



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

**Y Pwyllgor Plant a Phobl Ifanc  
The Children and Young People Committee**

**Dydd Mawrth, 17 Mawrth 2009  
Tuesday, 17 March 2009**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi 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'r pwyllgor yn bresennol**  
**Committee members in attendance**

Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Christine Chapman	Llafur Labour
Ann Jones	Llafur (yn dirprwyo ar ran Lynne Neagle) Labour (substitute for Lynne Neagle)
Helen Mary Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Kirsty Williams	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol**  
**Others in attendance**

Dr Chris Llewelyn	Cyfarwyddwr Dysgu Gydol Oes, Hamdden a Gwybodaeth, Cymdeithas Llywodraeth Leol Cymru Director of Lifelong Learning, Leisure and Information, Welsh Local Government Association
Vanessa Phillips	Cyfarwyddwr Adnoddau, Cymdeithas Llywodraeth Leol Cymru Director of Resourcing, Welsh Local Government Association

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Tom Jackson	Clerc Clerk
Rita Phillips	Dirprwy Glerc Deputy Clerk
Kathryn Potter	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Helen Roberts	Cynghorydd Cyfreithiol Legal Adviser

*Dechreuodd y cyfarfod am 10.02 a.m.*  
*The meeting began at 10.02 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**  
**Introduction, Apologies and Substitutions**

[1] **Helen Mary Jones:** Agoraf yn ffurfiol ran gyhoeddus y cyfarfod hwn o Bwyllgor Plant a Phobl Ifanc Cynulliad Cenedlaethol Cymru. Diolchaf i Aelodau a staff am eu cyfraniadau yn y cyfarfod anffurfiol. Croeso i bawb. Mae Angela Burns newydd gysylltu i ddweud y bydd yn hwyr. Felly, rhaid inni ddechrau heb Angela. Croesawaf Ann Jones, sy'n dirprwyo ar ran Lynne.

**Helen Mary Jones:** I formally open the public part of this meeting of the Children and Young People Committee of the National Assembly for Wales. I thank Members and staff for their contributions in the informal meeting. Welcome, everyone. Angela Burns has contacted us to say that she will be late. Therefore, we shall have to start without Angela. I welcome Ann Jones, who is substituting for Lynne.

[2] Atgoffaf bawb fod croeso i chi I remind everyone that they are welcome to

ddefnyddio'r Gymraeg neu'r Saesneg yn y cyfarfod. Mae offer cyfieithu ar gael a all fod o gymorth os ydych yn cael problemau wrth glywed. Gofynnaf i bawb—yn dystion, Aelodau ac unrhyw un yn yr oriel gyhoeddus—ddiffodd unrhyw ffonau symudol, 'mwyar duon' ac ati. Nid yw'n ddigon da i'w rhoi ar 'tawel' gan eu bod yn amharu ar yr offer darlledu. Nid ydym yn disgwyl ymarfer tân, felly os clywch y larwm tân, mae'n golygu bod problem go iawn a byddaf yn gofyn ichi ddilyn y tywyswyr a staff allan o'r ystafell.

speak in Welsh or English in the meeting. Simultaneous translation equipment is available, which can also help if you are having problems hearing the proceedings. I ask everyone—witnesses, Members and anyone in the public gallery—to switch off mobile phones, BlackBerrys and so on. It is not sufficient to switch them to 'silent' as they interfere with the broadcasting equipment. We are not expecting a fire drill today, so if the fire alarm sounds, it means that there is a real problem and I will ask you to follow the ushers and staff out of the room.

[3] Gofynnaf i Aelodau ddatgan unrhyw fuddiant o dan y Rheolau Sefydlog priodol. Gwelaf nad oes unrhyw fuddiannau i'w datgan.

I ask Members to make any declarations of interest under the relevant Standing Orders. I see that there are none.

10.04 a.m.

### **Ymchwiliad i Gyllidebu ar gyfer Plant—Cymdeithas Llywodraeth Leol Cymru Inquiry into Children's Budgeting—Welsh Local Government Association**

[4] **Helen Mary Jones:** Croesawaf Chris Llewelyn a Vanessa Phillips o Gymdeithas Llywodraeth Leol Cymru. Diolch yn fawr iawn ichi am ddod; yr ydym yn gwerthfawrogi eich presenoldeb. Yr ydym yn ddiolchgar iawn am y papur manwl a defnyddiol iawn a gafwyd gennych.

**Helen Mary Jones:** I welcome Chris Llewelyn and Vanessa Phillips from the Welsh Local Government Association. Thank you very much for coming; we appreciate your attendance. We are grateful for the detailed and very useful paper that we received from you.

