



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Archwilio
The Audit Committee**

**Dydd Iau, 15 Hydref 2009
Thursday, 15 October 2009**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau Cynulliad yn bresennol
Assembly Members in attendance

Lorraine Barrett	Llafur Labour
Angela Burns	Ceidwadwyr Cymreig (yn dirprwyo ar ran Nick Ramsay) Welsh Conservatives (substituting for Nick Ramsay)
Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Irene James	Llafur Labour
Bethan Jenkins	Plaid Cymru The Party of Wales
Jonathan Morgan	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Chair of the Committee)
Janet Ryder	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Carol Adams	Swyddog Arweiniol/Cydgysylltydd Cymunedau yn Gyntaf, Ymddiriedolaeth Datblygu 3G Lead Officer/Communities First Co-ordinator, 3Gs Development Trust
John Baker	Swyddfa Archwilio Cymru Wales Audit Office
Gillian Body	Swyddfa Archwilio Cymru Wales Audit Office
Anna Chard	Cydgysylltydd Cymunedau yn Gyntaf, Partneriaeth Cymunedau yn Gyntaf St Illtyd Communities First Co-ordinator, St Illtyds Communities First Partnership
Brian Collins	Cadeirydd, Ymddiriedolaeth Datblygu 3G Chair, 3Gs Development Trust
Jeremy Colman	Archwilydd Cyffredinol Cymru Auditor General for Wales
Caroline Gardner	Y Dirprwy Archwilydd Cyffredinol, Audit Scotland Deputy Auditor General, Audit Scotland
Syr/Sir Alistair Graham	Aelod o Dîm Adolygiad Cymheiriaid Rhyngwladol o Swyddfa Archwilio Cymru Member of the International Peer Review of the Wales Audit Office Team
Bryn Jones	Cydgysylltydd Cymunedau yn Gyntaf, Partneriaeth Cymunedau yn Gyntaf Penparcau a Gorllewin Aberystwyth Communities First Co-ordinator, Penparcau and West Aberystwyth Communities First Partnership

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Daniel Collier	Dirprwy Glerc Deputy Clerk
John Grimes	Clerc Clerk

Andrew Minnis

Dirprwy Glerc
Deputy Clerk

*Dechreuodd y cyfarfod am 1.29 p.m.
The meeting began at 1.29 p.m.*

Ymddiheuriadau a Dirprwyon Apologies and Substitutions

[1] **Jonathan Morgan:** Good afternoon. I welcome Members to the National Assembly's Audit Committee. Before we proceed with the main items of business this afternoon, I remind Members to ensure that their mobile phones, pagers and BlackBerrys are switched off. I also remind Members and our guests that we are a bilingual institution, so if Welsh is spoken, a headset is available. The translation from Welsh to English can be heard on channel 1, and channel 0 can be used for amplification of sound, if required. If there is a fire alarm, everyone should follow the advice of the ushers. I have not been informed that a drill is planned for this afternoon, so if the fire alarm sounds, please follow the advice of the officials.

[2] I am delighted to welcome Caroline Gardner and Sir Alistair Graham this afternoon, who were members of the peer review team that was commissioned by the Auditor General for Wales. Before we proceed with questions based on the briefing that we have received from the auditor general and the paper received from the peer review team, I will note the apologies for absence this afternoon. We have received apologies for absence from Janice Gregory, Huw Lewis and Lesley Griffiths, who is attending another committee. Nick Ramsay is absent, but Angela Burns is here as a substitute in his place. I extend a warm welcome to Angela.

1.30 p.m.

Adolygiad Cymheiriaid Rhyngwladol o Swyddfa Archwilio Cymru International Peer Review of the Wales Audit Office

[3] **Jonathan Morgan:** We will move on to the first substantive item, which is the international peer review of the Wales Audit Office. It is a great pleasure to welcome our guests here this afternoon. As we have two papers to accompany this session, I will first ask the Auditor General for Wales to introduce his paper and then ask Caroline and, if you wish, Alistair, to comment on your paper before we proceed to questions.

[4] **Mr Colman:** I would like to draw attention to paragraph 7 of my report, which gives three reasons that appear to me to be good reasons as to why a peer review is a good thing for the Wales Audit Office to do. Reason c says that a peer review or external scrutiny, if possible, supported by internal self-assessment, is a good thing for any public body to do. However, very few do that. That explains the reason for the peer review.

[5] As for the question of why I commissioned it when I commissioned it, the answer is that, as members of the committee will know, the Wales Audit Office came into being a little under five years ago as the result of a merger between two existing institutions. It is well known that mergers give rise to a painful period of transition, during which the new team is 'forming and storming', as the jargon goes. Towards the end of last year, I came to the conclusion that the storming seemed to have been going on too long and that the issues that were causing it were not simply what you would expect from a merger. I therefore commissioned a self-assessment to inform me as to what was going on in more detail, and used that self-assessment to support the peer review that I also commissioned.

[6] The peer reviewers say in their report that the self-assessment was rigorous and covered all the ground that they thought needed to be covered. That is satisfying. When the self-assessment reached me, I announced internally that I would change the management structure at the top of my organisation in response to the issues identified in it. During the summer, I and senior colleagues have been developing the detail of that and I expect to announce the details of the new top structure of the organisation and a programme of change to deliver the recommendations contained in the review in the next couple of weeks.

[7] In short, the peer review that I commissioned has defined an agenda for further action. That action will be taken by a new executive committee, working in a slightly rejigged environment. I am confident that, in a relatively short time, the issues identified in the peer review will have been addressed.

[8] **Jonathan Morgan:** Caroline, would you like to introduce your report, before we proceed to questions?

[9] **Ms Gardner:** Yes, if I may; I would like to make a short opening statement to highlight what we think are the most important points. We will then do our best to answer any questions that you may have. As the auditor general has said, earlier this year, he commissioned us to carry out an independent peer review of the Wales Audit Office. There were five of us on the team; two of us are here today, namely Sir Alistair Graham and myself. The other three members were John Purcell, who is the former auditor general of Ireland, and two colleagues from the Netherlands court of audit. So, four of us came from public audit backgrounds and Sir Alistair is a former chair of the Committee on Standards in Public Life. We hope that we bring the experience and expertise to make a contribution to the running of the Wales Audit Office. We very much endorse Jeremy's sense that it is a good thing to commission such an independent peer review, and to ask for an independent assessment of how you are doing. We hope that we have been able to make a contribution to the next stage of the office's existence.

[10] Our starting point was twofold: an induction day, which we think gave us a good grounding in the way that the Wales Audit Office works, and that of the public services in Wales, which none of us are familiar with; and the self-assessment, which we felt was rigorous and helped us to identify the areas that we wanted to focus on in more detail, either because we simply wanted to test the evidence that had come to us through the self-assessment or because we felt that we needed to explore further the underlying reasons for some of the issues that had been identified.

[11] Following that, we interviewed a very wide range of people, including the staff of the audit office and a range of stakeholders, including Ministers of the Welsh Assembly Government, senior civil servants, people from councils and health boards. This is a good opportunity for me to put on record our thanks to all the people who gave up their time to help us carry out the review. We found that their time was invaluable in making sense of what we were seeing and being able to pull it together in a positive way.

[12] Overall, as our report states, we believe that the Wales Audit Office is at a watershed. It has been in existence for four years now, and it has achieved some notable successes for a relatively new organisation in the context of devolution in Wales. However, we think that it faces a number of external challenges and some internal priorities that it now needs to get to grips with as it heads into the next phase of its existence.

[13] The positive achievements are well worth marking and celebrating. What the Wales Audit Office has done over those four years is not just business as usual; it has continued to improve its core business. We think that it is worth noting that, while focusing on the areas where there is room for improvement.

[14] We had outstandingly positive feedback from most of the people who we spoke to about the staff of the Wales Audit Office itself and the auditor general and his own standing, which is very good news for an audit office, which is not always popular with the people who it is reporting on. There is a real sense that it is credible, respected and independent, which is a big achievement. That fed through in terms of feedback on the quality and professionalism of Wales Audit Office staff, and I guess, more particularly from your perspective, that people feel that the financial audit work, which is the real cornerstone of any audit agency's work, is carried out well and professionally and achieves its desired results, particularly in the current financial climate, and that the national performance audit reports are of a very high quality, reflecting the mechanisms by which the issues are identified and the conclusions are drawn about them, which are good and innovative.

[15] We also heard from many people that the Wales Audit Office has responded very effectively to crisis situations, if I can put it like that. The examples highlighted to us were the problems experienced by the ambulance trust, by Denbighshire County Council and by the Isle of Anglesey County Council. In a real sense, the office responded well and effectively in difficult circumstances there.

[16] To move on to the changes in the external environment that mean that this is very timely, I suspect that you will know more about them than either Alistair or I do, but it is worth being clear that they are quite significant. First, we know that the public finances will be much more challenging in the next few years than they have been since devolution in Wales, which means that the Wales Audit Office's ability to look right across the public services, rather than at individual bodies or sectors like the health service, will be more important than ever. We think that there is room to capitalise more on that unique reach and perspective.

[17] Secondly, we know that a new approach to auditing local government is being introduced in Wales with the Local Government (Wales) Measure 2009, which will require new ways of working for the audit office and potentially new skills and experience to be brought to bear on that work. Finally, a reduction in the number of NHS bodies from around 40 in total to around 10 in total means that there will be significant changes to the ways of working and perhaps to the staff required to do that work, all of which means that it is a good point at which to look again at how the work is carried out.

[18] In order to meet those challenges, we identified, as a team, a number of internal priorities that seem to be the right things to be focusing attention on. Three of them, I think, are internal to the Wales Audit Office, and one of them, which I will pause upon at the end, is slightly different and may have more of an interest for you as a committee. First, we think that staff now need clearer direction about what the future holds for the office and where they sit in it. The matrix structure that was originally introduced has clearly brought some benefits and a real flexibility, but we believe that it is time to give it an overhaul. We think that the executive committee that the auditor general is introducing should go a long way towards addressing the concerns that we identified, and that will require good corporate and collaborative working among the members of the top team to set that direction for staff in future.

1.40 p.m.

[19] The second priority is on the whole question of human resources and workforce planning. Putting to bed the long-running pay and progression negotiations is, to us, a real priority, and, alongside that, it is important to integrate HR better into decision making in the future. Thirdly, we think that there is room to improve some internal business processes, particularly those surrounding programme management and the delivery of programmes of

work. All those are very doable, and seem to us to be the important priorities for internal attention, against the backdrop of the changes that you are all facing in the Welsh public services.

[20] The fourth area that we wanted to highlight was the way in which the governance arrangements for the Wales Audit Office are perceived. We stress that what we identify is not any failing in governance at all, but that the way in which the arrangements work is not well understood among the audit office's stakeholders, which is particularly important against the background of rising expectations in public life that we are all aware of. There may be an argument for looking again at how the auditor general's independence is safeguarded, and how he is accountable to you for resources used, to ensure that that balance is as good and transparent as it can be.

[21] We made 19 recommendations for improvement in our report, and we entirely concur with the auditor general's view that, although they are significant, they are not by any means large scale. We have been pleased to be kept in touch with Jeremy's thinking as the work has progressed on that, and we think that the audit office is well placed to make improvements for the future along the lines that we have described. I hope that that has given you a sense of the work that we have done, and we will do our best to answer any questions that you and your colleagues may have.

[22] **Jonathan Morgan:** Sir Alistair, do you wish to add anything to that?

[23] **Sir Alistair Graham:** Not at all. I fully agree with that outline of the work that we have carried out. If I can help with any questions, I will happily do so.

[24] **Jonathan Morgan:** Thank you. My question was on the change and the challenges faced by the Wales Audit Office. You have already referred to the external challenges, economically within the realms of the Local Government (Wales) Measure 2009, with the reduction in the number of national health service bodies. I am happy with the information that I have just heard on that. Are there any supplementary questions to my first question, because I do not need to pursue it? I see that there are not. In that case, we will move to Bethan's question.

[25] **Bethan Jenkins:** Paragraph 2.12 refers to long-standing problems with the quality and coverage of the information technology audit, while noting some recent successes. Will you tell us a bit more about the nature of these problems and what you are doing to resolve them?

[26] **Ms Gardner:** You may want to ask the auditor general for detailed answers, rather than us, because they are clearly internal matters. We became aware from the self-assessment that there were concerns about the IT audit team. Some of those related to individual grievance cases that would not have been appropriate for us to look at, and some were to do with the way in which the IT audit team fitted within the rest of the organisation. Our sense as a team is that they are being dealt with via the wider changes that the auditor general has put in place in relation to the structure, particularly placing HR within the organisation. It is not an area that we can comment on, other than to note it as a symptom, as we have put in the report. Alistair, do you want to add to that?

[27] **Sir Alistair Graham:** It is fair to say that there have been a number of grievance cases, although not very many. They have taken a disproportionately long time to resolve and probably absorbed too much management time. It is part of the issue that we identified in the report of trying to ensure that HR management plays a more strategic role in the development of the future of the organisation than it has in the past. It has been sucked into some individual cases in a way that has not been helpful to the organisation, certainly in industrial relations

terms. There is a willingness now to resolve those as quickly as possible and, as part of the restructuring that has already been touched on, HR will have a more strategic focus than it has had in the past.

[28] **Jonathan Morgan:** Bethan, do you want to pursue that any further?

[29] **Bethan Jenkins:** I thought that we were going to discuss the internal workings later on, but if you are talking about HR now, can you expand on how you foresee the executive committee looking and whether all parties will play a part in deciding who will be on it?

