

Written evidence submitted by Shelter Cymru (BSW0048)

About Shelter Cymru

We exist to defend the right to a safe home, because **home is everything**. We help thousands of people across all of Wales every year who have been affected by the housing emergency by offering free, confidential and independent advice. When necessary, we constructively challenge on behalf of people to ensure that they are properly assisted and to improve practice and learning.

We work with people who use our services as equals. We provide information, advice and support to help people identify the best options to prevent homelessness, to find and keep a home and to help them take back control of their own lives.

We fight the devastating impact of the housing emergency has on our people and communities with campaigning, advice and support – and we never give up.

Summary of Response

- Wales faces some distinct and unique challenges with regards to the benefits system, such as disproportionate existing poverty levels, more people in ‘insecure’ work and housing stock which exacerbates issues such as the bedroom tax and energy efficiency;
- Even prior to the pandemic, around half of people in Wales received some kind of benefit. The benefits system has failed to tackle the disproportionate levels of poverty faced in Wales and has actively contributed to pushing people further into poverty in some instances – the pandemic has only served to catalyse these issues further;
- The pandemic has exacerbated many of the existing issues within housing, disproportionately affecting people on lower incomes and widening existing societal inequalities. However, the Welsh Government’s move away from priority need and to supporting everyone in need of a home is welcome and should be retained;
- Interventions such as the £20 UC uplift, removal of the minimum income floor and increases to DHP funding (both from the Welsh Government and DWP) have been welcome and successful in getting support to people who need it. Removing them will pull the rug from under people still recovering from the impacts of Covid on their finances and housing situations;
- Supplementary support pre-pandemic and during the pandemic from the Welsh Government has been much needed. However, these support systems can be difficult to access, navigate and benefit from. A reform of the UK and Welsh benefits system to make them more user-focussed and person-centred is much needed;
- Whether welfare becomes further/fully devolved or remains reserved to Westminster, the benefits system needs fundamental reform if it is to tackle poverty and inequalities in Wales;
- Decision makers at every level – including the Welsh and UK Governments – need to work more cohesively if we are to deliver a benefits system that truly works for the people of Wales. The scale of the issue is vast and if we are to truly ‘level up’ all areas of the UK then partnership working on a reserved and devolved level will be vital in this aim;
- We believe the following reforms will be vital in developing a benefits system which works for Wales, tackling poverty and inequalities within our society;
 - An immediate end to the bedroom tax for benefits claimants in Wales;
 - A reversal of the decision to cut the £20 universal credit uplift;

- A reversal of the cuts to DHP and reimbursement of funding lost to local authorities as a result of the DWP's clerical errors;
- An immediate end to the benefit cap;
- Restoration of LHA to the 50th percentile of the BRMA;
- The removal of the Minimum Income Floor for self-employed claimants;
- An overhaul of the manner in which people engage with and access benefits, to create a more person-centred and navigable system.

What are the key challenges for the benefits system in Wales and how do they differ from the other nations and regions of the UK?

There are many challenges faced by the benefits system in Wales which are shared with the other UK nations and regions. There are however, some distinct, Wales-specific differences and issues which must be taken into account in order to create a benefits system which truly works for people.

The Joseph Rowntree Foundation's *Poverty in Wales 2020*¹ report shows that pay in Wales is lower in every sector and that pre-pandemic, 700,000 people were in poverty, living precarious and insecure lives. Children in Wales are at particular risk of poverty, with 3 in 10 children living in poverty.

The labour market presents additional, Wales-specific challenges. Wales has the third highest proportion of workers on zero hours contracts in all of the devolved UK nations and English regions.² Additionally, pre-pandemic Wales had a disproportionately high number of self-employed workers when compared with the UK average.³ There is a wealth of reports showing the insecurity and precariousness of 'atypical work'⁴ such as zero hours contracts and various forms of self-employment such as the gig economy⁵ and the impacts this has on people's income.⁶ Given the disproportionate amount of people in insecure work in Wales, this is a key challenge for the benefits system to deal with.

