

Cynulliad Cenedlaethol Cymru
Y Pwyllgor Cyfiawnder Cymdeithasol ac Adfywio

The National Assembly for Wales
The Social Justice and Regeneration Committee

Dydd Iau, 19 Hydref 2006
Thursday, 19 October 2006

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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 o'r Cynulliad yn bresennol: Michael German, Janice Gregory (Cadeirydd), Mick Bates, Sue Essex (y Gweinidog Cyllid), Edwina Hart (y Gweinidog dros Gyfiawnder Cymdeithasol ac Adfywio), Mark Isherwood, Ann Jones (Cadeirydd, Pwyllgor Llywodraeth Leol a Gwasanaethau Cyhoeddus), Laura Anne Jones, Huw Lewis, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas, Leanne Wood.

Swyddogion yn bresennol: Paul Dear, y Gyfarwyddiaeth Gymunedau; Trish Fretton, y Gyfarwyddiaeth Gymunedau; P Gareth John, y Gyfarwyddiaeth Gymunedau; Joanne Jordan, Cyfarwyddwr, Uned Diogelwch Cymdeithasol; Dr Emyr Roberts, Cyfarwyddwr yr Adran Cyfiawnder Cymdeithasol ac Adfywio; Francios Samuel, yr Is-adran Dai; Lynne Schofield, y Gyfarwyddiaeth Gymunedau; Anne Stephenson, Cyfarwyddwr, y Gyfarwyddiaeth Gymunedau; Linda Whittaker, Cyfarwyddwr Tai.

Gwasanaeth Pwyllgor: Dr Virginia Hawkins, Clerc; Claire Griffiths, Dirprwy Glerc.

Assembly Members in attendance: Michael German, Janice Gregory (Chair), Mick Bates, Sue Essex (the Finance Minister), Edwina Hart (the Minister for Social Justice and Regeneration), Mark Isherwood, Ann Jones (Chair, Local Government and Public Services Committee), Laura Anne Jones, Huw Lewis, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas, Leanne Wood.

Officials in attendance: Paul Dear, Communities Directorate; Trish Fretton, Communities Directorate; P Gareth John, Communities Directorate; Joanne Jordan, Director, Community Safety Unit; Dr Emyr Roberts, Director, Social Justice & Regeneration Department; Francois Samuel, Housing Division; Lynne Schofield, Communities Directorate; Anne Stephenson, Director, Communities Directorate; Linda Whittaker, Director of Housing.

Committee Service: Dr Virginia Hawkins, Clerk; Claire Griffiths, Deputy Clerk.

Dechreuodd y cyfarfod am 9.30 a.m.

The meeting began at 9.30 a.m.

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Janice Gregory:** Good morning, everyone, and welcome to the Social Justice and Regeneration Committee. First, I would like to welcome our visitors from the Local Government and Public Services Committee—the Minister, the Chair and members of the committee—for item 3 on the agenda.

[2] Before we move on, I have the usual housekeeping tips. If anyone has a mobile phone, a BlackBerry or a pager, please ensure that they are switched off. There is no fire drill today, so, if the fire alarm sounds, we will be asked to leave the committee in an orderly fashion and follow the instructions of the ushers. The National Assembly operates through the media of Welsh and English, and headsets are provided for simultaneous translation. The translation comes through on channel 1 and the amplification of sound is on channel 0.

[3] I have received an apology for absence from Sandy Mewies, who, I understand, is recovering well. I have sent her the good wishes of the Social Justice and Regeneration Committee, for which she was grateful. If there are declarations of interest, I invite you to declare them now. I see that there are none.

[4] We have a full agenda this morning, so without further ado, I would like to move on.

9.32 a.m.

**Cofnodion y Cyfarfod Blaenorol
Minutes of the Previous Meeting**

[5] **Janice Gregory:** Are there any comments on the minutes of the previous meeting of the Social Justice and Regeneration Committee? I see that there are not. We will start as we mean to go on.

Cadarnhawyd cofnodion y cyfarfod blaenorol.

The minutes of the previous meeting were ratified.

Sesiwn ar y cyd gyda'r Pwyllgor Llywodraeth Leol a Gwasanaethau Cyhoeddus: Rhoi Rhaglen Cymunedau yn Gyntaf ar Waith
Joint Session with Local Government and Public Services Committee: Implementing the Communities First Programme

[6] **Janice Gregory:** I am delighted that we have members of the Local Government and Public Services Committee here. I do not need to remind my members why we are undertaking this joint meeting for the first session. We have a paper before us; we have all had the Communities First report, so I ask the Minister for Social Justice and Regeneration, Edwina Hart, to introduce the paper. Once she has done so, I will invite questions and comments from Members, which I will take in blocks of three.

[7] **The Minister for Social Justice and Regeneration (Edwina Hart):** Thank you, Chair. The report before Members on Communities First is quite substantial. Members of the Social Justice and Regeneration Committee are well-versed in the discussions on the Communities First programme and I do not think that it would be particularly helpful for me to give a long introduction. The programme has been running for a long time and there has been a lot of interest in it in Plenary and so on. I am sure that Members will have read the paper and will have several questions.

[8] **Janice Gregory:** Thank you, Minister. I ask Members to indicate if they have any questions. We will start with Catherine.

[9] **Catherine Thomas:** As a former member of the Social Justice and Regeneration Committee, it is nice to be visiting.

[10] I would like some feedback on how you think the Communities First programme is sitting alongside other regeneration programmes. Do you think that there is sufficient complementarity? Are the programmes working well together and pulling together, rather than pulling apart and going in different directions? The recent consultation on convergence funding stated how important it is that there is co-ordination of programmes in order to maximise their benefits.

[11] I also have a question relating to local authorities. In Carmarthenshire, support from the local authority is good and it has given Communities First, as a programme, the status that it warrants. Several months ago, working with service heads and departmental directors—and the Minister attended this event—it attempted to ensure that Communities First is factored into any key decisions that are made. Is this being replicated in other parts of Wales?

[12] **Laura Anne Jones:** What will the exit strategy be, once Communities First funding ceases? I am thinking particularly of a community sports development project in Pill, which I went to see the other day. That project relies on three lots of funding, but the largest chunk is Communities First funding. This worries me, and it also worries the programme, because all the good work that it is doing will be stuck if Communities First is pulled out.

[13] **Mick Bates:** I am pleased that there is an endorsement in this report of the principle of Communities First. Given that many of us have experience in this area, we appreciate some of the difficulties of moving through the developmental stage into regeneration once you have built the capacity. Laura's point about how you sustain funding levels is an important factor.

[14] I draw attention to the partnership functions that are described here, and the need to develop performance indicators. Could the Minister develop this theme a little? There are good examples of how pilot schemes should work, and how that has taken place. When these indicators are put together, so that you can assess the partnership level in all the Communities First projects, would the Government intend to see intervention taking place on those performance indicators, given that they may be done quarterly, let us say?