[5] Gan ein bod wedi derbyn cymaint o dystiolaeth ar bapur, nid oes angen cyflwyniad yn y cyfarfod hwn. Felly, trown yn syth at gwestiynau oddi wrth Aelodau. Dechreuaf gyda'r cwestiwn cyntaf. A gredwch y dylai'r gwaith ar gyllido plant gael ei wneud ar lefel genedlaethol a lleol?

As we have received so much written evidence, there is no need for a presentation in this meeting. Therefore, we will move directly to questions from Members. I will begin with the first question. Do you believe that children's budgeting work should be done on a national and a local level?

[6] Should children's budgeting work be taken at a national level, a local level, or both?

[7] The microphone will come on automatically, Vanessa. Would you like to come in first on this?

[8] **Ms Phillips:** Yes, please. We can see the advantages of greater transparency in children's budgeting, both at a local and a national level, and also of children and young people having a greater involvement in the decision-making processes on the services that affect them. At the same time, there are issues to do with looking not only at the inputs, or the budgeting side of things, but at the outcomes that are achieved with those budgets—that is, not looking at one without the other but at both. Given the difficult financial times that we are now facing, there are also issues relating to the potential to divert resources to undertake the sort of work needed to bring greater transparency and to whether that level of expenditure would be proportionate. I do not know whether Chris wants to add something to that.

[9] **Dr Llewelyn:** On that last point, there is also a need to ensure that any analysis adds value, that there is a benefit to it, and that it is not undertaken just for the sake of it. As Members will know, in the past, we have expressed concerns about the administrative and bureaucratic burden placed on local authorities. In the current financial circumstances, as Vanessa indicated, when things are tight, we need to make sure that we use public funding as efficiently and effectively as possible and that value is added to the quality and scope of front-line service delivery. Our concern is that any change of approach should clearly add value to the process.

[10] **Helen Mary Jones:** Before I bring in Chris Chapman, I just want to ask one question. If we were to recommend to the Assembly Government that it asks local authorities to collect statistics in a different way, would you also want us to think about what they should be asked not to do, if you see what I mean? If you are asked to do something, it should not represent an additional burden, just a different way of collecting the information that you already collect. I am just using that as an example.

[11] **Dr Llewelyn:** We would want any changes to make the process more efficient and effective, adding to the transparency within the process and to the sense of ownership of the various stakeholders affected, so that it had a tangible and clear benefit.

[12] **Helen Mary Jones:** Thank you. That is helpful.

[13] **Christine Chapman:** You mentioned transparency. Our experience and the evidence that we have heard suggest that there is a lack of transparency in how budgets are set and how money is allocated. What is your view on whether current budget processes are transparent enough to enable politicians and civil society to hold the Government to account on monitoring and promoting children's rights and wellbeing?

[14] **Dr Llewelyn:** I will come in first and Vanessa can continue. This is the subject of ongoing debate and discussion. In the field of education over recent years, there has certainly been considerable public discussion about how schools are funded and how the education system is funded, and there have been concerns about transparency. As an association, we recognise that there are concerns and that the process is very complicated, and that, in many instances, it is not always transparent. We recognise that there is always room for improvement and that we need to be looking for ways to make the process more transparent, to ensure that it has greater clarity, and that there is a wider, shared understanding of how services are funded. There have been improvements in recent years, and we have been working closely with the Assembly Government on the development of school councils and school budget fora. That has contributed to improving the situation, together with the work that we have been doing on section 52 returns to get consistent financial reporting in place.

10.10 a.m.

[15] However, it is fair to say that there is some distance still to go, and part of the problem is that not all the information that is publicly available is easily accessible or available in the same place. There is some work to be done on the general understanding of how the system works, how local government is funded and, in turn, how aspects of education services are funded. Having said that, it is a complex process and it needs to be complex. Sometimes, it does not lend itself to soundbite reports and the demands of popular culture. So, there is a tension there, but, as an association, we recognise and are committed to constantly trying to improve the current arrangements.

[16] **Ann Jones:** In your evidence, you have a view that only certain budgeting processes could result in better outcomes. Do you agree that greater transparency on how money is allocated and then spent, so that we know where it is input, could help us to understand better

policy output and outcomes for children and young people? Should we hypothecate?