We know that people's homes play a significant role in both the combatting of poverty and also causing poverty. Our recent research⁷ showed that 1 in 3 people in Wales were affected by the housing emergency, with over a quarter of a million people having had to cut spending on essentials such as food or heating in order to afford rent or mortgage payments.

Homes in Wales are the older, larger and more rural than the UK average⁸ which presents a specific set of challenges. We know that in Wales there are a significant number of individuals who are seeking a home, yet the available stock – due to its age – does not match this demographic suitably. This is due to a lack of smaller, single-person units being available for a variety of reasons, such as the perception of one bedroom homes as being 'inflexible' and not 'lifetime homes', as such the Public Accounts Committee report⁹ found

¹ https://www.jrf.org.uk/sites/default/files/jrf/poverty_in_wales_2020_0.pdf

² <https://research.senedd.wales/research-articles/zero-hours-contracts-what-s-the-story-in-wales/>

³ <https://gov.wales/sites/default/files/statistics-and-research/2021-01/key-economic-statistics-january-2021-402.pdf>

⁴ https://www.resolutionfoundation.org/app/uploads/2017/07/Chapter_five_precarious_work-WEB.pdf

⁵ <https://www.theguardian.com/uk-news/2016/nov/15/more-than-7m-britons-in-precarious-employment>

⁶ <https://www.tuc.org.uk/blogs/rebuilding-good-jobs-why-next-welsh-government-must-focus-job-quality>

⁷ <https://www.thenational.wales/news/19327973.shelter-cymru-survey-reveals-housing-emergency-wales/>

⁸ https://files.bregroup.com/bretrust/The-Housing-Stock-of-the-United-Kingdom_Report_BRE-Trust.pdf

⁹ <https://senedd.wales/laid%20documents/cr-ld10320/cr-ld10320-e.pdf>

that providing larger homes may continue to be the default, in spite of the noted challenges this brings.

This means that benefits claimants in Wales are disproportionately impacted by the bedroom tax.¹⁰ For example, in 2018 12% of housing benefit recipients in Wales had a reduction to their weekly award as a result of the bedroom tax: this compares to just 9% across the equivalent GB proportion. Given the lack of supply and high demand¹² for social homes, this means that renters across Wales who are in receipt of benefits are being punitively penalised for ‘under-occupying’ for legitimate reasons beyond their control. This impact is catalysed for people with disabilities,¹³ who are left four times worse off as a result of the bedroom tax than non-disabled adults.¹⁴ This is especially important, given that more than a quarter of all people living in Wales have a disability.¹⁵ As such, we strongly argue that the UK Government commits to an immediate end of the bedroom tax.

Research by the Resolution Foundation¹⁶ also shows the need to update local housing allowance rates. Torfaen is one of the worst affected local authorities when looking at the gap between LHA rate and median private rents. This is not just a localised issue, however. Our casework shows that across Wales, the shared accommodation rate of LHA for people under 35 disproportionately impacts on young, single, male claimants in the private sector. If we are to rely on the private rented sector to assist with discharging local authorities’ homelessness duties, then this gap presents a significant barrier in Wales. The UK Government must restore the 50th percentile LHA rate, in order to close the gap between LHA rate and actual rents.

The benefits cap is another area which is having a disproportionate impact in Wales. For many people in receipt of benefits who reach the cap, there is no such thing as truly affordable housing. The cost of housing is increasing¹⁷, disproportionately so in Wales¹⁸, yet the benefits cap has remained the same, meaning more people are squeezed between rising living costs and stagnating income. As an example of this, the cap currently stands around £1500 per month¹⁹ for a single parent with children. The median rent for a two bedroom flat in Cardiff is £875 per month²⁰, meaning that a single parent claiming benefits would be paying over half of their income on rent – a totally unsustainable option.

Clearly, there are a range of issues and challenges specific to Wales and parts of Wales which require the UK Government to reconsider their blanket approach to benefits. Without recognising the geographic and demographic differences between the nations and regions of the UK, the benefits system will continue to fail in its objectives to support people during their time of need and will perpetuate the widening societal gaps we continue to see.