[15] **Edwina Hart:** On Catherine's comments, programmes are not always successfully integrated to support Communities First across Wales. I would be a liar if I pretended that everything was hunky-dory in that regard. There is still a lot of selfishness about the need to share budgets and maximise the approach to help Communities First areas. We hope that the new guidance that we will be doing on regeneration and other issues will help with this matter.

[16] Not all local authorities have been as successful as Carmarthenshire in integrating this approach, by ensuring that the heads of their policy divisions and services are integrated into this approach and understand Communities First. In some parts of Wales, this has not been the case at all. There are problems in some local authorities, where they have handed over the running of Communities First to the voluntary sector, and now want to pull it all back; it is too late to pull it all back if you have started to do things in a different direction. The problem then is that, when they start to pull these issues back, they start to be concerned that they are losing their political clout on Communities First. The whole purpose of Communities First was not about political clout for local government—it was to work with communities genuinely, and to bring extra value in through the involvement of local government and other agencies.

[17] Therefore, to be honest with you, Catherine, not all local authorities are in the same position as Carmarthenshire, in their agreements or in the practical way that they work, and there is much further work to be done there. However, as Sue will agree, there is also much work to be done at the centre, in terms of how we get the budgets to meld together much better, regarding how we will enhance the work. We have been successful in some key areas. If you consider Communities First in the light of Blaenau Gwent's experience, in terms of how money has come in from other strands, to build around Communities First, that has been successful, but it is not the case across Wales.

[18] Laura Anne asked about the exit strategy. This comes to mind 10 years after the start of the programme, and we will have to consider what type of exit strategies will need to be undertaken. They will not just finish bang on 10 years—some projects will be into the next 10-year phase. However, if you are looking at an exit strategy, you have to look at a two to three-year exit strategy, so that you have the opportunity to consider other sources of funding. When you see how good some of the partnerships are, they will start to make money for themselves and some of their projects after the initial 10 years. However, many partnerships will not be in that position. Therefore, that will require much discussion as we move up to the 10-year anniversary of Communities First. We must not withdraw things like that; it will take a sensitive and sympathetic approach for the good work to come out.

[19] Pill has not been an easy area in terms of the work that has come together. However, there are some good partners in Pill now, who have taken these projects forward. There is a black and minority ethnic community at the heart of some of these projects, and you need to recognise what significant work has been done to get to the current stage, in terms of the relationships that exist under Communities First. We have been quite keen on that.

9.40 a.m.

[20] There is an endorsement of Communities First, Mick, and we all recognise that it is not a standard regeneration programme. That has come out in the findings. Communities First is about giving people a voice, at the end of the day, and helping them to get their voice heard, is it not? The real value of the programme is not in what I say, or in what any of you say; the real value is in what is said on the ground. You only have to ask some members of Communities First partnerships what they feel, and they will say, 'We are content with it'. Others will say, 'I am not quite sure about it', and others will ask, 'Is it working?'. However, more people are telling me that they are happy with the way that they are progressing.

[21] Another important point that has come out in the review is the acknowledgment that we were right, as a Government, to take a hands-off approach. It should be a genuine bottom-up approach. You will know that it goes against my nature to take a hands-off approach—I would sometimes like far more intervention in the programmes, as, I think, would most of us around the table. However, it has been proved that the approach of allowing people to do what they want in their communities has been good.

[22] The issue of performance indicators is complex, Mick. I am not sure what we can have in terms of performance indicators to measure performance at the end of the day. It is something that I would be more than happy to come back to—I do not know if Anne wants to comment, as head of the division—perhaps for a specific discussion. I can put something together for a meeting of the Social Justice and Regeneration Committee in terms of how it would work. I do not think that it would just be for performance indicators on my side of the house. The important point is how performance indicators from elsewhere are assessed. Performance indicators for local government might need to be in there, in terms of how we draw all the strands together. What happens in the economic development field? They will all need to be brought in. Even though we have alluded to it, I probably need to do something more substantial if we are to have a genuine discussion.

[23] **Ms Stephenson:** Just to reiterate that, when we discussed this in the committee in the summer, we mentioned that Rhondda Cynon Taf had been piloting a local evaluation model. Our view, and the view of the Minister, is that we should start to roll that out now across all the other local authority areas, because it provides a really good foundation for getting to performance indicators. We can certainly provide an update on how that goes later on.

[24] In addition, on linking funds, we are trying to do a lot of work behind the scenes, on which we can give you an update, trying to link our work with that of colleagues in other areas to ensure that this joined-up approach that you have mentioned is taken forward.

[25] **Gwenda Thomas:** First of all, I commend the action of the Welsh Assembly Government in introducing Communities First and I celebrate significant successes in my constituency. However, I refer to the first page of the executive summary of the review, which mentions 10 partnerships based on imaginative proposals. How has this review dealt with reviewing those 10 partnerships? There is reference to some interest groups, but in my constituency—on the boundary with Carmarthenshire—you will find the only partnership in Wales that was based on a cross-boundary initiative. I am not satisfied that the review has looked deeply enough into the effectiveness of this partnership, as I have some concerns about how it has worked. This partnership was not based on the 100 most deprived communities according to the 2001 census. There was one qualifying ward—that of Lower Brynamman—under those proposals. This partnership has grown and we are now in a position where just one village is excluded, namely Cwmllynfell. Given that the proposal in the first instance was not based on deprivation, but rather on an imaginative proposal, I feel that it would be helpful at this stage to review, in detail, the effectiveness of that partnership. I am not saying that all is bad, but I have concerns. An in-depth review of that proposal, given that it is the only one in Wales, would be helpful. I also have my concerns about language policy. Every job advertised by that partnership has been advertised with the ability to speak Welsh as essential. I do not think that anyone would defend the Welsh language more than I, but, as every job has been advertised with that criterion up to now, some people have been excluded from applying. Advertising the ability to speak Welsh as essential indicates that a high level of ability in the language is needed. If it had been advertised with the ability to speak Welsh as desirable, more local people might have felt able to apply. So, it is not all bad, but we need to review the partnership now in order to ascertain the best way forward on this unique initiative in Wales.

[26] **David Lloyd:** I wish to respond kindly to your welcome to us, as the Local Government and Public Services Committee. To follow on from the Minister's last comment, I am trying to get a handle on how Communities First is developing with regard to scrutiny—as a committee member, rather than someone who is a member of a specialist review body. I wish to know how well Communities First is doing, following the conversation about robust performance indicators. Communities First has been going for five years now. I am more than aware of the excellent work happening in the four Communities First areas in Swansea—Townhill, Penderry, Castle and **Graigfelen** in Clydach. Some excellent work is being done and there are some excellent partnerships, but I cannot get a handle on what that work is doing for those communities in terms of its effect on the poverty and deprivation factors that put those four wards in the top 100 in the first place.

[27] It has been going on since 2001, and many people are saying nice things about the Communities First areas in Swansea, but I want to know what difference it is making on the ground; it is not obvious to me from reading the report. There is a great deal of talk about the soft indicators, such as whether everyone is working together, but I am not in a position to judge that. As a committee member who has to scrutinise performance, I want some hard facts and figures comparing where we were in 2001 with where we are now, and with where we would hope to be in another five years.

