



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

**Y Pwyllgor Cyllid
The Finance Committee**

**Dydd Iau, 1 Gorffennaf 2010
Thursday, 1 July 2010**

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 pwyllgor yn bresennol
Committee members in attendance

Angela Burns	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Chris Franks	Plaid Cymru The Party of Wales
Andrew Davies	Llafur Labour
Brian Gibbons	Llafur Labour
Irene James	Llafur (dirprwyo ar ran Lorraine Barrett) Labour (substitute for Lorraine Barrett)
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives
Janet Ryder	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Jeff Andrews	Cynghorydd Polisi Arbenigol, Llywodraeth Cynulliad Cymru Specialist Policy Adviser, Welsh Assembly Government
Jane Hutt	Aelod Cynulliad, Llafur (Y Gweinidog dros Fusnes a'r Gyllideb) Assembly Member, Labour, (The Minister for Business and Budget)
Andrew Jeffreys	Pennaeth Cyllidebu Strategol, Llywodraeth Cynulliad Cymru Head of Strategic Budgeting, Welsh Assembly Government
Gwyn Jones	Cyfarwyddwr Polisi a Therminoleg, Bwrdd yr Iaith Gymraeg Director of Policy and Terminology, Welsh Language Board
Meirion Prys Jones	Prif Weithredwr, Bwrdd yr Iaith Gymraeg Chief Executive, Welsh Language Board

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

John Grimes	Clerc Clerk
Catherine Hunt	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.28 a.m.
The meeting began at 9.28 a.m.

Ymddiheuriadau a Dirprwyon
Apologies and Substitutions

[1] **Angela Burns:** I welcome you to the Finance Committee of Thursday, 1 July. Before we commence, I will run through some housekeeping issues.

[2] I remind everyone that you are welcome to speak in Welsh or English and that headsets are provided for translation from Welsh into English. I remind everyone to switch off all mobile phones, iPhones and everything else along those lines. If the fire alarms go off, please follow the ushers' instructions.

[3] We have received apologies this morning from Kirsty Williams and from Lorraine Barrett, who is unable to attend due to a clash with the Legislation Committee No. 2. I welcome Irene James as her substitute. I note that Andrew Davies is on his way, but, unfortunately, the trains have broken down today, or at least the one that he is on has broken down.

9.29 a.m.

Cyllideb Atodol 2010-11: Gweinidog dros Fusnes a'r Gyllideb Supplementary Budget 2010-11: Minister for Business and Budget

[4] **Angela Burns:** I welcome the Minister for Business and Budget to our session this morning. We will be considering the supplementary budget that was laid by the Government on 21 June. Minister, may I ask you to introduce yourself and your colleagues for the record, and whether you have any comments that you would like to make as a preamble?

[5] **The Minister for Business and Budget (Jane Hutt):** Thank you, Chair, for that introduction. I introduce Andrew Jeffreys, who is the head of strategic budgeting, and Jeff Andrews, who is our specialist policy adviser.

[6] I would like to make a few opening remarks. As Members know, it is our usual practice to have two in-year supplementary budgets, and I am continuing with that arrangement for 2010-11. As you said, Chair, I laid the first supplementary budget for 2010-11 on 21 June. To clarify, this budget reflects changes that have occurred since the final budget for 2010-11, which the Assembly approved in December 2009. One of the main changes is that the supplementary budget reflects the portfolio changes resulting from the First Minister's Cabinet appointments in December. It is important that our published spending plans reflect our structures accurately.

9.30 a.m.

[7] In addition, I have used the supplementary budget to allocate the relevant main expenditure groups' previously announced funding of £232.4 million under the strategic capital investment fund and £20 million under the invest-to-save fund. There are technical changes to non-cash budgets in this supplementary budget, stemming from the UK Government's clear line of sight project; the changes affect how we budget and account for things like the cost of capital and depreciation. However, they do not alter our spending plans materially or the amount of near cash that we are planning to spend.

[8] The supplementary budget also makes other minor allocations and budget movements. The total budget allocated to Assembly Government departments increases by over £173 million to nearly £15.3 billion. Overall, the total departmental expenditure limit budget for Wales decreases by nearly £207 million, from £15.7 billion at the final budget to £15.5 billion. The decrease relates to non-cash items, as a result of the clear line of sight project and the funding for capital projects that were brought forward from 2010-11 to 2009-10 to provide an economic stimulus. Adjustments for the budget for 2009-10 in respect of the latter were made in the supplementary budgets at that time. There is an explanatory note, which I hope is helpful in providing a detailed description of all of the changes that I have laid before you with the budget motion. However, as I said at the outset, the purpose of bringing forward this supplementary budget is to seek the approval of the Assembly for developments since our approval of the final budget last December. It means that we avoid waiting until later in the year to include all of the changes in a single supplementary budget.

[9] I will say that we thought carefully about the timing of the budget, given the UK

Government's announcement in the past week of a £6.2 billion cut to budgets in 2010-11. However, as I said to Plenary on 25 May, and reiterated in my written statement last week in response to the UK Government's budget, there are a number of issues that we need to clarify before we decide on our approach to finding the Welsh share of these cuts of £6.2 billion. We must try to separate the supplementary budget issues that we are discussing today from those decisions. However, on that point—and it may be raised in your questions—I want to confirm our approach to our share of the £6.2 billion in cuts, and I will be taking it to the Assembly before the end of this session. Today's statement is about the technical and administrative changes to budget structures that are before us now, and these changes will be reflected in the final supplementary budget.

[10] Before concluding, I have one correction to make; there is an error in the explanatory note that was published alongside the supplementary budget, for which I apologise. Page 8 of the explanatory note allocates a figure of £149,713,000 in respect of NHS depreciation; it should state £149,173,000, so we will put that in writing for you.

[11] **Angela Burns:** Thank you for that. I know that Members have questions, but before we start on those, I would like to make a couple of observations. We welcome the supplementary budget, and the Finance Committee recognises that an awful lot of it is a technical exercise. However, I also wish to commend you, Minister, and your team, because this is one of the clearest sets of budgetary figures that we have had in front of the Finance Committee. I particularly appreciate the budget tables, which demonstrate so clearly the nature of the changes, and the high level of detail in the explanatory note. It has made scrutiny of the changes much easier for us and for our research teams. We talk a lot about trying to lift the veil of opaqueness; this has been really good, and I appreciate it. In fact, I suggest that, in future, a table should always be included in the explanatory note that shows activity between the capital and revenue reserves. That will allow us to follow this activity in the future. Also, if at all possible, maybe such a table could be included in the main budget, when it comes out next September, October or November. I do appreciate that; thank you.

[12] **Jane Hutt:** That is very pleasing to hear, and it will be passed back to the team by me as well as Andrew. Transparency is absolutely critical as far as I am concerned, as the Minister for finance.

[13] **Angela Burns:** Right, I believe that Nick is going to start with a number of questions.

[14] **Nick Ramsay:** Minister, following on from your detailed opening statement, I will ask you some questions relating to the alignment project. You alluded to this before, but I would like to tease out some more detail. The supplementary budget makes a number of technical adjustments relating to the Treasury's alignment project. The largest of these adjustments relates to the economy and transport portfolio, with reductions of £112 million to the departmental expenditure limit and £432 million to annually managed expenditure. While we appreciate that the economy and transport portfolio has a large non-cash budget—and you spoke about the near-cash and non-cash relationship earlier—could you briefly clarify the nature of these reductions and explain why the adjustments have had such an impact on the economic development portfolio?

[15] **Jane Hutt:** As you said, these changes mainly relate to the alignment project, which is also known as the clear line of sight project. Let us look specifically at the economy and transport portfolio. My understanding is that the reduction in DEL budgets is accounted for by a combination of reductions in the roads depreciation budget, the removal of the costs of capital charges and the transfer of certain types of impairments from DEL to AME. If you look at the reduction in the AME budget for economy and transport, you can see that it mainly reflects the removal of the costs of capital charges from the budgetary framework. In fact, in this case, the charge relating to the Welsh trunk road network is pertinent. Regarding

what you said about non-cash budgets, it is also important to note that these revisions are to non-cash budgets and do not result in a reduction in the spending power of the Welsh Assembly Government.

[16] **Angela Burns:** Before Nick continues, I believe that Brian has a supplementary question on this particular issue.

[17] **Brian Gibbons:** I want to be clear on one point. As the Minister said, it is the same category on improving domestic connectivity that appears in both the AME section and the main DEL structure, is it not? Therefore, what does the sum that is left in the DEL table reflect? What revenue does that reflect? There is a figure of about £140 million for improving international connectivity. That is not capital; it is revenue.

[18] **Jane Hutt:** Andrew, do you want to come in on this?

[19] **Mr Jeffreys:** Are we looking at the revenue DEL line on improving international connectivity?

[20] **Brian Gibbons:** Yes. If you look at the one above it as well, I presume that the two are the same. There are figures of £262 million and £140 million.

9.40 a.m.

[21] **Mr Jeffreys:** Within that overall budget line, there are still a number of separate elements. To summarise it as clearly as I can, there are still some non-cash elements in those two budgets. That is the depreciation of the road network, largely. However, there are also items of expenditure under that budget that are real money, in the sense of it being the actual money that we spend on maintaining the roads network. So, it is a combination of the two. I do not know if you have the figures in front of you, but the more detailed supplementary budget tables show that the non-cash figure for improving and maintaining trunk road networks has gone from £95 million to £65 million, and that the non-cash figure for improving international connectivity has gone from £155 million to £105 million. The other spend within those budget lines is real money that is spent on improving the roads network.

[22] **Brian Gibbons:** Part of the problem here is the word ‘connectivity’. People generally think of connectivity as information and communications technology, but a road constitutes connectivity as well, so the word is not inappropriate. It would be useful to know how much of this is real money. It seems a lot of money—£0.25 billion—for road maintenance and for non-cash items, or whatever.

[23] **Mr Jeffreys:** I can give you those figures now if that is helpful. Within ‘improve domestic connectivity, regional and national’, which is the £0.25 billion figure to which you referred, £18.395 million is spent on improving and maintaining domestic routes on the trunk road network, and £178.7 million is spent on improving public transport by rail, which is effectively the Arriva Trains franchise budget, and the third item within that overall budget is a non-cash figure to improve and maintain the trunk road network, and that is the depreciation charge. Moving to the figure spent on improving international connectivity, there is £35.457 million, which is effectively for trunk road maintenance.

[24] **Brian Gibbons:** Is that on the A55?

[25] **Mr Jeffreys:** Yes, and on the motorways. There is also a figure of £105 million which is the depreciation on those roads.

[26] **Janet Ryder:** Where does the repayment for the work on the A55 across Anglesey

come in?

[27] **Mr Jeffreys:** I do not know.

[28] **Janet Ryder:** They are standing charges, as it was a private finance initiative scheme. I would be very interested to see where that is being taken out and what the costs are.

[29] **Angela Burns:** Could you provide us with a note on that, Minister?

[30] **Jane Hutt:** Yes, certainly. On the point that Brian made about transparency and improving domestic connectivity, that you think of ICT and not necessarily of roads, although these are the technical headlines for DEL spend, we need to make them more clear and transparent as to what they mean, even if that is in a note in the future.

[31] **Angela Burns:** A note on Janet's point would also be gratefully received.

[32] **Jane Hutt:** We will provide a note on Janet's point as well.

[33] **Nick Ramsay:** I will move on to another aspect of the budget. The Assembly Commission's budget has also been hit by the impact of the adjustments, with a reduction of £2.7 million in the DEL and an addition of £0.5 million in the annually managed expenditure. The Public Services Ombudsman for Wales has also seen a reduction of £42,000 in its DEL budget. Can you clarify why these changes to the budgets of the Assembly Commission and the ombudsman are wholly due to alignment adjustments?

[34] **Jane Hutt:** I would rather use the word 'adjust' rather than 'hit'. It is important that it is about adjustment as a result of the alignment project for the Commission and the ombudsman were consulted about this budget and these adjustments prior to publication. They are technical, but we have agreed to have further discussions to clarify points with both the Commission and the ombudsman, so that we can ensure that their budgetary provision is appropriate in this and subsequent years.

[35] **Chris Franks:** I remind Members that I am a member of the Commission, just for clarity.

[36] **Jane Hutt:** Are you charging finance fees?

[37] **Chris Franks:** Not yet. [*Laughter.*]

[38] **Nick Ramsay:** I apologise for the use of the word 'hit'—I was not being negative, I was just trying to use a shorter word, but I lost the meaning. At the time of the next budget round, these adjustments may cause a problem in making comparisons between plans laid out in the draft budget and allocations made in the previous year's final budget. What assurances can you give the committee that, when presenting the draft budget 2011-12, you will adjust the final budget figures for 2010-11 to reflect the adjustments, in order that year-on-year changes can be observed?

[39] **Jane Hutt:** We will ensure that any baseline figures that are provided to support our draft budget proposals provide an appropriate basis for year-on-year comparisons and there will be supporting documentation to build on our commitment to transparency. Hopefully, that is something that you will be able to clearly acknowledge and scrutinise as a result of that transparency.

[40] **Mr Jeffreys:** It is a very important point. It would be interesting to get the committee's view on this, but our normal practice is to compare the next year's draft and final

budget with the previous year's draft and final budget. Obviously, in the case of 2010-11, the draft and final budgets were based on the pre-clear-line-of-sight budgetary treatment, and it is only in this initial supplementary budget that we have moved to the new treatment. What we were planning to do in the draft and final budget for 2011-12 was to compare with the supplementary budget figures rather than the previous final budget figures. That is a slight departure from normal practice, but it takes account of your point that the meaningful comparison is with the new treatment rather than the old treatment. So, if the committee is content, that is how we would intend to approach that.

[41] **Nick Ramsay:** I am not sure of the committee's view, but that was something that we discussed with the last few budgets. It does make it a lot easier if you are comparing like with like, as you said. I seem to remember us getting into some confusion, because we were not necessarily comparing with the previous supplementary budget, so I certainly welcome that.

