

	<b>Recommendation</b>
1	<p>We strongly recommend that a clear tackling poverty strategy is published, which brings together the many strands of poverty reduction work to help provide clear direction and to help the Assembly scrutinise the Government's approach. The strategy should include clear performance indicators to ensure effective performance management, as well as setting out a broader evidence base to help underpin effective evaluation of different approaches to tackling poverty.</p>
	<p><b><u>Response: Reject</u></b></p> <p>Our National Strategy <i>Prosperity for All</i> provides a framework for our whole-government approach to increasing prosperity and addressing the root causes of poverty in a more effective, joined-up way.</p> <p>We want to avoid separate strategies that fail to take a holistic approach to complex issues. We can only effectively respond to the long-term challenge of addressing poverty by joining up everything we do.</p> <p>In terms of measuring progress, the National Indicators underpinning the Well-being of Future Generations Act will help measure our progress as a country towards achieving the seven well-being goals.</p> <p>Many of these indicators will help us assess progress in tackling poverty. They will measure for example, relative poverty, material deprivation, levels of employment and healthy lifestyles amongst others.</p> <p><b><u>Financial Implications</u></b></p> <p>There are no additional financial implications as a result of this recommendation.</p>
2	<p>We recommend that the Welsh Government develops a single, joined-up, implementation plan to deliver the actions set out in the Economic Action Plan and Employability Plan. This should include a set of indicators against which the Government's progress in delivering its key objectives can be measured, and should be published by the end of 2018, with annual updates thereafter.</p>
	<p><b><u>Response: Accept in principle</u></b></p> <p>The Economic Action Plan and the Employability Plan have been developed in the context of the overarching national strategy, Prosperity for All. We are now focussed on delivering our commitments and will continue to consider the optimal mechanisms for managing and reporting on delivery in these closely aligned areas of work. This reporting sits within the context of Prosperity for All and the national Well-Being indicators that provide us with a single, clear and consistent measuring framework across Government. We will be publishing a progress report on the Employability Plan in September.</p> <p><b><u>Financial Implications</u></b></p> <p>There are no additional financial implications as a result of this recommendation.</p>
3	<p>We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> <li>• sets out clearly the outcomes it expects businesses awarded funding via the Economy Futures Fund to achieve;</li> </ul>

	<ul style="list-style-type: none"> <li>explains how outcomes will be measured; and</li> <li>develops robust monitoring procedures to ensure compliance with the Economic Contract.</li> </ul>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>The Economic Action Plan's Calls to Action set out the outcomes we expect businesses awarded funding via the Economy Futures Fund to achieve.</p> <p>There is a distinction between the Economic Contract and the Calls to Action. The Economic Contract is effectively a pre-qualification stage. Businesses that do not satisfy the requirements of the Economic Contract will not have the opportunity to progress to application stage.</p> <p>The Calls to Action are directly linked to an application for funding. These Calls to Action will be robustly monitored as part of the conditions of support, including considerations of claw-back in cases where agreed outputs are not met.</p> <p><b><u>Financial Implications</u></b></p> <p>There are no additional financial implications as a result of this recommendation.</p>
4	<p>We recommend that the Welsh Government sets out clearly the potential consequences to businesses of not complying with the Economic Contract. In cases where businesses do not comply with the requirements of the Economic Contract, and do not accept support to meet these requirements, potential sanctions should include enhanced monitoring, publicising serious cases of non-compliance where there is a public interest in doing so, suspending funding, and ultimately clawback of funding.</p>
	<p><b><u>Response: Accept</u></b></p> <p>We are making it clear in our communications business must satisfy the Economic Contract before we will consider an investment proposition.</p> <p>If a business cannot satisfy the Economic Contract, it will not have the opportunity to progress an investment proposition with us.</p> <p>The Economic Contract is effectively a pre-qualification stage. The Calls to Action are directly linked to an application for funding and it is progress towards delivering these Calls to Action that will be robustly monitored, including considerations of claw-back in cases where agreed outputs are not met.</p> <p><b><u>Financial Implications</u></b></p> <p>There are no additional financial implications as a result of this recommendation.</p>
5	<p>We recommend that the Welsh Government works with the Chief Regional Officers to ensure that the regional business plans take into account the differences within regions, identify the actions that will address inequalities and benefit those on the lowest incomes within regions</p>
	<p><b><u>Response: Accept</u></b></p> <p>Our Chief Regional Officers are already in active discussions with key</p>