[28] **David Melding:** Dai Lloyd's remarks are quite important. The report does look at evaluation and monitoring, and it says some very important things. With regard to public service delivery, and linking that to the Beecham report, which is very important for our committee, I wish to make some remarks, because I am not as sanguine as the Minister. I accept that community involvement is a necessary thing to achieve for the success of the programme, but it is not sufficient in itself. What will measure the success of the programme is whether public service delivery is altered, and that is emphasised—in rather mangled language, it must be said—with the term 'sustained mainstream programme bending'. I think that that means how public services are altered in their delivery, to be co-ordinated better and to respond more to local need. I wish to pursue that issue.

[29] Paragraph 1.2.10 of the report states that there is a lack of co-operation from public service providers. This is reflected even in your department—in terms of how it connects to the rest of the Welsh Assembly Government—with its silo mentality. I know that I am saying very direct things and that your officials are present. However, this report does not pull punches; it is mostly on amber, and it flickers to red rather too often. It also refers to resistance from councillors to the type of agenda that now needs to be pursued. These are quite bold things to say. It is good that an interim report is so confident, and I am not delivering accounts of perfection; this is an incredible vision and it could not be achieved in five years. To some extent, although we want to see evaluation and monitoring, you could not expect dramatic outcomes between 2001 and 2005. This is a big cultural change, but this report is saying that there is a great deal that needs to be fixed, and the Welsh Assembly Government has to do a significant amount of work to convince us that that is happening. At the moment, the report states that there is little evidence so far of long-term sustained change. All right, you would not expect it just yet, but you would want to see the green shoots of that change, so I want to know how the Government will take this forward—how open are you to this criticism, or are you in a state of denial? You could always point to good work that is going on locally; that can always happen, but we know from the reviews of social services that, if you ask the service users, they will give you a really good response in terms of satisfaction, but when the inspectors go in, they find that the services are dangerous and failing. We have to be realistic in scrutinising the work of the Assembly Government.

9.50 a.m.

[30] **Edwina Hart:** I will kick off with you, David. I can assure you that, if I had any fears about evaluation, I would not have commissioned an evaluation report. I actually welcome the evaluation report, as I think that that process is run very well. The findings take on board what is happening in terms of the programme development and what we have done. Our new Community First guidance draws extensively on what the report tells us.

[31] The evaluation clearly endorses Communities First in helping communities to fulfil their role and contribute to regeneration in communities. The evaluation also presents confirmation that our confidence in local people is paying dividends, and this will benefit generations. Also, it is a solid foundation for community participation, experience and knowledge that will eventually deliver the aims. This is not an easy task, and the Assembly Government's focus on capacity building has been vindicated in the report as a prerequisite for regeneration. I take on board very much David's points that, in five years, almost, you are looking at a bit of it, but that, in 10, you will really have to have it. Also, I think that some of it has been quite positive: the innovation has resulted in the need for learning as the programme has been developed, but there has been a flexibility that has allowed local solutions in communities, and this should be maintained. That is not apparent in any other programme that has ever been operated by Government anywhere, in that you can actually say to local communities that you are going to do something different and fix what needs to be fixed. The fact that we focused a lot on youth projects has been enormously beneficial, and that has been vindicated, because that will also eventually have an impact on the mainstream provision, in terms of what we are doing in Communities First.

[32] My officials and I are actively engaged in this evaluation, and we took up the findings to act in an exemplary way, because we are not frightened by them in any shape or form as we want to use them to get best practice and value in the programme. The majority of partnerships have been successfully developed; whether they are small or large, they are starting. The trust funds have been successful, and the increase in staffing resources and so on has been good. So, linked to the evaluation, and taking in Dai's point, we are going to monitor baseline statistics in Communities First areas, because we need the statistical information that we did not have at the beginning. I recall a long discussion in committee a couple of months ago, with Leanne leading the way, on the issue of looking at baseline statistics to get an evidence base—that is not necessarily an expression of mine—through the system in terms of how we deal with matters. For example, we will have information on the income and economic activity levels in Communities First areas from 2001, and then progress that to see whether we can get some real figures into the discussion. However, it is difficult to do so in such a broad programme because, if there are changes in the community, they will not all necessarily relate to Communities First: there could be changes because new businesses have been set up there or something has happened with a local authority development. So, the picture is complex in trying to get at the figures that Dai wants.

[33] To go back a stage, in this evaluation we are enhancing the Beecham agenda, because some of the issues picked up by the evaluation go to the heart of Beecham, in terms of the delivery of services and how we deal with matters. That is an enormous challenge for us, as we have produced Communities First and, now, the Beecham report, and we need to implement that constructively. Also, with communities, we must recognise that it will not just be about local government services, but about voluntary sector involvement in delivery across these partnerships, which I think will be very important.

[34] On Gwenda's point, they did look at some of these cost-cutting elements in different partnerships, but perhaps not to the level that is required. I am perfectly happy to take that point further, because some of the partnerships are innovative but, at the same time, there are many lessons to be learnt from them about what has not functioned properly. Your point is that we started off with a highly innovative partnership, and that we now have one tiny bit of that area out of the partnership, and I am not sure that we have got it right in terms of the cross-border issues. It is difficult for local authorities and communities sometimes. The communities work together better than the local authorities across the board. That is a lesson that I may have to explore further because I think that it will help us to use the Beecham agenda, if I can do some more work, as Gwenda has suggested.

[35] I am mindful of the point that Gwenda made on language policy. I have asked officials to speak to the Welsh Language Board about this because there is an issue in the communities that you mentioned. One is an English-speaking village, I would say, and the rest are Welsh-speaking villages, so perhaps the use of the word 'desirable' would have been more pertinent if we wanted somebody who perhaps came from the English-speaking base of that community. However, the wonderful thing about Communities First in terms of language is that many of the partnerships are Welsh-language partnerships because of where they are. It is wonderful to see the language working in terms of work and development in communities. We had a very strong position on the use of the Welsh language when we did our report for my directorate about what we did.

[36] On a final point, it is easy to pick up on things from this evaluation. I can pick up on as many good things as David and anybody else can pick up on bad things. However, I accept the evaluation as a whole and we have prioritised the work that we need to do to live up to the points that were made in the evaluation. Evaluations are pretty scary things for departments and Ministers but, at the end of the day, if you do not pick up the points from them, you should be condemned for it. Cambridge Consultants made some very valid points that we are taking forward.

[37] The nice thing about Communities First is that, even though we have differences of opinion across the table about how it works, there is not one party here that does not agree that we should have a programme such as this, and that is important in terms of the security that the Communities First areas have, as the four political parties agreed that there should be such a programme.

[38] **Janice Gregory:** Thank you, Minister.

[39] **David Melding:** Would you allow a question?

[40] **Janice Gregory:** Be brief.

[41] **Edwina Hart:** Only because it is you, David.

[42] **Janice Gregory:** I am being tested.