[42] **Janet Ryder:** I just want clarification. I hear these terms bandied around every time we talk about budgets and I would like an explanation. What is a technical adjustment? What is the difference between a technical adjustment and a reduction in budget? They both seem to equate to the same thing. You have discussed this with the ombudsman and he has agreed to the technical adjustment, but it is a reduction in budget, so what is the difference?

[43] **Jane Hutt:** I will start and pass to Andrew if I have not clarified it appropriately. My view is that a technical adjustment is not about spending plans, powers or policy on how much we are going to allocate to the budget; it is a technical adjustment in terms of how you account for the figures.

[44] **Janet Ryder:** So, in other words, it is what leads to the confusion every year when we cannot compare like with like.

9.50 a.m.

[45] **Jane Hutt:** Yes, to a certain extent. This is where we have to try, during the supplementary budget process, to be very clear in explaining what the technical adjustments are, so that there is no hiding of any change or reduction in what was agreed as a budget line for the Commission, ombudsman or other spending departments. They are technical, and a point that we were making earlier in preparation for this was that the supplementary budget will, in a way, be more complex, because all the alignment adjustments that come from the clear line of sight project are coming to fruition this year. So, getting rid of the depreciation, the 'near cash' concept and so on is all happening now, whereas previously we had only talked about moving towards it. That is why, in the case of the supplementary budget, it is important that we be clear about what the technical adjustments mean. Hopefully, the explanatory memorandum, the glossary and so on will help in that respect.

[46] **Brian Gibbons:** I am not an expert, but are there not two types of technical adjustments? One is shuffling the money around between the portfolios—we sometimes refer to that as a technical adjustment—whereas clear line of sight is a little like resource accounting, in that it is a more seismic change. When resource accounting came in, in the early 2000s or whenever it was, it was impossible to follow the money. That took place at the time of the European funding, when there was a high level of suspicion about where the money was going. This seems to be another exercise in not only moving the money around but in changing the technical way—

[47] **Mr Jeffreys:** That is exactly right. The reference to resource budgeting is important. Put crudely, this corrects the mistakes of resource budgeting, whereby the concept of the cost of capital was introduced. I am sure that that was done with the best of intentions, but it has not proved to be particularly useful. So, that is the big change that is happening now, namely

that the cost of capital is being removed as a budgetary concept altogether. Therefore, the non-cash budgets that were related to the cost of capital have gone. They were introduced with resource accounting or budgeting, and now they have been removed.

[48] **Chris Franks:** Why were they introduced?

[49] **Mr Jeffreys:** The intention of the cost of capital was to reflect the opportunity cost of assets held. It is an economic concept, and arguably it has no place in budgeting. It has been removed because it did not do the job that it had been brought in to do, namely to act as an incentive to manage assets in a different way.

[50] **Angela Burns:** Brian, did you want to come back on this?

[51] **Brian Gibbons:** On the future presentation of this, will the effect of the clear line of sight project be to depress the apparent level of resources that are available? All the figures here are minus figures; there are no plus figures.

[52] **Mr Jeffreys:** It removes something that was there previously. Generally, across central Government, it appears to reduce budgets, but it does not reduce spending power.

[53] **Brian Gibbons:** The issue in relation to future presentation is that we will find ourselves, over the next few years, with a real loss of resource, and I would want to be happy that there is transparency. I think that there is now a risk that people might use the clear line of sight adjustment as a fog to hide something that is more substantial and real. I do not know how you would use the supplementary budget as the baseline for future comparisons. You might have to put in one or two additional columns in the table to work out the real equivalent over time, but we really need to see that. These budget tables are completely unintelligible, and using this supplementary budget as the baseline for future years will be hopelessly confusing. So, I think that we need to give further thought to this. Perhaps some adjustment, going back a few years, is needed so that we can really compare year-on-year trends—if that is possible.

[54] **Angela Burns:** I take your point. Before I respond, do you have a question, Janet?

[55] **Janet Ryder:** I just wanted to make a comment, Chair. Unfortunately, what I have heard seems to be confirming what I felt deep down in my stomach, which is that this is a paper exercise and that we cannot really see what is happening. It was an exercise designed to mask reductions and to allow it to be said that there were not reductions. We need to be very clear. I appreciate that the Minister is saying that she will come forward with as much detail as possible. It is only with that that we will really be able to see what is happening. Given the scenario that we are facing over the next few years, it will be really important that we see what is happening so that people can see where the political decisions have been taken in the Assembly Government to use money and not to use money and to differentiate between what is happening here and what is happening in the rest of the UK.

[56] **Angela Burns:** Thank you for all your comments. I do not want to dwell on this for an awful lot longer, because we need to move on to other questions. However, I would like to say that I have already had some discussions with the Minister about where we may go with the draft budget in September, October and November. I have also produced a paper, which we have circulated to the Finance Committee. In private session at the end of the meeting today we will discuss what we would like to see in the draft budget in order to be able to do exactly as you say, Janet, which is to monitor it effectively and to look at spend versus outcomes. Sitting behind Andrew is one of our top specialists, and there is another group of specialists in the room. I would like their input, Minister, so I am not trying to evade your question, but I would like to be able to write to you on behalf of the committee when I have

been able to speak to others about what we think we might need to see in order to carry out proper scrutiny. I hope that is acceptable.

[57] **Jane Hutt:** Thank you. I wish to respond to reassure Janet again this is not about reducing spending plans that were agreed in December. This is about the technical adjustments that we have to make because of this alignment project. In a way, I would say that it is the right time to do this, to clarify it as much as we can, before we start looking at our draft budget and what we might have to do in 2010-11 with regard to our share of the £6.2 billion in cuts. So, we must try to come through this meeting with an understanding that this is about getting the technical adjustments out of the way and understood before we start to address the difficult challenges that we face in terms of reducing budgets. I hope that that reassures Janet that that is the case. I hope that answers to other questions will also reassure you.

[58] **Angela Burns:** Nick, do you have any further questions?

[59] **Nick Ramsay:** No, thank you.

[60] **Brian Gibbons:** Have you had any indication from the Treasury of the impact on the Welsh Government's levels of end-of-year flexibility, to go back to Janet's question, not least because of the implications of the realignment process, which might create even more fog around the end-of-year flexibility, which is always a battleground?

[61] **Jane Hutt:** Absolutely. We have to be able explain end-of-year flexibility to the wider world as well. We have to explain what flexibility in our budget means. To try to answer your question, our stocks of EYF will be reduced proportionately to the adjustment to our non-cash budgets within the departmental expenditure limit. We will retain just over 70 per cent of our non-cash end-of-year flexibilities. It is also important to recognise that our EYF stocks after alignment will be detailed in the public expenditure outturn White Paper that will be published in July.

[62] **Brian Gibbons:** Is that figure of 70 per cent a fairly standard figure? Why is it not 100 per cent?

10.00 a.m.

[63] **Mr Jeffreys:** I am not quite sure what you mean by 'a standard figure'.

[64] **Brian Gibbons:** As I was trying to follow it, Jane said—

[65] **Jane Hutt:** [*Inaudible.*]

[66] **Mr Jeffreys:** It is a reduction in our non-cash EYF stock proportionate to the overall reduction in our non-cash budgets.

[67] **Brian Gibbons:** Okay. Therefore, it is reflecting the alignment.

[68] **Mr Jeffreys:** Yes. It works on the assumption that around 30 per cent of your non-cash expenditure is the cost of capital.

[69] **Brian Gibbons:** I just thought that the Minister was saying that, for some reason, only 70 per cent of the available money could be drawn down.

[70] **Mr Jeffreys:** No. It is just that there has been a 30 per cent—

[71] **Brian Gibbons:** It is just that it reflects the alignment. Okay. How is the Treasury reacting on EYF, or is it too early to get a steer from the Treasury on how we can use end-of-year flexibility?

[72] **Jane Hutt:** I raised this with the new Chief Secretary to the Treasury when I met him a few weeks ago to try to clarify our EYF position for this year. In terms of this year, 2010-11, it will depend on in-year circumstances and the level of EYF that is available. We must also recognise that we do not have the final outturn for 2009-10, which also has a bearing on this. Getting that flexibility is very much at the top of the agenda in our discussions, but to be fair to the Treasury we still need those final outturn figures and we need to ensure that we maximise the ability to draw on our EYF.

[73] **Brian Gibbons:** Would you need some degree of reassurance or certainty from the Treasury on EYF before you make a decision on how you will respond to the offer on in-year budget cuts? Is that the sort of certainty that you need?

[74] **Jane Hutt:** We were certainly seeking it. It is one of the factors. As you know, I stated in my response to the announcement of the in-year cuts that we wanted clarity about the split between capital and revenue. We have that clarity and we want confirmation of EYF, but we also have the issue of the comprehensive spending review not being forthcoming until October, which has a bearing on thinking about impacts for the draft budget for next year. It certainly has a bearing.

[75] **Brian Gibbons:** If I have done the sums right, I note that the reserve, as indicated here, at the end of the supplementary budget, is around 1 per cent. How does that compare with other years? I know that the Assembly Government's finances are always sailing pretty close to the wind in these matters, but we are still only in July. For July, is 1 per cent slightly tighter than in other years?

[76] **Jane Hutt:** No.

[77] **Brian Gibbons:** It is fairly typical, is it?

[78] **Jane Hutt:** Yes.

[79] **Chris Franks:** On end-of-year flexibility, is there a risk that the Treasury might be harsher regarding unspent moneys and not allow us to transfer considerable sums of money into next year's spending?

[80] **Jane Hutt:** There was certainly no indication of that when I met the Chief Secretary to the Treasury. In fact, he was positively sympathetic, from the point of view of being a Scottish Member of Parliament himself, in recognising the importance of EYF. So there is no indication of that. Also, I had to say, and he recognised this, that it is very difficult to take these decisions. It requires careful thinking about the impacts, not just on current budgets, but on spending plans and programmes, and impacts on our budget for 2011-12. There is recognition of the need for flexibility. However, we have not received a response to our request for it.

[81] **Chris Franks:** Could the response be shared once it arrives?

[82] **Jane Hutt:** Absolutely. I will be straight back to tell you.

[83] **Angela Burns:** Chris and Irene, did you want to talk about the movements on reserves and strategic capital investment fund allocations? Chris, do you want to kick off and then Irene will follow?

[84] **Chris Franks:** I want to look at table 5, which indicates that the total allocation from reserves to Welsh Government departments equates to £25 million revenue and £238 million capital. However, table 2 gives different figures: £64 million and £313 million respectively. That is quite a movement. Can you explain the difference between those figures?

[85] **Mr Jeffreys:** I am not sure which tables you are referring to.

[86] **Jane Hutt:** Which tables in which bit are you referring to? Are they in the supplementary budget motion?

[87] **Chris Franks:** Sorry, I thought that you had these tables. Okay, I will start again.

[88] **Angela Burns:** We have taken your figures and have put them into table format, Minister.

[89] **Jane Hutt:** I was worried about missing a table. *[Laughter.]*

[90] **Chris Franks:** I will start again. According to my figures, we have £25 million revenue and £238 million capital allocations from reserves. However, other bits of information show £64 million revenue and £313 million capital. How are these decisions taken? There is confusion, and I am perhaps more confused than most.

[91] **Jane Hutt:** We think that this relates to table 1.2, 'Changes to the Assembly Government Revenue and Capital DEL from Final Budget to Supplementary Budget', in the explanatory note to the supplementary budget. Andrew, can you respond to that?

[92] **Mr Jeffreys:** This, again, is complicated by the clear-line-of-sight changes that we referred to earlier. So, several different things are going on in the reserves in this supplementary budget. I will read you through the capital ones first, before moving onto the revenue.

[93] The capital reserve for the budget that was agreed in December stood at £341.078 million. In this supplementary budget, there is an allocation of £232.4 million to various SCIF projects, which are going into departmental main expenditure groups. There is an allocation of £6.4 million from reserves to the Department for Environment, Sustainability and Housing MEG for the mortgage rescue scheme and for the boiler scrappage scheme. There is also £90.755 million that has been brought forward from 2010-11 into 2009-10, which we discussed in the last supplementary budget of 2009-10. So, that is shown in that figure. Then there are some upward adjustments in our baseline consequentials resulting from the pre-budget report in December last year and from the budget in March. So, what you are seeing there is the net effect of all of those different movements. Some of those movements are out of reserves into departmental budgets and some of them are movements into the previous year on the capital side. Does that make sense?

[94] **Chris Franks:** I must admit that I am struggling. So, we have sums of money coming in and sums of money going out, and this is the bottom line.

[95] **Mr Jeffreys:** Yes, that is a good way of putting it. Similarly, several different things are happening on reserves. For example, there is a reduction in reserves there, which is a consequential from the clear-line-of-sight adjustments. So, a proportion of the non-cash chunk of our reserves is gone. There are some allocations from reserves to the invest-to-save fund and an allocation to further education.

[96] **Jane Hutt:** There is also an allocation to the SCIF projects.

10.10 a.m.

[97] **Mr Jeffreys:** There are again some consequentials coming into our baseline from pre-budget reports and budgets that add up to the net figure.

[98] **Brian Gibbons:** Is there any money left in the strategic capital investment framework budget and, if so, what will happen to it?

[99] **Jane Hutt:** We are trying to clarify the adjustments in table 1.2. We draw down when we need the SCIF money because we have to ensure that the SCIF allocations, in terms of spending profile and business cases, are monitored to ensure that we only pay up when we know the money has been spent. So, we will have to draw down and make those decisions. However, on the allocations of funding to tranches 1 and 2 of the SCIF projects, those have been made and allocated in this supplementary budget and have been reflected in the budget at the point where the requirement of funding is clear. We may have to return to that, in the second supplementary budget, and that will reflect other payments as a result of SCIF.

[100] **Brian Gibbons:** Our figures show that around £230 million has been spent on SCIF and the original allocation for SCIF was around £300 million. I do not know whether those figures are right, but that seems right. So, around £230 million has been spent and £300 million was originally allocated for that, so £70 million is still somewhere out there. The question is: is that money still kept as a ring-fenced SCIF fund or has it gone into reserves? If it is still ring-fenced for SCIF, will there be another round for the use of that SCIF money?

