Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Y Pwyllgor Cyfrifon Cyhoeddus
The Public Accounts Committee

Dydd Iau, 5 Tachwedd 2009
Thursday, 5 November 2009

Cynnwys
Contents

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

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

Aelodau Cynulliad yn bresennol
Assembly Members in attendance

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

Eraill yn bresennol
Others in attendance

Jeremy Colman	Archwilydd Cyffredinol Cymru
	Auditor General for Wales
Alice Greenlees	Uwch Swyddog Polisi, Cyngor Gweithredu Gwirfoddol Cymru
	Senior Policy Officer, Wales Council for Voluntary Action
Mark Jeffs	Arbenigwr Perfformiad, Swyddfa Archwilio Cymru
	Performance Specialist, Wales Audit Office
Tim Peppin	Cyfarwyddwr Adfywio a Datblygu Cynaliadwy, Cymdeithas Llywodraeth Leol Cymru
	Director of Regeneration and Sustainable Development, Welsh Local Government Association
Mary Powell-Chandler	Rheolwr Rhaglen, Cymunedau yn Gyntaf Caerdydd
	Programme Manager, Cardiff Communities First
Helen Wilson	Rheolwr Gweithrediadau, Cronfa Ymddiriedolaeth Cymunedau yn Gyntaf
	Operations Manager, Communities First Trust Fund

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

Alun Davidson	Clerc
	Clerk
John Grimes	Clerc
	Clerk
Andrew Minnis	Dirprwy Glerc
	Deputy Clerk

Dechreuodd y cyfarfod am 1.45 p.m.
The meeting began at 1.45 p.m.

Ymddiheuriadau a Dirprwyon
Apologies and Substitutions

[1]   **Jonathan Morgan:** Good afternoon. I welcome everyone to this meeting of the

Public Accounts Committee of the National Assembly for Wales. Before I start with the usual housekeeping arrangements, I have a couple of announcements to make. I formally welcome our new deputy clerk, Andrew Minnis, who has joined the Assembly from Northern Ireland. I also extend a warm welcome to Alun Davidson, who will be clerking the Public Accounts Committee from our next meeting onwards. That means that the clerk to the committee, John Grimes, will be leaving us after today. John, as you know, clerks both the Finance Committee and the Public Accounts Committee, and he will be clerking the Finance Committee from here on in. So, I would like to place on record my thanks to John for his considerable efforts and hard work and for his advice to me as Chair of this committee and to previous Chairs.

[2]   I remind members that the committee operates through the media of both English and Welsh, so there are headsets available for interpretation. Channel 1 provides the interpretation, and channel 0 can be used for sound amplification. I remind people to switch off their mobile phones, pagers and BlackBerrys. If the fire alarm does sound, please follow the advice of the ushers.

[3]   We have received three apologies this afternoon. Lesley Griffiths has a clash with a meeting of Legislation Committee No. 5. Janice Gregory and Huw Lewis are both absent as well.

1.47 p.m.

Cymunedau yn Gyntaf: Sesiwn Dystiolaeth—Cymdeithas Llywodraeth Leol Cymru
Communities First: Evidence Session—the Welsh Local Government Association

[4]   **Jonathan Morgan:** We will move on to the first substantive item on the agenda, which is the evidence session in relation to our inquiry into the Communities First programme. Members will be aware that the committee has determined to undertake a full inquiry since the auditor general published his report on the scheme.

[5]   I am delighted that we have colleagues with us this afternoon to discuss their experiences of the Communities First programme. Will you identify yourselves for the record, please?

[6]   **Mr Peppin:** I am Tim Peppin, from the Welsh Local Government Association.

[7]   **Ms Powell-Chandler:** I am Mary Powell-Chandler, from Cardiff Communities First.

[8]   **Jonathan Morgan:** Thank you very much. You are both very welcome here this afternoon. We are grateful to you for coming to give evidence to the committee. If it is okay with you, we will proceed with the questions.

[9]   Do you have any opening remarks that you wish to make about how Communities First is operating from the local government perspective? Are there any general observations or issues that the committee should be aware of arising from the report of the auditor general?

[10]   **Mr Peppin:** You will hopefully have seen a copy of the short note that we prepared. I think that the concluding comments summarise our take on that report, in that we feel that quite a lot of programme bending is already built into how local authorities structure their services. In many ways, some of the issues that need to be dealt with to tackle some of the problems of Communities First areas are actually outside of Communities First areas. So, that is another important angle of tackling the issues in those areas.

[11]   Having said that, we think that there have been some good examples of programme bending, and authorities have worked hard to try to achieve that. We are working with authorities now to try to increase awareness and understanding of how Communities First can supplement the work of local authorities and divert more resource into the Communities First areas. So, I think that summary at the end of the report sums up our position on it.

[12]   **Jonathan Morgan:** Okay, thank you. Lorraine Barrett has the next questions.

[13]   **Lorraine Barrett:** You have just mentioned programme bending. In your paper you draw attention to the comments made at our meeting in July by the auditor general. You say that there seems to be a flaw in the concept of programme bending, because you are already bending something that is supposed to be that shape already. Can you say a little bit more about that in relation to your own experiences?

[14]   **Mr Peppin:** Yes. When authorities are planning their services, they will use an evidence base to work out how they are going to deliver those services.

1.50 p.m.

[15]   Issues such as the pattern of socioeconomic deprivation in the area will feature greatly in that planning. So, when they are thinking about how to deliver their services, social services, education and so on will think about the needs of an area as they put resources in. To some extent, that bending of resource takes place as part of ordinary service planning. That is why we made the comment that programme bending is built in, in response to levels of deprivation. When the programme was brought in, you could read it as an assumption that that bending was not taking place and, therefore, you needed the programme to achieve programme bending. However, what we are trying to say is that a good degree of programme bending to reflect levels of need is already done by local authorities and other public bodies.

[16]   Mary, do you want to add anything?

[17]   **Ms Powell-Chandler:** I agree. In my experience, much of the service delivery partners in the council are already recognising Communities First areas, but I suppose that the only point that I would add is that a big difference with the Communities First programme is that we can go in and represent the community's own voice. Sometimes, with the best will in the world, the decisions that partners make may not be in line with the community's own expectations or aspirations. So, it has given that sort of dimension to programme bending.

[18]   **Lorraine Barrett:** Finally, I have another question on programme bending. Are you saying that there is no room for any more or any significant programme bending?

[19]   **Mr Peppin:** No, I totally agree with what Mary just said. There is scope—and this is part of a much wider approach across the whole of the local authority area—to engage more closely with residents and have that dialogue, because that consultation informs service delivery and planning. Communities First has enabled resource to go in to work in the most needy parts of local authority areas, to facilitate that dialogue and support residents who perhaps would not normally get involved in that sort of discussion with public service agents. It has given them support and confidence.

[20]   That sometimes leads to an authority doing something that it would not normally do, possibly because it makes life more difficult for them. We mentioned in the report that they may lose economies of scale by taking a service in and delivering it more locally, but if it is seen as a clear strategy to support the area and to move it to another point in time when perhaps the service can be reconsidered, that nudge from the community that is sometimes needed is very important. So, it can improve service delivery as Mary just outlined.

[21]   **Lorraine Barrett:** Are there any issues that arise maybe with councillors trying to protect their areas or from policies that stipulate that all areas in an authority must be treated equally, that is, with the culture of equality of service? Is there a bit of a resistance there, do you think?

[22]   **Mr Peppin:** Inevitably, the members representing areas that are not designated as Communities First areas will have concerns that the programme will lead to their areas losing out. Provided that it is done in a way that is evidence based and it is clear that extra resource is going in to meet extra need, my experience is that authorities will understand that process. We want equality of outcome and equity, but sometimes that requires more resource to go into certain areas because other areas are already better equipped to deal with that. So, they need extra support.

[23]   **Lorraine Barrett:** Finally from me, with hindsight, do you have views on how the programme might be changed to make it more deliverable?

[24]   **Mr Peppin:** To be honest, I think that the programme has improved over time. Everyone would admit that there were some issues in the early days, because it came in and hit the ground running and the procedures had to catch up with the process. Over a period of years, there has been learning from the experience of trying to deliver on the ground, and that has fed back into improvements in how the programme is operated. Everyone involved in community development knows that that is a long-term process. We were not expecting overnight miracles, but we have seen that some of those communities have moved on over a period of years. We have identified individuals in those areas who have been prepared to stand up and work with the local authority and the police and other agencies, so we are now at a point in some of these communities that we would not have imagined being some time ago. We have seen some residents who have come forward and been prepared to take a very leading role in their communities. They have been given the confidence and support to do that.

[25]   As for how we can make it deliver more, it depends on what we expect the programme to deliver. I am not sure that it was originally intended to regenerate areas and create all sorts of physical things; I think that it was about providing support to local residents who might not have the confidence to get involved as residents of other parts of a county borough would. If we judge it against that, we will have seen substantial progress, certainly not in all areas but in many.

[26]   **Jonathan Morgan:** Janet, do you want to ask a brief supplementary question on this?

[27]   **Janet Ryder:** Lorraine asked you about the relationship between the Communities First partnerships or programmes and the local councillors, and you said that you had some very positive results. Have you detected any instances in which the communities have come forward with programmes contrary to the expectations and desires of their local councillors? If so, what have been the results in those areas?