	<p>stakeholders in their regions and they will be working to develop plans that will set out how each region can best capitalise on its strengths and opportunities. This will align to the overall objective of the Economic Action Plan, to raise wealth and well-being whilst reducing inequalities in both.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
6	<p>We recommend that the Welsh Government reviews its Location Strategy to ensure a better spread of public sector jobs across Wales, and in particular deprived areas. This should include setting out how this approach will attract and relocate jobs to the strategic hubs within the South Wales Valleys, and to other parts of Wales, in particular those areas in West Wales and the Valleys set to lose EU Structural Funding.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>The Location Strategy is aligned with our Programme for Government, <i>Taking Wales Forward</i> and national strategy, <i>Prosperity for All</i>, in its objective of ensuring the most efficient use of the Welsh Government's administrative estate.</p> <p>Our dispersed estate already aims to contribute directly to Welsh Government's national strategy and Economic Action Plan by supporting regional employment, spreading opportunity and economic benefits while also enabling the effective delivery of services across the whole of Wales. The Location Strategy will maintain Welsh Government's commitment to being located across Wales.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
7	<p>We recommend that the Welsh Government's enabling plans for the four foundational sectors contain a clear outline of the improvements to pay, security of work and training that it requires in return for the greater sectoral support it will provide.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>We are committed to working with business and other stakeholders in Foundation Sectors to develop enabling plans. These plans will look at the critical challenges and opportunities for those sectors and the people working within them.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
8	<p>We recommend that the Welsh Government clarifies why the construction, energy and health sectors are classed as foundational sectors prioritised for investment in the Valleys but not in other parts of Wales.</p>
	<p><b><u>Response: Accept</u></b></p> <p>Our Economic Action Plan is clear on our rationale for selecting the four foundation sectors of tourism, food, retail and care across Wales.</p>

	<p>It is consistent with the regional approach that some parts of Wales may identify other sectors that are of particular relevance to them.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
9	<p>We recommend that the Welsh Government's enabling plans set out how the support it is providing to foundational sectors will help to address inequalities facing the predominantly female workforce.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>See answer to recommendation 7.</p> <p>In addition, the gender pay gap is an issue that will be considered within the parameters of the broader work of the Fair Work Commission.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
10	<p>We recommend that the Welsh Government ensures that Working Wales continues to collect data on outcomes and experiences for at least a year after a person has successfully gained employment.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>Working Wales is a new programme designed to support people of all ages to overcome barriers and gain the skills to achieve and maintain good quality, sustainable employment. We know that some employers and individuals will require support in the early days, so Contractors will be required to support both individuals and employers during the initial stages of employment, and facilitate on the job training to ensure that individuals have the best chance of sustaining employment. The funding model focuses on rewarding employment outcomes, and successful transition into work with a final payment made when an individual has sustained progression for 3 months. Longer term data on participant outcomes will be collected by means of survey data and evaluation evidence as well as data matching exercises using DWP and HMRC data where possible.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
11	<p>We recommend that the Welsh Government pilots in-work progression support for the four foundational sectors it has chosen to prioritise. This could include areas such as skill council support or careers advice; and support for increasing understanding of transferrable skills and "on the job learning" to assist people progressing through organisations.</p>
	<p><b><u>Response: Accept</u></b></p> <p>In partnership with the Welsh Government, Wales Centre for Public Policy is convening a symposium and debate on 13 July including an expert group roundtable discussion. The Wales Centre for Public Policy (WCPP) has reviewed job progression barriers in low paid work and considered the available evidence</p>