[30] **Jonathan Morgan:** The auditor general may want to respond to that question.

[31] **Bethan Jenkins:** I wanted to ask how the independent advisers would like to see that happening.

[32] **Sir Alistair Graham:** Our particular concern is to ensure that the executive committee has the clear decision-making focus inside the organisation, under the leadership of the auditor general, and that the team is of the size and mix capable of giving the clear leadership and direction that we have touched on. As for who should sit on that committee and quite how HR fits in with it, that is an interesting issue but one very much for the auditor general. I think that he will be happy to give us a feel for the process that he is going through to come to a conclusion about that. The key thing is to have clear decision-making leadership arrangements that everyone knows about, so that there is clarity and a sense of direction for the future.

[33] **Mr Colman:** Perhaps it would be helpful if I explained the process that I am going through on the executive committee. Back in June, I said that there needs to be an executive committee to run the whole business, and that the previous management committee was not intended to do so, and did not. I came to the conclusion, for reasons that have been endorsed by the peer review team, that I should have an executive committee. I could simply have said that I would have a committee and that I would appoint the following people, starting from tomorrow. Instead of that, I was persuaded that the crucial thing about getting a new structure to work was that, as a first step, all the senior people in the organisation, and not just the people on the committee, should have a complete understanding of and buy-in to its job, how it is intended to work, and how it relates to the rest of the organisation. So, during the past few months, we have been going through a rigorous process of analysing what we are for, how we deliver, and how those deliveries are enabled by functions such as HR, which has been referred to, but also others, such as finance, accommodation and technical teams. Only at the end of the process of looking at the totality of work that the new executive committee needs to have a grip on will I decide on the composition of the executive committee. Currently, my senior colleagues—or my partners, as I call them—are commenting on a number of options that I have put to them. I expect to reach a decision during the next few days and announce it in the next week or two.

[34] As for filling any roles on the executive committee, I will be doing that on the basis of merit, and I will be inviting applications and assessing them with the aid of an external assessor. On the point about announcing decisions on the structure, that will have been developed in close consultation with the senior staff so that they understand the reasons for it and, crucially, we collectively understand how that new committee interrelates with the rest of the business. There will be a number of projects that the new committee will take on to implement the recommendations of the peer review team, and notably, there is a very important project from HR on integrating business planning with project delivery.

[35] While I have the floor, perhaps I could say something about the IT team. The IT audit team is relatively small—about nine people. Sir Alistair has referred to some problems that

we have had in the past. That team is now under new management, and I am pleased to say that it has been successful in winning work outside Wales, from the Northern Ireland Audit Office, and that was done sufficiently well that I understand that the NIAO now wishes to engage us to do more work. So, I am satisfied that that team is now under proper management and will be doing a good job in future.

[36] **Michael German:** I refer you to paragraph 2.23, and link that to page 11 and recommendation 8a. While you are turning to those sections, I will just say that I noted in your preamble to the report that there was a theme emerging: be more accountable, but also more independent. Some might say that that is a strange circle to have to square. Bearing in mind what you have said in paragraph 8a, which indicates more accountability from us, as the committee, and what you have said about independence, how do you see this working in an ideal world?

1.50 p.m.

[37] **Ms Gardner:** The peer review team spent a great deal of time talking and, in some instances, arguing about this area. There was quite a spectrum of views. It is common ground that any state or Government auditor needs to be independent to carry out his or her role effectively. There cannot be any risk or even any perception that that independence of judgment is being curtailed for improper reasons. At the same time, the Wales Audit Office, like all public auditors, is spending a not insignificant amount of public money and has a significant amount of influence. So, it needs to be accountable for the way in which both of those are done in practice. There is a range of ways in which governance arrangements are put in place to balance independence and accountability. We have seen changes in the National Audit Office's arrangements in Westminster recently, and changes in Scotland, where I come from, are in train. It seems to us that what we have in Wales is not a situation that has gaps in practice, but there is a risk that people do not understand how the accountability is being exercised and, therefore, there is a sense that that independence is not being counterbalanced by proper accountability.

[38] You will have noted in the report that we propose a couple of options for consideration for the future. We did not endorse either of them strongly as a team because there were such different views. Our sense was very much that greater transparency is needed and more understanding of the arrangements in place, which involve this committee centrally, rather than a radical overhaul to resolve a problem. In our view, it is a question of perception.

[39] **Sir Alistair Graham:** Yes, I think that the key issue is about rising expectations of public bodies' accountability these days. In our dialogue with stakeholders, the issue of who guards the guards was put to us. I think that it was the politicians who raised that issue. There are different models for audit bodies around the world. Personally, I was drawing slightly on experience because I sit—although that is about to come to an end—as a non-executive director on the management board of the Information Commissioner's Office. He is in a very similar situation, being an independent corporate body. There are four non-executive directors on that management board. They do not in any way get involved in the judgments being made on the freedom of information and data protection issues that the Information Commissioner gets involved in, but they play a role in bringing outside experience and expertise to some of the management issues that the management board has to deal with. That was a conscious decision on the part of the Information Commissioner to strengthen the accountability arrangements of that particular part of the public sector in England.

[40] So, there are models around through which you can strengthen accountability, but you do not in any way undermine or seek to interfere with the independent judgments that people such as auditors general and others have to take, usually under statute. So, it is possible to strengthen accountability and safeguard independence. We have given a couple of

options in the report that we think you might like to have some debate and discussion about, but you may conclude that the present arrangements are perfectly strong and adequate and do not require any change whatsoever.

[41] **Michael German:** I was rather hoping for a slightly stronger steer. In a sense, the fact that you have raised this indicates that you are not satisfied that there is sufficient accountability and independence, and that you feel that this regime is not clearly laid out or understood. My understanding is that that means that it needs to be strengthened. Would I be wrong to make that assumption based on what you have said?

[42] **Ms Gardner:** I think that that goes a bit further than we had intended you to go. We would certainly say that the current arrangements are not clearly understood. I do not think that it is true to say that they are not clearly laid out; they are, and we have tried to summarise what they are in our report. However, as Alistair said, we are conscious that public expectations are rising. For a range of reasons, expectations around transparency and openness keep increasing. There is a risk to the standing of the Wales Audit Office and the auditor general if there is a perception that it is not accountable enough, and that perception can be dealt with without radical changes being made to the status quo and in ways that would be healthy for everyone involved.

[43] **Sir Alistair Graham:** We thought that you might want to move ahead of the game, in a sense. Rather than waiting until there is pressure to change the arrangements, you might want to anticipate some of the pressures, because it is always better to be ahead than behind. Politicians raised the issue of accountability with us, so we felt that we should have some internal debate among ourselves, but we did not come to a conclusion that the present arrangements were broken or seriously at fault in some way. They are not well understood.

[44] **Michael German:** I would like to come in quickly if I may, and ask a question of the auditor general.

[45] **Jonathan Morgan:** The auditor general wants to come in anyway.

[46] **Michael German:** I wanted to ask whether, having heard what he has just heard, he will take one of the two options or whether he will take a different pathway.

[47] **Mr Colman:** I set out in paragraph 6 of my report, which is quite a lengthy paragraph, the existing arrangements for holding me to account. It certainly cannot be said that they are non-existent or feeble, but I absolutely concur with Sir Alistair's and Caroline's description of their being not well understood, and that is one of the reasons why I took the trouble to put that into my report in such detail. These arrangements are relatively new and have been strengthened very recently, so I would be very happy to discuss whether the committee feels that further strengthening is desirable. I cannot hide the fact that I am not enthusiastic about any change at all in this area, but I have no objection to either of the options proposed by the peer review. I would not oppose them, but it would be interesting to discuss with the committee whether they are necessary.

[48] **Michael German:** We will obviously need to have that discussion at some point, Chair.

[49] **Jonathan Morgan:** We will return to that matter later on.

[50] **Lorraine Barrett:** I have a question for the auditor general on paragraphs 2.25 to 2.30. It is fair to say that the committee welcomes the peer review's positive comments concerning the audit office's good practice exchange. Can the auditor general tell us a little about how he will respond to the further recommendations?

[51] **Mr Colman:** I was delighted that the peer reviewers were so enthusiastic about the good practice exchange. We are already very proud of it, because we knew that no other audit institution had done anything in such a high-profile way. We undertook it because we were well aware that no-one quite believes you when you say that you are from the audit office and you are there to help, and the good practice exchange is a very visible and unthreatening way for anyone who has access to it to learn what the current view is on good practice in several important areas. So, we are definitely going to continue with the good practice exchange. There is, however, a slight catch with it, to which we must, and will, find a solution, and that is that no-one in particular pays us to do it; we could find money to do it and could go on funding it to that sort of level, subject to the committee's decisions on other matters later on today. However, the cost will inevitably grow if you are to keep the accumulated past good practice up to date. It is one thing to put on the website absolutely tip-top, good practice on the early closure of accounts—to use the current example, although it is not the most exciting—but what is good practice on that subject in five years' time will be quite different. We need to work out how much of the past material that we have put on can be sustained. Perhaps we should sustain some of it but there is probably material that we should not sustain, and we should just ensure that the data are understood and then let them naturally fade away with age.

2.00 p.m.

[52] The work that we have done on our organisational developments, interestingly, identified that the good practice work was in a grouping of products that we had been developing without ever seeing them as a group. So, the new executive committee will have the task of looking at that group of products, deciding what to do with them and what strategy to follow. So, I cannot answer in detail what we will do, but this is one of the matters that is high up the agenda of the new committee.

[53] **Angela Burns:** This is a two-part question. I was delighted to see your recommendations in paragraph 2.33, or your comment that the grant systems are complex and that the high turnover of staff means that you tend to go back to the beginning more often than not. Have you seen the Finance Committee's report to the Government on grants, which suggests exactly the same thing: that there should be a lessening of the process?

[54] **Ms Gardner:** We have caught up with the publication of that report, which I think related to grants in education services. There seemed to us to be a lot of common ground there. All audit should be risk-based and proportionate. It appears that, in the area of grant certification, there are barriers that mean that it is not always possible to apply that sort of approach. If it is possible for the audit office to work with the Welsh Assembly Government to agree guidelines for focusing effort where it would have the most impact, rather than looking at every pound that is spent, that would be a benefit. The work that the Wales Audit Office is doing to try to drive up the quality of the grant claims completion will help as well. It seems to be an obvious area to save money without having any detrimental impact on the quality of services.

[55] **Angela Burns:** Thank you. The second part of my question was to ask you what you intend to do about it or what steps you have taken so far.

[56] **Mr Colman:** With regard to the certification of grant claims, the law says that, if I am asked to certify a grant claim by the Assembly Government, then I must do it. So, this is not a part of my workload that is invented in the Wales Audit Office; it is invented elsewhere and I must do it. Therefore, I do not take any responsibility for the volume of the work, although it is nice to have the income from the fees for doing it. However, I set that to one side.

[57] It is clear that there are far too many small grants and there are far too many grant claims that are inadequate. So, the proportion of grant claims that have a qualified opinion is far too high. In the short run, the answer is to train people to get better at putting in grant claims. However, in the longer term—and I hope that this will not be long delayed—what is really needed is a thorough look at the use of grants as a system for spending public money. This is getting fairly close to policy, and I must not do that, but my staff are currently working with Assembly Government officials who are reviewing the way in which grants operate. Just for the avoidance of doubt, the brief that I have given my staff is to do everything in their power to reduce the amount of work that we have to do on grants. So, if all grants were to be abolished—and I doubt that that will happen—we would lose a lot of business, but it would be business that was lost in a good cause, because abolishing grants potentially removes bureaucracy. It also potentially removes the Assembly Government’s control over where money is spent, so there is a balance there.

[58] **Angela Burns:** I would like to clarify whether the law says that you have to look at every grant, even if it is for only £100?

[59] **Mr Colman:** No; I can set de minimis limits.

[60] **Angela Burns:** What is the current limit?

[61] **Mr Colman:** It is £50,000.

[62] **Angela Burns:** So, you do not have to review grants under £50,000.

[63] **Mr Colman:** That is correct. That is my understanding.

[64] **Angela Burns:** The majority of superfluous grants within the Welsh Assembly Government tend to be under £50,000.

[65] **Mr Colman:** That still leaves an awful lot.

[66] **Angela Burns:** Yes, and I am happy for those over £50,000 to be audited. It was just interesting to get that balance, because £50,000 is quite a high ceiling for many of the organisations within the remit of the Welsh Assembly Government. Thank you for that.

[67] **Janet Ryder:** I think that you might have touched on my question slightly, but you note in the peer review that the revised governance structure for the National Audit Office will not be appropriate in Wales and you have suggested a couple of ways forward. Is there anything further that you would like to that or that the auditor general would like to add to that point on structure?

[68] **Sir Alastair Graham:** I genuinely think that you should have some discussion about it; it is a matter for you. An issue was raised and we could see possibilities for strengthening accountability, which we are talking about in many contexts at the moment. We had some debate among ourselves and came up with two options. One is a system that is used by many people around the world, namely having a strong advisory body, and I explained the other option, of which I have some direct experience. Do you think that you need to do anything? Do either of these options make sense in a Welsh devolution context? Do you want to try to take them forward? You have heard from the auditor general and he is not opposed to either option. He may not be intensely enthusiastic, but he is not opposed to them either. So, it is an opportunity for discussion.

[69] **Janet Ryder:** Do you want to comment on that, auditor general?

[70] **Mr Colman:** I would not wish to comment on that. If need be, it could involve my auditors, so I had better not comment on that at all.