[28]   **Mr Peppin:** I can talk in general terms and Mary may want to come in with some examples from Cardiff. Inevitably, you will get differences of opinion, but quite often it is more likely that the local member will get on board with what the local community is trying to achieve. Sometimes, that may run against wider council policy, so there may be other members in the authority who have agreed a policy on something, and what the local community partnership is trying to achieve may run counter to a more strategic approach. For example, there may be a group of people trying to achieve something in an area, but there may be a couple of neighbouring communities that already have facilities that they are trying to develop. To develop more facilities in that area may not be the most sustainable way of

doing things, and it may be better to get a number of communities to work together to make better use of an existing facility.

[29]   Sometimes, there will be differences of opinion among members of an authority and then it is a question of working that out and having a dialogue to see whether communities can talk together and share facilities, or whether there may be scope to have a mobile facility, say, coming into that area. So, there is room to compromise and negotiate. I do not think that you tend to end up with a situation that is that black and white, where a member would disagree with a community partnership. There is usually a range of options and the Communities First process allows that to be discussed and aired in an open and transparent manner, so it adds to the role of the local member in that sense.

[30]   **Jonathan Morgan:** Mary, do you want to add anything specific from your perspective in Cardiff?

[31]   **Ms Powell-Chandler:** I am being very diplomatic here. There have been difficulties. I have been with Cardiff Communities First for three years and I would not be truthful if I pretended that it was always a bed of roses. It is all reflected in the audit report anyway, but tensions can arise over who represents whom and so on. On a number of occasions, there have been tensions, but I guess that what I want to explain is how we overcome them. Exactly as Tim said, it is through the process, through the partnership group. I have seen some real progress, certainly in some areas, and elected members now accept that we are all working together. Different parties within a particular partnership group have also made great strides.

[32]   Where we still have a few little issues that sometimes simmer away, we are working on a protocol. We thought that that would be a good way forward. We have done training with elected members, but we have also started work on a protocol that will explain better the relationship between elected members and Communities First partnerships, and how we can work together to maximise our efforts to good effect.

[33]   **Nick Ramsay:** I want to ask you for some examples as well, if that is all right. In your evidence, you say that one criticism that has been made is that there has been too much of an inward-focused approach, and that that is because the belief of Communities First seems to be that the problems of an area can be solved by looking within the area. Could you give us some specific examples of where that approach has caused difficulties? Secondly, are there any ways in which that could be improved in future?

[34]   **Mr Peppin:** The programme has moved on from that thinking, so let me make that point first of all. In the early days, the methodology was very much of setting up a partnership, analysing your local area, and then building an action plan to deal with those issues that you had researched.

2.00 p.m.

[35]   That completely ignored the fact that a lot of the issues that you needed to deal with were outside of the area. So, a lot of the action plans that tended to come out would be about environmental improvements, local tidy-up campaigns—issues that were very visible in that area. I think that, over time, we have seen a movement away from that and a recognition from Communities First within the Assembly Government as well that the biggest issues that need to be tackled relate to job opportunities, the schools that the children from the area go to, and the places where people shop and take their leisure. Therefore, it is much more about establishing links between the Communities First areas and where those opportunities are.

[36]   I can give an example from Caerphilly, because I used to work there and I was very involved with the Communities First programme in Caerphilly. Some of the early thinking on

the Communities First programme was built in to the wider community strategy planning, because that took a county-borough-wide approach. What we did there was to look at areas of need and areas of opportunity and we tried to make links between them.

[37]   So, when we were looking at Communities First areas, the research identified that Graig-y-Rhacca was in one of the more prosperous areas of the county borough, the Caerphilly basin, but all the statistics pointed to the fact that it was in need of a targeted campaign of support from all the partners. So, the community strategy partners all agreed that they would work together based on that evidence to tackle issues in Graig-y-Rhacca. Had the partners only looked at what they could do on the estate, they would not have got very far. However, they looked at how they could make connections with Caerphilly town centre and how they could bring some of the services that residents were having to travel to into the estate. Those connections were very much part of the planning. As I say, if the focus had solely been on what could be done within the area, a lot of those wider transport implications and service-based issues would not have been aired.

[38]   **Ms Powell-Chandler:** I would like to add to that. As I said, I have only been in Cardiff for three years, but in that time I think that what has become very clear to me—a personal opinion—is that programme bending and achieving the sort of outcomes that we are expected to achieve will only be achieved if we work at both the local and strategic levels. Sometimes I think that what is expected of the partnership group members is very high. In Cardiff I have been very fortunate to be appointed into this position within the local authority. So, although I am funded by the Assembly on the Communities First programme, the position that I have there gives me some sort of influence when I attend strategic partnerships, local service board meetings and so on, and I can then represent the voice of the community as well. I really feel that that is starting to make a difference.

[39]   So, I think that it is right that where, initially, it was expected that partnership groups would be set up in an area and they would sort out all their own problems—the litter picks and everything are important, because it gives that team spirit and community cohesion and so on—you also need somebody to be working on the Communities First front at a strategic level within the local authority, bringing the two parts of it together. I think that that is where it is starting to work.

[40]   One example is the outcomes funding that was launched, as I am sure you know, in April of this year. I brought all our partnership group representatives together in Cardiff last November and we prioritised across the city in our Communities First areas what we thought our top priorities were for outcomes funding. It was no surprise, really, that it came out as being young people aged between 16 and 18 who are not in employment, education or training. As a result, I have been able to go back to the children and young people partnership and to colleagues in the local authority and we have put together an outcomes funding bid that will affect Communities First areas across Cardiff. It is about partnerships working together and recognising that a lot of their problems are shared, and that, by having that strategic approach, we can address things and make them better.

[41]   **Nick Ramsay:** Do you think that the partnership approach has been more successful in the larger Communities First areas or at the small pocket level within a more affluent area? I am thinking of my constituency, where I have a pocket of deprivation, but I am not in one of the larger areas.

[42]   **Ms Powell-Chandler:** I think that it varies. My experience is limited, because I can only speak about Cardiff. Within Cardiff, we have the massive population of Ely and Caerau and a partnership group that is trying to address issues there. That is a population of something like 26,000 people. Then we have the Communities First programme in Splott, which is a much smaller area. I could not really say that one partnership was more successful

than the other. I can see them both making really good strides of progress. Both will benefit from this sort of strategic outlook, as I said. They will both have programmes running for young people who are not in employment, education or training. I think that it varies. A lot of it is to do with the dynamics of the people involved.

[43]   **Janet Ryder:** If you have the council deciding the strategic programme and you have the communities deciding in the Communities First areas what the priorities are for their area, you have now introduced, if I understand what you have been saying, an intermediary level. Is that an intermediary level of government, or non-elected government, that is now setting priorities downwards on to those communities? What role does that play and how much is that good use of public money put into Communities First programmes?

[44]   **Ms Powell-Chandler:** It might be that I did not explain that terribly well. When we were looking at which priorities to put forward for outcomes funding, every partnership group has its own rights, if you like—it is eligible to put an application forward for outcomes funding. I thought that it would be a useful exercise to bring the partnership group representatives together. In workshop sessions, they looked at what the priorities were in their areas. Where there were shared priorities, it was agreed that it would be a good way forward to put a joint application in that would benefit them all and, obviously, bring in more money as well.

[45]   Outcomes funding applications have to fit within the strategic frameworks that already exist. In that case, they would have had to fit with the single plan for children and young people in Cardiff, and they did. It is not a new level; it was me representing to the children and young people partnership, if you like, that this has come up as a priority from Cardiff's Communities First areas. I said that the partnership groups were willing to sponsor and endorse an application for outcomes funding and asked whether that was something that they would want us to do. They have to provide 50 per cent match funding. So, it is structured so that we have to work together. It is not a new level of governance, as such. It is just making sure that the community's views are put forward to the service providers.

[46]   **Janet Ryder:** So, what is the role of the elected member in this? I have always understood that one of the big duties of the elected members is to represent the views of the people who elected them.

[47]   **Mr Peppin:** The elected members are on the partnerships for a start, so they are involved in those discussions, but they are also involved in the wider strategic plans. So they are agreeing the broad framework, they are involved where they are on a Communities First partnership at the local level, and what Mary is talking about is how there has to be a process where all those local ideas are brought together and matched up against top-down strategic planning to see whether or not they can be brought together.

[48]   You see that bending working both ways. Sometimes there will be a strategic plan that will need to be amended because some of the ideas coming forward suggest that perhaps the plan is not right. On other occasions, the planning will have an evidence base behind it and you will have to say to the local partnership, 'Actually, what you are proposing to do there is not the best way forward, so we need to adjust your local plan to fit in with how we are allocating resources across the county borough'.

[49]   It is a complicated procedure. It is about bringing the top-down and the bottom-up planning together and bringing the best out of the professional judgment of the public service agencies involved and the local knowledge of the residents and the local members involved. It is about how you mesh those two together. If you do it successfully, you get better strategic planning but you also ensure that the local plans go somewhere and do not just end up as a wish list.

[50]   **Ms Powell-Chandler:** I want to confirm that the elected members were involved. There were a number of elected members in the workshops when we put our list of priorities together.

[51]   **Irene James:** Paragraph 10 of your paper states that:

[52]   'directors of Regeneration will be aware of the CF guidance because it is seen as falling within their remit, but that CF may not have made it on to the radar of directors of other services. This is a significant issue.'