[101] **Jane Hutt:** It is not ring-fenced for SCIF, but it can be drawn down for SCIF as and when, as I said, spending profiles and business cases are clear. We will ensure that payments are made on those projects that we have approved and that are now being delivered, but, as we have discussed at previous Finance Committee meetings when considering SCIF and capital budgets, we are committed to the SCIF allocations that we have made, but not to a further round.

[102] **Angela Burns:** Irene, have you been second-guessed on this?

[103] **Irene James:** Yes, I think that I have.

[104] **Brian Gibbons:** My apologies, Irene.

[105] **Irene James:** No, that is not a problem, Brian.

[106] **Angela Burns:** Janet, do you want to raise the subject of the invest-to-save fund?

[107] **Janet Ryder:** Yes. Looking at the invest-to-save moneys, your budget shows allocations from revenue reserves of £20 million for the invest-to-save programme. It is clear that £9.3 million is allocated to health and social services, £4 million to economy and transport and £6.7 million to central services and administration to establish an invest-to-save fund. Could you clarify the nature of the projects that have received those allocations? What do you intend to achieve with those projects and how much do you anticipate to save as a result of that investment?

[108] **Jane Hutt:** The invest-to-save fund is the new lever that I am using to steer the efficiency and innovation programme on which I made a statement earlier this week. You have mentioned allocations via departmental MEGs, but the projects supported have the potential to generate significant cash savings. For example, the recent announcement of an investment of £11 million from the fund will release over £10 million cash savings annually.

[109] **Janet Ryder:** Is that from the—[*Inaudible.*]

[110] **Jane Hutt:** That is from the service that has been transformed. The £10 million of annual cash savings will result from the input of £11 million-worth of investment. That is across a number of projects.

[111] **Janet Ryder:** You have detailed £9.3 million to health and social services and £4 million to the economy and transport portfolio. Apart from that £6.7 million that is going into central services to create an extra fund, what kind of projects do you anticipate will come forward under health and social services and economy and transport?

[112] **Jane Hutt:** I can give some examples of invest-to-save projects from round 2 in health and social services. The Cardiff and Vale University Local Health Board reconfiguration of molecular pathology services received £0.13 million. There were the Cardiff and Vale University Local Health mobile solutions for community-based staff to improve safety, effectiveness and efficiency, another on long-term ventilation transitional care services, and the development of the unit at Ysbyty George Thomas for mental health patients. In fact, the health service has been very proactive—

[113] **Janet Ryder:** You can demonstrate the savings from them.

[114] **Jane Hutt:** We can. This is probably not a matter for the supplementary budget, but it is an important policy issue on which I would be very happy to respond to the committee. I have given you some examples of projects from tranche 2 and have told you that, overall, that will release £10 million in cash, but if the committee would like me to write about the cash-releasing impact of the invest-to-save fund, I would be happy to do that.

[115] **Janet Ryder:** I would be interested to see how each department is using that allocation and what kind of savings each department has made. Looking at the central pot that you are creating with the £6.7 million that is going into central services and administration to create the invest-to-save fund, to what kind of projects will you allocate that? Do you have any idea at this point?

[116] **Jane Hutt:** May I clarify some things about the invest-to-save fund? This programme is very much for public sector partners to take advantage of, much more so than departmental or ministerial leads. The bulk of the applications are coming from NHS bodies, local authorities and fire and police services. On collaboration, there are examples such as the North Wales Business Support Partnership, the electronic NHS web expenses system, collaborative closed-circuit television, and Conwy County Borough Council with other north Wales authorities and North Wales Police. So, they are partnership bids from the public sector to take forward the invest-to-save programme for cash-releasing efficiencies and for innovation and collaboration. Those funds are fully repayable, but there are no interest charges and there is flexibility on the payback period. This is not a grant; it is an investment to save. The payback means that we can replenish the fund, and we intend to move to a third tranche shortly. It complements SCIF, but it is critical as far as the efficiency and innovation programme is concerned, and it has been widely welcomed as a route to cash-releasing efficiency and innovation and change, but it is repayable. I am happy to write to the Chair on this matter.

[117] **Janet Ryder:** I would like to see further detail on that. May I clarify something? If this is supposed to encourage collaboration, it must be similar to the money that the Higher Education Funding Council for Wales uses to encourage collaboration among higher education institutions. We know from HEFCW's oral evidence to us that little of that money has been applied for by the higher education institutions. Are you satisfied that all sectors that

provide services in Wales have the mindset to realise that the only way forward is through collaboration and joint service provision?

[118] **Jane Hutt:** It is fair to say that one of the expectations of the invest-to-save fund is that there will be collaborative bids from across the public sector, and not just cross boundaries, but across the sector. You just mentioned higher education and one of the bids in the first round was from University of Wales Institute, Cardiff, to create a student one-stop shop—

10.20 a.m.

[119] **Janet Ryder:** Was that for UWIC itself, or across every university?

[120] **Jane Hutt:** Just for UWIC; that is what I am saying.

[121] **Janet Ryder:** That is not collaborative.

[122] **Jane Hutt:** It is not just a fund to drive up collaboration. That is one aspect of it. It is a fund that was developed and then rolled out to enable public sector bodies to take forward an invest-to-save plan that could release cash and deliver innovation. However, I can assure you that collaboration will be a key factor in the approval of the bids that are brought forward. I can give you the criteria for the programme when it was launched. I am driving this as a key lever for change with the efficiency and innovation programme, so collaboration will be even further up the agenda as a criterion for approval.

[123] I know that this is not an issue related to the supplementary budget, but it is an important point: we have seven work streams in the efficiency and innovation programme, which cover everything from business transformation to collaborative procurement and public sector ICT, and I have asked the chairs of each work stream to look at invest-to-save bids to help ensure that they can help to drive that efficiency and innovation agenda that I spoke about in my statement on Tuesday. It may be another topic for the Finance Committee.

[124] **Angela Burns:** I remind Members that we are looking at having an inquiry into capital, and I suggest that we look at the invest-to-save fund as part of that.

[125] **Janet Ryder:** Chair, I can understand individual bodies requiring money to realign, redraw or recreate their services—such as ICT services, for example—and there will be savings because of that, if you discount the massive investment at the beginning, but surely if we are looking ahead, the real savings will have to be made through much closer collaboration between groups and bodies. For instance, if Flintshire County Council—and this is a hypothetical example that is not real in any way—made an application to renew its IT for finance, including its payrolls, and so on, that would no doubt save money for Flintshire, but if the six north Wales authorities put in a joint bid to collaboratively run a payroll scheme, you would see far more savings. That is what we need to be looking at more and more. I will be interested in more detail if the committee looks at this further.

[126] **Angela Burns:** I will write to the Minister on this subject. Brian, did you have a supplementary question?

[127] **Brian Gibbons:** If Andrew Davies were here, I am sure that he would ask this question. He has gone on record in previous meetings of this committee and expressed his disappointment at the apparent slowness of some public sector organisations in coming forward to take advantage of the opportunities available through the invest-to-save fund. I am pleased with what the Minister said about the efficiency and innovation board driving this forward from the top, but is there any indication that grass-roots organisations that have been

a bit tardy in coming forward in previous rounds are meeting Janet's challenge on recognising the importance of the invest-to-save fund, and wanting to engage more effectively with it?

[128] **Jane Hutt:** The economic climate and the national imperative to respond to cuts in public spending, as Nick said in response to the statement in Plenary on Tuesday, has upped the game regarding the potential for the invest-to-save fund. Since I have chaired the efficiency and innovation board, which is pan-public-sector, I have made the case for the invest-to-save fund to be a key lever for change. We have had to turn down some bids because they were not appropriate, and would not add value, as required by the invest-to-save culture, and also, there have been some very big bids, whereas we are saying that they should be at manageable levels. In response to Janet's point, I would say that if one authority can do something transformational, the key point is that that vision should then be shared across the rest of the public sector. We have not turned down invest-to-save bids that have the potential for application, but, where collaboration comes to the fore, it is easier to transmit the new practice and the change right from the outset.

[129] **Chris Franks:** We face spending cuts from the UK Government, and a number of figures have been bandied around. One significant figure that I have seen is that of £163 million in budget cuts for this year. My understanding is that this is after other changes will have taken place, and that it does not represent the true level of cuts to existing budgets. At the back of my mind is a figure between £184 million and £187 million. Can you comment on that?

[130] Going back to one of my earlier questions, on 23 May, you said that you were awaiting clarification from the Treasury. Were your earlier comments based on the need for that clarification from the new Minister?

[131] **Jane Hutt:** You are referring to our share of the £6.2 billion, which I commented on in my opening remarks. If I could perhaps clarify that, when we first heard the announcement of the £6.2 billion-worth of savings to be made, our overall share would have been £187 million. However, in my meeting with the Chief Secretary to the Treasury, he agreed that one cut had been wrongly applied with regard to the Olympics consequential, because we had not received that consequential in the first place. He recognised that fact. It did not affect only Wales; Scotland and Northern Ireland were in the same position. That meant that the £187 million was reduced by £1.6 million, which takes us to £185.4 million. However, we then have the positive consequential, which was also announced in May, namely that, if we are to make these cuts, the positive consequential would be £23 million. That takes us down to the figure of £162.5 million. Does that make sense of the figures?

[132] **Chris Franks:** It does; that was my understanding. What I do not quite understand, however, is that when the decision was made, some budget heads would increase by £24 million and others would decrease. What is the process? Who decided that we would spend less on—well, perhaps you will tell us.

[133] **Jane Hutt:** The £23 million must be regarded as and treated like any other consequential that we receive in Wales. When we receive a consequential, it is as a result of a UK budget announcement. If it affects a comparable spending department that aligns to devolved functions, if they announce some provision for education for some purpose, we will be told that there will be a consequential allocation for Wales. Some announcements were made in Westminster about how they would spend that consequential in terms of this £6.2 billion. It is up to us in Wales how we spend our consequential. It is also up to us in Wales how we will make those reductions in terms of the £162.5 million, and I shall be returning to the Assembly to say when and how we shall be making these reductions.

10.30 a.m.

[134] **Angela Burns:** If no-one else has any further questions, is there anything further that you want to say regarding the next budget round, Minister? I know that it is not strictly part of the technical element of our supplementary budget scrutiny, but you have stated that you have planned on the basis of a 3 per cent revenue reduction and a 10 per cent capital reduction. I understand if you would prefer to wait until September or October before commenting, but I wonder whether there is anything else that you feel able to share with the Finance Committee about planning for the budget round in 2011-12.

[135] **Jane Hutt:** The points that I made in response to Chris's question, about handling the reductions in 2010-11, have a bearing on how we look at the draft budget for 2011-12. You will also know that we are still seeking clarification on our end-of-year flexibilities, and we need to await the comprehensive spending review in October for the real detail that enables us to move forward with a draft budget. As I said when we met previously—thank you for that meeting, Chair—we predict that we would be coming to the Assembly with a draft budget in November, because 20 October takes us beyond the expectation laid out in the Standing Order. I am sure that that is something that the Finance Committee will be discussing, and we have to ensure that full scrutiny is enabled through the Finance Committee and subject area committees. It is important that we recognise that a lot of work is going into preparing our budget proposals, and we have to model these on a range of scenarios. I want to come before the Assembly with a draft budget that can then receive your full scrutiny.

[136] **Angela Burns:** Thank you for your time today; we will be writing to you for further information on the invest-to-save programme, and I believe that Andrew is going to supply us with a few notes.

[137] Committee, we will remain in session, but we will take a five-minute break before bringing in the Welsh Language Board for the second scrutiny session.

*Gohiriwyd y cyfarfod rhwng 10.33 a.m. a 10.39 a.m.
The meeting adjourned between 10.33 a.m. and 10.39 a.m.*

**Goblygiadau Ariannol Mesur Arfaethedig y Gymraeg (Cymru)—Tystiolaeth gan
Fwrdd yr Iaith Gymraeg
Financial Implications of the Proposed Welsh Language (Wales) Measure—
Evidence from the Welsh Language Board**

[138] **Angela Burns:** I apologise to everyone for the extreme heat in the room today. We have asked the accommodation people to turn the air conditioning on as high as they can, and apparently this is it. I apologise if you are melting. I also apologise to our witnesses for the delay in starting, and I thank them for their forbearance.

[139] To set the scene for everyone, we are now going to scrutinise the Proposed Welsh Language (Wales) Measure, and we are taking evidence today from the Welsh Language Board. We are very pleased that the witnesses have been able to appear before us. I ask them to introduce themselves for the record and to make any opening statements, if they care to do so.

[140] **Mr M. Jones:** Diolch yn fawr iawn am y gwahoddiad i ddod yma. Meirion Prys Jones, prif weithredwr Bwrdd yr Iaith Gymraeg, ydw i. **Mr M. Jones:** Thank you very much for the invitation to come here. I am Meirion Prys Jones, chief executive of the Welsh Language Board.

[141] **Mr G. Jones:** Gwyn Jones, **Mr G. Jones:** I am Gwyn Jones, director of

cyfarwyddwr polisi a therminoleg Bwrdd yr Iaith Gymraeg, ydw i.

policy and terminology for the Welsh Language Board.

10.40 a.m.

[142] **Mr M. Jones:** I ddechrau, hoffwn wneud sylw neu ddau am Fesur Arfaethedig y Gymraeg (Cymru), sy'n bellgyrhaeddol. Mae nifer o elfennau ynddo, megis y pwerau sy'n ymwneud â rheoleiddio, yr ydym yn eu croesawu. Mae llawer o fanylder yn y Mesur arfaethedig, ond eto mae rhai elfennau cyffredinol iawn y byddem yn dymuno cael mwy o wybodaeth amdanynt.

[143] **Mr M. Jones:** To start, I would like to make a comment or two on the Proposed Welsh Language Measure (Wales), which is far-reaching. There are a number of elements in it, such as the powers relating to regulation, that we welcome. There is a good deal of detail in the proposed Measure, but then there are some very general elements on which we would like to have more information.