[17] **Ms Phillips:** Looking just at the inputs will be less meaningful unless you link them directly to the outputs and outcomes that you are delivering. One issue is the length of time that it takes for initiatives to be embedded and for outputs and outcomes to be delivered, so there is often quite a time delay before being able to assess the effect of the funding put in. In general terms, given how the Assembly Government provides its funding to local government through the revenue support grant, it is left to local authorities to decide how best to meet local priorities. In addition to that, there is a raft of specific grants. As you will have seen from the evidence that we have provided separately on specific grants in education, there are several concerns about hypothecation, given the lack of flexibility that it allows local authorities to respond to issues in their communities.

[18] **Ann Jones:** So, is it clear through the revenue support grant how much money is being spent on children and young people? If there was greater transparency, would children and young people be able to look at the budget process and understand how much was being spent on them?

[19] **Ms Phillips:** Individual authorities would set out that detail when setting their budgets, but different authorities go into different levels of detail on the services that they provide. Some authorities are providing increasingly more detail on the budgeting process for the services that they provide, and Wrexham council is a good example. Those authorities are engaging and involving more children and young people in that process through the school councils, the school budget fora and so on. As Chris said, we are not exactly where we would like to be across the whole of Wales, but we are improving the position. We try to improve continually to ensure the most effective service delivery for people in our communities.

[20] **Dr Llewelyn:** On your question about the transparency of the RSG, it depends on the service area. There is transparency in education, in children's services, for example, but it is difficult to disaggregate in some areas. For example, in transport, it is difficult to identify the element of funding that relates to children and young people, and the same is true of culture, leisure and other services. Disaggregation can be difficult. I suppose that the question then is the extent to which an interrogation of the detail adds value—what benefit that can be derived from it.

[21] On your earlier question, the thrust of the wider debate on children's budgeting is the idea of allowing children and young people to be more involved in budget-setting and in services that affect them daily. The same principle applies to the revenue support grant and not ring-fencing it. The association's view is that local authorities are best placed to make decisions about how funding is allocated at the local level. The strategy is set nationally by the Assembly Government, but it is then interpreted and delivered locally by local authorities in conjunction with a range of stakeholders. In their local decision-making, it is important that they be as unfettered as is possible within a range of circumstances. I think that the current arrangement is in tune with the thrust of this inquiry, with the setting up of children and young people's partnerships, and I think that there is a shared understanding of that relationship between central and local government.

[22] **Ann Jones:** In your evidence, you say that the notion of children's budgeting within a local authority is extremely complex—and I think that budgeting is complex anyway. However, you also say that the vast majority of spend on services that directly benefit children and young people is readily identifiable and available. You have also said that there are some areas where it is more difficult to account for. Do you have any examples of where children's budgeting has been attempted by local authorities? Are there ways in which you think that local government could improve how it sets and allocates its budgets for children and young people? We have arrived back at the question of how children can identify what is

being spent on them.

[23] **Ms Phillips:** I gave the example earlier of Wrexham council, which has done quite a bit of work to try to provide more detail in its budgeting process about the services that it provides to children and young people. I know that someone in an earlier evidence session gave an example of work that is going on in Rhondda Cynon Taf. Having been in contact with that authority, I know that it is considering what it can do, but it has not done anything specifically. That is just to cover that point.

[24] As for improving how children's budgeting is done, several authorities have looked at, and talked about, the need for an improved cost-benefit analysis at the start of a policy development process. I refer you to some national policies where the absence of a cost-benefit analysis has made it more difficult to understand the outcomes or outputs that funding is trying to achieve, with grants in particular.

[25] **Dr Llewelyn:** I think that there are also opportunities, as I mentioned earlier, with school councils, the school budget fora and the youth councils. There is the possibility of developing the lead member role as well, to enable the voice of children and young people to be articulated differently in the budget-setting processes.

[26] **Ann Jones:** Are children involved in the school budgeting fora or is it just headteachers and an authority?

[27] **Dr Llewelyn:** I think that the situation varies from authority to authority.

[28] **Ann Jones:** So, there is not a clear picture across Wales.

[29] **Ms Phillips:** No, but a school budget forum would consult with and take account of the school council.

[30] **Helen Mary Jones:** Before I bring Chris Chapman in, may I just ask Vanessa Phillips, in response to the last point that she made, whether all school budgeting fora take account of representations from school councils as far as she is aware, or is that also varied?

[31] **Ms Phillips:** I would have to come back to the committee to let you know.

[32] **Helen Mary Jones:** If it were possible to give us a short note on that, it would be really helpful. We are trying to identify good practice, so that we can recommend to the Assembly Government ways in which that could be shared. We will certainly want to look at the points that you have raised about what is being done in Wrexham, for example. However, if there are other authorities where school councils are feeding in to the school budget fora quite directly, we would also be interested in knowing about them.