	<p>on how to promote progression. We now want to test our learning, consider how to foster demand and supply side activity for in-work progression and provide recommendations on how to proceed. The event will consider job progression within the four foundational economy sectors prioritised by the Economic Action Plan and will also consider progression in other low pay sectors highlighted as part of Regional Skills Partnership Employment and Skills Plans.</p> <p><u>Financial Implications</u></p> <p>The event in July is funded through WCPP’s core remit and there are therefore no additional financial considerations for Welsh Ministers. Any recommendations for pilot activity as a result of the event are not currently planned within divisional budgets. Ministerial advice will be sought on proposals.</p>
12	<p>We recommend that the Welsh Government works with employers in foundational sectors to pilot creating “job ladders” within firms to improve workforce progression.</p>
	<p><b><u>Response: Accept</u></b></p> <p>In partnership with the Welsh Government, Wales Centre for Public Policy is convening a symposium and debate on 13 July including an expert group roundtable discussion. The Wales Centre for Public Policy (WCPP) has reviewed job progression barriers in low paid work and considered the available evidence on how to promote progression. We now want to test our learning, consider how to foster demand and supply side activity for in-work progression and provide recommendations on how to proceed. The event will consider job progression within the four foundational economy sectors prioritised by the Economic Action Plan and will also consider progression in other low pay sectors highlighted as part of Regional Skills Partnership Employment and Skills Plans. Employers from relevant sectors will be included in the event and will be involved in making recommendations on the way forward.</p> <p><u>Financial Implications</u></p> <p>The event in July is funded through WCPP’s core remit and there are therefore no additional financial considerations for Welsh Ministers. Any recommendations for pilot activity as a result of the event are not currently planned within divisional budgets. Ministerial advice will be sought on proposals.</p>
13	<p>We recommend the Welsh Government commits to undertaking a full review of the Code of Practice on Ethical Procurement in Supply Chains by 2020 and takes actions to address any issues identified. The review should consider whether the Code should be placed on a statutory basis.</p>
	<p><b><u>Response: Accept</u></b></p> <p>The Welsh Government has undertaken to complete a review of the effectiveness of the Code of Practice on Ethical Employment in Supply Chains two years after it was launched, in the spring of 2019. This will include a consideration of the existing mechanisms for monitoring its application.</p> <p><u>Financial Implications</u></p>

	<p><b>There are no additional financial implications as a result of this recommendation.</b></p>
14	<p>We recommend the Welsh Government use the forthcoming procurement fitness checks to assess the extent to which public bodies ensure that businesses comply with ethical employment and community benefits initiatives.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>Future plans for the Procurement Fitness Checks programme will be driven by the outcome of the Procurement Review which is currently underway.</p> <p><b><u>Financial Implications</u></b></p> <p><b>There are no additional financial implications as a result of this recommendation.</b></p>
15	<p>We recommend the Welsh Government uses the procurement fitness checks to review the approach to monitoring ethical employment practices and community benefits policies. The findings of such a review should inform the development of guidance to the public sector on monitoring and reviewing compliance.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>Future plans for the Procurement Fitness Checks programme will be driven by the outcome of the Procurement Review which is currently underway.</p> <p><b><u>Financial Implications</u></b></p> <p><b>There are no additional financial implications as a result of this recommendation.</b></p>
16	<p>We recommend that the Welsh Government carries on its work to explore the potential for using “equality benefit” clauses in procurement, and the potential for requiring contractors to develop action plans to advance women in their company and industry.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>Pending the outcome of the Procurement Review, which is currently underway, the Welsh Government will consider how to promote equalities through procurement.</p> <p><b><u>Financial Implications</u></b></p> <p><b>There are no additional financial implications as a result of this recommendation.</b></p>
17	<p>We recommend the Welsh Government publish the composition, terms of reference, and details of meetings of the Fair Work Board on the Welsh Government website immediately. Going forward, the Welsh Government should commit to publish the findings of any work undertaken by the Board, along with its responses to the Board’s recommendations.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>The Fair Work Board was established to conduct the initial scoping work. The Board has been a source of good, creative and critical advice in helping to test Welsh Government thinking. The Board has made good initial progress in identifying the evidence gaps and the levers available to Welsh Government to drive a Fair Work agenda.</p>

	<p>The work to identify the means and processes by which to deliver fair work outcomes will be taken forward by the Fair Work Commission – a small independent group set up to examine the outputs of the Fair Work Board and advise Welsh Government on the future course of action. Details of the Fair Work Board’s membership, terms of reference and an outline of the Board’s work programme could be made available.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
18	<p>We recommend that the Welsh Government place requirements on any company receiving Welsh Government support through funding covered by the Economic Contract or otherwise to minimise the use of zero hours contracts. As part of this, the Welsh Government should support organisations to overcome potential barriers to offering secure contracts. As a minimum, companies should have to offer employees the option to move onto secure contracts after a set period of employment, which we suggest should be 3 months.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>The Economic Contract is designed to drive business and employment practices that are more responsible, and we would expect conversations with business through the Economic Contract to discuss the use of fair and ethical contracts. We have introduced a Code of Practice to establish ethical employment practices in supply chains and produced a guide to tackling unfair employment practices, including the unfair use of zero hours contracts.</p> <p>The Fair work Commission will be looking at earnings (fair and guaranteed hourly earnings) and the use of zero hours contracts. The recommendations of the ELG&amp;C Committee will be taken into consideration as part of its in-depth expert analysis.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
19	<p>We recommend that the Welsh Government develop a broad and wide-reaching campaign to encourage payment of the voluntary living wage within both the private and public sector in Wales. Such a campaign should highlight the economic benefit to businesses and should celebrate those employers that already pay the voluntary living wage.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>Action to promote more responsible business practices, such as payment of the Real Living Wage, will support businesses to be more informed and better placed to employ workers on fair pay, terms and conditions. We are working with foundation sectors such as care, retail, food and tourism to support growth and value in these sectors with the aim of supporting greater opportunities for progression and decent pay.</p> <p>We are taking a range of actions to promote the benefits of adopting the Living Wage to business including using existing business support mechanisms such as</p>