[144] Fel sylw cyffredinol, hoffem bwysleisio bod y gymuned cynllunio ieithyddol ar lefel ryngwladol yn edrych ar y sefyllfa yng Nghymru gyda chryn edmygedd. Y teimlad yw bod y gwaith o gynllunio ieithyddol a hyrwyddo'r Gymraeg a wneir yng Nghymru yn arbennig o effeithiol. O safbwynt y bwrdd, mae cydnabyddiaeth ar lefel ryngwladol fod y bwrdd, fel corff hyd braich i Lywodraeth, gyda'r gorau, os nad y gorau, o ran hyrwyddo iaith leiafrifol. Yr wyf yn dweud hynny nid am fy mod yn brif weithredwr y bwrdd, ond hefyd am fy mod yn cadeirio dwy rwydwaith ryngwladol sy'n edrych ar gynllunio ieithyddol ar lefel Ewrop ac yn ehangach. Felly, yr ydym mewn sefyllfa gref iawn yng Nghymru o safbwynt y systemau sydd gennym ar hyn o bryd, er ein bod hefyd yn cydnabod bod angen gwella'r systemau hynny, yn enwedig yng nghydestun rheoleiddio.

As a general comment, we wish to emphasise that the international language planning community looks at the situation in Wales with great admiration. There is a feeling that language planning and the promotion of the Welsh language in Wales is done particularly effectively. With regard to the board, there is also international recognition that the board, as a body at arm's length from the Government, is among the best, if not the best, at promoting a minority language. I say that not because I am the board's chief executive, but because I also chair two international networks that look at language planning on a European level and beyond. Therefore, we are in a very strong position in Wales in respect of the systems that we currently have in place, although we also acknowledge that those systems need to be improved, especially in the context of regulation.

[145] **Angela Burns:** It is good news to hear that we are leading the way in this area. I will kick off. Turning to a comment that you made at the beginning and that you also make in the paper that you submitted, do you think that it is possible to scrutinise the financial implications of the proposed Measure effectively as it is set out at the moment?

[146] **Mr M. Jones:** Mae rhai meysydd yn y Mesur arfaethedig sy'n fanwl iawn, fel yr elfennau sy'n ymwneud ag atebolrwydd y comisiynydd, ac mae gwybodaeth sylweddol am y cyswllt rhwng y comisiynydd a'r Gweinidog. Mae tipyn llai o wybodaeth am yr elfennau mwyaf newydd ac arbrolfol, megis y safonau. Felly, mae'n anodd iawn gwybod yn union beth yw hyd a lled y Mesur arfaethedig a gallu pwyso a mesur y gost o weinyddu'r system newydd.

Mr M. Jones: Some fields of the proposed Measure are very detailed, such as those relating to the accountability of the commissioner, and there is a good deal of information about the link between the commissioner and the Minister. There is considerably less information about the newest and most experimental elements, such as the standards. So, it is difficult to know the exact scope of the proposed Measure or to estimate the cost of administering the new system.

[147] **Janet Ryder:** Do you not set a standard at all for the language plans that you review, in your work? If you do, what costs do you allocate to that?

[148] **Mr M. Jones:** O ran y gyfundrefn bresennol o ran cynlluniau iaith a gyflwynwyd yn 1993, mae'n ymwneud â gofyn i gyrff unigol lunio cynlluniau iaith. Yr oedd cryn ddryswch pan gyflwynwyd y system honno yn 1993, ond mae'r system yn ei hanfod yn eithaf syml. Mae'r bwrdd yn gofyn i bob corff cyhoeddus yng Nghymru i lunio cynllun unigol sy'n delio â'u sefyllfa hwy. Mae trafodaeth eithaf manwl am oblygiadau'r hyn y mae'r corff hwnnw yn ei gyflawni, beth yw ei ddyletswyddau ac felly beth y gall siaradwyr Cymraeg ei ddisgwyl gan y corff hwnnw o ran gwasanaeth.

Mr M. Jones: In respect of the current regime of language scheme, which was introduced in 1993, that involves asking individual bodies to come up with language schemes. There was considerable confusion when that system was introduced in 1993, but it is, essentially, quite simple. The board asks every public body in Wales to draft an individual scheme that deals with their situation. There is a fairly detailed discussion about the implications of what that body is able to achieve, what its duties are and therefore what service Welsh speakers can expect from that body.

[149] Mae'r term 'safonau' yn un eithaf cyffredinol. O ddarllen y Mesur arfaethedig, nid ydym yn siŵr iawn beth yw hyd a lled y cysyniad o safonau. Hyd y gwyddom, nid oes enghraifft ryngwladol arall o rywun sy'n delio â safonau yng nghyd-destun cynllunio ieithyddol. Ar y cyfan, mae cynlluniau iaith yn tueddu i ganolbwyntio ar gyrff unigol. Mae'r cysyniad o safonau fel rhywbeth sy'n pontio sector cyfan yn un aneglur ac yn sicr nid oes cysnail ar gyfer hynny. Felly, mae'n amlwg bod angen gwneud cryn dipyn o waith ar y cysyniad i'w gael i weithredu.

The term 'standards' is fairly broad. From reading the proposed Measure, we are not certain about the extent of the concept of standards. As far as we know, there is no other example internationally of someone dealing with standards in the context of language planning. Language schemes in general tend to focus on individual bodies. The concept of standards as something that bridges a whole sector is unclear and there is certainly no precedent for that. So, it is evident that considerable work needs to be done on the concept to get it to operate.

[150] **Janet Ryder:** With all due respect, that was not the question that I asked; I asked what standard you apply. I can only infer from your answer that the language board applies no standard to language schemes, so how can we know that these schemes are doing what they should be doing? You must set a standard. If you do, what is it, how do you apply it, and what costs have you accrued behind it?

[151] **Mr M. Jones:** O ran y broses o gytuno cynlluniau iaith, mae canllaw a gyhoeddwyd ganol y 1990au sy'n nodi'r hyn y mae disgwyl i bob corff unigol ei gynnwys yn y cynllun iaith. Felly, mae safon o safbwynt y ddogfen honno, sy'n nodi beth ddylai cynllun iaith ei gynnwys. Mae'r ddogfen wedyn yn cael ei defnyddio wrth inni drafod gyda phob corff yn unigol, ac felly mae pob cynllun iaith yn cynnwys yr elfennau hynny. Fodd bynnag, mae elfen o hyblygrwydd yn ymwneud â chynllun iaith unigol pob corff, felly mae trafodaeth fanwl am yr elfennau o fewn y canllaw sy'n berthnasol i'r corff. Felly, yng nghyd-destun pob corff, mae asesiad o'r gwasanaeth y gall

Mr M. Jones: On the process of agreeing language schemes, guidance that was published in the mid 1990s sets out what each individual body is expected to include in its language scheme. So, there is a standard in respect of that document, setting out what a language scheme should contain. That document is then used in our discussions with every individual body, and so each language scheme includes those elements. However, there is an element of flexibility in each individual language scheme, and there is a detailed discussion about which elements of the guidelines are relevant to each organisation. So, in the context of all bodies, there is an assessment of what the body can

y corff ei gynnig i'r cyhoedd, a goblygiadau hynny o ran y gost i'r sefydliad.

offer to the public as a service, and what the cost implications of that are for the body.

[152] Felly, mae dogfen gyffredinol sy'n nodi canllaw, ac wedyn mae honno'n cael ei theilwra ar gyfer pob un corff yn unigol, a bydd y gost yn wahanol ar gyfer pob un.

So, there is a general document that sets out guidelines, but that is then tailored to every individual organisation, so the cost would be different for each one.

[153] **Chris Franks:** I am grateful to be reminded of the good work of the board, which has been built up over nearly 20 years, I suppose. I think that one of your concerns is a lack of detail regarding the standards, but surely that was the case when the language board was created by the Welsh Language Act 1993. All the detail that your predecessors and you have subsequently built up has developed over those 20 years. You did not have those guidelines to apply on day one; you developed them and improved upon them and adapted them. So, can you tell me the difference between the 1993 Act and this proposed Measure now?

[154] **Mr M. Jones:** Yn bendant, mae arbenigedd y bwrdd o safbwynt cynllunio a delio â chynlluniau iaith wedi datblygu ac esblygu yn ystod y 15 mlynedd diwethaf. Y gwahaniaeth sylfaenol oedd bod y cysyniad bod pob sefydliad yn gallu llunio cynllun iaith yn un eithaf syml yn ei hanfod, sef bod pob sefydliad yn edrych ar ei sefyllfa ei hunan ac, mewn trafodaeth â'r bwrdd, yn llunio cynllun iaith. Os edrychwch ar batrymau cynllunio ieithyddol rhyngwladol, gwelwch mai dyna'r norm, ac yn gynyddol felly. Mae disgwyl i sefydliadau unigol edrych ar eu sefyllfa a gweld sut y gallant herio eu hunain, ac wedyn maent yn cynnal trafodaeth gyda chorff fel ein un ni o ran symud ymlaen.

Mr M. Jones: Certainly, the board's expertise in language planning and in dealing with language schemes has developed and evolved over the past 15 years. The fundamental difference is that the concept that each organisation could draw up a language scheme was quite simple in essence, namely that all organisations looked at their own situations and, in discussion with the board, drew up a language scheme. If you look at international language planning patterns, you will find that that is the norm, and increasingly so. Individual organisations are expected to look at their situation and challenge themselves, and then they hold discussions with an organisation such as ours about moving forward.

[155] Mae'r cysyniad o safonau yn aneglur a hefyd mae'n tueddu i ddelio â sectorau. Yn y Mesur arfaethedig, nid oes manylder o ran sut y byddai hynny'n digwydd. Cymerwch y sector awdurdodau lleol er enghraifft. Beth fyddai'r safonau a fyddai'n rhychwantu Cyngor Sir Gwynedd a Chyngor Sir Casnewydd? Mae'n anodd gweld sut y byddai un safon, neu gyfres o safonau tebyg, yn gallu rhychwantu hynny. Felly, mae diffyg eglurder yn y Mesur arfaethedig o ran sut y byddem yn mynd ati i wneud yn siŵr bod pobl sy'n byw yn y ddwy ardal wahanol honno yn gallu cael gwasanaeth sy'n gymesur â'r hyn sy'n rhesymol ei ddisgwyl.

The concept of standards is unclear and it also tends to deal with sectors. In the proposed Measure, there is no detail about how that would happen. Look at the local authority sector for example. What would be the standards that would span Gwynedd County Council and Newport County Council? It is difficult to see how one standard, or a series of similar standards, could span that divide. Therefore, there is a lack of clarity in the proposed Measure about how we would go about ensuring that people who live in those two very different areas can access a service that is commensurate with what it is reasonable to expect.

[156] **Chris Franks:** Thank you for that. As I understand the proposals, this detail will be brought forward by the Minister and will be subject to scrutiny and comment once the proposed Measure has been passed in its current form—if it is. Would that not clarify the difference between Anglesey and Monmouth? Is it really feasible to put all that detail on the face of this proposed Measure?

[157] **Mr M. Jones:** Yn sicr, byddem yn croesawu gweld y math hwnnw o fanylder maes o law, ond teimlaf fod angen ychydig bach mwy o ganllaw yn y Mesur arfaethedig na'r hyn sydd yno ar hyn o bryd. Yn y pen draw, rhaid i'r corff a ddaw yn lle Bwrdd yr Iaith Gymraeg wybod sut y bydd yn gweithredu, ac mae angen y math hwnnw o ddealltwriaeth a chanllaw i sicrhau bod eglurder am y prosesau sy'n cael bod ar waith. Yn sicr, byddem yn croesawu rhagor o fanylder na'r hyn sy'n bodoli ar hyn o bryd.

Mr M. Jones: Certainly, we would welcome seeing that level of detail in due course, but I feel that the proposed Measure needs to give a little more of a steer than it does at present. At the end of the day, the body that will replace the Welsh Language Board will have to know exactly how it will operate, and it will need that level of understanding and a steer to ensure that it is clear about the processes that are permitted to be in place. We would certainly welcome more detail than that which is available at present.

10.50 a.m.

[158] **Andrew Davies:** Following up on Chris's point, I am unclear about how these standards would apply. I think that everyone is unclear on that at the moment, because nothing has been published that would allow us to make that assessment. I am still unclear about whether the standards would vary from sector to sector, or from one part of Wales to another. Clearly, the proposed Measure would cover a far greater range of organisations and bodies than the current Welsh language schemes, particularly in the private sector, to which the schemes have not applied before now. I know that the business community, including multinationals and small companies, has argued consistently that it is unsure as to how the standards would apply. Have you any comments on that? I think that some of us on the committee have concerns about the lack of detail. We are being asked to scrutinise the financial implications of the proposed Measure, but we will not know what those are until we have seen the detail.

[159] **Mr M. Jones:** Byddem yn cydymdeimlo â'r sylw hwnnw, sef nad oes eglurder am yr hyn sy'n cael ei gynnig. O ran symud i mewn i'r sectorau newydd, gan gynnwys y rheiny sy'n ymwneud â'r hen gyfleustodau, sydd bellach yn y sector preifat, bydd angen edrych ar ba system a fyddai'n addas ar eu cyfer. Eto, nid yw hynny'n glir. Eto i gyd, credaf fod y cynlluniau iaith presennol yn gallu delio â sectorau cyfan. Er eu bod yn eu hanfod yn delio â chyrff unigol, mae gennym enghreifftiau o adegau pan ydym wedi edrych ar sectorau cyfan, megis cynghorau cymuned, ac wedi cynnig templed ac elfen o gynllunio ar draws y sector. Felly, mae elfennau o hynny yn y drefn bresennol.

Mr M. Jones: We have some sympathy for that observation, namely that there is no clarity on what is being proposed. In moving into the new sectors, including those in which the utilities companies operate, which are now in the private sector, there will be a need to determine which system is appropriate for them. Again, that is unclear. However, I believe that the current Welsh language schemes could deal with entire sectors. Even though, essentially, they deal with individual bodies, we have examples of times when we have looked at entire sectors, such as community councils, and have offered a template and an element of planning across the sector. So, there are elements of that in the current system.