[33] **Chris Chapman:** Chris talked about a lead member particularly for budgeting. On the wider participation of local authority members, do you think that children's budgeting is a topic that local councillors are debating on a fairly regular basis, or does it just happen from time to time, or not at all?

10.20 a.m.

[34] **Ms Phillips:** I am not sure that they would necessarily be debating children's budgeting per se, but looking at budgets in light of the impact that they have on children and young people, and trying to scrutinise budgets by considering the extent to which they are delivering services for that group. However, I would not necessarily say that they are looking at the general area of children's budgeting.

[35] **Dr Llewelyn:** I think that it is an issue of how the term is formulated. I do not think that there is a tradition of discussing children's budgeting, but there have been many changes in recent years in light of the Children Act 2004. There is also the discussion that I mentioned earlier about how education services and schools are funded. So, I think it is fair to say that that debate is taking place but that it is not quite articulated in that fashion.

[36] **Kirsty Williams:** You mentioned earlier, Chris, that it is difficult enough to track funding that is clearly earmarked to be spent on children, so it is nigh on impossible to look at funding spent in other areas that will have an impact on children within the local authority. One concern that the committee has in looking at children's budgeting is that it is seen as a way of ensuring that local authority members take children and young people into consideration when looking at wider budgeting decisions, whether those decisions are on transport or culture, for example. That would raise the profile of a constituent part of the locality that perhaps does not get a look-in, because children do not have an obvious route to the ballot box to make a judgment on the decisions that the council makes. Could children's budgeting be a way of ensuring that councillors give a greater priority to issues that are of interest to children outside budget areas such as education or the youth service?

[37] **Dr Llewelyn:** That is difficult to address because of the question of what we mean by children's budgeting. As far as awareness-raising is concerned, everyone would welcome that, as well as the idea of it being a constant theme that runs through all budget-setting; that would be welcomed and responded to positively. It is probably fair to say that there are other developments and mechanisms in place that have raised that level of awareness in recent times. The lead member role that I mentioned earlier has done that, and the existence of children and young people's partnerships and plans has contributed to an increase in the level of awareness.

[38] It is something that could be investigated further, but I suppose that it would still come back to the issue of the cost benefit of the additional burden. We would not want to see something that created any additional bureaucratic or administrative burden without there being an obvious benefit to it. If it was something that involved a light touch, where consciousness levels were raised, and it was evidenced that there was a positive impact, it is something that could be looked at.

[39] **Kirsty Williams:** So, you do not want a heavy administrative burden, which I can understand. Therefore, how can we get local authorities to take this agenda to the forefront of their thinking? What other mechanisms can we use to get local authority members, not just those with a specific responsibility for children, but the wider corporate body, to think about prioritising the needs of children and young people when setting the budget? I understand why you do not want us to ask you to account for every penny on a piece of paper that you have to send back to the Welsh Assembly Government, so what other mechanisms can we use to ingrain that in the thinking of members across the board?

[40] **Dr Llewelyn:** Part of the response would be to look at where we identify that there are problems. If there are specific areas where we think there are problems, it might be worth investigating those further. However, as we mentioned earlier, in the big budget-setting areas, there are processes and mechanisms in place that seem to work effectively. Your analysis assumes that there is a problem in the process and that there may not be a sufficient level of consciousness or awareness, so maybe the starting point should be to examine where we identify that there are problems and then, somehow, to seek a solution or remedy that might overcome whatever impediments are deemed to be in place.

[41] **Ms Phillips:** If I may add to that, at both national and local levels, the input needs to take place at the policy-development stage, as well as further down the line, when you are



deciding how much that policy will cost. There are examples of local authorities that are engaging children in identifying their needs and the costs of those needs in some non-direct service areas, such as housing and transport.

[42] **Kirsty Williams:** My understanding is that, although some local authorities are doing so—and there are examples of positive work in taking that agenda forward—there is no requirement on a local authority to engage in that work, is there?

[43] **Ms Phillips:** No.

[44] **Helen Mary Jones:** You mentioned the work that is being done, and we have received other evidence about that and about consulting children and young people on policy, but we have heard direct evidence from a young woman who has been working with a group of young disabled people on this, and she clearly told us that it is frustrating for young people to be consulted about a policy, to feed back what they think is the ideal, but at no point in the processes that she was aware of—we also talked to the people who were with her—were young people told, ‘You have told us what the ideal is and this is the money that is available: help us to prioritise’. She was almost telling us that young people were sick of being asked what they wanted without being involved in the process of discussing how realistic that was. Do you have any comment on that? Are there not risks in asking children and young people what they need without providing any kind of reality check about what is deliverable? That young woman was telling us that it is about the money—she said that no-one ever talked to them about the money. I am not saying that councils should sit down with groups of young people to dot every decimal point in the budget, but do you accept that local authorities should begin to build that into discussions with children and young people?