[53]   In what way does it impact on Communities First and in what ways is it a significant issue?

2.10 p.m.

[54]   **Mr Peppin:** Authorities have to have structures and mechanisms in place for dealing with the massive amount of information that they receive. So, there will tend to be a filtering of information through to a part of an authority to take a lead on something. Generally, the regeneration staff will be leading in the Communities First areas.

[55]   The point that we are trying to make in this paper is that the regeneration teams will then try to work across their whole authority, as well as with partner agencies, to get a joined-up response to what you are trying to achieve with Communities First. It makes life a lot easier for the regeneration staff if the education, social services and environmental staff, in the guidance that they receive, are getting consistent messages about Communities First and the importance of tying their planning into Communities First needs because then they have an open door when they go to speak to those staff. In those other service areas they will already be thinking, 'How do we plan to take account of Communities First?'.

[56]   If the guidance coming through in those other areas makes no reference to Communities First, those service areas will be harder to persuade because they will say, 'We are responding to the guidance for our service area and we are working with our elected members on delivering plans for that. Why should we now change to respond to your requirements?'. If, on the other hand, those service areas are being forced, through the guidance that they receive, to give attention to Communities First areas, you are pushing on an open door.

[57]   **Irene James:** So, are you saying, then, that it is not just a lack of awareness on others' behalf, but it is just how the whole process is working—or have I misunderstood that?

[58]   **Mr Peppin:** No, I think that it would be great if everyone was able to receive the guidance and everyone gave it equal attention, but inevitably in any large organisation some people will focus on a particular area and, quite rightly, someone has to be accountable for whether that organisation is delivering. It is clearer if someone takes the lead rather than everyone being responsible, which leads to no one being responsible.

[59]   So, you have one part of an authority who will be leading on this, and it will be working across the authority to try to ensure that all services engage in the Communities First project. The point that we are trying to make here is that that becomes much easier if there is consistent guidance for all service areas that states, 'You must take account of the needs of those Communities First areas'.

[60]   **Michael German:** I want to look at the short sentence in paragraph 11 of your report. You have stated what the auditor has said, but I do not know whether you agree with it.

Including it in your report probably means that you do agree, and if so, could you tell us something about the general experience of local authorities in this area? There is another paragraph in the auditor general's report which says that, in relation to programme bend,

[61]   'it is inherently difficult for small, disparate partnerships on their own to influence the spending patterns of large, well-established public sector organisations'.

[62]   Now you have this paragraph, which I presume you agree with, which says that if we have large concentrations of Communities First areas then it is also problematic. I would like to know what your experience is of this matter.

[63]   **Mr Peppin:** Where there is a large number of Communities First partnerships in an area it becomes much easier when you are drawing up a strategic plan to build those in as part of your planning because you have a substantial proportion of the population in Communities First areas and, therefore, when you are allocating resources and you are looking at how you are going to plan your services, they will feature quite prominently. If you are an authority that only has one or two Communities First areas, then most of your service planning will be for the rest of the county borough area and only a small part will be Communities First. So, those areas would tend not to have the same impact on your strategic plans.

[64]   **Michael German:** I agree with that; that seems quite logical. So, why have you put paragraph 11 in there, which is the opposite of what you have just said?

[65]   **Mr Peppin:** Yes, I understand what you are saying, but I think that the other end applies. If all or virtually all of your area is a Communities First area, the concept of bending into those areas does not make a great deal of sense because it is your area.

[66]   **Michael German:** You have just said that it becomes easier because you can create a strategic plan which affects a much bigger strategy.

[67]   **Mr Peppin:** Yes, I hold by what I said. It does become easier. It is easier to do your planning and take account of Communities First when you have a large number of those areas. What I am saying is that the concept of programme bending does not mean a great deal because if you are spending your resource in the area and it is all Communities First, you have nowhere to bend it other than in Communities First areas.

[68]   **Michael German:** If you want to do programme bending and programme bending is the name of the game, and there are problems with local authorities who only have one or two Communities First areas and there are problems with local authorities who have lots of them, what is the answer? You have identified a problem that exists at both ends of the scale. How do you deal with it?

[69]   **Mr Peppin:** Ultimately, the end game is that we want this approach of working with residents and involving them in the service planning to apply everywhere. It should be a goal of good local authority practice to consult with residents and involve them in the process, and that informs the service planning.

[70]   **Michael German:** I am sorry to interrupt, but I am looking at the difference between big and small—a scale issue. You might be an authority with a few Communities First areas; you might be an authority with lots. What you are saying, I presume, is that all local authorities have a problem. How do you handle the problem of scale—whether it is small scale or large scale—of Communities First areas and the problem of programme bending?

[71]   **Mr Peppin:** Some authorities have held awareness sessions with staff and members so that they have a better understanding of the Communities First areas in their patch and why

they have been identified. They have then encouraged staff to take account of those areas when they are developing their service plans. I think that that is the way to do it.

[72]   Whether you have a large number or a small number of areas, it is understanding why those areas have been selected, what the characteristics of those areas are that have led to them to be designated, and why your service plans should respond to those areas over and above what you are already planning to do. As I said at the outset, good service planning should be taking account of those factors anyway, but if your local partnership is raising issues which perhaps have not been taken on board, then there is scope to influence that planning.

[73]   The point I was making earlier was that you want that dialogue with your communities everywhere so that you are informing your decisions on service planning by having effective engagement with your communities. They help to inform your quantitative analysis. They give you a more qualitative feel for how that is playing out on the ground.

[74]   **Michael German:** That is the way you deal with this problem. By inference, are you saying that that is not happening across all local authorities in Wales? Is it not universally done because there are problems, we accept, at both ends of the scale?

[75]   **Mr Peppin:** It is fair to say that there is good and bad practice. Some authorities have been better than others at adopting a corporate approach to this and making sure that it is bolted on to their wider service planning. Where you only have a couple of areas it become harder to adopt that approach, but it is not impossible.

[76]   **Michael German:** Would you value more guidance from the Welsh Assembly Government on this particular problem of scale?

[77]   **Mr Peppin:** There is probably enough guidance already on how to take account of the needs of Communities First areas. What is probably needed is for local authorities to spend more time working out how that fits into their corporate planning processes. On the budgetary cycle and their service delivery planning, the authorities that do this best ensure that the needs of those areas are fed in at the right point in the planning process. If you have a fairly structured way of approaching that and the partnerships are feeding in their local action plans at an appropriate point in the planning cycle and you do not have them all coming in at the same time, for example, then the authority has a chance to have a look through those plans, consider how they impact on its own services and how they may be able to work with that partnership, and then allocate budgets accordingly and work that through.

[78]   If you have a clear way of working with your Communities First partnerships that is built into your systems, then you are going to be more effective at responding to the need. If you do not have that type of structure in place and you get partnerships coming in throughout the year with requests and it is too late because the budgets have just been determined, or they have missed the boat because the plans have been put together, then it will not work as effectively. It is about how well the authorities—and, of course, other public bodies that we are working with in Communities First areas—are building this into their normal service planning.

[79]   **Jonathan Morgan:** I am afraid that we are going to have to move on from this point.

[80]   **Bethan Jenkins:** There have been suggestions that, when services have been developed under Communities First, it has resulted in mainstream services being curtailed when the objective of Communities First resources is to enhance services. Are you aware of this going on? That is one question.

2.20 p.m.

[81]   I also want to ask a question on evidence that we had from Merthyr Communities First partnership, which said that it had new ideas coming forward. However, a lot of the work that it claimed as its own seemed to be work that the Welsh Assembly Government has put in place, such as Flying Start. So, on the one hand, we hear that mainstream services can potentially be taken away in Communities First areas, and on the other, a Communities First partnership seems to be claiming credit for work that is not really in its portfolio and that it does not have the tools to deliver. How do you square those two views?

[82]   **Ms Powell-Chandler:** In Cardiff, I do not have any experience, I am happy to say, of mainstream services being curtailed—that is my experience for the past three years. On Communities First claiming other people's work as its own, that does surprise me. How I always emphasise things with my own team about Communities First is that we are enablers and facilitators, and there are lots of people out there already, our partners, who deliver services and a lot of what we do is about bringing people together.

[83]   The previous question was about programme bending, and I was thinking about the local service board. That has made a terrific difference to all of us employed on Communities First in Cardiff, because part of Cardiff Local Service Board is a project called Transforming Neighbourhoods. In that model, we now have six neighbourhood management teams where we have service providers, and a key player is the South Wales Police in that particular forum: fire, health, and the various sections of the council. That has opened up all sorts of avenues for us where we are invited to the table, which is lovely, and we can go and explain needs and priorities in our area that have come from our citizens and communities. It is never about us saying, 'Oh, we are doing services that Flying Start is doing'. It would be more about making sure that we are contacting, speaking and liaising with those who run the Flying Start function in Cardiff. One of the neighbourhood management teams was very concerned about provision for children under the age of five in that particular area and I was able to go back to the local authority and ensure that the Flying Start manager came to the next meeting along with other people who would be able to answer the community's questions about provision for under-fives.

[84]   **Bethan Jenkins:** What I am trying to get at is that when we asked what was being done in the Communities First area to deliver on childcare, that was the answer that was given. It did not imply that that was its work per se, but that was the answer that was given, when we were specifically trying to get an answer as to what was being delivered through the partnerships and then perhaps questioning value for money as a result.