[71] **Janet Ryder:** The report suggests that the committee could discuss this and return to it at some point.

[72] **Bethan Jenkins:** After the main recommendations, you say that, alongside such a change, there is also scope, under paragraph 3.10, for the Audit Committee to input more into the governance and accountability structures. Could you give us evidence on where that has worked effectively in other parts of the world in order to strengthen our work and to change the public's perception?

[73] **Ms Gardner:** No, and I think that our thought in relation to this Audit Committee was around the power that you have to commission value-for-money examinations of the auditor general. As you have heard today, this peer review was commissioned by the auditor general, and that is a powerful mechanism for improvement. However, you have a power, as we do in Scotland for a body in the Parliament to commission periodic reviews, to satisfy yourselves that the moneys that you vote upon are being used in the ways that you intended, over and above the annual audit. That is the mechanism. As Alastair said, you need to discuss how this works in practice and how far it satisfies the need for the independence of the auditor general's judgment and the confidence in how the resources are being used by the Assembly and by the wider stakeholder. That is a debate to continue having—there is no one right answer that will stay right for all time.

[74] **Irene James:** Paragraph 4.9 of the report recognises that you are in the process of changing your top management structure. When will the WAO's new executive committee be appointed and be in place? When do you expect to complete the other organisational and managerial changes noted by the peer review?

[75] **Mr Colman:** I hope to announce the composition of the committee, in terms of roles, early on in the next week or two. I will then go through a process of appointing people to those roles, which naturally takes a little time, but my intention is that the new committee will be in post by the end of November. Alongside the announcement on the composition of the committee, there will be a lot of material about how it relates to the rest of the organisation. My strong intention is that, before the end of November, all the new machinery will be in place.

[76] **Michael German:** I will now turn to what I consider to be the most worrying aspect of your report, namely the internal leadership and culture of the organisation itself. The committee will be sad to have read, in particular, paragraph 4.18, which states that you have this number of 'significant and longstanding problems'. That is the worrying sentence. You then list a catalogue of the issues themselves.

14.10 p.m.

[77] Before I ask Jeremy to comment, could you put this into context? A paragraph of that power and nature is not something that you would have taken lightly, but because it has such a long list within it, it might indicate to Members that it is something that needs to be dealt with urgently, because it has been around for some time and it is widespread, because it covers such a range of areas. Am I right or wrong in that assumption?

[78] **Ms Gardner:** You are right to say that there is a cluster of serious problems. We have tried to be very careful to say that the organisation has achieved many positive successes during its existence against that background. In some ways, we are seeing a common set of

issues that came from the complex merger that was required to set up the Wales Audit Office. Progress has been made on some of these issues at various rates and to various stages, but there would be huge benefits for everyone involved—the staff, unions, management, as well as the people who rely on the Wales Audit Office—to invest in closing them down. Our sense was that there was a danger that a vicious circle had emerged, where so much effort was used to deal with small, local issues that the big pattern that would help to move things forward had not received the attention it required. That now needs to be the focus of effort. Alistair led the team on some of these areas, and I am sure he will want to add to that, but I just wanted to put it into context for you first.

[79] **Sir Alistair Graham:** As I explained earlier, there was a sucking-in of too much management time and effort on small issues, as Caroline described, such as long-running grievance issues. There were also other issues, such as pay and job evaluation exercises, which are very important because they are people's remuneration—our bread and butter, why we go to work and how we are rewarded, and so on. That all took rather longer than anticipated, and it has still not been finally resolved. There was also an issue around the role of human resources in the organisation. There were also instances where there was a bit too much looking back at previous organisations, and not concentrating on the future organisation, which is where there were some tensions, because people always like to look back at their comfort zone in how they operated in previous organisations. We need to get those issues sorted out very quickly, so that people can concentrate on the forward agenda. We have tried to identify some priority issues, particularly the pay and job evaluation structure issues, which need to be resolved in discussions with the staff representative as a matter of urgency. I understand that that has been given the highest priority and good progress has been made, so we are confident that that particular issue will be resolved. Any outstanding grievance issues need to be quickly resolved. The role of the human resources department in a new management structure is also an important issue that needs to be addressed. There are some recommendations around internal allocation of work, the planning of work and the scope for improved communications inside the organisation, which the auditor general has accepted. So, there is a clear framework of priorities to address some of those internal issues. If those can be resolved as a matter of urgency, we think that the organisation could be on a sound footing for the future.

[80] **Michael German:** Why do you think that it has taken so long? You have talked about the long-standing problems, but I take it that you would have expected those to have been dealt with by now, otherwise they would not be called long-standing problems, which were your choice of words?

[81] **Sir Alistair Graham:** We were not there through all of that period—we have just had to take the organisation as it was at a particular point. Some of us have experience of merged organisations, and issues can drag on and on, such as a sense of grievance or not totally getting fair justice inside the new organisation. Those issues can hang around for a long time. It was a weakness in the organisation that the HR department was not playing a more strategic effective role in helping to shape the agenda for the future. Hopefully, that will be put right as part of the new restructuring arrangements.

[82] **Michael German:** When do you think we will see a conclusion to these long-standing problems?

[83] **Mr Colman:** The longest standing problem probably is that of pay and job evaluation. It has certainly taken too long, and it has not been helped by a falling out with one of the trade unions on an unrelated issue, which has certainly slowed things down.

[84] I will say a little bit about what is partly the explanation for why the pay and job evaluations have taken a long time. As I said at the beginning, although the Wales Audit

Office is the result of the merger of two institutions, one of those, the former Audit Commission, was itself the result of the merger of three institutions, and that merger had not been carried through as regards pay. So, on day 1, the 270 or so staff that I had were arranged in 27 different grades. The position of different grades in the market—because some kind of market comparisons had been done by the Audit Commission over the years—was itself different. For example, the former Best Value Inspectorate, as a matter of policy, recruited in the upper quartile of the market for the relevant staff. So, I inherited staff who were on widely differing pay rates for very similar jobs. The job evaluation exercise, which was inherently complicated due to the nature of the business, has essentially confirmed that it is true that I have people in my organisation doing very similar jobs but whose rates of pay differ significantly. That is a very big negotiating problem if you rule out, as I must, simply levelling everyone out at the highest rate. I hope that people understand that the negotiations with the trade unions are to assimilate staff into the new structure. The new structure is defined, but the issue is to do with the terms for assimilating existing staff into that new structure.

[85] I am pleased with how the negotiations have been going. Since June, when I reached an agreement with Prospect on how industrial relations will be conducted in future, matters have proceeded smoothly. That is not to say that anybody has given ground that they should not or that the negotiations have been easy, but they have been conducted in a reasonable manner on both sides, I believe. I therefore believe that that long-standing issue is close to being settled.

[86] Sir Alistair referred to some long-standing grievance issues. It is very easy for grievance issues to run on for too long. As the head of the organisation, I find it frustrating that grievances can arouse very strong emotions on all sides, and that creates strong pressure to reach a particular judgement, depending on which person you talk to. Yet it is my responsibility to ensure that any judgements that are reached are absolutely fair and in accordance with the principles of natural justice. Achieving that can sometimes take a long time. That is not an excuse; it is an explanation why some of these cases run on too long.

[87] **Angela Burns:** Thank you for letting me come in on this point, Chair.

[88] Like Mike, I was surprised to read this paragraph. When the merger took place, was a professional change manager involved to ensure that the process went through speedily? Those of us who have been involved in mergers will know only too well that a successful change has to be fairly brutal and very quick.

[89] **Mr Colman:** Yes, there was, and we had been taking advice as we went along from change management consultants. Indeed, the biggest complaint that I faced in my first few months was that I was moving too fast in introducing a project-based system of management. Two precursor bodies had operated a traditional civil service-type hierarchy, and it was my strong belief, derived from my experience in the National Audit Office and, before that, in a world-class accountancy firm, that you cannot run a professional services audit body in a traditional civil service way, so I introduced a rapid change, which is the matrix.

2.20 p.m.

[90] The peer review said that the concept of the matrix is fine, but that the way that it operates needs to be overhauled, and I go along with that. We moved very fast. The policy from the outset—which seemed sensible at the time—was ‘business as usual, and change in our spare time’. The peer review report shows that we have done better than business as usual—we have also done a lot of change, but there is more to do.

[91] **Jonathan Morgan:** Before we proceed, we will come on to the issue of the matrix

shortly with Irene's question, but I will allow a brief supplementary.

[92] **Angela Burns:** My last question was on the grievance issues. To clarify, do employees have a standard grievance procedure in their terms and conditions?

[93] **Mr Colman:** Yes.

[94] **Angela Burns:** I do not understand why that would not have ended the grievances more quickly, because the procedure tends to be cast in stone about what you do if you have a grievance, and the conclusion at the end of it.

[95] **Mr Colman:** That is how a grievance procedure is supposed to work. In practice, we have found that, for one reason or another, the procedure has not always been followed as it should, or, worse, if you follow the procedure as written down, it leads to conclusions that are in breach of natural justice. So, we are in the process of revising our procedure.

[96] **Bethan Jenkins:** I have noted the conversation that we have had, and I do not want to exhaust the issue any longer, but can you clarify whether you stand by what you say in the report of there being significant and long-standing problems, or whether they are a cluster of serious problems? The information that we have received through freedom of information requests indicates that there has been a significant amount of complaints, and that over £173,000 has been spent on legal costs because of those complaints and grievance procedures. Will these types of issues not arise again because of the new structures, or do you foresee that these issues will arise again, and if so, why has this not been noted more significantly in your report?

[97] **Sir Alistair Graham:** We did not go into that type of detailed analysis, because that was not our role in terms of costs and the figures that you referred to. Our concern was to look at the overall picture to see what impact these grievance issues were having on morale in the organisation, and how we could make recommendations that would help to deal with them in the future.

[98] **Bethan Jenkins:** Would the minor details not play a part in formulating the wider position of how the Wales Audit Office could move on?

[99] **Sir Alistair Graham:** It goes back to the role of HR in ensuring that there are good internal relationships, and that grievance issues are properly dealt with under grievance procedures, so that they can be properly processed in a way that is acceptable to management and to the individuals concerned. We felt that it was more sensible to concentrate on the professional expertise in the office to ensure that these issues are dealt with in the most effective manner. We have concentrated on that in our report and we make recommendations that we believe will assist for the future. I know that there is no guarantee—who knows what grievances or problems will come up in the future? However, if you have a management structure that has HR professional expertise at the right place and at the right table which is able to influence the culture of the organisation, so that the management is doing things to avoid grievances coming up in the first place, you are more likely to ensure that you do not have these problems in the future. That is the area on which we have concentrated.

[100] **Bethan Jenkins:** This has not been happening from what we have learnt from the unions involved. Are you confident that the new structures that will be put in place will alleviate these problems in the future?

[101] **Sir Alistair Graham:** If agreements are reached about the pay and job evaluation and if these long-standing grievance issues are put to bed reasonably quickly—industrial relations are already getting back to a solid, sound footing—then those will be the tests that things are

going along the right lines. We are confident that we have made recommendations that will assist in that process. We have been talking to the staff over the past day or so; it is up to everyone in the organisation, including the unions, the new executive team and management to make all these things happen. Our emphasis would be: enough looking at the past; concentrate on the future. There are real challenges and issues to get to grips with. Our feeling, from talking to the staff to date, is that they are anxious to do that.

[102] **Irene James:** Matrix management has already been mentioned, but I would like to look at paragraph 4.24, in which you suggest that the matrix management arrangements need to be overhauled and that a number of issues need to be looked at, from variable leadership to a lack of business planning. How would you suggest that the auditor general go about overhauling the matrix management arrangements—that is a mouthful, is it not?

[103] **Ms Gardner:** We should have an acronym for it.

[104] It is worth starting off by saying that we are clear that there are real benefits in the flexibility, speed of response and agility that the matrix management approach ought to bring for an organisation such as the Wales Audit Office, which needs to be able to respond to issues as they arise. We do not think that it has worked as well as it needs to work in practice, for the reasons that are set out at the top of page 38. We have seen that some managers within that structure either take more seriously or are better able than others to do what is needed to get to know a wider range of staff, giving them clear feedback about their performance and dealing with problems as they arise. Some staff are self-starters with the right skills to work comfortably in that environment, while others were less comfortable, perhaps because they were used to a more traditional way of working and found it hard not to have a team of people who they worked with all the time and a single line manager, and that that led to difficulties.

[105] The way that people were allocated to particular pieces of work or teams was not always clear and transparent, and some people felt that they were not having the chance to do interesting work that would give them future career opportunities. We were never able to bottom out whether that was the case or not, but some staff certainly felt that and there was a perception that that was happening. Finally, the ability to look ahead over a period of time at what work was coming and what would be the best way of matching staff to a project was not as clear as we think that it needs to be. Again, as a team, we have confidence that if those issues are resolved, the balance between flexibility and programme management will be much better, and I am sure that the auditor general will want to add to that. However, for us, it was a question of the way that it works in practice and the clarity of leadership from the executive team, which is being dealt with.

[106] **Irene James:** Do you feel that that will resolve matters, or do you have another view on how it should be moved forward?

[107] **Ms Gardner:** The answer is similar to the one that Alistair has just given on the HR issues. The right steps are being taken, but much will depend upon how they are implemented in practice, and it is too soon for us to put our hands on our hearts and say, ‘We are sure it will work’. However, the direction of travel is right and we know that there is a commitment to do what is needed from the most senior people in the organisation onwards.

