The proposed Children and Family legislation will provide further powers in this regard. Furthermore the measures introduced in Wales have been replicated by the UK in the new Child Poverty Bill.

5.4 A Child Poverty Expert Group and a Young Person Well-Being Monitor have been established to provide advice, critique policy and monitor progress against the targets. Furthermore 'Want to Work' and 'Genesis' have been introduced to tackle worklessness and childcare facilities have been improved through the schemes.

5.5 Meanwhile, internal governance on the issue has been strengthened with the creation of the Child Poverty Delivery Group which champions child poverty at a senior level through a cabinet committee for children and young people.

5.6 **Dr Gibbons** concluded that the Welsh Assembly Government has prioritised the issue of child poverty and has used all levers available to tackle the issue.

5.7 A **Member** asked if the child poverty target is based on a median income target for the UK, would there be a case for having a definition of Welsh poverty based on the Welsh median income. **Dr Gibbons** replied that as the Welsh Government did not control of all the levers to deliver the target it may be over-inflating perceptions of their ability to influence outcomes. He added that there are also methodological issues of sampling size. **Dr Gibbons** stated that they will report child well-being on a three-yearly cycle, as yearly reporting was somewhat meaningless in the Welsh context.

5.8 A **Member** asked if the Welsh approach to Child Poverty differed from that of the UK, which has been criticised for being too future orientated, focussed on long term out-comes and not focussing on the child's current needs. **Dr Gibbons** answered that they were using the UN convention on children's rights as the basis for their policy, which is not the case for the UK government. He added that they had implemented many initiatives that work directly with children to facilitate their participation, such as Funky Dragon, which is the National Assembly for children. Other initiatives included reserved seats for those from backgrounds that might not enable their participation through usual channels, such as ethnic minority, traveller or disabled children. **Dr Gibbons** stated that Funky Dragon is consulted on various issues and that their input is useful. **Dr Gibbons** said that schools in Wales are statutorily obliged to have a school council and that this further increases youth participation.

5.9 A **Member** asked if the Welsh Assembly Government views poverty differently from the UK, in that there is a focus not just on income poverty but

also on service access and participation. **Dr Gibbons** answered that the Welsh model has been taken up by the UK and their approaches are now similar.

5.10 A **Member** asked if progress is being made in the area of lone parents and child poverty with schemes such as Genesis. **Dr Gibbons** said that the report on Households Below Average Income represents information on a UK level and does not disaggregate down to a Welsh level. However, the report shows that the UK government is making progress with tackling lone parent issues. He added that the Genesis and Flying Start programs were uniquely Welsh and represented the focus on multi-dimensional aspects of poverty. **Dr Gibbons** said their approach is targeted at extremely disadvantaged children but through mainstream channels and within spatial areas rather than at particular groups, thereby limiting the stigmatisation that has been caused by other programs such as Sure Start.

5.11 The **Chair** asked about childcare arrangements in Wales. **Dr Gibbons** answered that the Genesis program had had great success in providing bespoke childcare and that other programs are employing the model. He added that, more generally, they have reported to DWP that childcare levels are not sufficient to proceed at a pace towards increasing levels of Lone Parent employment and training. He continued that this appears, according to the figures, to be more of a problem in Wales than it is for the rest of the UK.

5.12 The **Chair** thanked Dr Gibbons for taking the time to speak with the Committee.

6. Jobcentre Plus, the Want2work Programme and the agency's response to the recession

6.1 A team led by **Ms Bernadette Jones** (District Manager for the South Wales Valleys), with **Mr Andrew Heylin** and **Ms Bonn Westcott**, gave presentations on the Want to Work Programme and Jobcentre Plus' response to the recession.

6.2 **Mr Heylin** began with a presentation on the Want to Work programme and this was followed by Member's questions.

6.3 A **Member** asked for a breakdown of the kinds of people involved in the Want to Work programme by age and gender etc. The **Member** also asked if there was a particular customer group who became engaged and subsequently went into work. **Mr Heylin** answered that the programme's participants are very diverse, including client sixteen years old and over and with a high proportion of NEETs (people not in employment education or training.) The overall participant group are generally low skilled and of low educational attainment, but skills training is included in the programme, with a flexible approach and no upper limit on spending other than it must be contained within the overall project budget.

6.4 A **Member** asked which parts of the programme should be rolled out into mainstream DWP programmes and what lessons had been learnt through the scheme. **Mr Heylin** replied that balancing rights and responsibilities with an emphasis on the voluntary aspects and positive encouragement is important, as is the flexible approach of the programme which will hopefully be replicated in the Flexible New Deal. Furthermore he emphasised that it is important to work with all customers according to need, not just those most likely to be successful in order to achieve targets. Working well with providers was also important, making sure that the programme is complimenting not usurping their role.

6.5 The **Chair** asked how the programme makes contact with people who do not volunteer themselves. **Mr Heylin** answered that over time they have learnt that the usual routes, such as leafleting and visibility, are not good enough. What was important was having an on-going presence in the community, in order to gain trust so that customers will recommend the programme within their families and communities.