[85]   **Ms Powell-Chandler:** Just to follow on from that, I suppose it is a little bit like when we are looking at child poverty. When I told partnership groups that a new theme on the vision framework that it has to address is child poverty, the initial reaction that I had from one partnership group was, 'Well, if the Government cannot resolve child poverty, how are we going to?' I think that a lot of it is about breaking things down. Recently we had an event in Cardiff that Keith Towler, Children's Commissioner for Wales, came along to. We went into workshop sessions, and there were about 100 people there from Communities First areas. What we did was to look at the smaller things that they were doing. I say 'smaller things'; I am talking about running effective parenting courses, for example. We have enabled that to happen in Ely Caerau. We have worked with partners, and we have got people skilled up to run those courses. However, if we talk about running effective parenting courses nobody really sees that as doing something to address child poverty and yet, in its way, it does. So, I think that sometimes when partnerships are asked questions about what they are doing, they do not always perhaps realise exactly how the work that they are doing contributes to the bigger agenda.

[86]   **Mr Peppin:** I think that you can almost turn it on its head in some ways with value for money. The work that Communities First can do is to get more value for money from some of the programmes that are being delivered. It depends on your philosophy on it, but if the Communities First programme is not really a delivery mechanism itself, but is there to facilitate community engagement in initiatives, then when you get an Assembly initiative coming into an area, if the Communities First staff are working with local residents to make sure that they maximise the benefit from it, then that scheme works much better, so you get better value for money from delivering that initiative than if Communities First did not exist.

[87]   **Jonathan Morgan:** I will stop you at that point. Are you saying that in your view Communities First is about how we can use money to help people engage in the delivery of services, as opposed to physically delivering change in itself? My understanding of Communities First is that it is there to help improve the poorest communities in Wales and to do a number of things in order to achieve that. Do you think that it is just merely a way of helping people to engage as opposed to delivering something quite specific?

[88]   **Mr Peppin:** I think that it can do both, because if you engage people in the things that are there to improve their quality of life, and help them to take better advantage of that, then they benefit. The area benefits as well, because if you can provide an uplift by support to local residents and they start to develop and their skills improve or whatever through involvement with these things, then that is a foot on the ladder to a job that may result in more income coming into that community or they may set up their own business. So, by helping the local population improve their quality of life through taking more advantage of the schemes available, you can provide a boost to the community development in that area.

[89]   **Bethan Jenkins:** Surely the people who are already providing that service should be doing that work anyway. To play devil's advocate, do you need a Communities First officer to say, 'This service is in existence somewhere else'? Is that necessary or is that value for money in spending so much staff resource on that as opposed to perhaps creating your own initiatives and projects?

[90]   **Mr Peppin:** I think that sometimes we underestimate the delivery end of things. We put initiatives together and then we expect them to just happen. The delivery end is critical, and I think that having the support at the local level—almost like one-to-one help, advice, support and encouragement—is critical. Often initiatives are not funded to that level, to take them down to the actual delivery end, and this is where Communities First staff can be completely overrun, really, because everyone comes to them saying, 'Can you help us deliver at the local level?', because they do see it as their way into the community.

[91]   So, the initiatives themselves would deliver something in an area, but I think that by bringing them together and working alongside Communities First there are examples where the added value is quite significant.

[92]   **Jonathan Morgan:** Are you happy with that?

[93]   **Bethan Jenkins:** Yes.

[94]   **Jonathan Morgan:** Janet Ryder is next.

[95]   **Janet Ryder:** I think that you have probably touched on a lot of what I wanted to ask you about. In paragraph 19 of your report you talk about what has been done to help to improve the situation. Now, you have talked about that to some extent. You have talked about how, if you have more than one Communities First area in your authority, you can bring them together and share ideas. You also talk in your programme about improved liaison and collaboration between the WLGA and the Assembly and Communities First. Is there anything

on there that you would like to elaborate on first, because I have a further question on that?

[96]   **Mr Peppin:** I think that over the last 18 months, from a WLGA perspective, we have picked up the engagement work with the Communities First programme and we have been working closely with the WAG officials and with the new support agencies that have now come in—Empower and Wales Council for Voluntary Action—and we have staff who are sitting on the training sessions now. They meet with overarching Communities First partnership co-ordinators, and I think that what that is helping to do is to enable one of our roles in the WLGA, that is, the spreading of good practice. By working with partnerships across a number of areas, we are able to support what the Assembly Government is trying to achieve by more effectively communicating examples of good practice.

[97]   **Janet Ryder:** I always thought that the essence of Communities First was to empower those communities. It is not even to help the Assembly Government to achieve what it wants to achieve; it is to help those communities achieve what they want to achieve.

[98]   I will take you back to something that Bethan touched on. If you look at the programme spend across the whole of this programme from the beginning, the vast bulk of it has been on Communities First co-ordinators. I think that what all of the questions, really, are driving at is whether we are really getting value for money from that or is that something that authorities should be delivering in any case? Are we using them in the right way? So, what is new in this paragraph that you have here in front of me about improved liaison, information and training? What are you putting in new to this and what is unique to Communities First that you would not normally be doing?

2.30 p.m.

[99]   **Mr Peppin:** The work we are doing is not funded through the Communities First programme, so, yes, it is the sort of thing we would be doing normally.

[100]   **Ms Powell-Chandler:** Would it help if I answer, too? When the question came up earlier, I just wanted to emphasise a point about delivery. The typical Communities First team is a team of three people. So, in each of the areas—Ely Caerau being the exception because it is a bigger area—you normally have a co-ordinator, a development worker and an administrator. Those staff were put into post, and the whole initial concept was to use a community development principle of developing and working with that community, and hence it was labour intensive.

[101]   We do deliver and things definitely happen because we make them happen. An example is—I keep mentioning Ely Caerau, but I was there just the other day—an area in Mill Rd in this area where there has been very little youth provision over a long period of time, and, through the youth action sub-group of the Ely Caerau partnership group, partners have come together. I think that it is celebrating its first anniversary. Every half-term school holidays we have youth services and play services that Communities First development workers deliver, and we have an increasing number of volunteers. For example, we have a lady in her 70s—I hope she is in her 70s now that I have said that—teaching young girls and boys how to knit. That sort of heart-warming stuff is happening. I honestly believe that this would not have happened if we did not have Communities First in this area.

[102]   On delivery, we worry about sustainability because, where we are delivering services, we are continuously looking at what will happen on 31 March 2012. So, we are always looking at our volunteers and partners, in order, hopefully, to mainstream the things that we are doing, and to not curtail them as Bethan mentioned earlier. We are always concerned that our volunteers and partners come in with us, work with us, work with the local community, work with volunteers and see the value of that. The police are always a great ally, as I said,

because they are the first to come forward to say how the numbers of anti-social behaviour incidents decrease.

[103]   I have forgotten what the original question was, I am sorry.

[104]   **Jonathan Morgan:** That is fine. Thank you. Lorraine Barrett, you are next.

[105]   **Lorraine Barrett:** The Government has recently announced a number of measures to take the programme forward, including revising the Communities First vision framework. The intention is that in the future the partnerships will be able to use this to align their local action plans to the Assembly Government priorities. There is also a new outcomes fund for £25 million over three years to encourage local programme bending. How do you feel about the way the Government is trying to develop Communities First?

[106]   **Mr Peppin:** I think that they are steps in the right direction. I said earlier that I think that some of the most recent changes have been moves in the right direction. Some of the work that was done in the early period was needed in order to set us up for this next phase of work. I do not think that you could have necessarily brought some of those things in from the outset, but given the work that has gone on in the areas over a period of time you now have communities that are more ready to start talking about outcomes. If you go in and start talking outcomes too early, I do not think that it would work.

[107]   **Lorraine Barrett:** Would you say something about the outcomes fund? Do you think that the fund will be a useful source of extra money?

[108]   **Ms Powell-Chandler:** It has been a really useful lever, certainly in my experience, and although good relationships have been developed with service providers, obviously when you go in and say there could be money on the table, the door is flung right open instead of your having to knock it.

[109]   We are happy about the expressions of interest and so on that we have with the Assembly at the moment. My only concern is that it is a three-year fund and that it will end on 31 March 2012, so, as we are negotiating with service providers now, we are not talking about three years but about two years and four months.

[110]   **Lorraine Barrett:** Do you think that partnerships need more help in making bids?

[111]   **Ms Powell-Chandler:** I think that I tried to touch on that earlier, but it is quite a complex process because you have to deal with service providers. You have got to get a 50 per cent match in place. You also have to fit it within strategic partnership objectives, so it is quite a lot to ask of partnerships in achieving this and, as I said, it is being done through the co-ordinators and me.

[112]   **Jonathan Morgan:** Are there any further supplementary questions? I see that there are not. Thank you both for being with us this afternoon; it has been extremely helpful.

2.35 pm

Cymunedau yn Gyntaf: Sesiwn Dystiolaeth—Cyngor Gweithredol Gwirfoddol Cymru
Communities First: Evidence Session—Wales Council for Voluntary Action

[113]   **Jonathan Morgan:** Good afternoon and welcome to the Public Accounts Committee. We have just been receiving evidence from colleagues in local government about the

implications and the application of the Communities First programme, and we are delighted that we will now hear the voluntary sector perspective. Will you identify yourselves for the record, please?

[114]   **Ms Greenlees:** I am Alice Greenlees and I am a senior policy officer at the Wales Council for Voluntary Action.