[108] **Janet Ryder:** On that particular point, the issues that you have been discussing are major problems for the people who are experiencing them. To what extent are they the result of a change in culture and the change involved in having to move to a new organisation with new structures? Emerging from that, you will always get people who feel that their job description has changed and find it a challenge to adapt to a new role. How much of that is the change to a new direction and structures, and how much is an endemic and ingrained problem in the structure?

[109] **Ms Gardner:** A lot of it is simply a result of the change in exactly the way that you described it. A lot was asked of everyone in the Wales Audit Office in moving to new ways of working, which were intended to be faster, more flexible and more demanding. Some people were better able to cope with that than others, and it was exacerbated by the ability of management. Some managers were clear about what they needed to do to help their staff to adapt and respond to it and were able to do it; some were less clear. Some people in any audit organisation, including my own, think about their job in technical terms rather than as being about managing people. That is what we are referring to in the first point on page 38 about the variability of management.

2.30 p.m.

[110] **Mr Graham:** It is also worth making the point that we concluded that there was a good infrastructure of line managers called 'home team managers' inside the organisation, who were well placed to play a rather more active role in getting the right sort of culture, and improving the quality of two-way communication inside the organisation. In that sense, that is a positive confidence factor for the future: the infrastructure of lower down the organisation management that was there. We do not think full advantage was being taken of it within the matrix arrangements, but the plans for the future are that they will have a rather stronger role than they have had in the past, perhaps.

[111] **Jonathan Morgan:** We will move on to your question now, Janet. You were going to look at the issue of the human resources department, looking specifically at paragraphs 4.39 to 4.40.

[112] **Janet Ryder:** I just want to ask the auditor general his view on the home team management aspect, which I think might be one of the crucial factors. I think that it would only be fair for the auditor general to respond on that, because the report indicates that you are looking at this in a new light.

[113] **Mr Colman:** The basic concept of the matrix structure is to say that all of the delivery work that we do can be seen as the result of a series of projects. We have many hundreds of projects on the go at any one time, to give you some sense of the complexity; some of them are very small and some of them are very big. The matrix principle states that whenever you start a new project, instead of giving it to the relevant department, as indicated through the organisation chart, because that is not the way that we think at all, you find the best available team from the organisation—you can draw people from anywhere. So, the concept is teams for projects, and to have the best available team to fit the particular project that is just starting. One consequence of that approach is that individual staff can feel a little lost because one day they have one manager, and the next day they move to another project, which is managed by someone else. That is why I introduced the concept of a home team manager—the word 'home' is significant. Everyone has a home team manager and that does not change at all often. That was a new concept to the organisation and it has taken us time to learn how to use it.

[114] I was pleased with many things in the peer review report, but I was particularly pleased with the point that Alistair has just made, that the home team management infrastructure now strikes him as good. We put a lot of effort into training the home team managers. In fact, we have a new cadre of home team managers, having gone through a selection process. I hoped that they would be seen as a good piece of infrastructure. I am pleased that that has been so, and now they have to be set to work. A crucial part of getting this to work is nothing to do with the principle of the matrix structure; it is to do with having clear reporting of the relevant performance information, and our systems are focused unduly on lesser priority elements of performance. Therefore, that needs to be changed; it is one of

the major projects that the executive committee will set up. It is not a difficult project to do, but it needs doing.

[115] **Jonathan Morgan:** The last question will be from Bethan Jenkins. My final question, in terms of the engagement between the Wales Audit Office and external stakeholders, and the Assembly in particular, has already been answered. Therefore, I welcome what you said earlier on that.

[116] **Bethan Jenkins:** This question is about managing the performance of the audit officers. I just wanted to touch on paragraphs 4.58 to 4.68 in terms of the budget, and managing the budget especially if the fees of the new health boards change. Obviously, you note that the budgets may go up this year, but if there are any problems arising in the future, how do you see this being managed by the audit office?

[117] **Ms Gardner:** In the big sense, that is a question that you need to direct to Jeremy. Speaking on behalf of the peer review team, we were impressed by the way in which the Wales Audit Office has benchmarked its fee levels. It has done some very detailed work comparing the costs of carrying out audits of public bodies in Wales and in Scotland with my own organisation for example, and has taken action where costs look higher in certain areas. I think that there is a real rigour to understand the costs and to manage them well.

[118] The point that we were hoping to make is that we know that there are significant changes in the amount of work, and, perhaps more importantly, the type of work, that will be required with the Local Government (Wales) Measure 2009, and with the changes in the health service. Again, that is something that the Wales Audit Office is planning for, and needs to be engaging with you about as the Audit Committee, in terms of how those changes might be managed and what the effect would be. We found that the management of finances was done well, with a proper focus on reducing costs where that can be done, in line with the expectations on all public bodies.

[119] **Jonathan Morgan:** I see that there are no further questions.

[120] On behalf of the committee, I thank Caroline Gardner and Sir Alistair Graham for being with us this afternoon. I am very grateful to you both. On a personal note, I thank Caroline Gardner and John Purcell for the meeting that I had, as chair of this committee, to talk about the peer review. It was useful, and I am grateful to have been given the opportunity of contributing. Thank you for your time; it is very much appreciated.

2.36 a.m.

Archwilydd Cyffredinol Cymru: Amcangyfrif a Phortffolio Gwerth am Arian Auditor General for Wales: Estimate and Value for Money Portfolio

[121] **Jonathan Morgan:** The Auditor General for Wales has provided a paper examining the income and expenditure of the Wales Audit Office for the year ending 31 March 2011. I now invite the auditor general to introduce the paper and his estimate.

[122] **Mr Colman:** Thank you, Chair. This is almost an answer to the last question that Bethan Jenkins asked, because we set this budget at the outset of a period of very considerable change in our external environment, and, therefore, a period of very considerable uncertainty. For that reason, I would not want to make a case to this committee for more money, and I might, in future years, subject to external developments, be able to manage with less when we know what the situation is. We are currently in a position of relative ignorance about the coming year, so it seemed prudent to say that we need to be able to manage the situation within our existing budget. I have therefore put forward an estimate that is the same,

in total, as the current year. It is distributed slightly differently, and that calls upon us to continue to make efficiency savings, at a slightly higher rate than in the past. We will be restructuring the business in ways that you have heard about and we will be, very shortly I am sure, resolving the pay structure issue, and the costs of all of that are absorbed within the estimate that I present.

[123] I will stop with those words, and invite any questions.

[124] **Michael German:** I have two questions. One is in relation to paragraph 22, and the other is in relation to efficiency savings, which is mentioned in paragraph 36.

[125] First, you have already said that the future is unknown; I know that is the case, but you must have had some speculation as to the future when you put an estimate in for funding. In the last but one line you mention

[126] ‘providing some financial flexibility to the Auditor General to undertake work at short notice’.

[127] I am always conscious when the words ‘some money’ come into play. Can you indicate how much money you are putting in for flexibility, and whether you expect, therefore, to have more short-term notice requests this coming year than you had in the last year? Surely, if you had those short-term notice requests in the current year, you will already have funded for them and you would not be looking for some extra financial flexibility.

[128] Secondly, in paragraph 36, you mention a 1 per cent efficiency gain target. Have you considered, given that the budget that the National Assembly is currently being asked to consider has an efficiency gain target that is a lot higher than 1 per cent—it is closer to 3 per cent—whether or not you ought to be taking the pain with the rest?

2.40 p.m.

[129] **Mr Colman:** Could I answer that last point first? The 1 per cent target was set for public services generally as part of ‘Making the Connections’, which was published almost exactly five years ago. The target date was later this year, or next year—I cannot remember. However, it did not apply to me, because the Assembly Government does not dictate to me my efficiency levels. Nevertheless, I voluntarily chose to apply that target. I have also had the claimed efficiency savings that my colleague John here puts together audited to the same standards that we audit claimed efficiency savings elsewhere in Wales. On that basis, I can say that we have delivered—more than delivered—the 1 per cent cumulative saving, on exactly the same basis as that calculation would apply to anyone else. I know that 1 per cent does not sound very much, but cumulatively, built up over time, it is quite a lot, and to achieve that level is rare in public services in Wales. So, that paragraph is a significant one.

[130] As to whether a higher figure could be achieved in the coming year, we are doing our best. We are currently restructuring our business, not just at the top level, with the executive committee—I do not envisage large costs arising from that, or large savings—but we are restructuring the whole of our local government performance audit business. The local government Measure will introduce a very significant and fundamental change in the way that local government will be held to account for performance improvement, and that is a fundamental change in our business. When we have gone through the change we will be delivering, I am confident, an audit product that is streets ahead of what we are able to do under the current system. It will promote improvement more effectively and comprehensively, it will be citizen friendly, and it will be cheaper. So, that is better in every way. However, this is the year that we are developing it, and so this is not the year to squeeze our development time; these are the sorts of things that are paid for out of these corporate

funds.

[131] As to the specific question on money for flexibility, this dates back to two or three years ago when, during the course of the year, we realised that there was an area of great concern on which we wished to do some work within a short timescale, namely, delayed transfers of care. That subject was of concern to many people. Under the arrangements that applied for local work at that time, and still do apply to some extent, financing that work involved a negotiation with every single public body that we are examining, which amount to several dozen. We concluded the negotiations and we did the work, and that said to me that this is an unsatisfactory way of funding the cross-sector, systems-wide project that the peer review said that we should be doing more of. Therefore, in my estimate for whichever year it was—either two or three years ago—I said that one of the reasons why I asked for a bit more than in the previous year was in order to have a larger corporate pot to accommodate that sort of thing. It was one of a number of factors that influenced the amount of money that I am seeking from this committee. That is, of course, only about a fifth of my total funding, so the committee is dealing with either the icing on the cake or the dregs—I am not sure which. However, it is the bit of my budget that takes the strain if something funny happens. Some of those funny things are necessary projects that crop up at short notice and cut across many systems.

[132] **Michael German:** I take it from what you have said that you have already been doing that for a number of years. You have virtually said that you started this process some time ago.

[133] **Mr Colman:** Yes, there was a step up.

[134] **Michael German:** Is there a step up this year?

[135] **Mr Colman:** No, there is no step this year.

[136] **Michael German:** In this particular pot?

[137] **Mr Colman:** No, I am saying that that step still needs to be there; the step that was taken took us to a particular level, the need for which still exists.

[138] **Michael German:** I want to come back on the very interesting comment you just made that the efficiency gains that the Welsh Assembly Government has required of all public services in Wales over the past few years have not been delivered.

[139] **Mr Colman:** I was not speaking in total. We have audited the actual savings compared to claims of a number of public bodies over the past three years. We have not done a current audit so I am not speaking about what the situation is today. However, over the past three years, we have looked at a number of public bodies, and the general conclusion is that claims exceed achievement by a substantial margin.

[140] **Michael German:** That is a matter that we ought to return to, because that is clearly fundamental to the Welsh Assembly Government's budgeting. Anyway, that is another matter, but perhaps we could talk about that later, Chair.

[141] **Jonathan Morgan:** Certainly. Are there any other points on the estimate and briefing paper from the auditor general? I see that there are none. I have one question on the efficiencies. You have talked about the cumulative savings and impact of the efficiency target that you have set. You have also outlined some of the areas of the major efficiency gains in order to meet that. What else needs to be done in addition to that?

[142] **Mr Colman:** I detect from your question that you have noticed that the savings that we have made so far are one-offs. They may have a continuing benefit, but they are things that you can do only once. Without question, future efficiency savings will come from better working methods. In what I said about local government I referred to the fundamental changes we are making to our structure, which include fundamental changes to the way we do the work that will inherently be more efficient. I also believe that they will be more effective for the reasons that I gave. Those are the areas where, in future, we should be looking to make efficiency savings.

[143] **Jonathan Morgan:** I see that there are no further questions on that. At this point, do you want to outline the areas in the forward work programme that you are currently working on? It would be quite useful to have an update on where we are with your programme of work. Members might want to raise some issues after that.

[144] **Mr Colman:** This is the second paper. I apologise for its length but it seemed helpful to the committee—I hope that it will be—to have a complete view of where we are with the current work, what plans we have to start new work and what options there may be to add to that. At figure 1 on page 4, there is a description of the work already under way. Some of those pieces of work are studies that have been planned for a long time and that are being delivered over time. Others are very short-term investigations. For example, I shall be producing a report on the liquidation of Cymad shortly. Work is being done on that currently.

[145] Turning to the future work, which is set out on pages 6 onwards, I was keen to set out the various categories of work that we do. There is sometimes a perception, which comes out in the peer review, that we devote too much of our resources to health. It may be that we do, but it may be that some of the studies look as though they are health studies when they are actually studies of whole-systems issues. A study of delayed transfers of care, for example, may appear to be a study of hospitals when it is actually a study of a much wider set of issues involving local authorities and the Assembly Government. So, many of the studies that look as though they are health studies are actually reviews across whole systems. It is one of the things that we were set up to do, the peer reviewers think that we should do even more of it, and I do not disagree with that.

2.50 p.m.

[146] We have also deliberately sought to include options for studies that are definitely not health studies in any way, and I would be interested in the committee's views on those ideas and any other ideas that you might have. The peer reviewers, you might think somewhat naughtily in their report addressed to me, suggested that this committee should give more of a steer on priorities than it might have done in the past. That is another recommendation that I have accepted, although it may be cheeky of me to do so. I would welcome a steer on the relative priority to be attached to any of these studies. As you can see, there is no shortage of topics, so an indication of the committee's priorities would be helpful to me.