[45] **Ms Phillips:** Yes, I would, in the sense that you need to give those people the support that they need to participate meaningfully in policy development discussions or in budgeting. That also involves setting appropriate parameters, so that they do not come up with unrealistic proposals or expectations that cannot be managed. So, it is a process of education on both sides.

[46] **Helen Mary Jones:** That is helpful. Angela Burns, welcome to the committee, we are glad that you were able to join us; our sympathies for the difficulties—it was pretty ghastly out there this morning.

[47] **Angela Burns:** My apologies for being delayed.

[48] **Helen Mary Jones:** Will you ask the next question?

[49] **Angela Burns:** This is still on the subject of children and young people’s partnerships. Your evidence says:

[50] ‘The development of Children and Young People’s Partnerships has supported a more integrated approach to financial planning across core children’s services’.

[51] However, others have commented that evidence of joint commissioning and the pooling of budgets is still pretty weak. What evidence can you offer to support your view and what impact do think that the partnerships are having on planning in non-core areas?

10.30 a.m.

[52] **Dr Llewelyn:** The wording of our evidence has been quite careful. I think that we are saying that this is part of a process and that the direction of travel is very positive. The reality is that the partnerships are in their infancy. Although they have been effective at promoting an

integrated approach, increasing levels of awareness and consciousness, I think it fair to say that there is some distance to travel. I do not think that the two items of evidence that you refer to are conflicting. I think that we are saying that things are progressing—there is a more integrated approach—but it is still early days. The partnership and planning process is still in its infancy and we would want to see the current momentum continue and we think that it has some way to go.

[53] **Angela Burns:** Thank you for that. Your paragraph is, I would suggest, a tad stronger than that, but I totally take on board what you say: that this is work in progress. Do you have a view on the non-core funding element?

[54] **Dr Llewelyn:** What was the question again?

[55] **Angela Burns:** How does it impact on services that you would say are not core services? How do you drag the peripheral bits into the whole planning element for children?

[56] **Dr Llewelyn:** Again, I think that those discussions are taking place but I would say the same thing: it is fairly early to judge. If you look at any process of political or economic integration, you will see that it takes a considerable amount of time to tackle the issues of a higher order, as it were—the issues that affect the sovereignty, as it were—of the stakeholders and the partners within that partnership. A culture of co-operation and understanding has to be built up before the higher issues are tackled. I think that that is what we are seeing at present.

[57] **Helen Mary Jones:** I would like to follow on from that. I am sorry, Vanessa, did you want to speak? You may answer the questions that I was about to ask.

[58] **Ms Phillips:** Following on from what Chris was saying, the partnerships tend to focus on those service areas that are direct to start with, ensuring that they are comfortable with that before moving on to the more difficult, indirect services. It is just a process that they are going through.

[59] **Helen Mary Jones:** That is helpful. There was a further supplementary question that I wanted to ask on that. I completely take the point that Chris Llewelyn makes about these things taking time. ‘Sovereignty’ is an interesting word. I have always thought that sovereignty rests with the people rather than with any particular organisation, but I assume that you mean the autonomy of each organisation and their different decision-making processes. The young people from whom we have taken evidence have said that, while all of this is happening, they are only young once. How long must we wait before this embeds? That is an unanswerable question, because, of course, processes move at different times. Does the association feel that there is a need for stronger guidance from the Assembly Government to speed up the process, or is it best to let this develop organically? You may not wish to take a view, because as an association you would normally consult about those things.

[60] **Dr Llewelyn:** The other dimension is that the partnerships are made up of a range of stakeholders who are not just from local government. It is my impression that partnerships are making steady progress. Although we accept that there is some distance to go in a range of areas, as long as the current progress continues, there is every reason to be optimistic.

[61] **Helen Mary Jones:** That is helpful. Thank you.

[62] **Ann Jones:** You have put on record many times your concerns about the number of specific grants for services for children and young people and grants in general. I have a different view, because I think that the revenue support grant is a fantastic cake for local authorities to divide as they wish. However, I will get back to the question. In your written evidence, you are quite critical—for example, you mention two programmes, Stronger

Families and Strengthening Families, which are based in two different directorates, and you say that they were developed in relative isolation, with little communication with local government. To what extent do you think that the Welsh Assembly Government departments should be joined up at a strategic and financial level in the provision of specific grants for children and young people? You did not expect me to ask that.