[115]   **Ms Wilson:** I am Helen Wilson, and I am a grants programme manager for the Communities First Trust Fund.

[116]   **Jonathan Morgan:** Thank you very much. If you are comfortable, we will proceed with the questions. Is that okay?

[117]   **Ms Greenlees:** Yes, that is fine.

[118]   **Jonathan Morgan:** As an opener, can you give a very brief and broad perspective of how you think Communities First has worked from the voluntary sector perspective?

[119]   **Ms Greenlees:** Okay. From our point of view, we welcomed very much the beginning of the Communities First programme because it gave an official recognition of the role of communities in regeneration, so it was certainly a very positive programme from that point of view.

[120]   It is fair to say that it has had its share of problems, not least because of the difficulty of bringing together two apparently rather differing ethoses and systems of community-led regeneration and service delivery. As we said in our evidence, we felt that the Wales Audit Office quite correctly identified the areas of concern but that many of those are now being dealt with. I think that the final point that I made in the evidence was that there clearly are difficulties with community-led regeneration, but we think that the basic model is a good one and, for us, the issue is about finding a way through the difficulties as opposed to saying it is not a good system.

[121]   **Nick Ramsay:** With respect to workforce issues, you refer in your evidence to the enormous advantages you feel have arisen from that focus on regeneration, but you also refer to the failure to address the workforce issues. Can you be more specific on that? Do you have particular examples of where workforce issues have hampered the delivery of the programme objectives?

[122]   **Ms Greenlees:** I think that this was most marked at the beginning of the programme because there was a need to recruit 132 co-ordinators and, in some cases, administrators and development workers, all within a very short space of time. That revealed all sorts of what are technically called 'skills shortages'. People with the right sort of skills experience and background did not exist, or at least not that number of people, in order to take on those jobs. I think that that was true at all levels, both at the local operational level and within the Assembly. I am not even sure if this is, strictly speaking, true, but the word was that large numbers of the Communities First implementation team actually came from agriculture. They may well have been people with lots of very relevant skills, but there was a bit of a sense of, 'So, do these people know about this kind of work?'.

[123]   I think that as things have gone along, and given that there is a certain turnover of staff in Communities First, it has not been a problem on the same scale as previously, but I think that it continues to be an issue. To be fair to the Communities Directorate, this is one of the things that it has been trying to get to grips with in the last couple of years. Work has been done around a workforce development strategy, looking at what the right sorts of training and qualifications are. Also, the new contract that the WCVA now has around training is much

more focused on saying, 'What skills and experience do people need to have in order to deliver?'.

2.40 p.m.

[124]   It has contributed to problems throughout the programme, such as staff who might not have had very good community development skills, and people who did not have a lot of experience of how to manage the complicated relationship between their employment as a local authority employee and their work for a community partnership. So, there have been issues as a result of it.

[125]   **Nick Ramsay:** Are there still a significant number of people in those positions, originally recruited or later recruited, who still have those problems and are not up to the task of fulfilling the objectives that Communities First requires of them?

[126]   **Ms Greenlees:** I do not think that there are very large numbers of them, but there are staff who still struggle with the work. I do not know exactly what the figures are but, for instance, there is always a proportion of co-ordinators who are off on the long-term sick with stress-related illnesses, which suggests either that there is a problem with their employers or that they are having difficulty in the job. So, I would not say that it is significant in the effect that it has on the programme as a whole, but there are individuals who still lack the skills that they need.

[127]   **Irene James**: Good afternoon. You referred to the need for a continuous programme of support for staff and partnership members on how to work with service providers. I have three questions. What are the needs that have to be met? Are there particular requirements or challenges in delivering this for the people in the voluntary sector? Can you suggest ways in which the situation could be improved?

[128]   **Ms Greenlees:** I will talk about the needs of the partnerships rather than the staff. On programme bending, which is what I was referring to in particular, there is a range of needs. There are some very practical things, such as understanding how local authorities work and other public service providers, understanding their planning cycles and their planning systems. There are some very simple, straightforward issues there. If a planning officer in social services, for instance, is working to a certain planning schedule, however much they might want to involve people from Communities First, if those people are working to a different schedule, never the twain shall meet. So, there are some very practical issues there about understanding planning systems.

[129]   There are also some very basic issues, certainly for some partnership members, about how local authorities work. What are the roles of different departments? What are the programmes and work programmes that they are undertaking and how might a partnership work with them? There are issues with how you build a relationship with service providers, because there can be a sense of, 'Here we are, the partnership people on the ground trying to do the work and somewhere over there are the people in the local authority who do not tie up with us'.

[130]   So, on the challenges, that is the challenge: building a better relationship between the two so that partnerships understand the constraints that public service providers work under, who they do not have carte blanche, and, as Tim Peppin said in his evidence, how public service providers can better understand the issues that matter to partnerships.

[131]   As for ways of overcoming that, several things need to happen at different levels. Some of you may have seen the reference made in the Wales Audit Office's report to the social inclusion learning programme piloted in Conwy. That is very much at a grass-roots

level, bringing local authority staff together with local people to explore the service delivery issues, and increasing the understanding of statutory sector staff of how the services that they plan and deliver impact on people locally. A lot more work needs to be done at local authority level but also in local health boards, particularly in getting planners to understand the issues for Communities First partnerships, and how the partnerships can help them to deliver what they want to do. There has to be a lead on that from the Welsh Assembly Government to encourage both sides to understand why they need to work together.

[132]   **Jonathan Morgan:** Are you happy with that, Irene?

[133]   **Irene James:** Yes.

[134]   **Jonathan Morgan:** Do you have any further questions?

[135]   **Irene James:** No.

[136]   **Jonathan Morgan:** Janet is next, before Mike German.

[137]   **Janet Ryder:** You have talked about the interface between the local community and the local authority. There is another dimension as well: the local community and the third sector groups, the voluntary groups that are working in there already and were working in those areas prior to the development of Communities First organisations. To what extent have you been able to track or monitor—or perhaps you have not tracked or monitored—the effect that Communities First has had on those voluntary sector groups that were working there already? Some issues have been raised with me relating to Communities First partnerships rightly identifying a need and deciding to fulfil it, but ignoring the voluntary sector groups that were already providing that service but who possibly did not advertise it widely enough.

[138]   **Ms Wilson:** One way in which we have identified the number of voluntary organisations working in Communities First areas is via the Communities First Trust Fund, because that supports small community voluntary organisations, is a way of getting them kick-started, and encourages better working practices. There have been some issues where a voluntary group has already been doing some work and the partnerships' ethos is a bit like, 'Well, if your face does not fit here, we are not going to support that'. We have been working with the co-ordinating sub-partnerships via the trust fund to encourage more of that, so that people are asking or thinking a little more about the value of a project to the community and how they are playing their part in the Communities First programme. Groups are asked to contact partnerships and co-ordinators so that they are aware of them, and so that there is more communication between them to bridge that gap. In most cases, that is working very well. Many things are supported, and this applies to more than a thousand different organisations across Wales. In all cases, they have heard of the trust fund through the partnership and they are working with the partnership, or they certainly know what their contribution is to the overall programme or to the work that they are doing with the voluntary organisations in the areas.

[139]   **Janet Ryder:** Are you satisfied that all voluntary organisations working in Communities First areas are fitting into the strategy devised by that community?

[140]   **Ms Wilson:** I spoke specifically about the groups that apply to the trust fund, but they are asked where they think they fit into the programme, they tell us that, and that is followed throughout the whole application process. On a wider level, we monitor that. I am not saying that that is all specific community groups, but certainly the ones that are applying. There is also a big variety that applies to the fund and that works specifically in Communities First areas.

[141]   **Michael German:** I notice that you championed citizen-focused community regeneration, and I would expect nothing less. In paragraph 2, you talk about there being at the beginning a fudging of the question of whether communities were ready to lead and, if so, what power and influence they might have. First of all, has the fudging ended?

[142]   **Ms Greenlees:** No.

[143]   **Michael German:** So, are the ambitions of the Welsh Assembly Government still not clear on whether there should be genuine leadership and power in our communities?

[144]   **Ms Greenlees:** There is a gap between the statement and reality. If one were to go back through the various documents that have been produced, one would see that reference is certainly made to community-led regeneration, although I cannot remember the exact phrase. At the very beginning of the programme, the fudging was around the question of grant recipient bodies and who should take the lead. I am talking about the very beginning now, because there was an issue about where the bids should come from to be a Communities First area. The view at the time was that the bids should be made by local authorities and their partners. As you would expect, we said that they should come from whoever is the appropriate leading organisation, because there are plenty of third sector organisations that could head up that initiative.

2.50 p.m.

[145]   So, I think that there was a fudging there. The structure, I suppose, that is built into the programme is a tension, maybe. So, am I saying that there is still a fudging or does the tension remain? I think that it is recognised as being an issue. I do not think that anybody has found a way of resolving it. I suppose that, if I am honest, I would not be able to say whether I think that it is a tension that could be resolved or whether it is always going to be there, because it comes back to this discussion about top down and bottom up and two different systems.

[146]   **Michael German:** What the auditor says, of course, is that there is always going to be a tension between communities wanting to do things themselves and the people who can deliver some of those services being top down. I accept that, but it was really whether it is explicitly accepted now that this is a bottom-up programme. I do not think that that is accepted by all concerned.

[147]   **Ms Greenlees:** No.