¹⁰ <https://gov.wales/sites/default/files/publications/2019-03/impact-of-welfare-reform-on-households-in-wales.pdf>

¹¹ https://www.wao.gov.uk/sites/default/files/welfare-reform-report-english_7.pdf

¹² <https://sheltercymru.org.uk/what-is-social-housing-and-why-do-we-all-need-more-of-it/>

¹³ <https://www.disabilityrightsuk.org/news/2019/september/disabled-people-still-far-worst-affected-bedroom-tax>

¹⁴ <https://www.disabilityrightsuk.org/news/2019/july/disabled-adults-four-times-worse-financially-non-disabled-adults-finds-new-dbc-report>

¹⁵ <https://www.equalityhumanrights.com/en/housing-and-disabled-people-wales-statistics>

¹⁶ <https://www.resolutionfoundation.org/app/uploads/2020/04/Housing-Outlook-April-2020.pdf>

¹⁷ <https://www.gov.uk/government/news/uk-house-price-index-for-june-2021>

¹⁸ <https://www.walesonline.co.uk/lifestyle/welsh-homes/areas-wales-house-prices-growing-21319969>

¹⁹ <https://www.gov.uk/benefit-cap/benefit-cap-amounts>

²⁰ https://www.home.co.uk/for_rent/cardiff/current_rents?location=cardiff

Pre-pandemic, how effectively did the UK benefits system tackle poverty and socio-economic inequalities in Wales as compared to England and Scotland?

Even before the pandemic, around half of the Welsh population received some kind of benefit.²¹

One of the critical support mechanisms in Wales for people on benefits is Discretionary Housing Payments, or DHP. We have long used DHP to help get financial support to people for a range of housing-related issues. A common use of DHP is to offset delays in receiving universal credit payments for people in Wales. In one case study, we supported a person who had to wait almost three months for payment of universal credit from initial claim, helping them to access DHP in the meantime.²² Delays such as this run a real risk of more people being pushed further into poverty and/or homelessness, causing untold disruption and despair which should be completely avoidable.

Delays and mistakes are not just reserved for people in Wales, however. Earlier in 2021, Rhondda Cynon Taf Borough Council were notified by the Department for Work and Pensions that a clerical error in DHP allocations had resulted in their allocation being £90,000 short of their intended allocation and that this shortfall would not be reimbursed to the local authority.²³ Based on the average DHP award for RCTBC over this period, we estimate that this shortfall could have been used to fund 300 separate awards, helping to keep 300 families in their homes. While honest mistakes are often unavoidable, the unwillingness of DWP to rectify and reimburse this error shows that the existing systems and structures are not fit for Wales.

We briefly mentioned above some of the issues associated with the waiting period for universal credit. This five week wait pushes people in need of support further into poverty²⁴ increasing the number of referrals to foodbanks, clearly demonstrating families and people having to choose between buying food and paying other bills. While advance loans are available, these often set people up to fail, facing deductions from already low incomes to pay back the loan, intensifies their financial pressures and pushes people further into poverty – and potentially into homelessness.

As mentioned in the previous answer, Wales has a disproportionate amount of people who are in precarious work, and pay is lower across all sectors. This is a key driver for relative income poverty, where Wales is again proportionately more impacted than the other UK nations.²⁵

The recent decision to re-introduce the Minimum Income Floor²⁶ that was in place prior to the pandemic will have a disproportionately negative impact on Wales, given the issues it creates for self-employed people on benefits. We will inevitably see more people in Wales receive reduced universal credit awards based on an assumed full-time income, in spite of the continued economic precariousness in Wales and the wider UK as we recover from the pandemic.