[43] **David Melding:** I accept much of what the Minister has said in terms of taking the evaluation as a whole and moving forward, and I hope that I was measured in my remarks. You have also issued guidance, as you have indicated. What about the structure of the department and how that relates to the broader community and local service providers, and also to other parts of the Welsh Assembly Government? Will that be looked at? There was a lack of skills early on. I do not know whether that has been resolved or whether there are still some problems. How will you review that?

[44] **Edwina Hart:** There was an issue in the first instance about the skills agenda, because there was a very different skills agenda among civil servants in terms of understanding perhaps some of the work that needed to be done in these areas. We have strengthened that enormously. Perhaps Emyr would like to comment from the staffing and structures perspective.

[45] **Dr Roberts:** I can say positively that we work very closely with other departments in the Assembly Government on Communities First and all other initiatives. We can only achieve social justice objectives by working with the department, and I spend a lot of my time making those linkages. At an operational level, Anne and the team link very closely with colleagues across the piece, and particularly in terms of the guidance that is going out from the various departments. For instance, we are working closely with the Health and Social Services Department on the health and wellbeing guidance at present and we will work likewise on the community plans, which will be key guidance for local authorities in moving forward. If there are particular issues, I would be happy to take them up, but we do work very closely with the other departments across the piece.

[46] **Edwina Hart:** There was, to be fair—because I was not criticising the way in which David made his points on this—a bit of criticism in the emerging findings about the Communities First support network and the support-fund organisations in terms of the type of support that they were giving. We recognised, in the early years, that that was definitely the case. They have been restructured following internal action research on issues and evaluation to provide more generic support and to support generic workers, which will help with some of the practical issues.

[47] As part of the report, concerns were also expressed about support for the national organisations. To ensure openness and competition, we will have another procurement exercise on some of these issues to ensure that we get the right things out of it. So, we have taken on board the recommendations that have come through from the evaluation in those areas.

[48] **Janice Gregory:** Ann will comment next, followed by Mike and Sue.

10.00 a.m.

[49] **Ann Jones:** Thanks for allowing us to come and join you, Chair. It is interesting. In her comments, the Minister was honest when she said that there are problems in some areas and some community partnerships have not made the grade or are still attempting to make that grade. Are you, as the Minister, and your committee looking at how you could give additional assistance to the partnerships that are failing or lacking at the moment or have not started on their programmes for one reason or another? How do you take into account the fact that if they are so far behind, it can be difficult to evaluate their progress? If you have areas where you have community development workers who are attempting to work with the community to build capacity, but the community thinks that it does not need capacity building and that it is able to take charge of its own affairs, how do we put that into the delivery of services to benefit all of the community?

[50] There is a danger that Communities First partnerships have just replaced failing county council departments. Where the county council has failed to deliver services in those communities, a Communities First partnership has set itself up and gone through that rigorous task, yet all that it has done is replace the poor services of the council, leaving the very vulnerable people, whom we should be helping, in the same state as they were before, thinking, 'We are the goose that lays the golden egg and no-one is going to lift us out of poverty because on the back of our misery they can draw down enormous grants'. We have to address that in the second half of the Communities First projects and work with the recommendations of the Beecham report, 'Making the Connections' and all public services, and with those communities, to pull them up for them to see their worth. I am worried that those partnerships that are not even on the starting line for the race will never get to the finishing line before 2011 or even by then. How can public services best address those issues across the piece?

[51] **Michael German:** I would like to pick up a couple of the points that were made earlier. First, I think that this is a challenging document and it certainly presents the Government with a difficult agenda for the future, and one which will take some delivering. From reading the document, the objective of the whole programme is to provide sustainable, energetic and vibrant communities that are able to sustain their own livelihoods and for people to have better economic livelihoods. The key obstacle to achieving that objective, according to this report, is the partnership working. It then talks about 'programme-bending', 'agenda-bending'—'mind-bending' and all sorts of bending. I think that the word 'bending' is the wrong word to use because 'bending' has too many complications because of the word 'bent'. If you bend something and it is bent, it is not right. We ought to consider using something more sensible in the English language that means 'people working together more'.

[52] I would like to know from the Minister how the partners can be persuaded to change their ways of working. That is what the document is saying, so how do you achieve that? We have already been told, in the document, that the practical guidance that was issued by the Minister's officials was not robust enough to make that change happen, therefore, something has to happen within the Welsh Assembly Government. From the perspective of those who have the money—that may well be the local health service or the local authorities—in one way or another, their financial assets, in revenue or capital terms, must be transferred to or be used by the communities that they deal with. Could the Minister tell us whether asset ownership is a function or a key part of the future of this programme? How many of the current Communities First programmes have a community enterprise element that includes sustainability, in other words, a community enterprise that could sustain itself as opposed to one that is sustained only through public intervention? In a way, these are the fruits of being able to sustain yourself, in terms of having financial assets, because capital can give you the opportunity to get revenue from it, and you will be able to sustain yourself without having to bother other agencies for cash. All in all, this is a very powerful document, and one which will need revisiting regularly in order to understand how the bending is going on.

[53] **The Finance Minister (Sue Essex):** I just want to make some comments. A lot of this comes from my past experience; I worked on community regeneration for many years, particularly in the Valleys. There has been a long history of what I call spatial intervention in Wales, such as the original Glyncoed community development project. We also did it when I was in mid Glamorgan and, in Cardiff, when Mike and I were councillors, we picked out areas such as Ely and St Mellons. It is always difficult because, by and large, budgets and policies are made on a sectoral basis and not on a geographical basis. Communities First has been a very courageous attempt to try to cut across those sectoral interests to pick out geographical areas where you can define real problems.

[54] The difficulty for us and for local government is how then to change our policies to work in both a sectoral and spatial way, and this is where the Beecham review will help us to a certain extent. So, it is based on a geographical definition and on the principle of people working together as a way of facing some of those inherent difficulties. From my experience, I think that the second one is doable, but, by and large, it cannot be done in isolation—it has to sit within a framework of policy changes. For local government, the challenge has been whether it can collect budgets together in a spatial way. That is difficult for councillors because they all represent different areas. Nevertheless, it needs to be done so that you get a geographically consolidated stream for those areas, instead of the mixture that we have.

[55] The challenge is that it requires those councils to go back and rethink their policies, and how they deal with education and youth provision. That is where the link to the centre and to us must be. We must also bear in mind that 50 per cent of deprived people do not live in Communities First areas, and we must think about those people.

[56] I feel positive about this. None of this is rocket science—it can be done. The challenge is set out in the Beecham review for us to look at how budgets and policies are done, and to put them together in a very different way. It is no surprise that Catherine says that Carmarthen County Council is doing a good job, because one of the underlying facts about Carmarthenshire was that when it did its community strategy, it did an area basis alongside it. That was wider than Communities First, but it tried to look at where its money and policies were going, and to get them more orientated to those communities. For us in local government, and John Palmer and the team, when we look at community strategy work as well as the Beecham review, we need to think how that can support where Edwina and Huw want to take the outcomes of this report for the future. So, it would be good for us to have a dialogue across the piece on this.