[148]   **Michael German:** What suggestions do you have for local authorities and the Welsh Assembly Government on how to more effectively do the job of promoting a bottom-up and community-led approach?

[149]   **Ms Greenlees:** There has been a debate right the way through the programme about what the role of the Assembly Government should be in directing and encouraging local authorities, in particular, as to how they should develop their relationship with communities on the ground. Lots of people have looked to the Welsh Assembly Government to be more directive, to say quite clearly to local authorities 'Your role here is to take a lead and work with communities'. Is that the right thing to do? Yes, I think that that would be our preference, that there should be a degree of direction given, but—

[150]   **Michael German:** Direction or guidance?

[151]   **Ms Greenlees:** One of the other things that was mentioned in the Wales Audit Office report was some of the systems in England where they use things like floor targets and

systems of sanctioning, basically, on local authorities. If they cannot show that they have done whatever it is that is required of them, then there are penalties. There are sanctions and, yes, my own view and I think the WCVA's view, would be that, if the Welsh Assembly Government has a view about what sort of programme this should be, it is not unreasonable for it to follow that up by putting in place sanctions to make that happen. That has not been the choice that has been made; the choice has been made to say that local authorities have the right to decide at the local level how their role in Communities First should be played out.

[152]   **Jonathan Morgan:** I have a very quick supplementary question. Do you think, therefore, that there has been a lack of rigour in the system?

[153]   **Ms Greenlees:** A lack of rigour? I am hesitating because I think that to answer 'yes' or 'no' would depend on what the starting intention was. My issue, I think, is about what the starting intention was; hence the word 'fudging'. The starting point was not made clear and, therefore, that has followed throughout. My understanding would be that, if the same question was asked now, after eights years of Communities First, about the Welsh Assembly Government taking a more directive role in saying what is expected of local authorities, the answer would probably be the same as several years ago.

[154]   **Michael German:** Let me be absolutely clear on this for the record. Are you saying that it is not explicitly known that this is meant to be a community-led regeneration programme, where the community itself takes as much responsibility as possible and that, in order to achieve that, while it may be an ambition, the Welsh Assembly Government needs a stronger sense of guidance or direction over those who have an influence upon ensuring that that happens? I am not trying to put words in your mouth, but I just want to get the WCVA's position on the record.

[155]   **Ms Greenlees:** I am saying that the words say that it is a community-led programme, but the current practices of the programme when it moves on to the implementation do not ensure that that happens.

[156]   **Michael German:** Would that ambition be achieved through clearer guidance or direction?

[157]   **Ms Greenlees:** That would be one way, and we would be happy with it, but I would not say it is the only way.

[158]   **Michael German:** What other ways are there?

[159]   **Ms Greenlees:** It is carrots and sticks, is it not? One would always prefer it that people arrived at a way of working as a result of seeing the sense of it, through things like training and awareness. I absolutely agreed with a lot of what Tim said about the intentions. The question is about how you make that happen, because it does not happen in lots of cases. So, the starting point would be to say that the preference is that things change through a process of people understanding the desirability of working differently, but if that does not happen then I think that we would be happy to see sanctions—I am not sure that sanctions is the right word—or clearer direction given as to what the expectations were. That is a bit vague, I am sorry.

[160]   **Jonathan Morgan:** No, that is fine, thank you; it is very helpful.

[161]   **Bethan Jenkins:** In the previous evidence session we talked about programme bending, and it was mentioned that bending something that should be that shape already was something that we should consider. You obviously see the benefit of programme bending. Can you expand on how it relates to the voluntary sector and how you input into that specific

agenda?

[162]   **Ms Greenlees:** There are two aspects of it. One aspect, which I will deal with fairly quickly, is that, in some instances, it is voluntary organisations that are providing public services, as a result of contracts. Therefore, I think that our expectation is that programme bending should apply to them just the same as to anybody else. So, our starting point is that we are not only talking about statutory sector organisations; we would expect other organisations to do it.

[163]   I think that the experience of Communities First partnerships probably mirrors the experience of a lot of voluntary organisations in view of the difficulties that they have of working with service providers. It is not only about looking at programme bending in light of directing resources, but it is also about the kinds of service delivery. So, we are not only looking for money; we are looking for changes in the way that services are delivered. Certainly, many voluntary organisations would feel that, because their membership is made up of users of services, they have something to say about what would make an improved service.

[164]   So, I think that, in that sense, there is definitely a lot of common ground between the voluntary organisations that are working in an area and the Communities First partnerships.

[165]   **Bethan Jenkins:** Do you have any suggestions as to how it could be made more effective or how it could work better?

[166]   **Ms Greenlees:** To make programme bending work better?

[167]   **Bethan Jenkins:** Yes.

[168]   **Ms Greenlees:** Again, I think that that needs to happen at a number of levels. One thing that the communities directorate is doing now is convening a series of meetings across different departments to try to explain more clearly to some of the other departments what the benefits are and how it fits with their policy directions. That needs to continue at Government level. At local level, I think that our preference would be for developing a better understanding of programme bending through awareness sessions and training—some bringing together, I suppose, of the different partners.

[169]   One thing that we are looking at doing with the advice contract that we now have is to target some specific local authority areas, working with Communities First partnerships, to see how we can perhaps help them to make a breakthrough on programme bending around some of the things that I was talking about before: increasing the partnership's understanding of the planning issues and increasing understanding on the part of the local authorities about the ways in which the Communities First partnerships can help them to meet their objectives.

[170]   One other thing that I did mention in the evidence was the role of the overarching co-ordinators. Every local authority is expected to have an overarching co-ordinator, whose role is to represent the Communities First model across the whole of the department and to help to build relationships. That works very differently in various local authorities. I think that it works very well in some authorities—it depends on the seniority of the person, and local authorities have different systems.

3.00 p.m.

[171]   The last point, which I also mentioned in the evidence, was about the local service boards. I think that that is a bit of a missed trick at the moment in light of local service boards prioritising this area and about how they will ensure that Communities First partnerships are

integrated into strategic planning.

[172]   **Jonathan Morgan:** Janet, do you have a supplementary to this question?

[173]   **Janet Ryder:** Yes. Can you clarify whether the new training programme that you are talking about, for which you have just been given funding to run, is the same programme that the WLGA has talked about in its evidence to the committee, which is the social inclusion learning programme for local government members? Is that totally different or is it a duplication?

[174]   **Ms Greenlees:** No, it is not a duplication. The WCVA has the national support services contract for providing training to the programme. We are asked by the Assembly Government to provide training on a number of key issues. Typically, in this last year, it has been things like programme bending, outcomes fund, child poverty and so on, and we are currently talking to the Assembly Government about next year's programme and what it should have in it.

[175]   The social inclusion learning programme is one example of a kind of training that can be used in order to develop the relationship between users and service providers. It is one training course that we could offer through the national training contract if it were required, but we would only do it in conjunction with the local authorities and with the WLGA. So, there is not a duplication of effort there.

[176]   **Janet Ryder:** There have been suggestions that when services have been developed in Communities First, it has sometimes resulted in mainstream services being curtailed. If I think about some of the words that you have used this afternoon in your evidence, we should see an increase of services in Communities First areas and the aims are to increase the provision of Communities First services. Have you detected any areas where the actions have shown something different—where there has not been an increase in services, and perhaps there has been a shift in provision or provider of services and how those services are funded but not an increase in service improvement in those areas?

[177]   **Ms Greenlees:** No, I am not aware of any.

[178]   **Janet Ryder:** That is fine.

[179]   **Lorraine Barrett:** The Government has recently announced a number of measures to take the programme forward, including revising the Communities First vision framework. The intention is that the partnerships will be able to use this to align their local action plans to Assembly Government priorities. There is also the outcomes fund which will provide £25 million over three years. How do you feel about how the Government is trying to develop Communities First and do you think that the outcomes fund will be a useful source of additional funding?

[180]   **Ms Greenlees:** I think that the direction in which it is going is the right one that, again, the identification of programme bending as being a critical issue for the future is right. The outcomes fund, if it works, is a very clever and useful tool because it acknowledges that if you want to change service delivery, there is an interim cost. You cannot simply move from one kind of service delivery to another without incurring some costs. So, in essence, the outcomes fund makes complete sense to me because it allows service providers, in conjunction with partnerships, to make that shift. I think that, in outline, it is a positive move.

[181]   **Lorraine Barrett:** Do you think that participants need more help in bidding?

[182]   **Ms Greenlees:** Yes. In fact, at one of the training sessions that we ran recently on the

outcomes fund, some people were saying, 'We need help with bidding and we still need help with putting in bids to the trust fund'. The trust fund is extremely simple to bid for, so that indicates that people need some help. If they are still struggling with the trust fund, which is about as simple as it gets, then people will have difficulty with the outcomes fund.

[183]   I was at a regional co-ordinators' meetings yesterday and there are a number of co-ordinators who are still very unsure about the outcomes fund: how do you make use of it; what is it for; how do you put a bid together; who leads on it? It goes back to the same old question about working for service providers: how do you work with a service provider; who should take the lead; who should do what; where should the money go? So, I think that people need help in not only writing the bids but in conceptualising the bids.