²¹ <https://research.senedd.wales/research-articles/does-wales-need-more-control-over-the-benefits-system/>

²² https://sheltercymru.org.uk/policy_and_research/the-impact-of-universal-credit-on-peoples-housing-situation-in-wales-briefing-for-mps/

²³ <https://twitter.com/AndrewMorganRCT/status/1370427317663760387>

²⁴ [https://www.tuc.org.uk/research-analysis/reports/universal-credit-and-impact-five-week-wait-payment#:~:text=full%20report%20\(pdf\)-,Introduction,week%20wait%20has%20fundamental%20consequences.](https://www.tuc.org.uk/research-analysis/reports/universal-credit-and-impact-five-week-wait-payment#:~:text=full%20report%20(pdf)-,Introduction,week%20wait%20has%20fundamental%20consequences.)

²⁵ <https://gov.wales/relative-income-poverty-april-2019-march-2020-html>

²⁶ <https://inews.co.uk/news/politics/universal-credit-bringing-back-punitive-minimum-income-floor-blow-self-employed-1130940>

The picture painted above, of the scale of poverty and deprivation in Wales clearly shows that the existing UK benefits system was totally unfit for purpose when it came to tackling poverty and socio-economic inequalities in Wales. As we will set out later, this level of poverty and gaping societal inequalities have only been exacerbated by the impact of the pandemic.

How has the COVID-19 pandemic changed the type and amount of support needed by people in Wales?

The Covid crisis has undoubtedly drawn attention to and exacerbated the pre-existing societal inequalities in Wales and the wider UK, caused and driven by 'years of declining social mobility and a near-decade of rising child poverty.'²⁷

Our *Life in Lockdown* report²⁸ explored some of the issues around people's homes in Wales which surfaced during the pandemic. We found that more than 1 in 3 children lives in homes which saw a decrease in income, nearly 1 in 3 families with children experienced serious problems in their home and nearly 1 in 5 families lacked a computer or a laptop.

The Bevan Foundation's *Snapshot of Poverty in Spring 2021*²⁹ report paints a similar picture of increased pressure caused by the pandemic, which should help form thinking about the changing type and amount of support people currently need in Wales and will need in the near future. The report illustrates that incomes are still falling for people on lower net incomes, while households on higher incomes have seen that income increase. This in the face of rising living costs, applying pressure on social renters, parents and guardians in particular. Personal debt has become a particular issue in Wales and all of the above seems to be having impacts on housing security, with more than 1 in 10 households facing insecurity and around 80,000 households having already had to find a new home or having been told they will need to find a new home.

The rising cost of housing during the pandemic³⁰ has created additional challenges in the way support has worked to help people find and retain a home. Rising house prices have helped fuel higher local rents³¹ in Wales and in England³² adding yet more pressure to people on low incomes and/or benefits in the rented sectors, in particular as we've outlined with LHA level inadequacies.

A significant change in support driven by the pandemic was the decision by the Welsh Government to find accommodation for people pushed into homelessness and rough sleeping throughout the duration of the pandemic.³³ This represented a significant step-change with existing policy based around priority need and removed many of the barriers previously in place for people to access temporary accommodation and/or longer term homes.

²⁷ <https://www.theguardian.com/inequality/2021/mar/11/majority-think-covid-has-increased-uk-social-inequality-survey-shows>

²⁸ https://sheltercymru.org.uk/wp-content/uploads/2020/11/Life-in-lockdown-in-Wales_Nov-2020.pdf

²⁹ <https://www.bevanfoundation.org/resources/poverty-in-spring-2021/>

³⁰ <https://www.itv.com/news/wales/2021-06-29/unprecedented-levels-of-interest-in-welsh-housing-market-as-prices-see-biggest-rise-in-16-years>

³¹ <https://www.bbc.co.uk/news/uk-wales-56996107>

³² <https://www.theguardian.com/business/2020/jun/17/private-rents-england-record-high-coronavirus-lockdown>

³³ <https://gov.wales/ad-hoc-statistical-requests-10-july-2020>

We believe the reaffirmed commitment from the Minister for Climate Change to end priority need in Wales³⁴ will eventually have a positive impact on people on lower incomes and/or in receipt of benefits in accessing housing, though the immediate issue of a lack of stock will need to be resolved. This new change will help remove the barriers previously in place and help people on benefits and/or low incomes get the stable and secure foundations needed for healthy, happy and productive lives. However, its success will be dependent on how effectively the Welsh Government can deliver on the provision of several thousand new accommodation units that are genuinely affordable for people claiming benefits – including large numbers for individual people.