[57] **Edwina Hart:** Thank you for your comments, Sue, because the Beecham review is an essential partner in terms of how Communities First will develop. However, I would like to say, knowing how local authorities are, that, just because we have a Communities First project running, that does not absolve local authorities of their responsibility to their communities. Some of the very real problems that we have had—as Sue knows at first hand in light of her contribution—lie with local government. One of those most fractious areas is in Rhyl. We have the most wonderful people who want to work there, yet it has been one of the most difficult areas in terms of dealing with the Communities First project. It is clear in the review that not all partnerships had a structure and framework to engage with partners. The revised guidance focuses on further capacity building, because Ann is right. What will happen to a partnership that has not got going, even though it is has had help and support, and even though there are difficulties? I believe that we must begin again, and give the partnership the benefit of the doubt, and try to get it moving forward. We also have evidence of partnerships where enormous conflict has stopped them from getting off the ground.

10.10 a.m.

[58] We are trying to get more support in that regard, and we have changed the arrangements for who will have the grant to administer to see whether it can make a difference within those partnerships. Inevitably, with such a large programme, these problems will occur, because every partnership is different and the leadership of every partnership is different. Some partnerships have been based on historic partnerships and have not allowed new people to come in, which has also caused conflict. So, it has been a difficult area. I think that Ann is right; there will have to be further work targeted into those particular areas and further support given. There might have to be more involvement, perhaps, from the centre in helping to set up some of those building blocks. I am very reluctant to do that, but I think that if time moves on, and partnerships do not move and communities are not being enfranchised, we will have to look at those issues.

[59] What Mike said is that this is an exceptionally difficult agenda. I cannot say that it is always easy to work across departments in terms of what you want to do with the Communities First portfolio. It is certainly not easy sometimes for local government to work into what is a very difficult agenda. Asset ownership is key to this, and I think that Newport has just transferred an asset to one of the partnerships. It is key that the partnerships should have assets, because they can then look at what community businesses and so on might emerge to make them more sustainable in the future. I know that there are some community businesses that are offshoots of Communities First partnerships, and that is almost like the second stage. The partnerships have done the capacity building, and now that they are solid, this is the stage that we expect them to move into, looking at what activities they can do that can give them revenue support, create some jobs, and empower them in a much more direct way—very much more according to European and some American models with regard to how things have developed in terms of community enterprise. The challenge of this report is to come back to it in two to five years' time and see how those issues have moved on. The opportunity for us is enormous. When every other department looks at an issue, a little flag should pop up with Communities First on it, so the issue of that how that integrates and is dealt with is raised. I am not certain that we have the answers for how we ensure integration yet, if I am perfectly truthful. This is why the report will be a mechanism, perhaps, for driving it forward.

[60] Sue used the word 'courageous'—sometimes that expression is used to mean 'foolish', is it not? Are courageous politicians foolish politicians? I think that it is courageous, but the point about Communities First is that, regardless of the brickbats, it is important to do it. That is what we have to bed down: it is important to do it. We have to get to some measurable outcomes. If there is a food co-operative set up at the end of the Communities First process, or a small catering business, or a cafe or anything, those have to be measurable outcomes somewhere along the line for Communities First. There might not be 300 or 400 jobs coming into the community, but there will be something sustainable in that community that the community has built for itself, and that is almost more important, in some ways, because it gives confidence to that community. Five years in, we are not at that stage. When we are 10 years in, we should be able to see some elements of that. If we go for another 10-year plan, which I think that we should do for some of these communities, we should definitely be able to see something sustainable at the end of 20 years.

[61] **Leanne Wood:** I will begin my contribution by saying that I support the idea of this programme and I am aware that there is a lot of good work going on out there in communities. However, we are here today to scrutinise the programme, so I wanted to put my comments in that context.

[62] The interim report states that there is not a shared understanding of what programme-bending means. A number of Communities First co-ordinators have said to me that they do not fully understand what that means. I think that people are working to different definitions, so there needs to be much more clarity as to what it means to programme-bend. We have already had some comments from others around the table about that. It also states that, on a national level, there are no strategic connections for Communities First and that there are not any policies promoting collaboration, and I think that that gets to the crux of some of the problems.

[63] I want to ask the Minister about Westminster policies that work against what you are trying to do with the Communities First programme. For example, there will be at least 6,000 civil service jobs lost in Wales, many of which will be in Communities First areas. Benefits offices are closing in Communities First areas. I have already raised with you before, Minister, the issue of schools closing in Communities First wards.

[64] Childcare facilities and a youth club have been lost in Blaenclydach in the Rhondda. The Communities First partnership helped to draw down £50,000 to renovate the school's schoolyard, which has now closed. That money has been completely wasted. If we are talking about programme bending, this is what it means in concrete terms. Some kind of intervention is needed to ensure that local authorities are considering the fact that these wards are Communities First areas, before they do things like close schools. I do not know whether you are aware—you probably are—of the Anti-Poverty Network Cymru report, 'Walking the Talk', which has been referred to this morning. It talks about the concentration of older men with particular skills who are involved in the partnerships. What plans do you have to try to increase diversity among the partnerships, and particularly in getting more young people involved? Youth provision is key in this, but we need young people planning their projects, and not just being involved in them.

[65] You also mentioned some conflict in some of the partnerships. Is there anything that you can do, centrally, to introduce some criteria whereby you can intervene at certain points during certain conflicts, because conflict can really hold back the work of a partnership? The baseline report still does not measure against your original aims, does it? It is useful information; it is basically census information and information from the Department for Work and Pensions, with a series of maps, which will be useful for partnerships. You set the original aims of job creation and raising local incomes, but you have no idea how many jobs have been created by the programme. You have been unable to answer that, despite my asking you a number of times.

[66] The First Minister said that 888 jobs have been created; at least that is a figure. We need a bit of honesty and we need to recognise that those original aims are pointless and should, maybe, be removed. We will never know whether this programme has reduced unemployment, because, as you said, there may be other influencing factors. Even if you can measure employment changes over a period of time, you cannot know whether that is due to Westminster policies or other organisations reducing unemployment. The same is true with income levels; you will not be able to measure them.

[67] It is a wish list, but it is now time to be honest and to scrap those aims, and also to admit that it is not a community regeneration programme. If you compare the money going into this programme with the money going into community regeneration programmes in England, it is a tiny amount. This is a community development programme, and a good one—I am a big supporter of community development because, when it works, it is great and it boosts communities, and people become empowered, which is an excellent aim—but we have to be honest in that that is the aim of the programme. It is not going to create jobs and it will not raise incomes—it may do, but if it does, we will never know. It is now time that you admitted that, Minister.

[68] **Mark Isherwood:** In a way we are on a ship on a voyage, and this is helping us to identify the icebergs on the way. Many of the icebergs have been well identified so we can, hopefully, adjust course accordingly, but there are others that have not been flagged up. I will try to flag them up now.