[63] **Dr Llewelyn:** As much as possible. We had a similar exchange a couple of weeks back when we gave evidence to the Finance Committee on specific grants, and it may be that committee members would find that useful for this discussion. Our concern is that, at present, when new initiatives are being introduced, it is a little easier to put a new grant in place than to look at whether the new initiative fits in with others. There may be existing grants that could be used to distribute the funding. There is a range of knock-on consequences for the monitoring, evaluation and reporting processes. As we have said before, it is an area where considerable improvement is possible, and a lot of work could be done to free up resources for front-line services, using public money in a more efficient and effective way. There is an increasing understanding between local government and the Assembly Government on this issue, and a range of initiatives is now in place to look at it. We also recognise that the Assembly Government will be interested in outcomes and will want some assurance that, in return for progress on reducing the number of special grants, local government and other partners deliver on those changes.

[64] So, there are two elements to the work, but it is something that is desperately needed within the Assembly Government itself—greater co-ordination and joined-up thinking. However, there are also challenges for local government and stakeholders outside.

[65] **Ann Jones:** So, when we get that joined-up thinking and strategic financial input for local authorities, will it be easier for them to be more transparent in how they spend their money?

[66] **Dr Llewelyn:** It will contribute to that process.

[67] **Ann Jones:** Will it definitely contribute to that process in every local authority?

[68] **Dr Llewelyn:** I am confident about that.

[69] **Helen Mary Jones:** In relation to your point about the work that is ongoing between local government and the Assembly Government to reduce the plethora of grants, is it making a difference to Assembly Government practice? I am aware of the current discussions and the commitment to try to do something about this, but are local authorities still facing a situation where, at one level, you are working with the Assembly Government to sort this out, but at another level, departments are still shooting random grant schemes at you out of the blue? Not that I am suggesting for a moment that they are your words—they are mine. Vanessa might know more about this.

[70] **Dr Llewelyn:** The fact that a discussion is taking place raises the level of awareness across the Assembly Government, as well as outside. As to whether we have seen any tangible evidence of a reduction in the number of specific grants, I think that the answer is probably 'no'. When we gave evidence on this to the Finance Committee the other day, one of the things that we highlighted was the difficulty of doing any kind of audit of the number of specific grants in place, because everyone who gave evidence to the committee came up with a different number, and the reality is that it is difficult to judge on a day-to-day basis. As soon as you come up with a figure, if you were to circulate it, people would say that you need to add this or that because there are so many initiatives announced, almost daily.

10.40 a.m.

[71] So, I am not certain that there is any evidence that that has yet had an impact. However, I expect that it will as the process continues and awareness increases of this new tool, enabling people to think more creatively and imaginatively. There is a grants protocol in place, which underpins this arrangement and necessitates some kind of investigation of alternatives, but, as far as I can see, the evidence is that that has not been effective to date.

[72] **Helen Mary Jones:** Do you agree, Vanessa?

[73] **Ms Phillips:** I do in the sense that this dialogue is continuing with the Assembly Government, but that, over the past six months or so, we have not seen an increase or a decrease in the number of specific grants. Some other issues to do with the timing of allocations made to local authorities do not seem to be improving. We are getting that information very late in the financial year to be taking decisions on how to ensure that money is spent appropriately. As Chris said, I think it is likely, as those discussions continue, that we will see some movement. The challenging financial situation that the Assembly Government and local government find themselves in will probably mean that there are fewer opportunities to increase the number of grants and that there will be a greater focus on achieving greater efficiency out of that spend, because we know that the administrative costs associated with specific grants mean that we are using funding to administer them rather than for front-line services.

[74] **Helen Mary Jones:** That is helpful, thank you.

[75] **Kirsty Williams:** Ann and I could argue all day about whether we should give money under the revenue support grant or have specific grants, but, in the end, it is the outcomes for children that we are all interested in. Inputs, whether they come from the Assembly Government or local government, have an output, and it is about demonstrating that that spend is effective. Do you have any comments on whether the Assembly Government makes an adequate cost-benefit analysis of its interventions? Are you aware of any practice within local government of looking carefully at whether the inputs to the spend on children are having the desired outcome and reflect good value for money?