Ultimately, the pandemic outlined the need for increased investment from the UK and Welsh Governments in financial support and a range of other packages, such as finding and retaining a home, accessing adequate benefits and living stable and secure lives.

How effectively has the UK benefits system responded to these needs, and what else should the UK Government do to deliver the right support in Wales?

The response from the UK Government and benefits system in Wales has been mixed and there are a number of lessons for the UK and Welsh Governments.

The £20 uplift to universal credit had a significant, positive effect, delivering support directly to the people who need it the most across Wales. The Trussell Trust survey³⁵ shows the scale of the positive impact the uplift bought, with over 70% of respondents noting that the uplift had made it easier for them to afford essentials. The scale of the positive impact the uplift delivered therefore seriously questions the UK Government's decision to end it, stripping around £1000 a year away from families, undoubtedly pushing many people further into poverty and decreasing their spending power at a time when levelling up, and recovering the economy, are stated policy priorities.

We have made some reference already to the importance of DHP and the decision from the UK Government to boost this funding during the pandemic was very welcome and needed.³⁶ However, as is the case with the £20 uplift, this significant and well needed support is now also being withdrawn, with funding due to be cut to levels lower than 2017/18 and 2018/19.³⁶ The Resolution Foundation have noted³⁷ that rent arrears accrued as a result of the pandemic, estimating that a package of around £200-375 million would be required to support the hundreds of thousands of people struggling with rent arrears.

This report was swiftly followed up by a recommendation from the Commons' Housing, Communities and Local Government Committee that the UK Government deliver a financial package to help tenants pay off their debts.³⁸ The report estimated that a £200-300 million package of support would in turn save the Exchequer 'a substantial amount' in homelessness assistance – in addition to avoiding forcing people to run the risk of homelessness.

Unfortunately the story is also similar with the Minimum Income Floor. The withdrawal of this during the pandemic was a positive change and step in the right direction to remove barriers

³⁴ <https://twitter.com/ShelterCymru/status/1415660599049080832?s=20>

³⁵ <https://www.trusselltrust.org/2021/02/08/the-real-impact-of-removing-the-universal-credit-uplift/>

³⁶ <https://www.theguardian.com/money/2021/jun/06/cut-of-40m-in-help-for-tenants-will-drive-up-homelessness>

³⁷ <https://www.resolutionfoundation.org/app/uploads/2021/02/Getting-ahead-on-falling-behind.pdf>

³⁸ <https://committees.parliament.uk/publications/5342/documents/53217/default/>

for people accessing support they needed. Its reintroduction is, as stated above, likely to now mean reduced UC awards based on flawed assumptions, pushing disproportionate numbers of people further into poverty in Wales, given the makeup of the labour market.

Essentially, the UK Government's packages of support during the pandemic were welcome and undoubtedly helped to support people – their withdrawal is likely to push people over a cliff edge and further into poverty and/or homelessness.

How effectively do the Welsh Government's allowances and grants meet the particular needs of people in Wales?

There are a range of grants and allowances run by the Welsh Government to supplement the UK benefits system, but these create a complex picture for people to access and navigate. We will outline in the next question how we believe that the Welsh and UK Governments can better develop a system which is more person-centred, accessible and easy to navigate – getting support to the people who need it quickly and straightforwardly and undoing some of the complex bureaucracy we see in the current, disjointed format.

Currently the Welsh Government has taken a range of measures to supplement the benefits system run by the UK Government. We spoke earlier about the importance of DHP and its role in preventing homelessness. The Welsh Government have recently 'topped up' DHP funding in Wales³⁹ - illustrating the demand for financial support of this nature. We are concerned at the UK Government's decision to cut DHP levels, which may see the Welsh Government and/or local authorities having to divert funding from other important areas to top up their DHP pots.