[147] **Jonathan Morgan:** Are there any particular observations at this stage or questions to the auditor general on his forward work programme?

[148] **Janet Ryder:** I would be interested in the possibility of looking at young people not in education, employment or training. That is currently a crucial issue and will continue to be so in the next year or two. If you look beyond education and training, a number of other aspects also prevent young people from moving on in terms of how the benefits system works and of access to housing. There is a wide spectrum of issues that can often prevent young people from taking an active part in education and training.

[149] **Jonathan Morgan:** Are there any further points at this stage? I know that we will

return to this later this afternoon. I see that there are not.

2.52 p.m.

Cymunedau yn Gyntaf: Sesiwn Dystiolaeth Communities First: Evidence Session

[150] **Jonathan Morgan:** This is our first evidence session on the Communities First programme. The committee will recall that it determined to undertake a fuller review of Communities First and that it would take evidence, first from those individuals who are involved in the partnerships at the local level. Beyond that, we will take evidence from representatives of local government and of the voluntary sector. Beyond that, we will take evidence from Dame Gillian Morgan, the Permanent Secretary, and from Dr Emyr Roberts, the accounting officer. We will just wait a few moments for our guests to join us.

[151] Good afternoon and welcome to the Assembly's Audit Committee. It is a pleasure to welcome you and I am grateful to you for giving up your time to come here this afternoon to share with us some of your experience of how your projects have been running. That will enable us to get a feel for the work that has been undertaken in various parts of Wales. Just to let you know, before Members ask their questions, this first stage is an opportunity for us to gather information and to gain a broader understanding of how Communities First, from your perspective, has worked. Could you introduce yourselves for the record? We will start on the left first, and I will come back to you at the end. I will start with Anna and ask you all about your experiences and then we will work our way through the panel.

[152] **Ms Chard:** My name is Anna Chard. I am a Communities First co-ordinator at St Illtyd's Communities First partnership, which is the Llanhilleth ward in the area of Blaenau Gwent.

[153] **Mr Jones:** Fy enw i yw Bryn Jones. **Mr Jones:** My name is Bryn Jones. I am the Fi yw cydlynnydd Cymunedau yn Gyntaf ym Communities First co-ordinator in Penparcau Mhenparcau a gorllewin Aberystwyth. and west Aberystwyth.

[154] **Jonathan Morgan:** The microphones should work automatically, so do not worry about pressing the button.

[155] **Ms Adams:** My name is Carol Adams and I am lead officer and Communities First co-ordinator at 3Gs Development Trust, which covers the wards of Gurnos and Penydarren.

[156] **Mr Collins:** I am Brian Collins, chairman of the 3Gs Development Trust.

[157] **Jonathan Morgan:** Thank you very much. A very warm welcome to you all. As an opening question and to give us a flavour of what you do in your partnerships, I will ask Anna to outline any preliminary remarks about her work that she would like to tell us before Members ask their questions.

[158] **Ms Chard:** It is very difficult, especially being the first one, so please bear with me. I have been a Communities First co-ordinator for the past six years. I originally covered two wards within the Blaenau Gwent area. The funding was then secured and we had one co-ordinator per ward. I have been actively involved in the Llanhilleth area regeneration scheme, for which we secured funding of £750,000 through an action plan, which contributed to an overall project with a budget in excess of £15 million. The outcome is that we have Llanhilleth Miners' Institute, which has been fully restored and renovated. It is owned by the community and is for the community, and it is now a company limited by guarantee. There

have been teething problems, but that would be the case in any set-up.

[159] The Llanhilleth ward covers four defined areas: Swffryd, Brynithel, Aberbeeg and Llanhilleth. It is geographically extremely challenged and is very isolated as it is the southernmost point in Blaenau Gwent. Is that roughly the information that you needed?

[160] **Jonathan Morgan:** That is very helpful. Thank you very much.

[161] **Mr Jones:** Yr wyf yn gydlynedd yn Aberystwyth a Penparcau. Eto, yr wyf wedi bod yn y swydd am chwe mis yn unig. Ymddiheurwn nad oedd cadeirydd y bartneriaeth yn gallu dod heddiw. Mae'n gweithio'n llawn amser ac yn ei chael hi'n anodd dod i Gaerdydd. Efallai y byddai pobl yn y rhanbarthau yn ei werthfawrogi pe gallech gynnal cyfarfodydd yn y rhanbarthau weithiau.

Mr Jones: I am a co-ordinator in Aberystwyth and Penparcau. Again, I have been in the job for only six months. We apologise for the fact that the chair of the partnership was unable to come here today. He works full time and finds it difficult to get to Cardiff. Perhaps people in the regions would appreciate it if you could occasionally hold your meetings in the regions.

[162] Yr ydym yn gweithio mewn dwy ardal: gorllewin Aberystwyth, yn y dref, a Phenparcau, sef ystâd fawr y tu allan i'r dref. Mae gennym swyddfa gymunedol ar yr ystâd, lle mae llawer o waith da yn mynd rhagddo ac sy'n agos at y bobl. Mae gennym hefyd swyddfa fach i lawr yn y dref, lle yr ydym yn gwneud mwy o weinyddu. Mae'r gwaith yn cael ei rannu'n ddau: y gwaith craidd, sef datblygu gweithgareddau yn y gymuned gyda'r gymuned; a gwaith ieuencid, ac mae gennym swyddog ieuencid a dau swyddog datblygu yn y gymuned.

We work in two areas: in western Aberystwyth, in the town, and Penparcau, which is a large estate outside town. We have a community office on the estate, where a lot of good work is done and which is closer to the people. We also have a small office in the town, where we do more of the administrative work. The work is split in two parts: the core work, namely developing activities in the community with the community; and youth work, and we have a youth officer and two community development officers.

[163] Mae'r gwaith ar lawr gwlad yn dda iawn. Yr ydym yn agos iawn at y bobl ac yn gweithio'n dda gyda nhw. Yn y cyngor sir, yr ydym yn rhan o'r byrddau gwasanaethau lleol hefyd, sy'n beth da a doeth.

The work on the ground is very good. We are very close to the people and work well with them. In the county council, we are also a part of the local service boards, which is good and wise.

[164] **Ms Adams:** I am Carol Adams, the Communities First co-ordinator for Gurnos and Penyardren. Our 3Gs Development Trust celebrated its tenth anniversary this year. It existed as a community organisation prior to being registered as a charity and a company. The 3Gs Development Trust is a community organisation that was set up by the community for the community and, as such, hosts the Communities First programme.

[165] It works across the vision framework. For example, for jobs and business, we work with Job Match and Want2Work. We help to engage the community and introduce them to service providers in the area, to make that connection between the agencies working in the area and the community. On health, Gurnos recently had around seven hours of GP services per week, so we worked with the local health board to get that up to 60 hours and increasing. We work with the Flying Start initiative to tackle child poverty to add value to that programme. For example, if parents are not taking up the Flying Start programme, we work with them to encourage them to take it up. We have had major success in widening access to further and higher education. Several years ago, under the EU's Equal programme, we undertook a major research project on how to widen access to further and higher education.

We piloted a model, which has now been picked up by the council and rolled out borough-wide. So, those are the sorts of programmes that we provide.

3.00 p.m.

[166] We do a lot of work with young people, trying to prevent them from becoming NEET—not in education, employment or training—and supporting them. On stock transfer, we use community buildings. I have a photo here to show you. I should have brought the new one to show you what we have achieved because this one is so out of date, but we have been working with Merthyr Tydfil Housing Association and Merthyr Valleys Homes. You will have to imagine the new photo on the cover: it is now beautiful and there is no barbed wire.

[167] **Jonathan Morgan:** Ms Adams, I think that that is a valid criticism and I am sure that the auditor general will take note of that.

[168] **Ms Adams:** Really? We just saw this photo and thought that there must be some other nice photos of good community work, so I want you to note that this photo is completely out of date.

[169] We also undertake projects to celebrate Welsh heritage and culture. So, our work is applied across the board. For example, we had a wonderful iron and steel project for young people who researched the history of the area and wrote a production about it. So, we offer a variety of things. We promote and work hard to develop community crèches. Financial inclusion is also big on our agenda. We have a one-stop information shop where you can get advice and support, and we bring in Citizens' Advice, credit unions, Shelter Cymru and lawyers to give free legal advice all in one place.

[170] **Mr Collins:** There are also police and community together meetings.

[171] **Ms Adams:** Yes, we also have PACT meetings. Members of staff also sit on strategic partnerships. Our business and finance officer sits on the board of Merthyr Valleys Homes, so we have an influence there. I chair the adult community learning group for Merthyr. I was also a member of the Welsh financial inclusion steering group, so we try to place ourselves strategically to influence services in the area.

[172] **Jonathan Morgan:** Mr Collins, would you like to add something to what your colleague has said?

[173] **Mr Collins:** I think that she said it all, really. I have been chairman for just under a year. We have an annual general meeting at which we sometimes elect a chair and it was my turn this year. I just chair the meetings and attend them really.

[174] **Jonathan Morgan:** I have one brief question before we move on to Bethan Jenkins. One concern raised in the auditor general's report related to what was rather fancily termed, 'programme bending'. That is the idea that, with the involvement of so many different organisations, from the Assembly Government downwards, including local authorities, other organisations should be able to tailor some of their own expenditure and their own programmes to help to deliver a Communities First agenda. In a sense, that is a rather nice multiplier effect, whereby an organisation enhances what it has done through Communities First. Do you have any concerns about that or any experiences of it being an issue in your partnerships? We will start with Anna.

[175] **Ms Chard:** Initially, the partnership board identified that our problem in the ward was that we did not have a venue out of which we could bend any services. That is why we looked at being a part of that as a project and why that was our first priority. Since then, we

have been extremely successful in that respect. I agree that we should be accountable, that our actions should be measurable, and that we should be able to identify our value for money. I can comment only on our ward, where we have provided exceptional value for money.

[176] We are a small team. We do not have an excessive number of staff: there is one development worker, one support officer, one part-time youth project officer and one co-ordinator, and they have been in place for only the past three years. We have been fortunate enough to secure funding for another development officer as of April this year. We now have a building, which is the hub of that community, but we also need to be conscious of the other areas of the ward. We provide credit union services and Flying Start, through which we have an incredible initiative. We were identified as one of the projects that focused the most attention on child poverty and the associated issues. We are working very closely with the local authority. As I said, our ward has been very fortunate. The borough councillors who sit on our partnership board work in true partnership. It is very difficult not to focus on the Llanhilleth area regeneration scheme, which is a huge facet of what we have produced, but the work seems to be much smaller when you look at the work that we have done with Swffryd, Brynithel and Aberbeeg.

[177] We promote volunteering and we look at the education, training and growth of each individual for their own needs, which is very important. We have secured seven, I think, jobs for volunteers, focusing particularly on the youth element. There has been an increase in posts thanks to the jobs created within the miners' institute. I think that there have been about 11 to date. The Alzheimer's Society now provides a service in the area. We have an inclusion officer, whom we fund almost from month to month because it is very difficult to find funding at the moment, particularly in the current financial climate with trusts. The inclusion officer provides children and family support, including one-to-one services for families experiencing particular problems. That youth service is not available in Blaenau Gwent.

[178] **Jonathan Morgan:** From what you are saying—and I suspect that we will find a great deal of this—there seem to be many good local examples of people being very enthusiastic about the changes that they can help to bring about. In addition to the work that you outlined you have been doing as part of the Communities First partnership, have you noticed any changes brought about by the involvement of, for example, the county council, which have enhanced what you are trying to achieve?

[179] **Ms Chard:** Yes. To be perfectly honest, it can vary from department to department with local authorities. However, looking at the project itself, generally, I would hold the Llanhilleth regeneration scheme project up as a perfect example of the bending of all services into the area and working in true partnership with what was then Objective 1 and the Welsh Development Agency but which developed into the Department for the Economy and Transport, and the local authority.

[180] **Jonathan Morgan:** I will bring Janet Ryder in quickly, and then I will ask Mr Jones and Ms Adams to reply, too.

[181] **Janet Ryder:** I want to turn that question on its head. Each project is different, and it is therefore difficult to make assumptions about one project based on another. However, the criticism made by some projects is that, when they have successfully developed services, the council has then withdrawn its services in the area. So, instead of projects supplementing and increasing the services in the area, the service level has remained static because the council has withdrawn its services. Do you have any experience of that, or has all your work been supplementary to existing council services?

[182] **Ms Chard:** With the example that I can use, Blaenau Gwent, as I said, the ward is extremely challenged, geographically, and the further south you go in the valley, the fewer the

services being provided. From that point of view, the withdrawal of services has not really been an issue; the services were just not being provided in the first place. So, we have had to work in partnership to improve that.

3.10 p.m.

[183] **Janet Ryder:** Are those services that you have developed now at a stage where they can continue without Communities First?

[184] **Ms Chard:** I am being extremely honest, which is the only way to be, and I would say that the one thing that we do very badly in the St Illtyd's ward is to promote ourselves. While that is, in some respects, contrary to what we should be doing, it actually enhances the potential for sustainability. We work with the community groups to up-skill and increase their capacity under Communities First, but if you remove Communities First, will that work be sustainable? That is a question that we have asked as a partnership board on many occasions. It is about the working together to promote the organisations and the groups that you work with and, even though, Communities First has a large presence in furthering that work, it may be that we do not always promote ourselves as much. However, in answering your question, yes, the whole ethos of our partnership board is that sustainability is paramount, otherwise, what are we there for?

[185] **Jonathan Morgan:** Mr Jones and Ms Adams, would you like to respond to the question about the end of the programme?

