

Ein cyf/Our ref: MA-(P)/HB/2673/19

John Griffiths AM
Chair
Equality, Local Government and Communities Committee

6 August 2019

Dear John,

Thank you for your letter following my appearance at the ELGC Committee.

Social Union

The Wales Centre for Public Policy (WCPP) has been asked to provide analysis of the potential for the devolution of welfare administration. I would not wish to pre-empt their considerations by ruling any particular benefits in or out of scope. It is important to remember that we are not seeking the devolution of welfare but considering whether aspects of its administration could be devolved, and in so doing benefit the citizens of Wales. Our focus on administration may influence the arguments relating to a social union. In general the concept of a social union is often used to describe the pooling and sharing of resources according to need. In 2014 the Silk Commission recommended that social security continue to be reserved to the UK Government because it is part of the UK's social union, as well as considering that the financial risks were too great.

The social union is not necessarily the only lens through which to view the desirability of devolving welfare, the fiscal risks are also important as highlighted by Silk. For example, benefits that are cyclical in nature potentially pose a much greater fiscal risk than those that are by their nature more predictable. We have to be sensibly cautious in our approach, which is why we believe that considering the devolution of administration is the right way forward.

Definition of Administration

The UK welfare system is underpinned by a complex legislative framework and welfare policy is not always easily distinguishable from its administration. Aspects of the current system that might be considered administrative are often specified in legislation and reflect deliberate choices designed to achieve specific policy objectives, for example the intention that Universal Credit mirror as closely as possible the world of work. Consequently, the divide between policy and administration is likely to be a highly contested space. One of the key principles behind our consideration of 'devolved administration' is that the welfare system should be fair in the way it treats people, and it should be designed to be as simple as possible, promoting efficient administration and helping citizens to understand their entitlements. We have asked WCPP for their views on this question.

Inter-governmental relations

The Committee will be aware that a joint review of inter-governmental relations was commissioned at JMC (Plenary) in March 2018. The review is evaluating the current inter-governmental machinery, including Ministerial forums, and considering what new machinery may be required in future. Our view, which is shared by the Scottish Government, is that there is an urgent need to significantly strengthen inter-governmental architecture, including reformed machinery which is robust enough to bear the weight of inter-governmental working now required, and a strengthened dispute resolution process which includes an independent element and delivers real parity of participation.

With regard to the separate Review of UK Government Union Capability commissioned by the UK Government and being undertaken by Lord Dunlop, to which you refer, we consider that an examination of whether Whitehall is working in a way which respects and supports devolution has the potential to support the delivery of the ongoing review of inter-governmental relations, and help to give that review the renewed impetus it undoubtedly needs. However, it was a significant missed opportunity that the Welsh and Scottish Governments were not engaged in advance of the announcement of the review, since this would have signalled greater respect for the devolution settlement and enabled the terms of reference to be designed with the benefit of our input. We note that the terms of reference for the review (which are available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814759/ToRs_for_independent_review.pdf) explicitly exclude consideration of devolved powers and responsibilities.

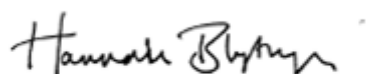
It is important to remember that all UK Government departments should conduct relations with the devolved administrations on the basis of the agreed principles in the Memorandum of Understanding between the UK Government and the devolved administrations, principles which are reflected in the concordat which Welsh Government recently agreed with the Department for Work and Pensions (which is available at <https://gov.wales/concordat-between-department-work-and-pensions-and-welsh-government>

Incorporating the views of people with lived experience in policy design, implementation and evaluation

Understanding and reflecting the views of those directly affected by policy is fundamental to the 5 ways of working set out in the Well-being of Future Generations Act 2015. For example, in the design and development of our Childcare Offer through engagement with parents, local authorities and childcare providers.

The example you mention, the Discretionary Assistance Fund (DAF), is a good illustration. The criteria for DAF have been adapted to ensure the fund reflects the circumstances and lived experiences of service users because it is supported by a network of partners who apply on behalf of their clients. These partners are drawn from more than 300 front-line organisations across Wales, including domestic violence organisations and homeless charities. They are best placed to help shape the fund, given their expertise in supporting more vulnerable groups, and their learned knowledge of their clients and the pressures they are facing on a daily basis. For example, it became clear to us from both service users at application stage and partners, that gaps in and delays to welfare benefit payments were causing hardship, so we included this as an eligibility criteria for accessing emergency payments. We also amended the criteria to allow sanctioned individuals to apply given this hardship. Similarly, in order to overcome the significant waiting time for new claimants to Universal Credit (UC) to receive their first payment, we allow partners to confirm that an application for UC has been made, thus allowing access to DAF, as prior to this eligibility was based on being in receipt of benefits. We also became aware that individuals leaving prisons, care homes and homeless hostels were struggling to manage, having little or no possessions, so we responded by increasing the emergency cash payment value for these groups, to aid their resettlement.

Yours sincerely,



Hannah Blythyn AC/AM

Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing and Local Government