[69] It is noteworthy that, halfway through the programme, it concludes by saying that, for it to be a success, the programme must establish that the greater involvement of local people can promote better service delivery. It is worrying that, halfway through the programme, we are still saying that we have to establish that, but there are many reasons for that.

[70] I will go back to points 1 to 30, which refer to significant police engagement. I have been to some excellent community facilitation events chaired by the police, with packed halls of people helping to come forward with what they believe needs to be done in their own communities. The concern has often been that when they have collectively agreed on their top three priorities, they have found that their will has not been deliverable. That has created disillusionment, because grant applications via county hall are prioritised behind other priorities, often according to whose councillor represents where, but partly because it means accessing funding seen outside the programme to deliver the community goals within the programme.

10.20 a.m.

[71] All north Wales Assembly Members were invited, a couple of weeks ago, to a meeting of the police authority to explain its concerns about cuts—this was in its paper—which will mean moving police away from the community to do the work of civilian staff, who would have to lose their jobs. That was said by a cross-party group of police authority members. So, that is not directly within the programme's control, but is central to the programme and needs to be considered at a Wales and UK level.

[72] Reference has been made to the Rhondda Cynon Taf local evaluation model, which sounds encouraging. I attended an event at Plas Madoc early in the summer and Hafal, the association of voluntary organisations, in Wrexham told me that it was also undertaking work of this nature. That may also be worth looking at.

[73] On co-ordinators and the problems of co-ordinators working across several partnerships, I fully endorse comments on that. I have personal experience of growing animosity and confusion on both sides. The co-ordinator was feeling abandoned and unappreciated, but the community raised concerns with me in terms of what the partnership was not doing for the community. That was about a breakdown in communication at source. It is vital that we address that issue, partly through training, but the training must not only be focused on the co-ordinators themselves; we must also consider how to train the community leaders who invariably are the first to try to jump on board the partnerships—whether or not they are the most appropriate people—in order to help their understanding of how the programme should work and what the shared goals should be.

[74] On referrals through unresolved conflicts, you mentioned Rhyl, which is an urban area whereas you are dealing with rural isolation and ethnic minorities. I met Paul and other officers this summer, to discuss a rural isolation issue, where there was a concern and perception that political control was being imposed by elected councillors for whatever reasons. That is where your intervention will be essential.

[75] Moving on to local authority training, which is referred to later, could I suggest that you look at a map of the local authority change management programme involving training? Without securing buy-in into the goals and getting a true understanding, training alone will not work. You talk about the need for independent contacts in objective assessment for tackling blockages in partnership development, which I endorse, with those independent contacts assigned to senior local authority officers or chief officers in countrywide voluntary organisations. Local authority officers from the local authorities should not be directly involved, because there could be a conflict of interest there. They should be from other local authorities; that may be what is intended. Access to delegated conflict resolution in the context of what I said is absolutely essential.

[76] Finally, a key component in this is housing. Housing Forum Wales, as you will be aware, produced a manifesto for all parties saying that housing is creating a more divided Wales and that the consequences for social cohesion, reduced life chances and poor health are enormous. It is saying this in 2006; it also says that housing can improve health, drive community development and stimulate economic development and so on. Again, it states that unless those factors are married, we will have many worthy and commendable projects, but we will not deliver the sustainable goals that we all seek.

[77] **Janice Gregory:** Can you work your way through that, Minister?

[78] **Edwina Hart:** I am particularly interested in this conflict resolution business. I feel that we should be at the UN when we start talking about conflict resolution in terms of how many cases we have. However, conflict resolution and intervention is a serious issue and my officials spend a great deal of time speaking to parties about the importance of understanding each other's opinions on such issues. That is not easy stuff by any stretch of the imagination. One party or the other will usually go to an elected member, in some form, will make their case and then correspondence comes in from that direction and my officials explain that it is more a case of 50:50. So, they are difficult areas. However, some situations have been successfully resolved. There have been changes of personalities and there has been an understanding that you need to listen to the two sides and that everyone's opinion is valid on all of these issues.

[79] Mark referred to icebergs; I hope that we will not be like the Titanic and hit any of them. I think that we have safely navigated our way around some of them already. However, there were a number of issues in your contribution that are relevant to the report and which will be relevant in taking the report forward. I am particularly interested in what you said about the police. The police have been good partners in some Communities First activities. Obviously, policing matters are not devolved to us in terms of how they deal with their issues. I know that North Wales Police, in particular, is complaining about how much money it requires to do this, that and the other. Sue and I will get a clearer picture in terms of police budgets over the next few months. It is not just about having people out there with the police, but whether they engage with the communities as part of it. Sometimes, the police are not necessarily the people that communities have wanted to engage with in the first instance. It is good that the police are more proactive in engaging with communities about what they see as being the problems in communities. However, it is also important to get the right balance when discussing problems in communities with the police, because a certain generation may see young people as being the problem. That is why, in our discussions on Communities First, we have to balance the issues about young people to which you alluded.

[80] It is interesting that Communities First is doing so much on youth provision. We have seen local government almost withdraw from some areas of youth provision. We have not seen it come in with some of the new money that has come from the Assembly. Communities First has been filling the void when young people have been coming in saying, 'We do not want to be on your partnership board, but we want to tell you what we want'. I think that we have to be innovative in the partnerships. If they want to be on the boards and do it, then that is fine, but if they only want to set up a sub-committee to discuss one issue for which they want provision, then we should allow them to have that facility. However young people engage, it is important that we allow them to engage at the level at which they wish to engage and not enforce our structures upon them. That would be taking a step backwards and you do not then get that type of engagement. So, we have been successful in that area of youth provision, Leanne; we have done some good work in that area.

[81] Mark also looked at the Rhondda Cynon Taf model and a number of things have been looked at to ascertain which are the best models for looking at outcomes. It might be useful at some stage, Anne, if we started to collate who is doing what on this and to have a note about who is working in each area, because we could get the diverse opinions and look at issues.

[82] You spoke about training. There has been a problem regarding the lack of fully experienced co-ordinators and development workers. That came out of the report. We recognise that they need to be well trained. Jane Davidson and I have discussed this and have put together a small group. We are awaiting the group's recommendations on how we take forward that training agenda.

[83] Mark also alluded to training people involved in committees. I assumed that you were talking about people from the communities rather than the councillors; is that the case?

[84] **Mark Isherwood:** Yes.

[85] **Edwina Hart:** We do quite well in terms of basic training on how you deal with meetings and so on, but we want to work on their natural skills, because if people come forward to do something, they have natural skills which we want to enhance. We do not necessarily want to put them in a straitjacket with regard to how you deal with minutes and matters arising and so on; we want to get a much better flow in Communities First, which is more natural.