	<p>Business Wales and Accelerated Growth.</p> <p>The Welsh Government has published a Code of Practice on Ethical Employment in Supply Chains. The Guide contains twelve ethical employment commitments in areas ranging from tackling modern slavery to avoiding unfair use of zero hours contracts. Part of being an ethical employer is paying employees a fair wage. The Guide explains how paying the Living Wage Foundations' Living Wage can be promoted through procurement.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
20	<p>We recommend that the Welsh Government incentivises the payment of the voluntary living wage when considering applications for financial support covered by the Economic Contract. This should be seen as a core requirement for larger businesses who employ at least 250 staff.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>The Economic Contract is designed to drive business and employment practices that are more responsible, and we would expect conversations with business through the Economic Contract to include promotion of the voluntary living wage. We have introduced a Code of Practice to establish ethical employment practices in supply chains and produced a guide to implementing the voluntary living wage through procurement.</p> <p>The Fair work Commission will be looking at earnings (fair and guaranteed hourly earnings) and the use of zero hours contracts. The recommendations of the ELG&amp;C Committee will be taken into consideration as part of its in-depth expert analysis.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
21	<p>We recommend that the Welsh Government place a requirement on all companies, with between 50-249 employees, who receive support as part of the Economic Contract to publish data on their gender pay gaps.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>When the Fair Work Board looked at the levers available to Welsh Government to implement fair work practices, the measures considered to encourage or incentivise the private sector to adopt fair work practices included scope to insist on greater transparency including the scope to require organisations to publish details of their employment practices including details such as their gender pay gaps. This will be explored in greater depth by the Fair Work Commission.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
22	<p>We recommend that the Welsh Government publish an action plan setting out what it will do to reduce the gender pay gap once the Fair Work Board has</p>



	<p>published its recommendations. This action plan should contain clear milestones, targets and actions.</p>
	<p><b><u>Response: Accept in Principle</u></b></p> <p>This recommendation will be considered by the Fair Work Commission as part of its evidence gathering.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>
23	<p>We recommend that, as part of any consideration of the devolution of powers on the administration of Universal Credit, the Welsh Government undertakes and publishes analysis of the benefits and risks.</p>
	<p><b><u>Response: Reject</u></b></p> <p>The Welsh Government does not support the devolution of welfare benefits or their administration to Wales. As a matter of principle, we should all be entitled to an equal claim from our welfare state. The needs of citizens within the UK, wherever they live, should be equally met.</p> <p>The Scottish Government does have powers over the flexibility of payment options for Universal Credit claimants via the Scotland Act 2016. The Scottish Government has worked with the Department for Work and Pensions (DWP) and introduced 'Scottish Choices' in October 2017. Universal Credit remains reserved to the UK Government. The DWP administers Universal Credit and these 'Scottish Choices' are only available after the first payment of Universal Credit (UC) has been made.</p> <p>The Welsh Government wishes to see all Universal Credit claimants being offered an informed choice regarding how their Universal Credit is paid, through the promotion of flexible payment arrangements. These include more frequent payments than just once per month; the payment of housing costs directly to the landlord; and split payments for those who would like them. These options are already available to Universal Credit recipients in Wales, where required, and they do not require the devolution of benefits or their administration.</p> <p>The Minister for Housing and Regeneration has repeatedly written to Ministers from the UK Government Department of Work and Pensions (DWP) asking for greater consideration to be given to proactively offering these informed choices to claimants in Wales. The DWP has now agreed to the setting up of a Joint Board with Welsh Government to look at the operational implementation issues for Universal Credit.</p> <p><u>Financial Implications</u></p> <p>There are no additional financial implications as a result of this recommendation.</p>