[160] Mae'r hyn sy'n cael ei gynnig o ran y safonau yn aneglur. Mae'n siŵr y gallem, o weithio ar y cysyniad, ddyfeisio system sy'n esblygiad o'r cynlluniau iaith. Nid yw hynny y tu hwnt inni o safbwynt y broses, ond ar hyn o bryd, nid yw'r sefyllfa'n eglur o ran beth fydd y gofynion a'r strwythurau, ac ynghylch a fyddai'r rheiny mewn gwirionedd

What is being proposed in respect of the standards is unclear. I am sure that, if we worked on the concept, we could come up with a system that represents an evolution of the language schemes. That is not beyond us in respect of the process, but at present it is not clear what the requirements and the structures will be, and whether those will in

yn ateb y galw yr ydym wedi clywed amdano am wneud y gyfundrefn yn haws, yn fwy eglur i'r defnyddiwr, ac yn llai biwrocraidd. Ar hyn o bryd, nid yw hynny'n glir.

fact meet the demand that we have heard about for the system to be made easier, clearer for the user, and less bureaucratic. At the moment, that is not clear.

[161] **Brian Gibbons:** I was intrigued by your written submission to Legislation Committee No. 2, and I think that it might help if you could clarify your approach vis-à-vis the financial implications of that. I was intrigued because the level of praise for the proposed Measure was homeopathic in its extent, as it was begrudging to say the least. Intriguingly, while there was no criticism of the proposed Measure, there was a series of questions, which seemed to me to be pretty blatant criticism in everything but name. I have not had a chance to read the transcript of your oral submission to the legislation committee but, on the basis of the written evidence, it seems to me that you are pretty much out of sympathy with the broad approach that is being taken by the Minister in relation to this.

[162] I am wondering whether your engagement in this process is constructive or destructive, and whether looking at the problems from a financial point of view might affect the way in which you are looking at it. I do not dispute your opening remarks, that very good progress is being made in promoting the language in Wales, but it seems that the corollary to that is that we have a winning formula and so we do not need a fairly dramatic step change in our approach, and that, to use your own words, an 'evolutionary' approach would be a much more constructive way forward. So, unless we understand how the Welsh Language Board is approaching the proposed Measure, it is difficult—for me, at least—to give weight to the various opinions that you are expressing. If your view is that the proposed Measure is a good way forward, your contribution will be to make it better. However, from what I have heard so far, I suspect that you are far from convinced and that you are making an intellectual pitch to forge a significant change of direction by the Minister with regard to this proposed Measure.

[163] **Mr M. Jones:** O safbwynt y bwrdd, y peth pwysicaf yw'r hyn sy'n digwydd o ran y Gymraeg. Mae'r Gymraeg mewn sefyllfa gref mewn llawer ffordd, ond mewn sefyllfa fregus iawn mewn ffyrdd eraill. Mae llawer o'r gwaith y bydd yn rhaid ei wneud yn y blynyddoedd nesaf o ran cynnal y Gymraeg yn waith sydd eisoes wedi ei ddechrau. Mae nifer fawr o'r prosesau hynny ar waith yn barod. Mae hynny'n gyfuniad o'r ochr hyrwyddo drwy ddeddfwriaeth a hyrwyddo'n gyffredinol ar lawr gwlad. Mae'n blethiad o'r elfennau hynny.

Mr M. Jones: From the board's perspective, the most important thing is what happens in respect of the Welsh language. The language is in a strong position in many ways, but in a fragile position in others. A lot of the work that will need to be done in the next few years in terms of sustaining the Welsh language is work that has already been started. Many of those processes are already in train. This is a combination of promoting through legislation and promoting generally on the ground. It is a blend of those elements.

[164] Wrth inni edrych ar y Mesur arfaethedig, y cwestiwn pwysicaf yw: a yw'r Mesur arfaethedig hwn o fantais i'r iaith Gymraeg? Nid ydym yn gofyn a fydd Bwrdd yr Iaith Gymraeg yn parhau. Edrychwn ar yr hyn sy'n bodoli yn y system hon sy'n rhoi sicrwydd inni fod y sefyllfa yn fwy diogel o fewn y gyfundrefn newydd. O ran ein gwaith ar hyn o bryd, mae'n amlwg mai'r elfen ychwanegol sydd ei hangen ar y gyfundrefn yw'r elfen reoleiddio. Gyda nifer o gyrff, cyrhaeddwn bwynt lle mae'n rhaid inni sicrhau eu bod yn cadw at yr hyn y maent

As we look at the proposed Measure, the most important question is this: does the proposed Measure benefit the Welsh language? We are not asking whether the Welsh Language Board will be maintained. We look at what reassurance we get from the new system that the situation is stronger. In terms of our current work, it is evident that the additional element needed in the system is the regulatory element. With many organisations, we reach a point where we have to ensure that they stick to what they said in their language schemes. That is the

wedi ei gynnig yn eu cynlluniau iaith. Mae'r darn hwnnw ar goll. Felly, o fewn y Mesur arfaethedig hwn, croesawn y ffaith bod y rôl honno yn cael ei chreu yn sgîl pwerau'r comisiynydd. Credaf fod hwnnw'n gam sylweddol a chadarnhaol ymlaen.

[165] Wrth gwrs, mae'r Mesur arfaethedig yn cynnig dau newid sylfaenol: newid yr offeryn, sef newid o gynlluniau iaith i safonau; a newid o'r sefyllfa bresennol gyda Bwrdd yr Iaith Gymraeg i sefyllfa lle bydd gan y comisiynydd rywfaint o'r gwaith hwn i'w wneud, gyda'r gweddill, efallai, yn mynd i'r Llywodraeth. Gofynnwn, felly, am elfen o eglurder ynghylch y sefyllfa hon. Beth yn union yw'r safonau, a sut bydd y safonau'n gwella'r sefyllfa o ran y cynlluniau iaith? Nid oes unrhyw amheuaeth bod y cynlluniau iaith wedi newid sefyllfa'r Gymraeg yn llwyr yng Nghymru. Mae'r dirwedd ieithyddol yng Nghymru wedi newid yn llwyr. Weithiau, mae hynny'n cael ei anghofio. Yr ydym am weld beth fydd yn adeiladu ar y sefyllfa bresennol er mwyn cryfhau sefyllfa'r Gymraeg.

[166] Mae pasio deddfwriaeth yn hawdd, o'i gymharu â darbwyllo rhywun sy'n mynd i glwb ffermwyr ifanc yn sir Feirionydd, er enghraifft, i barhau i siarad Cymraeg. Hoffem weld cydbwysedd ar draws y system. Nid ydym am weld gormod o symud tuag at reoleiddio, a'r cyllid yn mynd i gyfeiriad rheoleiddio a'r dasg o gadw rhai cyrff mewn trefn. Hoffem weld cydbwysedd: rhywfaint o reoleiddio a rhywfaint o ddarbwyllo pobl i barhau i ddefnyddio'r Gymraeg. Felly, yr ydym yn gofyn cwestiynau yng nghyd-destun penderfynu a yw'r system hon yn well.

[167] **Angela Burns:** I have many supplementary questions on this, but I do not mind us discussing this for quite a bit longer—in our last session, standards were the issue that everyone was interested in.

[168] **Janet Ryder:** I was not absolutely sure that this was the right way forward before I came to committee, but, having heard what I have just heard, I am absolutely certain now that the Minister has chosen the right way forward. You intimated in your answer to Andrew Davies that utilities do not have language schemes, but they do have language schemes. If not, I would ask a very big question as to why the language board had not encouraged utilities to have language schemes by now. I would like clarification from you today as to which utilities do not employ language schemes.

[169] You talked about local government, and about community councils, in particular.

missing link. Therefore, within the proposed Measure, we welcome the fact that that role is created as a result of the powers of the commissioner. I believe that that is a significant and positive step forward.

Of course, the proposed Measure offers two fundamental changes: a change in the instrument, namely from language schemes to standards; and change from the current situation with the Welsh Language Board to a situation where the commissioner will do some of this work, with the remainder, perhaps, going to the Government. We therefore ask for an element of clarity regarding this situation. What are the standards, and how will they be an improvement on language schemes? There is no doubt that language schemes have changed the situation of the Welsh language in Wales. The linguistic landscape in Wales has changed completely. Sometimes, we forget this. We want to see what will build on the current situation so as to strengthen the position of the Welsh language.

Passing legislation is easy compared with persuading a member of the young farmers' club in Merionethshire, for example, to continue to speak Welsh. We would like to see balance across the system. We do not want to see too much of a move towards regulation, with the finance moving in that direction and to the task of keeping some organisations in order. We would like to see balance: some regulation and some work in persuading people to continue using Welsh. We are, therefore, asking questions in the context of deciding whether this system is better.

Could you tell me which councils do not have language schemes and what percentage of them do not? It is my understanding that a number of community councils have created their own language schemes. Having said that, we are not starting—as your answer seemed to imply—from a level of nothing happening. In your answer, you said that you foresaw an evolutionary system of developing the Welsh language. It goes without saying that that might be something that everyone would want to see.

11.00 a.m.

[170] In 2006, the Welsh Language Board said that there would be a need to prescribe legislation aimed at normalising the use of the Welsh language, to prescribe an improved regulatory system for Crown bodies, to establish statutory measures to promote bilingual administration, and to develop further measures in the field of linguistic rights. However, all that seems to be encompassed in what the Minister is trying to do—building on the work that the language board has achieved to date, bearing in mind what the language board said and the clear indication that it gave in 2006 on how to best move forward. It seems to me that what he is putting forward in this proposed Measure clarifies what you have just said. Yet, you are still telling us that it will not work, that it is too expensive, that we cannot estimate the costs, and that groups that already have language schemes will have to start from scratch, introduce new schemes and so on. That certainly seems to be what you are saying. I cannot see any justification in what you have just told us.

[171] **Mr M. Jones:** Ni chredaf fod hynny'n ddehongliad hollol deg o'r hyn yr wyf newydd ei nodi. O ran y prosesau sydd eisoes ar waith, yr ydym yn sicr yn awyddus i weld esblygiad i drefn newydd. Mae'n bwysig bod y drefn honno yn adeiladu ar yr hyn sydd yno eisoes. Yr hyn yr ydym yn ei gwestiynu yw'r cysyniad o safonau. Mae'n amlwg y bydd angen cael gwaith pellach ar hynny er mwyn sicrhau ei fod yn gweithio.

Mr M. Jones: I do not think that that is a completely fair interpretation of what I have just noted. In terms of the processes already in place, we are certainly eager to see an evolution into a new regime. It is important that that regime builds on what currently exists. We are merely questioning the concept of standards. Clearly, further work on that will be necessary in order to ensure that it works.

[172] O ran yr elfennau sy'n ymwneud â chyfleustodau, nid yw'r rhai sydd yn perthyn i'r sector preifat yn cael eu cynnwys o fewn y Ddeddf bresennol.

In terms of those elements that deal with utilities, those in the private sector are not included within current legislation.

[173] Mae gan garfan sylweddol o gynghorau cymuned gynlluniau iaith, ond nid yw'r broses honno wedi dod i ben ar hyn o bryd. Mae cynghorau cymuned yn cael eu cynnwys o fewn y ddeddfwriaeth.

A significant number of community councils have language schemes, but that process has not yet reached its conclusion. Community councils are included within the current legislation.

[174] O ran y pwynt a wnaed ynglŷn â'r hyn a ddatganwyd gan y bwrdd yn 2006, nid wyf yn meddwl y byddwn yn anghytuno ag unrhyw ran o hynny. Fel y dywedais, yr ydym am sicrhau bod beth bynnag a gynigir o fewn y Mesur arfaethedig hwn yn adeiladu ar y gwaith sydd yno eisoes. Mae'r elfen honno o eglurder yn bwysig, yn ogystal â'r elfen honno o adeiladu ar yr hyn y gwyddom sydd yn gweithio ar hyn o bryd. Ni chredaf fod mwy o gwestiynu na hynny, ond yr ydym yn

In terms of the point about what the board said in 2006, I do not think that I would disagree with any of that. As I said, we want to ensure that whatever is mentioned within this proposed Measure builds on the work that is already taking place. That element of clarity is important, as is the element of building on what we know works at present. I do not think that there is more questioning than that, just that we are very eager to see the element of clarity.

awyddus iawn i weld yr elfen o eglurder.

[175] **Janet Ryder:** You seem to be saying that the language board was wrong when it said in 2006 that we needed those regulations, yet you have said this morning that we need those regulations. It seems that the Minister is now taking that step. He is not starting from ground zero; he is building on what is there and moving things forward. I do not want to get embroiled in an argument about the language, but one of the weaknesses that many people see in the language board is that it has not got to grips with the utilities.

[176] **Mr M. Jones:** Mae'n anodd iawn gwneud hynny os nad yw'r grym gennym. Felly, yr ydym yn derbyn mai dyna pam mae'r Mesur arfaethedig hwn yn cynnig hynny, ac yr ydym yn hapus iawn â hynny. Yr hyn yr ydym yn ei geisio yw mwy o eglurder ynglŷn â'r broses o ddefnyddio'r grym hwnnw a sut mae cyrraedd y pwynt hwnnw.

Mr M. Jones: It is very difficult to do that if we do not have the power to do so. Therefore, we accept that that is why this proposed Measure does that, and we are very happy with that. We are merely asking for more clarity in terms of the process of using that power and how to reach that point.

[177] O ran y bwrdd, mae'r broses dros y 15 mlynedd diwethaf wedi bod yn un o berswâd ac adeiladu perthynas dda gyda chyrrff. Byddwch yn sylwi cyn lleied o gyrff cyhoeddus yng Nghymru sydd yn codi unrhyw gwestiwn o gwbl ynglŷn â chynllun iaith. Cafwyd symud sylweddol. Serch hynny, gwelwn hefyd bod angen esblygiad a bod angen cynnwys y broses reoleiddio. Mae cymaint o bethau da yn digwydd ar hyn o bryd. Os yw'r Mesur arfaethedig yn adeiladu ar hynny, yr ydym yn falch iawn, ond mae rhai elfennau sydd yn gofyn am fwy o awdurdod.

In terms of the board, the process over the last 15 years has been one of persuasion and of building a positive relationship with organisations. You will notice how few public bodies in Wales raise any questions about language schemes. There has been substantial progress. However, we also see that evolution is necessary and that the regulatory system needs to be included. Many positive things are happening at present. If the proposed Measure builds on that, we are very pleased, but there are some elements that need to be clarified.