[86] I was particularly interested in Leanne's comments about the diversity in partnerships, which is an issue. We do a lot of work on diversity in partnerships to try to get more representative groups. There will always be an opportunity for those who do not have something to do, perhaps, to turn up at the partnerships, when what you want is people with a much wider experience coming in to do the business. You have to look at how partnerships meet, when they meet, childcare issues, and issues around carers. These issues should be discussed by the partnerships to increase diversity. We will look at the diversity breakdowns on partnerships as it might be interesting to do a piece of work to look at where a certain number of partnerships are in terms of the diversity of their membership. It will give us a good idea—even though it will not be particularly scientific—of the way that partnerships are going.

10.30 a.m.

[87] I know your views on the baseline report, which I understand. The First Minister referred to 888 people directly employed by partnerships. Those are solid figures. However, I am still of the view that this project that we have started will bring people into employment eventually, it will enhance skills—perhaps for them to develop businesses of their own—and, even though it has not been scientific up to date, I do not know whether it ever will be, in some ways. However, I believe that this is the right thing to do. There should be some sort of measurements at the end, but, sometimes, its importance will be that it has worked. It sounds terribly subjective, and perhaps I should not say that when I am being scrutinised on it, but that is what I feel about this project and how it is going, Leanne. You talk about what is going on in England, and I will check the English figures with my officials.

[88] However, the importance of this project is that it is a relatively small amount of money, but it is mainstreamed with all the other moneys that should be able to flow into it. Sue mentioned how we draw these strands together now—we use Beecham and we use the joining up of local organisations, which can enhance services, so that we have something more substantial at the end. I know that that will not satisfy Leanne, and that she will come back to me on my next ministerial report at the next committee meeting. However, the important thing is that this is going in the right direction.

[89] On Mark's final point about housing, we all know about housing issues. Housing is integral to regeneration per se. We do not need a report from anyone to tell committee members that. We are moving forward in that direction. We all know the economic benefits of regeneration projects. You only need to go to some of the renewal areas to see at first hand what has been done and what a tremendous difference that has made. The key is to integrate all this to get something good at the end of it.

[90] **Janice Gregory:** Thank you, Minister. Once again, I thank our colleagues from the Local Government and Public Services Committee. I am sorry that we have run over, but we have done well to only run over by 15 minutes. Thank you all for your attendance.

*Daeth y sesiwn ar y cyd i ben am 10.32 a.m.
The joint session ended at 10.32 a.m.*

Adroddiad y Gweinidog Minister's Report

[91] **Janice Gregory:** The Social Justice and Regeneration Committee will now move to item 4. I am sorry that you are not having a comfort break now—that will come later. I call on the Minister to speak.

[92] **Edwina Hart:** I believe that my report is self-explanatory. The only issue that I have to orally update you on is the transfer in the main expenditure groups. A sum of £30,000 for 2006-07, and £20,000 for 2007-08, will be transferred from the fire and rescue services revenue budget expenditure line in the SJR main expenditure group to the local government statistics unit BEL and the other Assembly services MEG. This will fund the provision of operational fire data collection for 2005-06 and 2006-07, undertaken by the local government data unit and funded via the service level agreement with the Welsh Assembly Government's Statistical Directorate. I will put that in writing, which will be easier.

[93] **Janice Gregory:** Thank you for that oral update, Minister.

[94] **Laura Anne Jones:** I welcome point 16 on the British Sign Language interpreters whom you will bring into the Assembly. Will they be present at all committees, and in the Chamber, for people watching upstairs, and so on? How will that roll out, and when?

[95] **Edwina Hart:** On BSL, I am delighted that we are funding this scheme. Decisions about what will happen will be a matter for the Presiding Officer; I am sure that the committee secretariat will be able to help with the arrangements that we put in place. It is an exciting project, which shows our commitment as an Assembly. I do not believe that something such as this would have happened before the Assembly, in terms of looking at some of these issues and developing them. It is important that our policies are seen to be mainstreamed in equal opportunities policies, and this is a key area.

[96] **Janice Gregory:** It is a success of our equal opportunities policies, which are also being driven forward by some Members.

[97] **Mick Bates:** Thank you for your report, Minister. I am pleased to read about the stock transfer proposals for Swansea. However, there are two issues that I wish to take up with you on this. I believe that we all understand the sensitivity of the process, but, strategically, it is immensely important, because it is the only way that we will drive the Welsh housing quality standard, so that that is achievable by raising the funds to do that. Could you give an indication of how much of the stock is currently being transferred in Wales? I am aware that there are difficulties, and this is such a fundamental issue. Do you have figures to show us how much has already been done in Wales?

[98] I have a similar question on the right to buy—it connects with many of the themes this morning about the lack of social housing and what currently is a low number of builds in social housing. The latest figures that I had showed that there was a demand for 2,500 houses a year, but the latest figures said that, currently, we build only 1,200 such houses in Wales. So, I wonder whether, in terms of item 2, where you mention a report on the right to buy, you have progressed any of the discussions about the suspension of the right to buy, despite the fact that the figures are reducing to a low level. It would be an indication of your desire to stop that happening in certain places.

[99] On item 6, I welcome what has happened in terms of the home energy efficiency scheme, and I note that in the full review—I cannot remember under which item—when there was feedback from the contractors, there was an issue with access to rural areas. Can you give us any hope that there may be extra funding to help roll out the scheme in rural areas? In addition, does wood come under solid fuel, in that other systems such as the pyrolysis of wood chips could be used in that regard?

[100] I have one other issue under item 14, on the cross-border vehicle recognition work. I welcome this report, because those of us in rural areas, where the numbers are low, depend on the use of modern technology to a large extent. This is definitely one of the best ways to give more security to isolated communities and farms. Can you give us an indication of how cross-border co-operation between England and Wales is working, for example, because this is often a critical part of where these things are placed? There are fixed ones and mobile ones.

[101] **Edwina Hart:** On the final point, I have a meeting with the police force chiefs scheduled for the beginning of November and I can take up that practical point about cross-border issues with them. On access in rural areas, I have my expert on these issues, Francois, here, so he can respond to that, if you do not mind, Chair.

[102] **Mr Samuel:** The question was about whether there was extra funding following on from the coal pilot scheme. The Assembly agreed to increase the budget by £5 million for this year and next year, bringing the total budget to £19 million, which will benefit rural areas in terms of providing coal as part of the scheme. The Minister has already signalled the intention to pilot renewable fuel schemes in those areas, so part of that extra funding will be available to those areas.

[103] **Mick Bates:** So, is wood a solid fuel that could be installed now?

[104] **Mr Samuel:** The changes that are being made at the moment are specifically to coal. We consider wood under the renewable heading, and when we bring forward the pilot schemes that the Minister has charged us with developing, wood will be considered among the other technologies.

[105] **Edwina Hart:** That is good news, because this—[*Inaudible.*—]—in terms of energy. Given energy prices and other issues, we have to see what is available for people in terms of the best heating solutions and so on.

[106] **Mr Samuel:** I will just say one thing about wood. There is an issue with the client groups that we are trying to deal with. In some ways, wood has some of the disadvantages of coal, particularly for the elderly. The other issue, if you are thinking of processed wood, namely wood pellets or chips, is the supply chain and ensuring delivery. There is a bit of a chicken-and-egg scenario there—you will know that the Forestry Commission is trying to develop an industry there—and there is concern about putting in the technology before the supply chain exists.