[76] **Ms Phillips:** Looking at it from the national Government perspective, and looking generally at cost-benefit analyses, one of the difficulties of a cost-benefit analysis is that it seeks to measure all the costs and benefits in financial terms, whether those are tangible or intangible. In public services, that can be difficult to do. Therefore, cost-effectiveness analyses are used more frequently because they measure the tangible benefits in financial terms and they just analyse the non-quantifiable benefits, rather than seek to measure them. Local authorities' feedback to us is that it would be helpful for them to be involved in that process, to help in the process of understanding those costs and benefits at a national level. They would like to be involved at that point. You referred to the work that local authorities are doing; I think that many do that analysis as far as possible, but I am sure that it is true that there is room for improvement across the board, at national and local levels.

[77] **Dr Llewelyn:** It is important to focus on outcomes. In any discussion on funding, it is all too easy to look at the resources that go in, rather than focus on how the resources are used and the outcomes. I know that, in some quarters, there is a perception that the WLGA and local government generally are more concerned about funding—constantly obsessed with funding—than about how the funding is used. However, we genuinely recognise the dual responsibility of representing local government in that, on one hand, we have to make the case for additional resources, but, on the other hand, we have to make the case for using those resources as efficiently and effectively as possible.

[78] One of the difficulties with any new initiatives that are introduced is the evaluation of

their impact. Nowhere is that more obvious than with children's services and education. Various Assembly committees will have heard us give evidence on various initiatives where it is difficult to assess impact and make a judgment on cost benefit. Last year, or very recently, the Joseph Rowntree Foundation published some research on the link between deprivation, attainment and improved outcomes. There was a wealth of evidence establishing that link, but very little on the impact of the various interventions that take place. More recently, as far as Assembly Government initiatives are concerned, RAISE is an example of a programme that is difficult to evaluate. It is clear how much funding has gone into the initiative, but the outcomes are difficult to assess. We can tell, by looking at similar initiatives elsewhere in the world, that these kind of initiatives generally have a particular kind of outcome, but in this instance, because the timescale is so short, no matter how effective the evaluation is, it is difficult to measure the outcomes.

[79] **Angela Burns:** Kirsty hit the nail on the head by using the term 'outcomes'. However, we have also spent the last few minutes throwing around terms like 'effectiveness', 'cost-benefit analysis', 'monitoring', and so on. I am a simple soul, and I was taught that you cannot get quantitative evidence without collecting and managing the data. It has been suggested that there is not enough understanding of this issue and that budgets are not sufficiently separated to measure different outcomes for adults and children. Perhaps the Welsh Assembly Government should look to put data collection at the heart of this. I loathe red tape, believe me—I say those words with fear and trembling—but understanding where we have spent the money would enable us to measure those outcomes. I just wanted to know your views on that. Could improvements be made to the way that data are recorded and reported, so that we understand where money is allocated, how it is spent, and therefore how effective the outcomes are?

[80] **Ms Phillips:** That is possible. The difficulty is trying to look backwards to see what has happened before now. Data have not previously been collected in this way, and so it would be difficult to try to use other data to fit neatly into the boxes that we are currently using. This goes back to the point about the proportionality of the burden on local authorities. If we are looking at children, for example, you would probably need some level of sub-analysis of different age groups to have a meaningful understanding of how spending is focused on, say, pre-school children, or primary school children. That makes it more complicated. There is also an issue about consistency across local authorities in the way that they currently present their budgets. The data set would need to be entirely consistent. We know, for example, that some authorities might include school transport in their education budgets, whereas others might not. This issue about consistency is important, and there are a number of other factors that affect the outcomes, not just the amount of money that is being put in. That was the point that Chris made earlier.

10.50 a.m.

**Angela Burns:** I accept that there are a number of other factors involved. However, the Government and the public sector labour under a fallacy in believing that this kind of stuff is difficult. Any remotely successful business anywhere in the world understands exactly where every single penny that it gets goes and the return that it earns. I do not think that it matters whether you are ICI or a county council. On your comment that different councils use different methods—one might include transport in its analysis while another will not—data collection and the utilisation and understanding of good data are essential tools for modern business. Councils are a business; they are in the business of getting money in and providing a service. So, I am afraid that your comment leads me to think that we should have statutory requirements for the information that we want to be collected in order to iron out these wrinkles. At the end of the day, it is all about getting the outcomes that Kirsty referred to and ensuring that the money that we utilise delivers those outcomes as effectively as possible. It is not rocket science; there are many clever systems out there that can measure pretty much

everything, but it is a matter of inputting the information and having somebody who understands what comes out the other end.

[81] **Ms Phillips:** I agree completely with that; all I am saying is that we have to start from the year zero and ensure that that data set is exactly what we want and that it is applied consistently. If you use historical data, you will get a very muddy picture.