6.6 A **Member** asked if the programme helps people make a Working Tax Credit claim. **Mr Heylin** answered that they use the resources already available within Jobcentre Plus (JCP) to help with these and also do Better-Off Calculations, but that more work could be done to link up in that area. **Ms Jones** added that they make efforts to ensure that such help is given as quickly as possible.

6.7 A **Member** then asked if they had any statistics as to the informal economy, that is, the number of people who are thought to be economically inactive but actually are not. **Mr Heylin** answered that in the early stages of Want2Work approximately thirteen percent of participants were commencing self employment, the figure reducing in overall terms to nine percent by June 2008 at the end of the first project. Although difficult to get a feel for the informal economy, the difference between the early and later stages may be indicative of those converting jobs from the informal to formal economy, albeit it is not possible to back this up with hard statistics. He added that the programme was keen to offer legitimisation for such people by helping them register for tax. The **Member** asked whether any agreement had been reached with HMRC for cooperation concerning those not registering their self employment activities. **Mr Heylin** answered that no such agreement was made. The programme's approach was to provide the support for customers to do things legitimately, rather than try to police their activities.

6.8 A **Member** asked whether the programme had made any progress with younger people suffering from mental health issues and if the services they need were in place. **Mr Heylin** answered that they brought in secondments from the health professions in order to make connections with the mental health provisions that are already there, but there was more work to be done in this area. **Ms Jones** added, in the district, JCP runs the Pathways programme and so have developed good links with the condition management programme staff who are very experienced with these issues. Furthermore, since the introduction of ESA the number of former IB claimants

now claiming JSA who have mental health issues has increased and that there is now a push to bring in a Mental Health Coordinator role to forge links with mental health support bodies. The **Member** asked whether these bodies are NHS or third sector, and emphasised the importance of cooperation between government departments, the third sector and the NHS in approaching these issues. **Mr Heylin** replied that it would be a combination of both NHS and third sector and added that the complexity of modern mental health issues does indeed require a more joined up approach.

6.9 A **Member** asked whether a comparison could be made between the results from the voluntary aspects versus the mandatory aspects of the programme. **Mr Heylin** answered that it is very difficult to draw comparisons. He added that he firmly believes that there does need to be a combination of the two approaches.

6.10 A **Member** stated that there is quite a way to go to meet the 2014 job-outcome target at the current rate and asked whether the numbers were increasing. The **Member** then asked if, given the comparatively high ratio of staff to job outcomes, the project was proving difficult to promote to other departments, and whether this mattered given that the programme was such a constructive community engagement tool. **Mr Heylin** answered that a proportion of the staff were required to deal with the EU financing issues. He went on that they are ahead of where they aimed to be at this stage and that he was confident that they would reach their overall target, even in the current tightening labour market. On the issue of promoting the programme to others he replied that the scheme is viewed as a flagship for the Welsh Assembly Government and that there is an opportunity to develop strong linkages between private sector, third sector and public sector organisations.

6.11 A **Member** asked that if the target were achieved what would be the cost of each job outcome. **Mr Heylin** answered that in the first project the target was 1,000 job outcomes but they achieved 2,800 at a cost of a little over £3,000 each (This figure has been amended after the meeting by Mr Heylin), set against other similar projects which achieved costs per job entry of nearer £15,000.

6.12 There followed a presentation by **Ms Bernadette Jones** on Jobcentre Plus' response to the recession (hand-out provided) and then members' questions.

6.13 A **Member** asked whether there was any information on the amount of people making claims for JSA who have been refused ESA, or similarly for those that have been affected by Lone Parent Obligations. **Ms Jones** answered she does not have figures to hand for either customer group, but would investigate if they were available. She was not aware of a huge increase in JSA numbers due to ESA refusal but there is anecdotal evidence coming from advisers that people are on JSA but feel they should be on another benefit. She added that this means that the department must work to make sure that these people get the support they need. As far as lone parents are concerned she mentioned that there has been a smooth transition onto

JSA with minimal problems. The **Member** asked whether there was information available on the numbers of people being refused ESA as compared to IB. **Ms Jones** answered that she would investigate to see if the figures were available.

6.14 The **Chair** asked if there are enough trained advisers to cope with the increased numbers of claimants. **Ms Jones** answered that there are significant challenges at the moment but that recruitment was ongoing. They are introducing district coaches and experienced mentors for new staff in an attempt to get them up to speed and delivering quality services as quickly as possible.

6.15 The **Chair** thanked officials for their presentation and helpful contributions to the discussion.

7. Action Points for SSAC and Action Taken

AP & Para.		
3.6	Secretariat to pursue a response	
7.1 1.1	Secretariat to finalise the Rights and Responsibilities paper and draft covering letter.	
7.2 1.1	Secretariat to finalise the telephony paper.	
7.3 2.19	Mr Hall to provide a copy of the Sixth Economic Summit update paper.	Circulated with minutes