[184]   **Ms Wilson:** You also have to appreciate that, as we work directly with people on the ground in Communities First, when something like this comes out the co-ordinators have quite a job to try to convince or encourage people and get people on the ground. It always takes that little bit longer. As you say, the trust fund, for example, is simple; people understand how that has been running. With the changes that happened in the Communities First programme and the introduction of the outcomes funds, people will not grasp that and jump on board in three to six months. It will take a lot longer because of the need to almost convince people that it is a good way forward. It is about their understanding and having the confidence to run that and to receive that amount of money and work again with other service providers.

[185]   **Bethan Jenkins:** I just wanted to ask you about the contracts from the statutory services, which you mentioned earlier. Would the training on things like this be part of that? You mentioned earlier that the programmes are still problematic with fudging and the development. When you have these contracts from the statutory services, what do you see as your role in helping to de-clutter some of the problems for the future? You say that we need direction from the Government, but do you see that because you receive financial backing from this very service that you could be playing a firmer, more strategic role, perhaps, in some of the problems that we have outlined here today?

[186]   **Ms Greenlees:** The contracts that we have are to provide an advice service and training, and they have been operational for about six months. One of the things that we are doing at the moment is talking to the Welsh Assembly Government about what the focus of those should be, particularly around programme bending. As I said in the evidence, it has been about trying to break that down and asking what different skills and knowledge people need in order to be able to do this. There is an awful lot of people saying, 'Programme bending is good' and people are asking, 'What is this? What does it actually mean on the ground?'.

[187]   That is what we will be doing with the training contract. We will be offering training and working with the WLGA in order to ensure that the right people are presenting in those training courses and that the right people are coming to them. We have talked to the WLGA about, for instance, trying to make sure that a Communities First co-ordinator always comes with somebody from the local authority. We use the training day not only to deliver information about how they might work together but to get them to work together. With the advice contract, we would be looking at targeting some particular areas and doing some more in-depth work. That is how we would approach this through the contract.

[188]   **Bethan Jenkins:** Did you have input into the content of the contracts or, if the training courses were not successful in bringing those ideas together, would you be party to discussions as to how to develop them for the future?

[189]   **Ms Greenlees:** Yes. In the first year of the contracts there was a contract

specification, and the Welsh Assembly Government wanted to say, 'This is what we want you to do in the first year'. Now that we are coming up to the second year it is much more a process of saying, 'Look, these are our observations about what needs to happen'. It is a process of negotiation. There are some things that we are still being asked to deliver on, like child poverty, but there is much more negotiation about what the priorities are and what people need to know about and be able to do in order to get the work done at the local level.

[190]   **Lorraine Barrett:** When you used the word 'fudging', did you mean 'uncertainty'? 'Fudging' to me sounds like a deliberate intention. Thinking back to the beginning, there was uncertainty, but I am just wondering whether you mean 'fudging' or 'uncertainty'.

3.10 p.m.

[191]   **Ms Greenlees:** I suppose that it is a question of whether it is intentional or not.

[192]   **Lorraine Barrett:** Okay, perhaps you will not be able to answer that bit.

[193]   **Ms Greenlees:** I suppose the charitable version of that is that it is fudging in the sense that there is a tension, as we have been talking about; therefore, you cannot get a clear answer to it so it is best to just keep going and hope that it can be resolved.

[194]   The only comment that I would make is that I think that there were views expressed from among people in the field that there were some issues here that, ideally, could be addressed at the very beginning of the programme. So, for instance, looking at the original bids for areas, there were some of us who would have liked to have filtered that through a number of questions, which included things like, 'What is the track record of the local authority on working in partnership with other organisations?' I think that it would have helped probably to have known a bit more about that. It would have helped to identify some of the problems, but it was not felt to be doable at the time.

[195]   **Jonathan Morgan:** Thank you very much. Your evidence has been extremely helpful this afternoon. I am very grateful to you both for coming in. That concludes the evidence session this afternoon. I remind the committee that the Permanent Secretary, Dame Gillian Morgan, and Dr Emyr Roberts, as accounting officers, will be coming to give evidence on 3 December and that will be our last evidence session on this particular matter.

[196]   Thank you for coming in.

3.12 p.m.

Dysgu sy'n Seiliedig ar Waith: Cyflwyniad Briffio gan Archwilydd Cyffredinol Cymru
Work-based Learning: Briefing from the Auditor General for Wales

[197]   **Jonathan Morgan:** Before I ask for a briefing from the Auditor General for Wales, I welcome him to this first meeting of the Public Accounts Committee, following our rather grand name change this week. This item is to consider the auditor general's report on work-based learning follow-up. There are, of course, a number of things that we can do with this report once we have received the briefing, but we will receive the briefing and perhaps ask a few questions and then see where to go.

[198]   **Jeremy Colman:** Thank you very much, Chair, and if congratulations are appropriate to you on assuming the chairmanship of this committee, then I congratulate you.

[199]   This report dates back to concerns that arose in the time before Education and Learning Wales was taken into the Assembly Government machine. Probably to the disappointment of the outgoing board at ELWa, I felt obliged in the final accounts that I certified to include a report on the accounts, which is a relatively unusual step to take. I took that step because there were, to my mind, grave concerns about the financial control and learning quality of some of the work-based providers. This committee—or the predecessor committee as I suppose that one has to call it now—took evidence and issued its own report making nine recommendations, all of which were accepted at the time by the Assembly Government.

[200]   The report that we have issued here is a follow-up to examine whether, putting it bluntly, the Assembly Government has done what it said it would do. Our conclusions are broadly positive. This is a good-news story. So, in particular, the Assembly Government has tightened up its procedures and offered more support and, as a result, financial controls among providers have improved considerably. The Assembly Government has improved its own performance management to providers and the quality of learning has improved.

[201]   The fly in the ointment, if I may call it that, is an issue that has arisen on a number of occasions, which is to do with the sharing of lessons within the Assembly Government machine so that those officials who have been dealing directly with this issue have clearly learned from it. There are certainly lessons to be learned to do with the need for financial controls and performance controls when a service is being provided by third parties who are not used to the sort of financial controls and issues of propriety and regularity that public bodies are used to. There is a risk there to financial control. The risk crystallised in the days of ELWa has now been put right in this area. We found very little evidence that the general lesson of the need for particular care to be taken when third parties are being given money by the Assembly Government to carry out services are not being learned more widely.

[202]   This is an issue that arises if not quite every day, certainly very frequently, and when we ask, as we do, whether the Assembly Government has learned lessons from particular cases the reply generally comes back from the department concerned that the department concerned has learned lessons. That is undoubtedly true in every case, but there is a question mark about whether that learning is spread throughout the Assembly Government.

[203]   That, in outline, is the story here. I would like my colleague Mark Jeffs to give a bit more detail.

[204]   **Mr Jeffs:** Thanks, Jeremy. As Jeremy said, I will talk you through a bit more of the detail of the report. I will run through it in the order that the report is in around the three conclusions, which basically follow the main areas where the Audit Committee made its recommendations back in 2006. That is specifically around financial controls, around learning quality and then on the issue of the broader lessons learned across the Assembly Government.

[205]   To start, I am afraid that I have to go into a little bit of detail about financial controls, and I will try to avoid too much techie stuff. Basically, work-based learning involved two main streams of provision. You have the various types of modern apprenticeship and you also have the SkillBuild programme, and that is about courses that are aimed at building people's confidence and giving basic skills so that they can move on to more formal training or into employment.

[206]   The Assembly Government has contracted with 86 different providers to provide those courses. Each provider has to enter and update data about each person that it provides learning to on something called the lifelong learning Wales record—the LLWR—and these data are then used as the basis for the monthly payments that the Assembly Government makes to the learning providers.

[207]   The Assembly Government has its own internal audit unit called the Provider Audit and Governance Service, which oversees an annual review of the financial control provided. Financial control is not as esoteric as it sounds. It is, basically, the processes that are in place to ensure that the providers only get the payments that they are entitled to. It includes such things as whether the learners meet eligibility criteria to be on the courses, and whether providers are correctly updating and are not getting payments for people who have moved on or are no longer in learning.

[208]   So, the work that PAGS does basically looks at two aspects of financial controls within the work-based learning provider. First, it looks at whether the provider systems as a whole are sound and then it looks at whether it can use those systems to demonstrate that the funding has been used correctly for its intended purpose. Once it has done its work, PAGS issues an opinion on each of these aspects. It can either issue a qualified opinion, in which case it thinks that there are serious weaknesses; an 'except for' opinion, in which things are generally okay but there is one specific issue; or an unqualified opinion, in which case things are generally okay and it is satisfied.

[209]   I will move on now to our specific findings. If you look at figures 1 and 2 on page 13 and 14 of our report, you will see that there has been a very significant degree of improvement in financial controls. Back in 2002-03 PAGS issued a qualified opinion on the systems of almost all work-based learning providers at the time, and a qualified opinion on the use of funds for more than two thirds of them. By this academic year, those figures had fallen to just 1 per cent and we think that that is quite a significant achievement. It is worth drawing to the committee's attention the fact that there was quite a significant step change in the rate of improvement around 2006 and that was around the time that the Wales Audit Office and the committee were doing work in this area. So, I think that there is a good story there about the impact of audit work.

[210]   The report explains that there has been one issue over the past few years that explains some of the 'except for' opinions that PAGS has recorded recently. That is around the introduction of a new payment framework, the national planning and funding system. Basically, that was designed for classroom learning, where you are teaching lots of people in the classroom and there were various difficulties with that rolled out to the specific context of delivering learning in the workplace and how you record and evidence some of the learning there.