[186] **Mr Jones:** Siaradaf am Benparcau, Aberystwyth a Chyngor Sir Ceredigion. Cynhaliodd cyngor Ceredigion gynhadledd rhyw bythefnos yn ôl yn ymwneud â'r byrddau gwasanaethau lleol. Fel ardal Cymunedau yn Gyntaf, yr oeddem yn rhan bwysig o hynny, a chawsom gyfle i ddylanwadu ar y gwasanaethau mae'r byrddau'n eu darparu yn y sir. Fel y dywedais yn gynharach, gan fod rhychwant ein gwaith mor eang, gan gynnwys iechyd, addysg, yr heddlu ac ati, yr unig ffordd inni ddylanwadu ar ddarpariaeth y gwasanaethau lleol yw drwy fod yn rhan bwysig a chanolog o'r byrddau gwasanaethau lleol. Wedi mynd drwy adroddiad yr archwilydd cyffredinol, yr wyf yn cytuno'n llwyr â'r argymhellion am newidiadau. Yr wyf yn gwerthfawrogi arweiniad y Cynulliad o ran yr argymhellion i'r cyngor sir greu'r byrddau lleol, ynghyd â'r cyfle i ni ar lawr gwlad fod yn rhan o hynny, oherwydd dyna'r lle yr ydym yn gwneud gwahaniaeth.

Mr Jones: I will talk about Penparcau in Aberystwyth and Ceredigion County Council. About a fortnight ago, Ceredigion council held a conference on local service boards. As a Communities First area, we were an important part of that, and we had the opportunity to influence the services that the boards provide in the county. As I said earlier, the scope of our work is so wide, encompassing health, education, the police and so on, that the only way for us to influence the local service provision is for us to be an important and central part of the local service boards. Having gone through the auditor general's report, I agree entirely with the recommendations for changes. I appreciate the Assembly's lead, and the recommendations to create local boards, along with the opportunity for us on the ground to be a part of that, because that is where we make a difference.

[187] Y diwrnod o'r blaen, buom yn gweithio gyda'r heddlu. Daeth rhywun o'r heddlu atom a dweud bod ganddynt gyfle i gael swydd newydd i'r ardal, a chan ein bod ni wedi bod yn gweithio gyda'n gilydd ar lawr gwlad, mae'n edrych fel y bydd cyfle i roi rhywun yn y swydd i weithio ag ieuencid

The other day, we were working with the police. Someone from the police came to us and said that they had an opportunity for a new post in the area, and as we had been working together on the ground, it appears that there is an opportunity to put someone in post to work with the area's youth, which we

yr ardal, sy'n rhywbeth a werthfawrogwn. Yr appreciate. We work very closely with ydym yn gweithio'n agos iawn gyda various groups on the ground. gwahanol grwpiau ar lawr gwlad.

[188] Mae'n her, er hynny, fel y mae'r Nevertheless, it is a challenge, as the auditor archwilydd yn dweud, i ni yn Cymunedau yn acknowledged, for those of us in Gyntaf ddwyn dylanwad a denu'r adnoddau i Communities First to bring influence to bear roi blaenoriaeth i Gymunedau yn Gyntaf. and to attract resources to prioritise Communities First.

[189] **Ms Adams:** I made some comments on programme bending in my paper. We are located in Merthyr, and basically, all of Merthyr is a Communities First area. So, programme bending would, according to its definition, almost mean prioritising one Communities First area over another. What we focus on is service delivery, so that it meets need in an area. I have given some examples of how we have done that. Among the things that I have highlighted is that it takes time to influence service delivery. I cannot walk into someone's office and say, 'Okay, I want an adult community learning programme that looks like this, that's delivered here', and so on. We work on providing evidence and working in partnership.

[190] We identified key areas where we wanted service delivery changed. One was in adult community learning, and that was researched and evidence was given. The borough took that and rolled that out throughout its area. That was one example that I gave.

[191] Another was in the area of childcare and crèche facilities. One of the priorities for the area is to help people to take up training and employment opportunities, but there is no community day care. So, if someone wants to take up an IT course or any type of community learning and they have a child, that is a barrier to their progress. Flying Start provides two hours of day care per day, but a lot of the learning opportunities take more time than that. We have worked with Flying Start to show that there is a need for more than two hours and that if you really want to encourage people to go into higher and further education and to take up training and employment so that they reach their full potential, two hours a day is insufficient. Flying Start has now taken on a building for renovation. We were hoping to have that ready by September, but that is about the builders.

[192] That is an area that we worked on that we have seen going forward. Also, we work to bring in services for young people. So, the police come in and support the young people, as do Drug Aid and health services and so on. Those were the examples. Of course, the council also transferred community assets to us so that we could run them for the community. Those were the three examples that I gave. I think that Merthyr is in a bit of a difficult situation because, basically, the whole borough is a Communities First area.

[193] **Jonathan Morgan:** Briefly, before we move to Bethan's question, you mentioned the Flying Start scheme and the two hours of day care that were being provided as an example. Obviously, Flying Start is covered by a separate budget and that would have provided the two hours. Did moneys from the Communities First project provide the additional hours?

[194] **Ms Adams:** The funding for the additional hours comes from different places—it depends on what training opportunity comes in. For example, if they go into the Bridges into Work programme, which is a council programme, the budget for those extra hours will come in from that. If they take up something through Job Match, the additional hours will come into that, but it will be less expensive, because it will be a community thing. The funding can also come from our budget, because we get some funding, but it depends on which programme they go into.

[195] **Bethan Jenkins:** The auditor general's report states that the objectives are quite

ambitious, as you mentioned earlier, Bryn. They are also innovative because of the nature of the programmes that you deliver. How do you see your partnership's objectives in relation to the overall Communities First programme? Are they challenging? Are they not demanding enough? How do you see them fitting in to the broader aspects of the programme?

[196] **Mr Jones:** Ti'n iawn; mae her yno yn glir i ni. Yr ydym yn cytuno rhaglen am y flwyddyn gyda'r Cynulliad. Mae'r bartneriaeth, y staff, sefydliadau a gwasanaethau'r ardal yn trafod y rhaglen am y flwyddyn ac mae'r targedau yn rhan o hynny, o dan iechyd a lles, yr amgylchedd ac addysg gymunedol ac yn y blaen. Yr ydym yn mesur ein gwaith drwy'r flwyddyn yn erbyn y targedau hynny. Maent yn clymu i mewn ag egwyddorion cyffredinol y rhaglen ei hun. Mae'n anodd weithiau i glymu'r ddau gyda'i gilydd. Mae'r swydd a'r gwaith yn eang eu sgôp ac yr ydym yn gweithio â phawb ar lawr gwlad yn y sir—yn ein hardal ni, beth bynnag. Mae'n anodd weithiau a gall fod yn dipyn o her. Gall pethau weithio'n dda iawn gyda'r gronfa ganlyniadau. Pan yr ydym yn dod at y bwrdd gyda'r gwahanol wasanaethau, yr ydym yn gallu dod â chyllid cyfatebol gyda ni ac mae hynny'n gwneud gwahaniaeth mawr. Felly, y pethau pwysig yw clymu egwyddorion y rhaglen gyda'r gwasanaethau ar lawr gwlad yn y sir a hefyd ni'n cael cyfle i ddylanwadu ar hynny gydag arian. Mae hynny'n rhoi siawns i ni newid pethau.

[197] **Bethan Jenkins:** A ydych yn gweld bod y rhaglen yn rhy eang er mwyn i chi allu cyrraedd y targedau?

[198] **Mr Jones:** Yn bersonol, nid wyf yn gweld hynny, oherwydd dyna'r gymuned ac mae'r gymuned yn eang. Mae'r pethau sy'n mynd ymlaen yn y gymuned yn eang eu cwmpas. Os ydym am wneud gwahaniaeth mawr a chreu newidiadau a fydd yn parhau, mae'n rhaid i ni edrych ar bopeth. Byddwn yn hoffi cael llawer mwy o arian fel bod ein swyddogion yn gallu cynnal gweithgareddau ond mater arall yw hynny.

3.10 p.m.

[199] **Ms Chard:** As was just said, if you look at the vision framework of Communities First, you will see that that is huge. There is no way that we can tackle everything that is in it. It would be wonderful if we could and we have made huge strides on that, but it is very much about prioritising what is important, which can sometimes be extremely difficult. We have been particularly fortunate in Blaenau Gwent, as we have not had a huge turnover of staff. In

Mr Jones: You are right. There is a clear challenge there for us. We agree the programme for the year with the Assembly. The partnership, staff, organisations and services in the area discuss the programme for the year and the targets are part of that, under health and welfare, the environment and community education and so on. We measure our work throughout the year against those targets. They tie in with the general principles of the program itself. It is sometimes difficult to tie the two together. The job and the work are wide in scope and we work with everyone on the ground in the county—in our area anyway. It is hard sometimes and it can be quite challenging. Things can work very well with the outcomes fund. When we come to the table with the various services, we can bring match funding with us and that makes a big difference. So, the important things are tying the principles of the programme with the services on the ground in the county and also us having the opportunity to influence that with money. That gives us a chance to change things.

Bethan Jenkins: Do you see that the programme is too wide for you to reach the targets?

Mr Jones: Personally, I do not because that is the community and the community is broad. The things that go on in the community are wide in scope. If we want to make a big difference and institute changes that will endure, we must look at everything. I would like to get a lot more money so that our officials can hold events, but that is another matter altogether.

this job, it is difficult not to become personally involved and to feel for people, because where do you cut off? The job is one that you have to care about. When you look at the priorities, the question is not whether they are hard enough; I would say that, at times, they are too hard to achieve and you cannot achieve what you would like to achieve. So, as a partnership board, at times, we find that the prioritisation can be a little too adventurous for what can be achieved. That is where it is important, for us as staff to work on that and to work with the partnership board on what is achievable.

[200] **Bethan Jenkins:** Do you, too, have targets that you monitor on a regular basis?

[201] **Ms Chard:** Yes, we have monitoring reports, for which we agree targets; it is done through the partnership board, which agrees the targets. You must remember that, even though it may seem as if the programme has run for a long time, we are very much at the front line. Rarely before has there been a programme that has put people on the doorstep. As you build relationships, it is surprising what happens when you start scratching the surface. From that point of view, it takes a long time to build up confidence and to bring the right mix of people together to make decisions on setting targets and that aspect, because that is part of the role. It is important that the priorities are in line with the need, and not always the desire of the community, because we cannot have a leisure centre or swimming pool on every corner. Sometimes, that, in itself, is extremely challenging.

[202] We are focused on working across boundaries and across local authorities. That is important, but when you have a situation such as ours, because, as I keep saying, we are far south of the valley and Llanhilleth ward is in the catchment area of Newbridge Comprehensive School and Oakdale Comprehensive School, which is where our young people go. Any initiatives in Blaenau Gwent do not include our children, which is a huge challenge. I am sorry, I am digressing. I tend to do that, I am afraid; you can tell that I am on my soapbox.

[203] It is so broad that it is very difficult, but we are on the doorstep, and that is a positive contribution.

[204] **Jonathan Morgan:** Ms Adams, do you have a brief reply to Bethan's question?

[205] **Ms Adams:** You will have to repeat the question. Was it about the vision framework?

[206] **Bethan Jenkins:** It was about how you put your objectives into the wider Communities First context and also on the targets. You mentioned evaluation in your paper, but how do you go about measuring those targets?

[207] **Ms Adams:** First, for us, once a year, we get together to look at the priorities for the community. Our last exercise was in July, when we invited and sat down with everyone—partners and service providers—and looked at the area over a period of three years. We had a humongously long list. I then gave everyone coloured dots and they had to say what they wanted in year one, what in year two and what in year three, because we could not achieve everything in year one. It is a big agenda, but there are priorities. Adult community learning was a priority, childcare was a priority and community safety was a priority. From there, we set our work programme with targets. We have to agree our targets with the Welsh Assembly Government and then we put in the monitoring procedures.

[208] We also have funding from many other funders such as the Big Lottery Fund, the Coalfields Regeneration Trust and so forth. We are used to monitoring our projects because you do not get your money if you do not provide the data. Therefore, whatever we need to put in place as a result of conversations with any of our funders, that is what we do. We have received European funding and had a European-funded programme for years. We sometimes

collect more than a funder wants because it only wants a certain amount of information. We will also take a look at the soft outcomes and write up case studies, collect articles in newspapers and so forth, for our own benefit and for the community's benefit. So, everything that we do is not just for funders, but also for our community. Once a year, we celebrate the success and go over what we have achieved.

[209] **Janet Ryder:** The auditor general also states in his report that when Communities First was first developed in the early years of the Assembly, there was never a clear vision. There was a big picture but no clear vision as to what was going to be the outcome. You could develop an argument that would say that some of the issues and problems in Communities First areas have occurred because there was no drive or clear steer. Every community is different and every community was supposed to find its own solution. That had consequences for people who were working on the scheme and there has been a high staff turnover. Different projects also use staff in different ways. However, it strikes me that if you look at the funding that has been spent on Communities First—and I am talking about the eight or nine years that it has been running, and across the various communities throughout Wales—you will see that £214 million-worth of public money has gone into Communities First. Of that, £177 million has gone into staff appraisals and support. Have we really had the return on that public money and the benefits in those communities, or could we have perhaps used that money in a different way?