[82] **Angela Burns:** I accept totally that you cannot go back, and that this is about a way of looking forward.

[83] **Dr Llewelyn:** There is an issue with assessing the return on spend. In a way, it would be easier if it were rocket science, because you would be working with relatively exact science. The difficulty here is that we have to make some kind of judgment about the added value of the spend by way of the outcomes. One thing that we know is that one of the biggest determinants of educational achievement and attainment is household income. It has a significant impact in distorting any assessment of spend on education.

[84] The Wales Audit Office did a report in 2006, I think, that looked at the differences in spending between schools within authorities, between authorities, and between England and Wales. It eventually concluded that, although there were differences, because of the socio-economic differences between authorities and the differing circumstances within authorities, the differences in spend were, by and large, justified. Therefore, the difficulty is not in monitoring how much authorities spend or providing any clarity on that; it is in assessing the impact that that spend has. That is why I say that it would be easier if it were rocket science. Unfortunately, it is not an exact science and it is very difficult to make that assessment.

[85] The work by the Joseph Rowntree Foundation that I referred to identified the same problem. We understand the nature of the relationships that come into play, but we do not understand which interventions have a positive impact on those relationships.

[86] **Helen Mary Jones:** We have two more questions that we want to get through before 11 a.m., when we need to bring the meeting to a close. I think that Christine is proposing to roll a couple of questions together. Please try to make questions and answers succinct.

[87] **Christine Chapman:** To return briefly to the issue of involving children and young people, we talked about children and young people's partnerships and school councils, and the evidence that you have given us today suggests that there is still some inconsistency across authorities with regard to how effective this approach is in getting children and young people to participate. Do you wish to add anything to that? What else could be done to improve the situation, to get children and young people effectively involved in budgeting?

[88] **Dr Llewelyn:** I am not entirely convinced of the need to get children and young people more involved in the budget-setting process. What we probably need is more engagement in discussion of outcomes, initiatives and the policy-making process. As part of that, when initiatives are introduced, there should be a more realistic assessment of how much they are going to cost so that we do not create expectations that cannot be realised. We need to look at the issue in a slightly more rounded way, because there is a possibility of developing tunnel vision on these issues and of looking at how much things are going to cost without having a more rounded debate. In relation to children's and young people's input, we may need to focus on a more rounded process of getting them engaged in the wider policy-making process, rather than just looking at the funding issues.

[89] **Ms Phillips:** I would just add that it relates to teaching and educating children about citizenship. Perhaps there is role for personal, social and health education here to encourage children and young people to understand the issues that local authorities and governments

face in delivering services and developing policy.

[90] **Helen Mary Jones:** I have a final question. You are well aware of the process; once we have concluded taking evidence, we will be preparing a report based on the evidence that we have received. Are there any issues that you have not yet had an opportunity to highlight, either today or in your written evidence, that you would like to bring to the committee's attention? Do you have any specific suggestions for recommendations that you would like to see the committee make to the Assembly Government or others?

[91] **Dr Llewelyn:** I would want to stress the importance of joined-up thinking when initiatives are introduced. We hope that we can make progress on the array of specific grants that are currently in place so that we can get greater efficiencies out of the existing system, in recognition of the fact that funding is going to be tight in future years. Again, it is important to put an emphasis on involving children and young people in the policy development process, rather than just having a narrow focus on funding.

[92] **Helen Mary Jones:** Vanessa Phillips, do you want to add anything to that?

[93] **Ms Phillips:** In relation to the policy development process, involving local authorities would also be helpful so that they can feed through the views of the children and young people with whom they have been consulting.

[94] **Helen Mary Jones:** Is there anything else that Members wish to raise with our witnesses? I see that there is not.

[95] Diolchaf i'r tystion eto am eu cyfraniadau. Atgoffaf Aelodau y bydd y cyfarfod nesaf ar 31 Mawrth. Bydd y Gweinidog yma i drafod cyllido i blant ac i roi gwybodaeth bellach am y datblygiadau ar waith eiriolaeth, ynghyd â'r hyn sydd wedi digwydd ers ein adroddiad flwyddyn yn ôl. Diolch yn fawr i bawb, ac fe'ch gwelaf ymhen pythefnos.

I thank the witnesses again for their contributions. I remind Members that the next meeting will be on 31 March. The Minister will be here to discuss children's budgeting and to give further information on developments in relation to advocacy, as well as an update on what has happened since our report a year ago. Thank you, everyone, and I will see you in two weeks' time.

*Daeth y cyfarfod i ben am 10.58 a.m.  
The meeting ended at 10.58 a.m.*