3.20 p.m.

[211]   To be fair to the Assembly Government, it has responded quite swiftly and well to these particular issues and works closely with providers to come up with a solution. While there are a couple of outstanding issues, the widespread problems that could have occurred have been largely prevented.

[212]   I will now explain our conclusion that this improvement is thanks to the Assembly Government's strengthened arrangements. First, the Assembly Government has taken steps to better communicate its expectations on financial controls and audit to the providers themselves so that they know more clearly what they should be doing. It works more closely with them explicitly to explain its processes and it has put detailed guidance online to make it more accessible. It has strengthened its processes as well, and our report picked up the fact that it started doing upfront data checks on the records to make sure that incorrect payments are not made in the first place. The audits that PAGS does with providers are now more detailed, so it will dig down to get to the bottom of any problems that it identifies rather than just issuing an opinion.

[213]   It has also got a bit tougher in using some of the harder-edge processes. It uses what it calls self-audits, which makes providers verify all their records through time and go back to where they identify a weakness. This can be quite onerous, but providers have told us, 'Yes, it is a real pain to do this but it does actually make us understand our systems a lot better and we can get to grips with what we really should be doing'.

[214]   On the harder edge, it freezes the funding levels of providers that do not make progress sufficiently quickly, and it has done this in 10 instances. Also in its armoury is the capacity to terminate contracts on audit grounds, but it has not had the need to do that yet on these particular grounds, although it has terminated contracts for other reasons, which I will refer to later.

[215]   The second part of our report is around learning quality. Again, the main message is about the results, which is that the quality of work-based learning has improved significantly over the past four years. The Assembly Government conducts annual provider performance reviews, or PPRs. In 2005, just 2 per cent of the providers scored 'excellent' for learners' achievements and experience, whereas 43 per cent had scored 'some concerns' and 15 per cent 'serious concerns'. By this year, 30 per cent had an 'excellent' score, with 4 per cent having 'some concerns' and none with 'serious concerns'. So, that is a significant improvement and it is not just the Assembly Government's figure that shows this, but Estyn inspections provide independent evidence of improvement. In 2004-05, just 14 per cent of providers were deemed to have achieved good or better standards of learning in Estyn inspections, but by 2007-08 this had risen to 85 per cent.

[216]   I will explain a little bit about what the Assembly Government has done to contribute to this improvement. In 2007, it retendered all the contracts for work-based learning. In line with the Audit Committee's recommendations at the time, it based its assessments for retendering primarily around quality of learning provision, and, in that process, it did not renew the contracts of 13 providers because they did not meet those quality criteria. Many providers whose contracts were renewed had to develop and implement an action plan based on the known weaknesses identified through the process, and this was monitored by the Assembly Government. Providers told us that this clearly signalled that the Assembly Government's priority in looking forward would be quality of learning provision.

[217]   The Assembly Government has also got tougher in its performance management. Where providers do not have a satisfactory PPR score, their funding is frozen and they are required to develop an action plan to address weaknesses. Moving on from that, the Assembly Government terminated one provider's contract because it made inadequate progress against its plan. It also terminates the contracts of providers that fail an Estyn re-inspection—if, on re-inspection by Estyn, they have not done what they are supposed to, the contract is terminated, and it has done this on two occasions.

[218]   An issue that has come up in our discussions with some of the providers that we have spoken to is that performance management rightly focuses on outcomes for learners—achieving qualifications and moving on to employment. However, some providers in our survey sample told us that there was some concern that this creates an almost perverse incentive in that they focus on getting people who are more likely to achieve a qualification or more likely to go on to employment, whereas some of the people who might benefit most from this are those for whom it is perhaps more difficult to reach that education attainment or who have further to go to reach employment.

[219]   The Assembly Government is aware of this and is taking steps to address the issue. It provides a guarantee for learners on a SkillBuild programme and it is also introducing a new approach in its quality and effectiveness framework, which will replace the PPR. Its intention in the new framework is to take account of the distance travelled by learners—how far they

have progressed by taking part in work-based learning, even if they do not go on to actually qualify or take up a job. So, providers are not necessarily disadvantaged for taking people on; those achievements will now be recognised more.

[220]   The third part of our report focuses on the broader lessons learned. The Audit Committee's report made two recommendations that were aimed at applying those lessons more broadly across other Assembly Government projects. We found, as Jeremy explained, that although the Assembly Government had identified the key lessons, those were very much contained within the single department. It did produce a paper that was put to senior managers across the organisation, but the lessons were not systematically applied or shared more broadly. We found evidence that the department itself had applied some of those lessons. For example, in relation to work-based learning, difficulties were experienced around introducing the new funding payment system, and it has worked closely with providers. That was one of the key lessons from that earlier work.

[221]   The difficulty has been that when the Audit Committee made its recommendations, the Assembly Government did not really have a formal process for applying lessons learned from audit across its organisation. It was very much based on each department taking responsibility for those recommendations. The Assembly Government is currently going through significant organisational change with its streamlined management structure, and it intends that that new structure and new support arrangements for the director generals will enable shared learning in key areas like audit, governance and management processes, and that that will be taken forward as those arrangements are laid out.

[222]   I think that that covers the main elements of our report. We are happy to take any questions that the committee may have.

[223]   **Jonathan Morgan:** Thank you, Mark. Are there any particular questions or observations? Mike German, you are first.

[224]   **Michael German:** On that last section on the lessons learned, you say in paragraph 17 of your report that:

[225]   'We found evidence that DCELLS had applied some of the lessons'

[226]   and then you list some of the lessons. Could you indicate the lessons that it has not learned?

[227]   **Mr Jeffs:** I am not sure that we have gone through them in reverse order, if you see what I mean, to see what lessons it has not applied. I think that we can pick out the lessons that it has identified, and, from the work that we did on work-based learning, we can see an example of where a lesson was applied. I do not think that I can say that we—

[228]   **Michael German:** Clearly, to make the statement there must be some shortcomings that you have identified.

[229]   **Sir Jeremy Colman:** No, I think that it is a matter of logic, if I may say so. We found evidence that it has done something in some cases. The absence of evidence is not the evidence of absence, if you see what I mean. So, in the other cases we have not particularly found evidence of activity, but it is rather hard for us to prove that it has not, nevertheless, learned the lessons, because officials can learn the lessons by reading the report and saying, 'I must remember that for the future' but there will be no evidence for us to audit. So, it would not be correct to interpret that sentence as an implied criticism, and it was not intended as such.

[230]   **Michael German:** I have a brief question on recommendation 2, about the meaning of the word 'practicable'. What is a practicable basis for payments? I feel that I would like to understand the definition a bit better.

[231]   **Mr Jeffs:** I am not sure that I want to defend that word, really. [*Laughter.*] I think that it probably—

[232]   **Michael German:** You do not have to, that is fine.

[233]   **Mr Jeffs:** I think that it should be 'practical'. It is about the need to develop a basis for making those payments that works in work-based learning, given the particular circumstances of not being in a classroom, given the flexible hours, and given the way that people learn in that context and the much more concentrated kind of learning that goes on. So, it is about moving towards coming up with something practical rather than practicable.

[234]   **Michael German:** Thank you, that is very helpful.

[235]   **Janet Ryder:** I want to ask you again about this application to Government departments. When you say that it has not been applied across all departments, do you mean all departments within the education sector or all Government departments?

3.30 p.m.

[236]   **Mr Colman:** All Government departments.

[237]   **Janet Ryder:** So, on the points that you have raised about the uncertainty of monitoring and controlling and working with groups using large sums of Government money, could we ask whether that has been applied to the Communities First programme that we are looking at?

[238]   **Mr Colman:** Indeed, that would be a reasonable question.

[239]   **Janet Ryder:** Thank you.

[240]   **Jonathan Morgan:** Are there any other observations? We need to decide how to respond. I have my own view, but are committee members charged in one particular direction or another? Shall I express my view as the Chair?

[241]   One of the first acts of this committee under its new name will be to write to the Government to thank it and to welcome the fact that our recommendations in 2007 were clearly followed through, except where there are issues around lessons being learned systematically. We have to recognise that improvements have been made, and it is right that the committee acknowledges that. We should ask for a response as to the difficulty in not ensuring that these lessons were learned outside the Department for Children, Education, Lifelong Learning and Skills. However, I do not think that there is a need to invite the accounting officer in. It is probably just a question of writing to the Assembly Government asking for a response and asking it to focus specifically on that particular issue. Do you think that that is fair?

[242]   **Michael German:** You could ask it what it would suggest as a practical basis for making payments.

[243]   **Janet Ryder:** I can accept what you are suggesting, but I would like to see in that letter some question about how the Government believes that it is applying that lesson to other departments outside DCELLS. We can cite the investigation that we are undertaking at

the moment into Communities First. Have those lessons been applied to this, and can they give us examples of how they have been applied? If they cannot give us those examples, I suggest that there would be grounds for inviting someone in to give further evidence.

[244]   **Jonathan Morgan:** Okay, I am satisfied with that. Are there any other views? I see that there are none. Thank you very much.

3.32 p.m.

Cynnig Trefniadol
Procedural Motion

[245]   **Jonathan Morgan:** I move that

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

[246]   Are there any objections? I see that there are none.

Derbyniwyd y cynnig.
Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 3.32 p.m.
The public part of the meeting ended at 3.32 p.m.