[210] **Mr Jones:** Dyna gwestiwn mawr. Yn y pen draw, credaf fod pawb o amgylch y bwrdd yn cytuno. Y nod yw gwella ansawdd bywyd pobl mewn ardaloedd o dan anfantais. Mae'n anodd gwneud hynny. Pan sefydlwyd y rhaglen ar y dechrau, yr oedd yr her yn un fawr. O ran sut y gallwn ni wneud gwahaniaeth a sut y gallwn fynd ati i wella ansawdd bywyd pobl mewn ardaloedd o dan anfantais, bydd rhaid ichi gael pobl ar lawr gwlad sy'n gweithio gyda'r cymunedau i wneud y gwahaniaeth. Bydd yn rhaid inni gael arweiniad gan y Cynulliad i roi mwy o flaenoriaeth yn adrannau'r cynghorau sir ac adrannau'r Cynulliad ei hun. Af yn ôl eto at adroddiad yr archwilydd, sy'n argymhell hynny. Mae'n swm mawr i'w weinyddu. Gydag arian bach gallwn wneud gwahaniaeth mawr ar lawr gwlad. Gallwn gydweithio â sefydliad megis Tai Cantref, er enghraifft, gyda rhyw £300 i gynnal cwrs a fydd yn gwneud gwahaniaeth i bobl a'u hannog i fynd ymlaen i addysg neu hyfforddiant pellach. Rhaid cael pobl yn eu lle i weithio ar lawr gwlad ac i gynnal hynny. Nid wyf yn siŵr a oes ffordd arall o wneud hynny.

Mr Jones: That is a big question. Ultimately, I think that everyone around the table would agree. The objective is to improve the quality of life of people in an underprivileged area. That is difficult to achieve. When the programme was initially founded, that was the big challenge. On how to make a difference and how to go about improving the quality of life of people in underprivileged areas, you need people on the ground to work with communities to make a difference. We will need leadership from the Assembly to give a greater priority in local authority departments and the Assembly's own departments. Once again, I refer back to the auditor general's report, which mentions that. It is a large sum of money to administer. With a small amount of money we can make a huge difference on the ground. We can work with organisations like Tai Cantref, for example, with around £300 to hold a course that would make a difference to people and encourage them to move on to further education or training. People need to be in place to work on the ground to maintain that. I do not know whether there is another way of doing that.

[211] **Janet Ryder:** I know that many of you work hands-on in communities. Some of you have very large communities to work in with a relatively small number of staff. Over the 10 years, you have talked about what you can do with a small amount of money. Only £27 million over eight or nine years has been spent on projects. Have we got the balance right? Is that good use of public money? Have we really seen the increase and the development of the quality of people's lives in those communities? Has this really been a good use of public

money?

3.30 p.m.

[212] **Ms Chard:** I hope that the statistics that I am about to refer to are correct. Please remember that I can only comment on my own area.

[213] **Janet Ryder:** I know that it is difficult.

[214] **Ms Chard:** If you look at the spend on St Illtyd's Primary School under Communities First since the first year, which I think was 2003-04, up to 2008-09, for staff projects and related elements it came to £718,000. Then, when you look at what we have brought in, and that we secured the action plan in addition, which amounted to £750,000—it is difficult to look at this in isolation as one project, because as I say, I could sit here and list projects that we have been involved in, but we are talking about a tangible amount of money. What we were involved with there was the closure of two schools to merge into a new one, and all the added complications that came with it. Then there was an investment by Communities First into the regeneration of that whole area. If you look at the indicators with regard to the primary school, even though we are not necessarily directly involved in the education side, we are heavily involved in other aspects at the adjoining school. If you look at the core subject indicator for the pupils, and the expected level for St Illtyd's Primary School, with the direct investment from Communities First into the regeneration of that building—

[215] **Janet Ryder:** Is that community use of the school, or is it—

[216] **Ms Chard:** It is the educational side, but we have invested in the community aspect of the school. We are involved with Flying Start at the school. I do not know if you are aware of the actual building.

[217] **Janet Ryder:** I know that it is difficult to go into detail. To me, looking at this from outside, it links back to what I asked you in the first place—where has Community First money replaced money that should have been spent by the local council on educational and community facilities? Where is it being used to supplement revenue support grant spending?

[218] **Ms Chard:** It is the whole project. If you look at the investment in Llanhilleth Miners Institute—because all these projects are interlinked, so it is difficult to isolate a one-off—we now have a Flying Start initiative, which brings added value. Then there is IT; we had a Communities at One scheme that provided an incredible service, increasing IT skills across the whole ward. We work extremely closely with the hubs, as we call them: Swffryd Community Centre and Brynithel Community Centre—and a lot of value has been added there. For example, we assisted the development of Brynithel activities group, which is now making a valuable contribution to that community, and would not exist without Communities First. It is difficult because, as a co-ordinator, I do not want to take away from what that community itself has achieved. As a Communities First partnership board, we are not a limited entity; we work with the community to allow it to grow, and that in itself makes it difficult to pinpoint exactly what we do without undermining the vision of the programme as a whole.

[219] **Jonathan Morgan:** That is a useful point. Perhaps, in answer to Janet's question about the balance between what is spent on staff and what is spent on delivering the projects themselves, and realising the benefit of Communities First, we could have two brief answers from Bryn Jones and Carol Adams on their own experiences.

[220] **Mr Jones:** Fel cyn-swyddog loteri, **Mr Jones:** As a former lottery officer, and ac wrth edrych ar un o argymhellion yr looking at one of the recommendations of the

archwilydd cyffredinol, cytunaf y dylem gael mwy o sgiliau i'n galluogi i roi cymorth i sefydliadau i wneud ceisiadau am arian. Gallaf roi un enghraifft ichi. Dim ond ers chwe mis yr wyf wedi bod yn y swydd, ac yr wyf wedi rhoi cymorth i ddau sefydliad wneud ceisiadau am arian allanol, ac maent wedi derbyn yr arian. Yr wyf ond yn sôn am £6,000, ond mae hynny'n £1,000 y mis. Mae honno'n enghraifft wir. Yr ydym yn gweithio gyda sefydliadau i edrych ar y rhaglen trosglwyddo asedau cymunedol gyda'r Gronfa Loteri Fawr. Yr ydym yn rhoi cymorth mawr i sefydliadau ar lawr gwlad wneud ceisiadau am arian allanol. Felly, mae gwaith i'w wneud i weld faint o arian mae Cymunedau yn Gyntaf wedi ei helpu i ddod i mewn i'r ardal, ar ben yr hyn y mae'n ei wario yn yr ardal.

auditor general, I agree that we should have more skills to enable us to give assistance to organisations to make bids for funding. I can give you one example. I have been in the job for six months, and I have assisted two organisations to make bids for external funding, and they have received funding; I am only talking about £6,000, but that is £1,000 a month. That is a true example. We are working with organisations to look at the community asset transfer programme with the Big Lottery Fund. We are giving major assistance to organisations at grass-roots level to bid for external funding. So, there is work to be done to see how much money Communities First has helped to bring into the area, in addition to what it spends in the area.

[221] **Ms Adams:** On your question about our investment in staff, one thing that our staff work on is reaching the hardest to reach. However, there could be services in the area that perhaps people are not taking up. So, for speech and language for example, there is speech and language provision, but there is some very high 'did not attend' statistics in the area. Therefore, one pilot project that we carried out was on helping people to take up the services that are being provided. Monitoring and evaluating is the hard part; we can say, 'We've referred x amount of people to JobMatch', or 'We took x amount of people to their appointments'. That is part of the staff costs. It is to help people to engage with the existing services. Many service providers come to us and say, 'No-one is taking up these opportunities; I am supposed to hold an adult community learning class and the class is not full. No-one is coming.' Part of the role of the staff is then to say, 'We're the engagement on the ground. The Workers' Educational Association does not have an engagement team to come in to help people to take up adult community learning.' So, part of what the staff do is to work with service providers who are trying to work in the area to help people to take up the services. If it was not for Communities First staff, there would not be as many people, for example, taking advantage of the credit unions. The credit unions exist, and our staff help to support them.

[222] That is what our staff do. We engage with community members to promote adult community learning, we engage with young mums to take up Flying Start, and we engage with community members to help them to take advantage of the opportunities of JobMatch and Jobcentre Plus. We staff an information shop, so that people can come in and we can help them to take up the services that are in the area. We help to bring in the services and then encourage people to take up those services. That is where the staff costs are in our area. Without our assistance, you would go back to the question of trying to provide a service and no-one taking it up.

[223] We are trying to work on a cultural change to help people value the services. Adult community learning was one of the projects that we worked on, and we now have community members in universities studying to become nurses. So, there is now a cultural shift. This year, we are working on a learning street, which we will write up for the newspaper. One person who was in the programme two years ago has now recruited all of her neighbours to come into the adult community learning programme. That is what the staff do.

[224] Going back to funding and putting on projects, we leverage in so much more money

in order to put on additional projects. So, for staff costs, I think that that has been a good investment in our area. I can only speak for our area, because I can say, looking at our target, 'X amount of people have gone to doctor appointments, x amount of people are using credit unions, and x amount of people are taking up adult community learning and using JobMatch and Jobcentre Plus.' The list goes on.

[225] **Lorraine Barrett:** Do you feel that you have enough support from the Government in meeting your objectives? To what extent do you think that the programme should be centrally driven or directed, and how much should it be locally driven?

[226] **Mr Jones:** Fel y soniais yn gynharach, gwelwch lythyr oddi wrth Emyr Roberts o Lywodraeth y Cynulliad i bob prif weithredwr yng Nghymru yn gofyn iddynt hwy a'u gwasanaethau beth y maent yn ei wneud o ran Cymunedau yn Gyntaf a sut y gall Llywodraeth y Cynulliad helpu i flaenoriaethu Cymunedau yn Gyntaf.

Mr Jones: As I referred to earlier, we saw a letter from Emyr Roberts from the Assembly Government to all chief executives in Wales asking them and their services what they are doing with regard to Communities First and how the Assembly Government can assist to prioritise Communities First.

3.40 p.m.

[227] Hoffwn weld Llywodraeth y Cynulliad yn rhoi mwy o'r math hwnnw o neges i wasanaethau cyhoeddus, ac mae'r un peth yn wir am gynghorau sir: mae angen iddynt ddangos arweiniad a rhoi blaenoriaeth i'r rhaglen. Dyna yw fy marn i.

I would like to see the Assembly Government send more of those kinds of messages to public services, and the same is true of county councils: they need to show leadership and to give the programme priority. That is my view.

[228] **Lorraine Barrett:** Before the other witnesses answer, I should say that there was another part of my question. Do you think that the Welsh Assembly Government is giving sufficient priority to the programme as well as giving you enough support?

[229] **Mr Jones:** Af yn ôl at yr argymhellion yn yr adroddiad. Efallai fod angen mwy o flaenoriaeth tu fewn i adrannau'r Cynulliad, ac wedyn yn y cynghorau sir. Hoffwn weld mwy o hynny. Mae'n digwydd, fel yr oeddwn yn ei ddweud. Mae'r Cynulliad wedi gofyn i'r cynghorau siroedd greu byrddau gwasanaethau lleol, ac yr ydym ni, fel grwpiau Cymunedau yn Gyntaf, wedi cael gwahoddiad i eistedd ar y rheiny lle y gallwn ddylanwadu ar y gwasanaethau ar y llawr. Hoffwn i weld mwy o arweiniad.

Mr Jones: I go back to the report's recommendations. There is perhaps a need for greater priority within Assembly departments, and then in the county councils. I would like to see more of that. It does happen, as I said. The Assembly has asked the county councils to create local service boards, and we, as Communities First groups, have been invited to sit on those where we can influence the services on the ground. I would like to see more leadership.

[230] **Jonathan Morgan:** Does anybody else want to answer Lorraine's question?

[231] **Ms Chard:** I agree with what my colleague has said. It was very difficult at the outset of the Communities First programme. I do not even know whether there was direction within the Assembly Government. It seemed to me that the goalposts were moving from week to week initially, and that was very problematic, particularly for people working out in the field. The process was not really understood. As a co-ordinator, I would go to sessions where we were desperate to have some direction and, very often, it was us who were giving direction so that something could be created outwards. We are getting on track now, and that is vital

because, whatever the structure, somewhere between one or the other, the communities definitely need that front-line support—and not in a patronising way. Many of the people who live in the Valleys want to live there, and the most horrendous thing that you can say to people is that they are deprived. I choose to live in Blaenau Gwent. I absolutely love living there, and I would encourage any of you to come and see how it has changed. In one way, you get very excited as a co-ordinator if you see a statistic that proves that you are deprived, because you can add it into a funding bid, but there is that conflict there. So, as a co-ordinator or someone who has anything to do with Communities First, you need multiple skills. This week has been a prime example. I am attending this committee today. On Wednesday night, I fed a group of 18 ladies from Brynithel ladies' forum, which is in its forty-third year of existence. We had a flood in the toilet on Monday, so I was mopping that up. So, it is vital for a Communities First co-ordinator to be versatile, and to have a sense of humour.

[232] **Ms Adams:** I mentioned in my brief that, at the end of the day, this is a programme for tackling poverty and social exclusion, so everybody needs to work together. That means people in the Welsh Assembly Government down. We are looking at cross-cutting issues. Communities First has a health agenda, for example. We do not sit in the health department, but we must be able to work with it. Everyone talks about joined-up, partnership working and so on. In terms of support, the teams are there and, when you want advice and guidance, you will go to them. As I said before, we get funding from many different sources, so we do not go to every funder for advice and guidance. When you need clarification on something, you will go to them; you will send in your reports and have dialogues.