We have already made reference to the disproportionate impact that the bedroom tax has in Wales, leaving many claimants who 'under-occupy' pushed into poverty and risk of homelessness due to a lack of suitable homes and older, poorer housing stock. The Scottish Government currently offset the impacts of the bedroom tax⁴⁰ via DHP, however as the pre-referenced [PAC report](#) suggests, different stock, more suitable to changing housing need should be the long term solution to mitigation of the bedroom tax – provided it is not changed or scrapped by the UK Government. An additional challenge posed by older, poorer homes is that of energy efficiency and the additional cost this presents tenants, particularly people on low incomes and/or benefits. The Welsh Government has a range of programmes aimed at tackling homes that are not energy efficient, such as the Nest⁴¹ and Arbed⁴² schemes in the private sector and for owner-occupiers. The Optimised Retrofit Programme⁴³ also covers this space in the social housing sector which is a welcome step alongside the Welsh Government's commitment to build 20,000 new, low carbon social homes.⁴⁴ However, more needs to be done in this area and the Welsh and UK Governments should provide more support to people on benefits whose homes pose higher than average costs on energy efficiency to avoid a cumulative issue for people on benefits in older homes.

³⁹ <https://gov.wales/written-statement-extension-tenancy-saver-loan-scheme-and-additional-funding-discretionary-housing>

⁴⁰ <https://www.gov.scot/publications/foi-202000014853/#:~:text=The%20Scottish%20Government%20currently%20mitigates,households%20to%20maintain%20their%20tenancies.>

⁴¹ <https://nest.gov.wales/en/>

⁴² <https://www.arbedambyth.wales/eng/home.html>

⁴³ <https://gov.wales/social-housing-sector-set-wales-path-decarbonise-thousands-homes-and-boost-green-economic-recovery>

⁴⁴ <https://www.bbc.co.uk/news/uk-wales-58078894>

We remain supportive of root and branch reform of the “out of date, regressive and distortionary” council tax system devolved to Wales.⁴⁵ Despite this, the Council Tax Reduction Scheme (CTRS) managed by the Welsh Government can and should provide thoughts to inform council tax’s replacement. The subsidy from the Welsh Government after the 10% budget cut has shown that council tax collection rates have remained stable in Wales⁴⁶ whereas evidence from England⁴⁷ shows increased levels of arrears, in particular from CTR recipients who have had to pay council tax for the first time. Crucially, awareness and take-up of the CTRS is still low in Wales, and its status as a benefit no longer holds due to it being devolved, meaning it is vulnerable to future cuts. Should council tax reform not take place in Wales, then the Welsh Government must consider how best to raise awareness of the CTRS to put pounds back in people’s pockets.

A very welcome intervention from the Welsh Government was the introduction of the Tenancy Hardship Grant⁴⁸ to help renters with arrears as a result of Covid-19 to tackle their arrears. It is too early properly evaluate the success of the scheme so far, but some lessons have been learned from the scheme’s little-used predecessor, the Tenancy Saver Loan.

What reforms are needed to the benefits system and should there be further devolution of powers?

There has been much debate as to the devolution of further welfare powers to Wales or not over recent years. The Wales Governance Centre’s research⁴⁹ even suggests that Wales could “stand to benefit considerably” from a further devolution of welfare powers.

We believe that regardless of whether the benefits system is further devolved to the Welsh Government, or remains reserved to the UK Government, it needs fundamental reform to meet the needs of the people of Wales.

The Bevan Foundation’s ‘Welsh Benefits System’ report⁵⁰ explores practical changes which can be made to existing support packages administered by the Welsh Government, which supplement the UK Government’s benefits system. As the report illustrates, the significant expenditure from the Welsh Government in addition to the UK Government is undoubtedly required and offers vital support to many people. However, the systems are disjointed and leave some people ~~falling through~~ **falling through** gaps and without the support they require. A move towards a more person-centred system, focussing on a rights-based approach and entitlement as opposed to discretion will see support reach more of the people who need it. Making these systems and processes centred around the user, easy to access and navigate will be a key factor in the success of any Welsh benefits system, reserved or devolved. These thoughts were also echoed by the Equality, Local Government and Communities Committee report⁵¹ from 2019.