[178] **Angela Burns:** I will check the Record of Proceedings, but I think that you said in one of your opening statements that you would like to have regulation to enforce certain things. However, I think that you have just said that you did not say that.

[179] **Janet Ryder:** I am suggesting that there is a contradiction in what is being said this morning.

[180] **Angela Burns:** Okay. Thank you.

[181] **Andrew Davies:** Thank you, Mr Jones. I would take issue with Janet, because I do not think that it is fair to accuse an Assembly Government-sponsored body of failing to go beyond its legal powers. If, for example, you were to start imposing schemes on the private sector, which is what the utilities companies are, you would clearly be ultra vires. To be fair, Janet, I do not think that that kind of argument can be held, although there may be an argument for extending the scheme.

[182] I accept your point about the end result being: how do you promote and develop the Welsh language and how do you encourage more people to speak it? That has to be the bottom line. I have always taken the view that, in public service, it is a question of form following function.

[183] To cut to the chase—this is not meant to be hostile—throughout the scrutiny process, I have heard the accusation, ‘Well, they would say that wouldn’t they’, because this proposed Measure will abolish the Welsh Language Board. This is an opportunity for you to comment on that accusation, which I have heard on more than one occasion.

[184] **Mr M. Jones:** Dychwelaf at fy mhwynt cynharach: yr hyn sy’n bwysig yw’r iaith Gymraeg a’r strwythurau sy’n cael eu rhoi ar waith i sicrhau bod yr iaith yn ffynnu. Mae’r bwrdd eisoes wedi cymryd yr agwedd, pan oedd symudiad i’w ddileu rhyw dair neu bedair blynedd yn ôl, ac yn awr, yn sgîl y Mesur arfaethedig, nad achub y bwrdd oedd y peth pwysig, ond ystyried beth oedd y peth gorau i’w wneud o safbwynt hyrwyddo’r iaith Gymraeg. Mae hynny yn gynsail i’r holl ddadleuon. Credaf, o safbwynt y bwrdd, fod symud ymlaen i sefyllfa o greu grymoedd rheoleiddio a lle mae rhagor o gyrff yn cael eu cynnwys o fewn cwmpas y Mesur arfaethedig, yn rhywbeth i’w groesawu. Mae hynny hefyd yn wir o ran gwneud datganiad ynghylch statws yr iaith. Mae’r elfennau hynny, o’n safbwynt ni, yn bwysig iawn. Yn ogystal, mae’r drafodaeth ar benderfynu pwy, o fewn swyddfa’r comisiynydd neu’r Llywodraeth, a fydd yn ymdrin â’r gwaith hyrwyddo, yn bwysig.

Mr M. Jones: I will return to my earlier point: what is important is the language and the structures that are put in place to ensure that the language prospers. The board has already taken the view, when there was a move to abolish it some three or four years ago, and now, with this proposed Measure, that the important thing is not to save the board, but to consider what is best in terms of promoting the language. That is the basis for all the arguments. From the board’s perspective, I think that moving to a situation where there are regulatory powers and where more organisations are included within the scope of the proposed Measure, is something to be welcomed. That is also true of making a statement about the status of the Welsh language. Those elements, from our perspective, are very important. In addition, the discussion on deciding who, within the commissioner’s office or the Government, deals with the promotion work, is also important.

[185] Yr ydym am weld esblygiad; nid ydym am aros yn llonydd. Nid ydym yn teimlo bod y bwrdd yn gorff sanctaidd yn hynny o beth—mae’n bryd symud ymlaen. Ond, mae symud ymlaen yn golygu ein bod yn cael trafodaeth lawn ynghylch y ffordd orau o wneud hynny a’r dull gorau o sicrhau bod cyrff cyhoeddus yn darparu gwasanaeth o’r safon orau i bobl sy’n dewis cael gwasanaeth yn y Gymraeg.

We want to see evolution; we do not want to stand still. We do not feel that the board is sacrosanct in that respect—it is time to move forward. However, moving forward means having a full discussion about the best way to do that and about the best approach to take in order to ensure that public bodies provide services of the highest standard to people who choose Welsh-language services.

[186] **Chris Franks:** We have heard on a number of occasions about the board’s good work, but in 2006, the board said that the implementation of language schemes was inconsistent and that it was not clear to the public what they could expect to receive in terms of Welsh-language services. Do you stand by that statement, because it seems to slightly contradict the evidence that we have heard today that, in fact, you are making good progress and are doing a good job? In 2006, that is not what the board said.

[187] **Mr M. Jones:** Ni chredaf y byddai’r bwrdd, fel corff sydd am gael y gwasanaeth gorau ar gyfer pobl sy’n dewis cael gwasanaeth yn y Gymraeg, fyth yn fodlon â’r hyn sy’n cael ei ddarparu. Wrth inni edrych ar y broses cynllunio ieithyddol, gwelwn fod cynlluniau iaith yn offerynnau sydd yn llwyddiannus hyd at ryw bwynt. Yn sicr, mae

Mr M. Jones: I do not think that the board, as a body that wants the best service for people who choose Welsh-language services, would ever be satisfied with what is being provided. As we look at the linguistic planning process, we see that language schemes are successful instruments, up to a point. Certainly, there are inconsistencies

anghysondeb o fewn cynlluniau, fel ag y maent. Felly, ni fyddwn yn anghytuno â'r hyn a ddywedodd y bwrdd yn 2006.

within the schemes as they stand. Therefore, I would not disagree with what the board said in 2006.

[188] Ond, yr ydym yn mynd ymlaen i ddweud bod angen yr elfen o reoleiddio. Nid yw'r pŵer hwnnw gennym ar hyn o bryd. Nid yw'r bwrdd yn gallu mynd â'r broses heibio i bwynt penodol cyn ein bod yn gorfod cyfeirio cyrff at y Gweinidog. Felly, yr ydym yn sicr yn croesawu'r elfen reoleiddio sydd yn y Mesur arfaethedig. Os nad yw cyrff sy'n gweinyddu cynlluniau iaith yn eu cynnig yn llawn, bydd y comisiynydd, yn y cyd-destun hwn, yn gallu cymryd camau yn erbyn y cyrff hynny. Nid yw cynlluniau iaith yn berffaith; mae'n anodd iawn dod o hyd i system sydd yn berffaith.

However, we go on to say that the regulatory element is needed. We do not currently have that power. We can only take the process so far before we have to refer organisations to the Minister. So, we certainly welcome the regulatory element in the proposed Measure. If organisations that have language schemes do not implement them fully, the commissioner—in this context—will be able to take some steps against them. Language schemes are not perfect; it is very difficult to find a perfect system.

11.10 a.m.

[189] Fodd bynnag, mae'n ddiddorol gweld, ers sefydlu'r bwrdd, bod Deddfau iaith wedi eu pasio yn Iwerddon a'r Alban ac mae'r ddwy wlad hynny wedi mabwysiadu mwy neu lai yr un model o weithredu â Chymru. Cynlluniau iaith sydd yn Iwerddon a'r Alban. Felly, derbynnir y model fel un effeithiol. Yr ydym yn awyddus i weld symud cam ymlaen ac i sicrhau mai'r gwasanaeth sy'n cael ei gynnig yw'r gwasanaeth gorau y gallwn ei gael. Yr ydym yn awyddus i ganfod y dull mwyaf effeithiol o wneud hynny.

However, it is interesting to see that, since the establishment of the board, language Acts have been passed in Ireland and in Scotland, and both countries have adopted more or less the same model of operation as we have in Wales. There are language schemes in Ireland and Scotland. So, the model is considered to be an effective one. We are keen to see a step forward being taken and to ensure that the service that is offered is the best possible service that we can get. We are keen to find the most effective method of doing so.

[190] **Angela Burns:** I call on Brian to ask a quick supplementary question and then I hope that Nick has some questions.

[191] **Brian Gibbons:** To try to summarise, it is not for the Finance Committee to discuss the policy implications, but rather the financial implications of the proposed Measure. Bearing in mind that the pot for promoting the language and everything else will be pretty static, do you think that the current spend on regulation versus promotion—I know that they are parts of the same thing or different sides of the same challenge—would be better than the potential consequences of the proposed Measure? I think that you are suggesting that even though you want more regulatory powers, more money will be spent on regulation than promotion. I hope that I am summarising your position correctly. So, at the end of the process, do you think that the balance of spend would be better as it is now or that it would be better as a consequence of the proposed Measure, accepting the caveats that we do not know what the implications of the standards will be and that we will come back to private organisations at another time? Is the balance of spend better now, compared with the possible future?

[192] **Mr M. Jones:** Ar hyn o bryd, ychydig dros £13 miliwn sydd yn cael ei wario. O'r hyn y mae'r ddogfennaeth yn

Mr M. Jones: Currently, a little over £13 million is spent. From what the documentation tells us, the same kind of sum

dweud wrthym, yr un math o swm a fydd yn cael ei wario yn y gyfundrefn newydd. Yn amlwg, mae angen rhagor o arian i hyrwyddo'r iaith. Mae hynny wastad yn bwynt cyffredinol. Mae llawer yr ydym wedi ei ddysgu dros y 15 mlynedd diwethaf ac mae llawer o brosesau yr ydym yn gwybod eu bod yn gweithio o ran hyrwyddo iaith, ond oherwydd bod diffyg ariannol, fel ym mhob sector, ni allwn weithredu hynny. Felly, byddwn yn nodi i gychwyn fod angen rhagor o arian.

will be spent in the new system. Obviously, more money is needed to promote the Welsh language. That is always a general point. There is much that we have learnt over the past 15 years and there are many language-promotion processes that we know are effective, but because there is a lack of finance, as in every sector, we cannot execute those. Therefore, I would note, to begin with, that there is a need for more money.

[193] Yn y gyfundrefn newydd, lle penodir comisiynydd, bydd cynlluniau iaith a safonau yn gorfod cydreddeg am gyfnod. Yn ystod y cyfnod hwnnw, bydd angen gwneud cryn dipyn o waith datblygol ar safonau a'u cyflwyno i'r sector. Sefydlwyd y bwrdd ym 1993, ond yr oedd yn 1996 cyn i ni gyrraedd y pwynt pan gyfunwyd y cynllun iaith cyntaf. Felly, mae'n broses o addysgu, er bod ein sefyllfa rhywfaint yn well erbyn hyn. Fodd bynnag, o ystyried bod 550 cynllun iaith, bydd cyfnod trosiannol o rai blynyddoedd ac felly, i ryw raddau, bydd system ddeuol ar waith.

In the new system, in which a commissioner will be appointed, language schemes and standards will have to coexist for a time. During that period, there will be a need to do a lot of developmental work on standards and to introduce them to the sector. The board was established in 1993, but it was 1996 before we reached the point of agreeing the first language scheme. So, it will require education, although our situation is somewhat better now. However, given that there are 550 language schemes, there will be a transitional period lasting some years and so, to some extent, there will be a dual system in place.

[194] Os ystyriwch hynny yng nghydestun y gwaith hyrwyddo, mae'n amlwg, os bydd rhagor o staff yn gorfod gwneud gwaith rheoleiddio, bydd llai o arian ar gyfer yr ochr hyrwyddo. Os rhowch hynny yng nghydestun y wasgfa ariannol, mae'n ymddangos y bydd llai o arian ar gyfer hyrwyddo. Dyna sut mae'r darlun yn edrych, ond mae hynny'n ddadansoddiad syml.

If you consider that in the context of the promotional work, it is clear that, if more staff have to do regulatory work, there will be less money for the promotional side. If you put that in the context of the financial squeeze, it looks as though there will be less funding for promotion. That is how the picture looks, but that is a simplified analysis.

[195] **Angela Burns:** Time is marching on. I call on Janet to ask a very short supplementary question.

[196] **Janet Ryder:** You have talked about the ongoing maintenance of language schemes, which is work that the language board does now. Presumably, you can provide us with the exact costs of that. You should be able to provide us and, therefore, the Minister with those exact costs. Is that true?

[197] **Mr M. Jones:** Ydy; gallwn wneud hynny. **Mr M. Jones:** Yes; we can do that.

[198] **Janet Ryder:** It would be interesting to see those costs, because you have attacked the figure that is in there, but you have not given us any figures to support your view.

[199] **Mr M. Jones:** Ni chredaf fy mod wedi ymosod ar unrhyw ffigur sydd yno, fel y cyfryw. Nodi yn unig a wneuthum fod **Mr M. Jones:** I do not think that I have attacked any figures that are in there as such. I have only noted that more consistent

angen rhagor o arian cyson o ran cynllunio ieithyddol. Ymddengys i ni y bydd mwy o waith yn gorfod mynd i gyfeiriad rheoleiddio. Mae hynny'n drueni, oherwydd, yn y bôn, mae gwir angen yr arian hwnnw ar yr ochr hyrwyddo, oherwydd er ein bod yn llwyddo yng Nghymru i gynyddu nifer y siaradwyr Cymraeg, mae nifer y bobl sy'n nodi eu bod yn siaradwyr Cymraeg rhugl yn parhau i leihau. Felly, rhaid sicrhau bod y gwaith o hyrwyddo'r defnydd o'r Gymraeg yn elfen hynod o bwysig.

funding is needed with regard to language planning. It appears to us that more work will have to be done on regulation. That is a shame because, essentially, there is a real need for that funding on the promotional side, because although we are succeeding in Wales in increasing the number of Welsh speakers, the number of people who note that they are fluent Welsh speakers continues to decline. Therefore, we need to ensure that the work of promoting the use of the Welsh language is a vital element.

[200] **Nick Ramsay:** I listened with interest to what you said, Mr Jones. I also closely read your letter with interest. It is unfair to say that the evidence that you have given is any more confused than the evidence that we received from the Minister on this last week. However, I recognise that there are differences of opinion on that around this table.

[201] Returning to the subject of specific costs, which Janet Ryder touched on, has the Welsh Government consulted your organisation to estimate what the cost of fulfilling the commissioner's role, as set out in the proposed Measure, may be?