[233] Training is available through Communities First and through the Wales Council for Voluntary Action. I have only been in the programme for three years, so it is hard for me to say what the situation regarding training and support was at the very beginning. From where I stepped in, I felt that whatever I needed was there, but I was not there in the beginning and therefore cannot comment on what it was like.

[234] **Jonathan Morgan:** That is a very useful point, and leads nicely onto Irene James's question about the involvement of other organisations.

[235] **Irene James:** You have touched on this, but do you feel that you have sufficient support to meet your objectives from local and public bodies, organisations and the local authority?

[236] **Ms Adams:** I think that Anna hit on the point that meeting your work planning and your objectives depends largely on the relationships that you develop. You might have a relationship with someone in the local authority who then leaves. Let us take the example of Cwm Taf Health Trust, which was the result of a merger. Some people have been made redundant, and the trust is not sure how its money will be spent as it is being restructured. Before it was Cwm Taf, when it was North Glamorgan NHS Trust, everything was great; I knew who all of the players were, I knew who to call, they knew what their budgets were, and they were not being interviewed for their jobs once, twice or three times over. The will is there with the people that I meet, but there are a lot of uncertainties, and people ask, 'Carol, can you wait a year until things settle down?' They are being re-interviewed for their jobs, the local health board has also merged, and no-one quite knows what job they will have. So, things happen and sometimes there is nothing that you can do but wait for things to settle down and for people to begin to feel secure.

[237] So, things such as that happen. Many things can happen to affect your relationships with people. I am sure that, if someone really cannot stand me, he or she might not want to work with me. That is the reality of the situation. You have to be diplomatic. So, yes, we do get support, but you cannot mandate it; you have to build up relationships as well. The Welsh Assembly Government can send as many letters as it wants to the local authority, but it has to

find a way, within its budgets, line managers and politics, to be able to work with us. Where we have identified priorities to move forward, we have been very successful.

[238] **Jonathan Morgan:** Before I move on, Bethan has a quick supplementary question.

[239] **Bethan Jenkins:** In the auditor general's report, there was evidence that some local authorities or councillors were taking over individual schemes or claiming them as their own and then perhaps creating tensions within the programmes. Do you have any evidence of that, or is it something that you do not encounter?

[240] **Mr Jones:** Nid wyf wedi gweld unrhyw beth o'r fath yn ein partneriaeth ni. Cynrychiolwyr o'r gymuned yw'r bartneriaeth; mae cynghorwyr cyngor sir a chyngor y dre yn rhan o'r bartneriaeth ynghyd ag aelodau gwirfoddol. Nid wyf wedi gweld llawer o hynny, ond dim ond am chwe mis yr wyf wedi bod yno. Efallai bod eraill wedi cael profiad gwahanol.

Mr Jones: I have not seen anything like that in our partnership. The partnership comprises community representatives; there are county councillors and town councillors as part of the partnership as well as volunteers. I have not seen much of that, but I have only been there for six months. Perhaps others have had a different experience.

[241] **Ms Chard:** That leaves it to me, does it not? With regard to your question, at times, there is a culture where some take praise for themselves, but that is not necessarily true only of local authorities: it can also be true of agencies that you work with. As I said initially, in the programme it can be very difficult, because if you are working with an agency or a local authority that will be there a long time after Communities First, then you do not want to break down the relationship with the community and that organisation. So, from that point of view, sometimes is best not to assert yourself at that moment, but to make changes diplomatically.

[242] With regard to the local authority and the elements attached to that, and the question of whether I have seen a change, historically, it was extremely difficult and relationships were important. It was a very personal thing. You built relationships and you could move on. I think that we are on the right road now but there is always room for improvement.

3.50 p.m.

[243] **Jonathan Morgan:** I have a very quick supplementary question. It may just require a 'yes' or 'no' answer; I will try my luck. From your experience, do you think that other organisations, such as local authorities, understand the need for them to provide you with help and support to enable you to meet your objectives?

[244] **Mr Jones:** O'm rhan i, y cyngor sir sy'n derbyn y grant gan y Cynulliad. Felly, yr wyf yn gweithio'n agos gyda'm rheolwr yn y cyngor sir. Mae'r partneriaeth ar wahân. Felly, yr wyf yn derbyn cymorth gan y cyngor sir ac yr wyf yn gweithio'n agos gyda'r cyngor.

Mr Jones: For my part, the county council receives the grant from the Assembly. Therefore, I work closely with my manager in the county council. The partnership is separate. So, I receive assistance from the county council and I work closely with it.

[245] **Ms Adams:** I am not sure that I understand your question. Could you repeat it?

[246] **Jonathan Morgan:** Do you think that the local authority understands the need to provide Communities First partnerships with help and support to deliver on their objectives?

[247] **Ms Adams:** I guess the reason why I do not understand the question is because 'the local authority' is so huge. I guess that the answer would be 'yes' for some and 'no' for

others.

[248] **Ms Chard:** I think that I would take the same approach. I know that you want a quick answer and I am afraid that I waffle on a bit. There has been a lack of understanding of what the programme was originally about, and that has been very problematic.

[249] **Jonathan Morgan:** So, more needs to be done to raise awareness and understanding among people working in local authorities of what Communities First is about and what it is there to deliver.

[250] **Mr Jones:** Fis nesaf, bydd y cyngor sir yn cynnal diwrnod pan fydd pob pennaeth adran y cyngor sir yn dod i glywed am y gronfa ganlyniadau. Credaf fydd Paul Dear o'r Cynulliad yno. Mae'r cyngor sir yn cynnal gweithgareddau ac yn rhoi blaenoriaeth i hwn a, gobeithio, gallem egluro i bob pennaeth adran yn y cyngor sir yr hyn yr ydym yn trio ei wneud eleni.

Mr Jones: Next month, the county council will hold a day when the head of every county council department will come to hear about the outcomes fund. I believe that Paul Dear from the Assembly will be there. The county council holds activities and is giving this priority and, hopefully, we can make it clear to every county council department head what we are trying to do this year.

[251] **Jonathan Morgan:** Last, but by no means least, Michael German has a question.

[252] **Michael German:** I have a very simple question. If you had a magic wand and were allowed to make one wish, and you could not ask for more money but you could ask for it to be shifted from, for example, Llanhilleth to the 3G's Development Trust or to Penparcau in Aberystwyth, what one thing would you want to do to make the programme run better?

[253] **Jonathan Morgan:** We will start with Anna.

[254] **Ms Chard:** Why always start at my end? It seems very unfair. [*Laughter.*] That is an extremely difficult question. It is the quality of the staff that you have in place and the relationships that exist make the programme successful or not successful in areas.

[255] **Michael German:** Can we interpret that as 'more skilled training for staff is needed'?

[256] **Ms Chard:** Not necessarily. The funding that has been accessed by other organisations, such as some of the larger sums of convergence funding, must deliver at the roots. It can be very problematic. Many organisations have accessed funding. We do not have the capacity to deliver but, because we are at the front line, they come to us and expect us to deliver.

[257] **Mr Jones:** Nid wyf yn deall pam mae un peth yn digwydd. Mae gennym arian craidd, arian i gynnal gweithgareddau craidd ac arian i gynnal gweithgareddau ieuencid. Dim ond £3,000 sydd ar gyfer gweithgareddau craidd, ac mae £8,500 ar gyfer y gweithgareddau ieuencid. Dyna i gyd sydd gennym yng Nghymunedau yn Gyntaf ym Mhenparcau, Aberystwyth. Fodd bynnag, mae cronfa ymddiriedolaeth Cymunedau yn Gyntaf yn eistedd yng Nghaerdydd yng ngofal rhywun arall ac mae swm o £20,000 wedi'i glustnodi ar gyfer ein hardal ni. Yr wyf yn gweithio gyda sefydliadau ar lawr

Mr Jones: I do not understand why one thing happens. We have core funding and funding for holding core events and for holding youth activities. The money for core funding is only £3,000, and there is £8,500 for the youth work. That is all that we have in Communities First in Penparcau, Aberystwyth. However, the Communities First trust fund is sitting in Cardiff in someone else's hands and that includes a sum of £20,000 that is earmarked for our area. I work with organisations on the ground to support them in applying for grants from that fund. I would like to see that money sitting in

gwlad i roi cymorth iddynt i geisio am grantiau o'r gronfa honno. Hoffwn weld yr arian hwnnw yn eistedd yn ein partneriaeth ni gan mai ni sy'n agos at y penderfyniadau lleol a ni sy'n gwybod beth yw ein blaenoriaethau a'n targedau. Buasai hynny'n gwneud gwahaniaeth mawr.

our partnership as it is we who are close to the local decisions and who know what our priorities and targets are. That would make a big difference.

[258] **Ms Adams:** Brian is going to answer this one.

[259] **Mr Collins:** Some funding lasts for only a year or two. Some of the workers were wondering whether the funding could be for longer than two years or three years, so that their jobs could be more secure. They worry about their jobs and their families and what will happen when the funding comes to the end. They may be looking for other posts as well. That is what I had to say.

[260] **Ms Adams:** I could not answer that one, because I grew up with the magic lamp from which you get three wishes. I will have to defer that answer because I cannot do one wish; it is always three for me. [*Laughter.*]

[261] **Jonathan Morgan:** Thank you very much on behalf of the committee for being with us this afternoon. It has been extremely helpful and most enlightening. Thank you for your honesty on how you see your projects being run and progressing. Thank you for coming in.

[262] **Ms Chard:** I would like to leave some books with you. When the Wales Audit Office came to us for a visit, we had a programme going on and a song was created, called 'Auditing Love', about the Wales Audit Office. The song is in this book, which was created as part of the programme, so I did some copies for everyone. I thought that at least we could leave with a sense of humour. I will leave that for you.

[263] **Jonathan Morgan:** On the basis that you are not asking the committee to sing it, I am more than happy to receive it. Thank you all very much indeed.

3.57 p.m.

**Oedi wrth Drosglwyddo Gofal—Papur Dilynol: Ymateb Llywodraeth
Cynulliad Cymru
Delayed Transfers of Care—Follow Through: Welsh Assembly
Government Response**

[264] **Jonathan Morgan:** We have a response from Paul Williams, the accounting officer. That response follows a letter sent by the Auditor General for Wales. The advice to me is that we note the response and take no further action until the Wales Audit Office completes its report on unscheduled care. Are Members content with that? I think that that is the best way of proceeding at this point in time, in light of the further work that is being done by the audit office.

3.58 p.m.

**Gwasanaethau Mamolaeth: Cyngor gan Archwilydd Cyffredinol Cymru
Maternity Services: Advice from the Auditor General for Wales**

[265] **Jonathan Morgan:** The committee agreed to further consider the report of the Health, Wellbeing and Local Government Committee. We wrote to the Chair and he has

noted the letter that we sent and has said that they may look at this at some point in the future. However, the auditor general has suggested that the committee may wish to take evidence on where we are now from the accounting officer, Paul Williams, and possibly one or two of the new health boards. I think that that is very good advice indeed. We have a bit of spare time on 19 November, so we are going to look at that to see whether we can accommodate it. I think that there are further issues that we need to raise with the accounting officer and it might be worth putting some issues to the new local health boards. Does the audit office have a view on that at this stage?

[266] **Mr Colman:** I am slightly concerned about the timing, Chair. My advice was to take evidence early in the new year. The Minister's reply referred to the committee reporting in December. There is a risk that if you summon the accounting officer in November, he will say, 'Well, it's not December yet'. He would not be quite so abrupt, but—

[267] **Jonathan Morgan:** That would be very astute of him, if he were to say that. [*Laughter.*] If it is more suitable to take evidence in the new year, I am happy to do that. My only concern was that in delaying it too much we might lose the focus. However, if it means that it fits better into where and how this work is being dealt with, I would be more than happy for—

[268] **Mr Colman:** Unless my colleagues think that we could, with advantage, take it earlier.

[269] **Ms Body:** We could do so. The risk is, as Jeremy says, that they may present that as work in progress and say that they are still thinking about how they are going to respond to our recommendations. It might be a bit frustrating and tantalising for the committee if that were the case.

[270] **Janet Ryder:** When did they get those recommendations? How long have they had to consider them? What is the timescale that they are working to?

[271] 4.00 p.m.

[272] **Ms Body:** We published the report in June, and they would have seen the draft report a few months in advance of that. The report is based on a number of local reports that went to the trusts many months before that date. So, it is fair to say that they—

[273] **Janet Ryder:** They have had a considerable amount of time to work on this and there are still major issues in this regard that are not being addressed. We may well be told that they are still working on this, but an apt question that the public might ask them, which they should answer, is, 'What have you done to date and why has it taken so long to do something?'

[274] **Jonathan Morgan:** Would it be an inconvenience for the committee to ask some questions to the accounting officer in November, with a view to returning to this issue in January?

[275] **Ms Body:** We could certainly do that.

[276] **Jonathan Morgan:** It would be interesting to know why it is taking this long. It could be that we could have a preliminary discussion with the accounting officer and that we would then return to the issue. We might find that the accounting officer will give us all the answers that we want in November, but if we have to return to the issue in January, I am happy to do that as well, as this is an important service that we want to ensure is running appropriately. We will do that.

4.01 p.m.

**Cynnig Trefniadol
Procedural Motion**

[277] **Jonathan Morgan:** Subject to the remaining committee members' agreement, we need to resolve to go into private session to consider the peer review and the Auditor General for Wales's estimate. I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).

[278] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 4.01 p.m.
The public part of the meeting ended at 4.01 p.m.*