If welfare is to be further, or fully devolved to Wales then it is vital that this process is done properly, giving sufficient capacity and capability to the Welsh Government to develop a system that truly meets the needs of people in Wales. Anything else would be devolution in

⁴⁵ <https://ifs.org.uk/publications/14760>

⁴⁶ <https://policyinpractice.co.uk/analysis-the-impact-of-universal-credit-in-wales/>

⁴⁷ <https://ifs.org.uk/publications/13827>

⁴⁸ <https://gov.wales/tenancy-hardship-grant-private-rented-sector-tenants-coronavirus>

⁴⁹ https://www.cardiff.ac.uk/__data/assets/pdf_file/0010/1476352/devolving_welfare_final2.pdf

⁵⁰ <https://www.bevanfoundation.org/wp-content/uploads/2020/09/Welsh-Benefits-System-Final-Report-1.pdf>

⁵¹ <https://senedd.wales/laid%20documents/cr-ld12832/cr-ld12832%20-e.pdf>

name only and would perpetuate the existing, flawed system which contributes to pushing so many people into or further into poverty and/or homelessness.

Whether devolved or reserved, we believe the following reforms are vitally needed, to deliver a benefits system in Wales which reduces the significant and disproportionate level of poverty and recognises structural contexts in Wales such as the labour market and housing stock, which influence choice and financial security:

- An immediate end to the bedroom tax for benefits claimants in Wales;
- A re-introduction and extension of the £20 uplift in Universal Credit;
- A reversal of the cuts to DHP and reimbursement of funding lost to local authorities as a result of the DWP's clerical errors;
- An increase in LHA to the 50th percentile of the BRMA;
- The removal of the Minimum Income Floor for self-employed claimants;
- An overhaul of the manner in which people engage with and access benefits, to create a more person-centred and navigable system.

How effectively do the UK and Welsh Governments work together in the delivery of benefits in Wales?

It is no secret that the relationships between the Welsh and UK Governments have become strained in recent years. That said, there have been instances of both good partnership working in addition to incidences of poor relations getting in the way of delivering for the people of Wales. The reality is that if we are to tackle the housing emergency and its knock-on effects in Wales and the wider UK, then all decision makers at every level will need to work more cohesively.

What we must not see again is the refusal of Welsh-specific support by the UK Government, such as the refusal of financial support to match restrictions in Wales during the pandemic.⁵² The recognition of the changing nature of the UK, with different regions and nations having differing needs, will be central to the successful reform of the benefits system – regardless of who it is administered by. If we are to truly “level up”⁵³ across all of the nations and regions of the UK, then a blanket, centralised approach to this without recognition of differing contextual issues will mean that “levelling up” remains rhetoric. Without a flexible framework for a benefits system that recognises difference, then we will see more of the same, with a continued widening of demographic and geographic inequalities, perpetuating poverty and misery on further generations.

What are the implications of the Universal Basic Income pilot in Wales?

The glaring extent of poverty in Wales and the lack of current resource to tackle these issues are laid bare in our response. We welcome creative and innovative approaches to tackling the perennial scourge of poverty, which is a key contributor to the housing emergency affecting over a million people in our nation.

We welcome the announcement of a UBI trial⁵⁴ by the Welsh Government and look forward to the assessment of its impact in due course. In the meantime, we urge the committee to

⁵² <https://www.bbc.co.uk/news/uk-wales-54766012>

⁵³ <https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0086/>

⁵⁴ <https://www.bbc.co.uk/news/uk-wales-politics-57120354>

take into account our recommendations and work with the UK and Welsh Governments to build a benefits system which truly works for Wales.

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