[202] **Mr M. Jones:** O ran ymgynghori, yr ydym wedi darparu dogfen i'r Llywodraeth sy'n nodi'n fras y gost o gynnal cynllun iaith a'i weithredu. Dyna'r unig gost yr ydym wedi'i ddarparu ar hyn o bryd, sef y gost ar gyfer sefydliadau bach, canolig a mawr. Fodd bynnag, ffigurau cyffredinol yw'r rheini, nid dadansoddiad o gyrff unigol.

Mr M. Jones: With regard to consulting, we have provided a document to the Government that briefly notes the cost of maintaining a language scheme and implementing it. That is the only cost that we have provided to date, which is the cost for small, medium and large organisations. However, they are general figures, not an analysis of individual organisations.

[203] **Andrew Davies:** To pick up on that question, my understanding is that the new system will have to be encapsulated within the current budget of £13.8 million—that will be to run your organisation in the transitional period and also to fund the commissioner. However, that role is to be greatly expanded, and there will be a tribunal, a provision of financial assistance for challenges and so on. The scope of the legislation will also be greatly expanded beyond the current Welsh language scheme to include private sector organisations and others. Therefore, to what extent has modelling been done, by the Welsh Language Board or by Government, to estimate the increased volume of work? You have already made the point that there may be a shift in balance with regard to promotion and regulation and, from my point of view, something will have to give—you will have to get a lot more out of the same amount of money. Therefore, what modelling has been done?

[204] **Mr M. Jones:** Hyd y gwn i, nid yw Bwrdd yr Iaith Gymraeg wedi bod yn rhan o'r drafodaeth honno.

Mr M. Jones: As far as I know, the Welsh Language Board has not been part of that discussion.

[205] **Andrew Davies:** I accept that you have not been involved in that, but are you aware of any modelling having been done by Government? Has that been shared with you?

[206] **Mr M. Jones:** Yr unig waith y gwn i amdano yw'r gwaith sydd yn y ddogfennaeth sy'n cyd-fynd â'r Mesur arfaethedig. Nid oes trafodaeth wedi bod gyda ni ynglŷn â hynny

Mr M. Morgan: The only work that I know of is the work that is in the documentation that accompanies the proposed Measure. There has been no discussion with us about

mewn unrhyw fanylder o gwbl.

that in any detail at all.

[207] **Nick Ramsay:** To return to my question, are you satisfied that the running costs of the commissioner's office will be broadly in line with the current administrative costs of running the language board of £4 million?

[208] **Mr M. Jones:** Mae'n anodd ateb y cwestiwn hwnnw oherwydd tybiaf y bydd rôl y comisiynydd yn eithaf gwahanol i rôl bresennol y bwrdd. Nid oes disgrifiad ar hyn o bryd o hyd a lled rôl y comisiynydd. Nid ydym yn gwybod a fydd y comisiynydd yn gwneud rhan fwyaf o waith presennol y bwrdd; nid yw'r Mesur arfaethedig yn rhoi'r wybodaeth honno i ni, felly mae'n anodd gwybod yn union beth fydd hyd a lled gwaith y comisiynydd. Hefyd, nodir prosesau eithaf gwahanol yn y Mesur arfaethedig o safbwynt gallu cyrff i herio penderfyniadau ar wahanol bwntiau yn ystod y broses o gytuno safonau ac nid ydym yn gwybod beth sy'n mynd i ddigwydd os nad yw cyrff yn cadw at y safonau hynny. Mae'n anodd dweud a yw'r swm hwnnw'n bosibl ar hyn o bryd.

Mr M. Jones: It is difficult to respond to that question because I imagine that the role of the commissioner will be quite different to the current role of the board. There is no description at present of the extent of the commissioner's role. We do not know whether the commissioner will do most of the work currently being undertaken by the board; the proposed Measure does not set out that information, so it is difficult to know the exact extent of the commissioner's work. Also, quite different processes are set out in the proposed Measure with regard to the ability of bodies to challenge decisions at various points during the process of agreeing standards and we do not know what will happen if the bodies do not keep to those standards. It is difficult to say whether that sum is possible at present.

11.20 a.m.

[209] **Nick Ramsay:** We have discussed today, and at the last committee meeting, the difference between regulating afterwards and providing detail in advance. It seems that, from what you have said, we would need to see the detail now in order to make a decision about the overall costs of this change. Would you agree that this cannot be left to regulation that will be made afterwards, and that it would help you in your dealings with the Government, and in providing an input into this, if you had some of these figures upfront?

[210] **Mr M. Jones:** Yr hyn a fyddai'n fanteisiol o'n safbwynt ni fyddai cael trafodaeth sy'n arwain at ddarlun cyflawn, oherwydd mae'r Mesur arfaethedig yn un rhan o'r darlun. Ar yr un pryd, mae strategaeth iaith yn cael ei llunio, a bydd rhaid gwneud penderfyniadau ynglŷn â phwy sy'n gwneud y gwaith y mae'r bwrdd yn ei wneud ar hyn o bryd. Er enghraifft, pwy fydd yn ymdrin â pholisïau iaith y sector preifat? Nid oes sôn am hynny yn y Mesur arfaethedig. I ble fydd y gwaith hwnnw yn mynd? I ble fydd y gwaith yn ymwneud â datblygu cymunedol, arian grant a phrosiect presennol y bwrdd yn mynd? Buaswn yn gwerthfawrogi cael trafodaeth a fyddai'n arwain at benderfyniadau a fydd yn rhoi rhywfaint mwy o oleuni, o safbwynt y pwyllgor hwn, ar oblygiadau cyllidol y Mesur arfaethedig. Nid ydym wedi cyrraedd

Mr M. Jones: What would be beneficial from our point of view would be a discussion that would lead to a complete picture, because the proposed Measure is only one part of that picture. At the same time, a language strategy is being developed and decisions will have to be made about who will do the work that the board currently undertakes. For example, who will deal with language schemes in the private sector? There is no mention of that in the proposed Measure. Who will be responsible for that work? Who will be responsible for the work in relation to community development, grant money and the board's current project? I would appreciate having a discussion that would lead to decisions that would shed some light, from this committee's point of view, on the financial implications of the proposed Measure. Perhaps we have not yet reached

y pwynt hwnnw efallai o gael deialog lawn ynglŷn ag i ba le y bydd gwahanol ddarnau o'r darlun hwn yn mynd. that point of having a full dialogue as to where the different parts of the picture will fit.

[211] **Angela Burns:** Janet, you have a question on one-off implementation costs.

[212] **Janet Ryder:** In 1993, when the Welsh Language Act established the Welsh Language Board, were the costs fully set out, all the provision made and everyone aware of that, or were people asking the same questions that you are asking now?

[213] **Angela Burns:** If you do not know, you can say so.

[214] **Mr G. Jones:** Yr oeddwn yno, ond nid wyf yn siŵr a wyf yn cofio'n iawn. Fe wnaed y gwaith, os cofiaf yn iawn, gan y Llywodraeth. Sefydlwyd y bwrdd ar 21 Rhagfyr 1993, ac yr oedd y Llywodraeth ei hun yn talu'r costau tan ddechrau'r flwyddyn ariannol olynol, sef 1994-95. Wedyn, cawsom ein cyllideb ein hunain. **Mr G. Jones:** I was there, but I am not sure whether I can quite remember. If I remember correctly, the work was undertaken by the Government. The board was established on 21 December 1993, and the Government itself was responsible for paying the costs until the beginning of the next financial year, 1994-95. After that, we had our own budget.

[215] **Janet Ryder:** So, in that case, what you are saying is that on publication of the Welsh Language Bill in 1993—and that corresponds to the stage that we are at now—all of those costs were on the table.

[216] **Mr M. Jones:** Mae'n rhaid nodi bod y sefyllfa yn 1993 yn wahanol iawn i'r sefyllfa yn 2010. **Mr M. Jones:** It is important to note that the situation in 1993 is very different from that in 2010.

[217] **Angela Burns:** We have had devolution for a start.

[218] **Mr M. Jones:** Yn hollol. Erbyn hyn mae bwrdd wedi bodoli; nid oedd dim byd felly yn 1993. Felly, dechreuwyd gyda llechen lân, fwy neu lai. Mae'r sefyllfa heddiw yn llawer iawn mwy cymhleth. Mae hynny'n deillio o'r gwaith y mae'r bwrdd yn ei wneud, o ddatganoli ac yn y blaen. Felly, mae'n anodd gweld beth oedd y prosesau bryd hynny. Yr oedd y bwrdd yn sefydliad cwbl newydd, ac yr oedd yn arloesol iawn. Mae wedi datblygu ac mae'n dal i fod yn awyddus i arloesi. Mae hynny'n golygu bod yn rhaid i beth bynnag sy'n dod nesaf adeiladu ar hynny. **Mr M. Jones:** Exactly. It is the case now that a board has been in existence; there was nothing of the kind in 1993. Therefore, we started with a clean slate, more or less. The situation today is much more complex. That is a result of the work that the board does, as well as devolution and so on. Therefore, it is difficult to see what the processes were at that time. The board was a completely new and innovative organisation. It has developed, and is still keen to innovate. That means that whatever comes next has to build on that.

[219] **Angela Burns:** Are you happy, Janet, on the issue of one-off implementation costs?

[220] **Janet Ryder:** I think that it has been covered in the questions that we have asked, Chair.

[221] **Angela Burns:** Okay. Chris has the next question.

[222] **Chris Franks:** You have kindly reminded us of some of your activities—I do not know whether you mentioned the development unit; I missed the exact phrase that was

used—and that the proposed Measure is currently silent on where those would sit. In 1993, did the board know where those activities would sit, or was the 1993 Act silent on that as well?

[223] **Mr M. Jones:** Ni chredaf ein bod yn disgwyl gweld y rheini yn y Mesur arfaethedig, ond, fel y dywedais, mae'r sefyllfa wedi esblygu'n helaeth ers 1993. Mae'r bwrdd yn delio ag ystod eang iawn o faterion yn ymwneud ag addysg, datblygu cymunedol, y sector preifat, ymchwil, data, cynlluniau iaith ac yn y blaen.

Mr M. Jones: I do not think that we expect to see those in the proposed Measure, but, as I have said, the situation has evolved significantly since 1993. The board now deals with a wide range of matters to do with education, community development, the private sector, research, data, language schemes and so on.

[224] Yr ydym yn delio â phob maes lle mae'r iaith yn cael ei defnyddio. Yr oeddwn yn chwilio am ddeialog i weld sut y mae'r rhain yn ail-blethu mewn cyfundrefn newydd. Efallai bod y deialog hwnnw'n gorfod cymryd peth amser i'w ddatblygu, ac efallai pan fyddwn wedi cyrraedd y pwynt hwnnw, byddai'n haws penderfynu ynghylch costau'r gwahanol elfennau. Hynny yw, beth y bydd y comisiynydd yn ei wneud, ac a fydd y comisiynydd yn gwneud rhan sylweddol o waith y bwrdd presennol, neu a fydd hwnnw'n symud i ofal y Llywodraeth? Mae'r cwestiynau hynny'n rhai a fydd yn taflu rhywfaint o oleuni ar y gost.

We deal with all areas where the language is used. We were looking for dialogue to see how these are rewoven in a new regime. That dialogue may need to take some time to develop, and perhaps when we have finally reached that point, it would be easier to determine the costs of the different elements. That is, what the commissioner will do, and whether the commissioner will make up a substantial part of the existing board, or will that transfer to the Government? Those questions will throw some light on the cost.

[225] **Chris Franks:** The words that I noticed are 'evolve' and 'innovate'. I must say that if the proposed Measure is prescriptive and sets out everything in detail, it would make innovation very difficult. Would you agree with that?

[226] **Mr M. Jones:** Yr wyf yn cytuno â hynny. Ni fyddwn yn disgwyl y fath fanylder, ond o edrych ar y prif offeryn statudol a fydd gan y sefydliad, yng nghyd-destun y 15 mlynedd diwethaf o esblygu a datblygu, dylai fod yn eithaf clir sut y mae'r offeryn hwnnw'n cael ei newid a sut y bydd yn gweithio. Nid ydym yn sôn am y manylder hwnnw ynglŷn â phopeth. Os nad ydym yn glir ynglŷn â'r prif offeryn, sydd wedi bod yn llwyddiannus iawn hyd yn hyn, er efallai bod bai ynddo, dyna'r math o fanylder y mae ei angen yn y cyd-destun.

Mr M. Jones: I agree with that. I would not expect such detail, but looking at the main statutory instrument that the organisation will have, in the context of the past 15 years of evolution and development, it should be quite clear how the instrument will be changed and how it will work. We are not talking about the detail of that in everything. If we are not clear about the main instrument, which has been very successful so far, although it may include a fault, then that is the kind of detail needed in the context.

[227] **Angela Burns:** I am conscious of the fact that time is running on, so I would like to do a couple of things. First of all, are you, the witnesses, okay to spend a little bit more time here? I see that you are. Also, would Members like to stay, if they have a bit more time, because this is a very important topic? I see that you are content to do so.

[228] Before we get onto standards, I am going to ask a specific financial question about the explanatory memorandum, as it estimates the costs in relation to breaches of standards to be £6,000 and £10,000. Interference in the use of Welsh is estimated at £6,000 a year, and

costs in relation to providing an individual with legal assistance are estimated at £10,000 a year. With your experience, are you able to comment on whether these amounts are a sufficient assessment of the costs, given the legal powers that will be conferred by the proposed Measure that will follow?

[229] **Mr M. Jones:** Credaf ei bod yn anodd dweud ar hyn o bryd beth yn union fydd y costau hynny, achos mae'n anodd gwybod hyd a lled a natur y cwynion a ddaw i law.

Mr M. Jones: I think that it is difficult to say at this stage what exactly those costs will be, because it is difficult to know the extent and nature of the complaints that will be received.

[230] **Angela Burns:** Andrew, you wanted to talk about standards, but we have discussed this subject at some length. Is there anything else that you would like to add?

[231] **Andrew Davies:** No, I think that we have given that a fair amount of scrutiny.

[232] **Irene James:** Given the flexibility that will still be needed in the system, can you be sure that the proposed system will accrue enough savings to be within the estimated £4 million intended to fund the commissioner and staff and that it would not in turn have a detrimental effect on the amount of funding available for the promotion of the Welsh language?

[233] **Mr M. Jones:** Mae hynny'n gwestiwn pwysig—nid oes amheuaeth—ynglŷn â'r gyfundrefn newydd, ond fel yr wyf eisoes wedi sôn, mae mater o ran rhedeg dwy system yn gyfochrog am gyfnod a hefyd faint fydd y gost o ddatblygu'r gyfundrefn safonau a sicrhau bod pawb yn ei deall. Nid ydym yn gwybod y gost honno. Mae hynny'n codi cwestiwn ynglŷn â'r gyllideb bresennol o £4 miliwn sy'n cael ei wario ar redeg y bwrdd ac a fyddai'n ddigonol. Efallai bod cwestiwn arall yn codi ynglŷn â gweddill y gyllideb. Mae'r £9 miliwn sy'n weddill yn mynd at y gwaith grantiau a phrosiectau a'r gwaith hyrwyddo yn gyffredinol. Hynny yw, a fyddai mwy o'r swm hwnnw'n gorfod mynd i gyfeiriad rheoleiddio? Yr ateb yw, nid ydym yn gwybod, ond yr ydym yn tybio y bydd y gyfundrefn newydd, yn sicr yn y tymor byr, yn ymddangos fel bod angen cryn dipyn i'w gosod yn ei lle.

Mr. M. Jones: That is an important question—there is no doubt—about the new regime, but as I have already mentioned, there is an issue with regard to running two systems in parallel for a time and also how much it will cost to develop the standards regime and ensure that everyone understands it. We do not know that cost. That raises the question regarding the current budget of £4 million spent on running the board and whether that is sufficient. Another question perhaps arises about the rest of the budget. The remaining £9 million goes towards the grants and projects and the general promotion work. That is, would more of that sum have to be directed towards regulation? The answer is that we do not know, but we assume that the new regime appears, certainly in the short term, to need a fair amount to put it in place.

[234] **Angela Burns:** Brian, you have a supplementary question.

[235] **Brian Gibbons:** Yes, it is supplementary to a previous question, if I may.

[236] **Angela Burns:** Fire away.

11.30 a.m.

[237] **Brian Gibbons:** Thank you for that, Chair.

[238] **Brian Gibbons:** In response to the Chair's question, you said that you thought that

the legal costs were reasonable. That is fair enough. The cost will depend on the volume of complaints, litigations and challenges that take place, so, in view of your feel for what is going on in Welsh society, are the explanatory memorandum's estimates of the volume of legal work well based?

[239] **Mr M. Jones:** Mae'n anodd ateb y cwestiwn hwnnw â phendantrwydd. Yn rhyfedd iawn, nid yw Cymry Cymraeg ar y cyfan yn bobl sy'n cwyno gymaint â hynny, a thuedda hynny nodweddu nifer o siaradwyr ieithoedd lleiafrifol. Nid oes rhyw lawer o broses ar gyfer cwyno ar hyn o bryd, ac mae pobl yn ymwybodol mai dim ond at ryw bellter y gall y bwrdd fynd â'i rymoedd statudol presennol. Fodd bynnag, bydd swydd y comisiynydd yn cynnwys elfen o eiriolaeth ar ran siaradwyr Cymraeg. Yr ydym wedi gweld, er enghraifft, bod rôl y comisiynydd iaith yn Iwerddon, nad yw'n annhebyg i'r model arfaethedig yng Nghymru, yn cynnwys esbonio wrth bobl eu hawliau a'u cyfleodd, a bod mwy o gwynion yn dod drwy'r system fel canlyniad.

Mr M. Jones: It is difficult to respond to that question in a definite manner. Strangely enough, Welsh-speaking people, on the whole, are not people who complain, which tends to be indicative of many minority-language speakers. There is not that much of a process in place for complaining at present, and people are aware that the board can only go so far with its current statutory powers. However, the commissioner's role will include an element of advocacy on behalf of Welsh speakers. We have seen, for example, that the role of the language commissioner in Ireland, whose role is not dissimilar to what is proposed in Wales, includes explaining to people their rights and opportunities, and that more complaints come through the system as a result.

[240] Mae'n anodd rhagdybio beth fydd yn digwydd pan fydd y system yn ei lle, ond tybiaf y bydd pobl yn ymwybodol bod yna broses a allai arwain at gyrff cyhoeddus a rhannau o'r sector breifat yn cael eu dirwyo. Mae'n anodd dychmygu y gallem roi system o'r fath yn ei lle ac i hynny beidio â digwydd. Felly, mae'n anodd rhagweld ond rhagdybiaf y bydd cynnydd yn nifer y gwynion.

It is difficult to presuppose what will happen when the system is in place, but I would guess that people would be more aware that there is a process that could lead to public bodies and parts of the private sector being fined. It is difficult to imagine that we could put in place a system like that without that happening. So, it is difficult to foresee, but I presume that there will be an increase in the number of complaints.

[241] Efen arall, wrth gwrs, yw bod cyfleoedd yn y Mesur arfaethedig i fynd i dribiwnlys i herio rhai penderfyniadau a wneir gan y comisiynydd. Felly, gallai costau gynyddu fel canlyniad, er enghraifft os yw corff yn teimlo nad yw'n perthyn i sector arbennig.

Another element, of course, is that, within the proposed Measure, there are opportunities to go to the tribunal to challenge some of the decisions made by the commissioner. So, costs could increase as a result, for example if a body felt that it did not belong to a particular sector.

[242] **Brian Gibbons:** Paradoxically, my concern here is not about Welsh speakers. I am sure that you are right that Welsh speakers are a little reticent in asserting their rights, but the opposite concern is whether the majority of English-speaking organisations feel that what is expected of them under the standards is unduly onerous, and that the demand is not there from Welsh speakers, but from English speakers who feel that the standards ask for too much. We do not know what the standards will be, but that is still my worry.

[243] You mentioned community councils, of which there are 800 or more in Wales. I looked at the Welsh Language Board website and found it very difficult to know which of those community councils are registered for language schemes. I eventually found something under publications, which may not have been the correct place. The site was not intuitive, so there may be more information elsewhere. From what I could find, only about 10 or 12

community councils have registered Welsh language schemes, and an overwhelming number of those were in areas with a significant number of Welsh speakers. What those community councils offered under their Welsh language schemes would be financially onerous for the other 800 community councils across Wales. This might be an area on which organisations might feel that they are not in a position to respond. The same would be true for post office counter services. Cwmafan, in my constituency, is traditionally a Welsh-speaking area, but the rest of the constituency is very anglicised, and I would be worried about the way in which post-office counters and organisations that are providing services in small, almost totally English-speaking communities in the surrounding area, would meet the standards of anything other than the status quo. Such organisations may want to challenge the standards. At the moment, the schemes do not affect them, because, effectively, they do not have a scheme.

[244] **Mr M. Jones:** O ran y broses o fynd ag achosion i'r tribiwnlys, bydd gan gyrff sydd yn cael eu cynnwys o fewn y Mesur arfaethedig yr hawl i herio penderfyniad y comisiynydd o safbwynt pa sector y maent yn perthyn iddi, neu'r safonau eu hunain. Felly, bydd proses yn sicr o ran hynny.

Mr M. Jones: With regard to the process of taking cases to the tribunal, bodies that are included in the proposed Measure will have the right to challenge the commissioner's decision with regard to which sector they belong, or the standards themselves. Therefore, there will certainly be a process in that regard.

[245] O ran cyngorau cymuned, mae cynllun iaith cyfansawdd mewn tair haen ar hyn o bryd. Felly, mae cyngor cymuned yn gallu penderfynu ar ba lefel o'r tair haen hynny maent am gofrestru eu cynllun. Os oes canran uchel o siaradwyr Cymraeg mewn cymuned, bydd y cyngor cymuned yn mynd am y lefel uchaf. Os oes canran isel, bydd y cyngor cymuned yn mynd am y lefel isaf. Felly, mae elfen o wahaniaethu yn y cyddestun hwnnw. Fodd bynnag, byddwn yn tybio y bydd rhai cyrff yn herio'r broses.

With regard to community councils, there is currently a three-tiered composite language scheme. So, a community council can decide in which of those three tiers they wish to register their scheme. If there is a high percentage of Welsh speakers in a community, the community council will opt for the highest level. If there is a low percentage, the community council will opt for the lowest level. So, there is an element of differentiation in that context. However, I presume that some bodies will challenge the process.

[246] **Brian Gibbons:** Is there a special section on your website where you can see the schemes of community councils, or are all the schemes in the publications section? That is not where you would intuitively go to look for them, but if you spend long enough rooting around there, you will eventually come across them. Is there a place on your website for registered schemes, other than the publications section?

[247] **Mr M. Jones:** Nac oes, nid yn benodol. Pan fo pobl yn gofyn am weld cynlluniau, ein hymateb yw eu cyfeirio at gynlluniau'r cyrff unigol, gan mai'r cyrff unigol sydd yn berchen ar eu cynlluniau eu hunain. Felly, nid ydym yn eu cofrestru ar ein safle, ond yr ydym yn cyfeirio pobl at safleoedd y cyrff unigol eu hunain.

Mr M. Jones: No, not specifically. When people ask to see schemes, our response is to refer them to the schemes of individual bodies, as the individual bodies are the owners of their schemes. So, we do not register them on our website, but instead refer people to the sites of individual bodies.

[248] **Brian Gibbons:** Any of the registered community council language schemes that I saw would be very onerous for most of the community councils in my constituency. If standards were imposed on community councils, they may feel that even the lowest level may be unduly onerous. As there are 800 of them, then that would seem to be a potential source of challenge from the English-speaking majority of the population.

[249] **Mr M. Jones:** Mae'n anodd dweud ar hyn o bryd beth yn union fydd natur safonau yn y cyd-destun hwnnw. Hynny yw, a fyddant yn mynd am y pwynt uchaf, y pwynt canol neu'r pwynt isaf? Felly, mae'n anodd iawn ateb y cwestiwn hwnnw o ran beth fyddai'r disgwyliadau ar gynghorau cymuned.

Mr M. Jones: It is difficult to say at present what exactly the nature of the standards will be in this context. That is, will they opt for the highest point, the middle point or the lowest point? So, it is very difficult to answer that question with regard to what the expectations will be on community councils.

[250] **Andrew Davies:** There seem to be a few points of principle here, namely how Government is introducing legislation. We have already seen this committee's report on the Proposed Waste (Wales) Measure, which I thought was very good in pointing out that the committee, not in relation to all Measures but certainly many of them, is unable to carry out its functions, because the devil is in the detail. In the case of the Proposed Waste (Wales) Measure, the detail was in the subsequent regulations, about which we did not have information at the time. In this case, it is about standards that will subsequently be established. We will find the same problem with the Proposed Rights of Children and Young Persons (Wales) Measure, where it will be down to Ministers to define the strategic priorities. So, there are points of principle here in that we as a committee were not able to carry out our duty in terms of scrutinising the financial implications, because we do not have those figures in front of us.

[251] The proposed Measure will cover many more organisations than the present language schemes do, including the private sector. We have heard from many private sector organisations that they are fearful of this, particularly for their operation in Wales, and that Wales is increasingly seen as being over-regulated, which the Enterprise and Learning Committee has said consistently about this area. I know that Arriva Trains Wales and the Principality Building Society run voluntary schemes. Are you aware of any complaints that have been made against those organisations in allowing people to use Welsh? To what extent have you been provided with the costs of what they have done on a voluntary basis, which will help to model the potential impact in the future, when organisations are formally brought within this proposed Measure?

11.40 a.m.

[252] **Mr M. Jones:** Yng nghyd-destun y ddau gorff o dan sylw, byddai'n well gennyf ddarparu ateb ysgrifenedig ichi er mwyn sicrhau bod y ffeithiau sydd gennyf yn gywir. Dyna'r peth gorau i'w wneud, credaf, o ran ateb y cwestiwn hwnnw.

Mr M. Jones: In the context of the two organisations in question, I would prefer to provide you with a written answer in order to ensure that I get my facts right. That is the best thing to do, I think, with regard to answering that question.

[253] **Angela Burns:** Okay, thank you.

[254] **Janet Ryder:** I wish to address a point relating to the legislation system. Andrew Davies has underlined, quite rightly, the fact that the way that we make legislation at the moment leads to very broad Measures, and the regulations that fall out of them then all have to go through a full consultation process. The regulations coming out of this proposed Measure will have to go through that process. We will need to look at the Proposed Rights of Children and Young Persons (Wales) Measure, because that is totally different and will allow for absolutely no scrutiny. However, for this proposed Measure and the Proposed Waste (Wales) Measure, I understand, all of the subsequent regulations will go through the hoops. They will go through the affirmative procedure, which will mean that the Assembly can scrutinise them fully, even if we do not know what they will be now. It is a fault in the system

that the future scrutiny is written into proposed Measures. Unless it is drastically changed, however, I believe that that is not the case with the Proposed Rights of Children and Young Persons (Wales) Measure, and there are concerns about that.

[255] **Andrew Davies:** I think that this is a point of principle. How can we as a committee, or the Assembly, approve the principle of a proposed Measure when organisations, whether from local government, the private sector or whatever, are saying that they do not know what its implications will be because there is insufficient detail? It is what Americans call an unfunded mandate. We are signing up to things in principle that have significant financial implications, not only for Government and public bodies but for other organisations. The devil is in the detail, but the principle is in the detail as well.

[256] **Angela Burns:** I see that there are no further questions for the representatives from the Welsh Language Board. I thank the witnesses for the extended time that they have spent with us. I appreciate it. We will write to you, asking for clarification of a few issues, including the last point. Thank you.

11.42 a.m.

Cynnig Trefniadol Procedural Motion

[257] **Angela Burns:** I would like to exclude the public from the remainder of the meeting, as we have several items that we need to discuss in private. I invite a Member to move the motion.

[258] **Chris Franks:** 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).

[259] **Angela Burns:** I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.42 a.m.
The public part of the meeting ended at 11.42 a.m.*