[107] **Edwina Hart:** So, we are looking carefully at these issues, as you can imagine, but it was useful for Francois to explain some of the practical difficulties and what we would like to do and how quickly we will get it.

[108] You spoke about the right to buy—I answered that question the week before last in my questions, when someone asked what discussions I had had with the UK Government. My answer was ‘None’, and everyone expected a long sentence after that. We have not made any progress. We will hopefully have the powers when we return. It is something that we must deal with. We cannot carry on, even though the numbers are going down, because we need that supply and we also need to engage a lot more in discussion with local authorities about what they need to be building and so on.

10.40 a.m.

[109] I come now to the controversial issue that you started with, which is stock transfer. It is a matter for local authorities to take these issues forward strategically. I have made it clear that no additional money is available in our budgets and that there is no additional money, as far as we are aware, from the Treasury, and we understand that the fourth option is not being considered in any way. Therefore, local authorities that have not kept their stock up to standard are between a rock and a hard place. Some local authorities will be able to deliver by 2012 without a stock transfer. There are land values in Cardiff that are appropriate. Others have looked at innovative proposals for dealing with it, but some have taken that option. The only authority that has gone out to consultation is Bridgend; discussions are ongoing in Swansea, Torfaen, Rhondda Cynon Taf and Monmouth. Other local authorities are taking stock of what is going on. This is a difficult decision for local councillors to make. In general, I do not think that they like to make this decision.

[110] Last week, Leanne raised concerns about literature. I am going to do something about that. I am probably going to produce an Assembly questions and answers document for the most common questions asked in order to give the factual position. I feel duty bound to do that, because I do not want tenants to be in a difficult position, wondering what is going on. It might be helpful if we can produce a document that explains the whole issue, including rent and the right to buy. That is important. It is our role to ensure the accuracy of information. Janice said that someone was asking her about the issue. People receive information from the council and from people opposed to this, and they do not know whether they are coming or going. That is not right, because they are making decisions about their future and their homes.

[111] We must intervene while we can, so Keith is doing further work on that. I will update Members on progress. If I do produce some literature on this, it will be something that people can use themselves. We will ask tenants groups whether they want to use it or send it out, and we will be flexible if that will help the discussion. It is a difficult matter to deal with. You must understand that we all feel that the fourth option would have been a viable option for Wales. It would have been nice to have that option, but we do not have those powers, and we never will have them with regard to some of these issues.

[112] **Mick Bates:** Do you have figures that suggest what progress is being made towards the stock transfer in Wales?

[113] **Edwina Hart:** I know what local authorities are talking about. My officials are making tentative enquiries all the time, but it would not be fair to talk about what some local authorities are doing because they are battling in their own minds about their plans. It is a difficult issue to deal with, and my officials have a great deal of discussion on it.

[114] **Leanne Wood:** The stock transfer issue is a difficult situation. I accept what you have said about the accuracy of information. You said that, in Swansea, the matter has been put on hold because of inaccurate information on the opposing side. Can you give some examples of inaccurate information? The literature that I have seen has been based on concrete examples of what happened in stock transfer projects in England five years ago and how those are having an impact now. It would be useful to know what information is considered to be inaccurate. Is it just a political disagreement regarding that information, because that would be a very different matter?

[115] I am concerned about the amount of money that councillors are spending on marketing this. They are campaigning for a 'Yes' vote. Once a council has made a decision to go down this route, it will put everything it can into achieving that. Therefore, the information is not balanced. People are getting information only from the official side, so it is left to campaigners and ad-hoc groups to provide information on the opposing side. Some councils must be spending £1 million on marketing, because some of the literature that they produce is of a very high quality. There are many issues around the right-to-buy issue. I accept your point that the fourth option is not an option, but could you do anything further to look again at working with local authorities to establish the true figure of the renovation bill? My understanding is that the amount needed is between £3 billion and £4 billion. I am aware that, for example, when a ballot was held in Wrexham, the authority over-inflated the figures, by the look of it, saying that each house needed a kitchen, a new bathroom and a full central heating system, when only 600 out of the 10,000 or 11,000 houses needed central heating. So if that is being replicated throughout local authorities in Wales, the figure will be much bigger than the reality. I understand that local authorities are basing their figures on samples, rather than full and thorough surveys of their housing stock. Perhaps more can be done on that issue. If the figure could be reduced, local authorities may be in a better position to meet the housing quality standard without having to resort to stock transfer. If that is possible, Government should be doing all that it can to enable that to happen. I have said enough on that issue now.

[116] On the home energy efficiency scheme, I notice that in the draft budget there is no increase for this line, which, in effect, is a cut in real terms. We have already talked about energy price rises and the large numbers of people experiencing fuel poverty. You already have a manifesto commitment to reduce the numbers of people in fuel poverty—does this mean that the commitment will not be met? Also, what priority is being given to devising sustainable energy solutions as part of the HEES scheme? Mick touched on this, but I want to know about prioritising and promoting that as a way forward.

[117] On Supporting People, you are probably aware, Minister, of the problems in Cardiff. Cymorth Cymru has raised with me issues about the recontracting of services for people with learning difficulties. There are concerns that a lack of respect for voluntary sector partners has been demonstrated, and that there has been little consultation with that sector and little regard paid to the personal relationships that have been built up between service users and their carers and support workers. Learning Disability Wales has calculated a total cut of 40 per cent over the coming four years in Cardiff, so can you give us a progress report on your review to establish whether SPRG will be transferred to local authorities? Where are we with that? The other issue in that regard is the situation at the Vale of Glamorgan Women's Aid, which is threatened with closure, effectively, by having its grant cut. That also links into this area.

[118] On the Polish project in Llanelli, are there any plans for that project to do outreach work in other parts of Wales? I am aware that significant Polish communities are developing in other parts of the country that could benefit from the kind of services offered by this project.

[119] On the asylum and immigration tribunal, I welcome the concerns that you submitted on behalf of the Welsh Assembly Government. On the second bullet point, it is vital that that is taken note of, because there is a human rights issue here. Decisions are being made without people having full legal representation or adequate translation facilities. So that is an important point to pursue.

[120] On post offices, I do not know whether you have come across the report in *The Guardian* on the European Commission's plans to liberalise Europe's market for postal services—

[121] **Edwina Hart:** That is one of the problems.

[122] **Leanne Wood:** Yes, exactly. What discussions have you had with UK Ministers on that specific point? Also, have you and your Cabinet colleagues discussed using post offices for Welsh Assembly Government services? What consideration has been given to the proposal of asking local authorities to promote the use of post offices as a means of providing services and making payment collections and so on?

[123] On the misuse of crack cocaine, the information is useful, but we need to be aware that the people who present to services, specifically with regard to use of this drug, will be under-represented. We are only looking at the tip of the iceberg. Are you aware that Turning Point has set up a new project in Newport, specifically looking at crack and cocaine use? Perhaps it would be able to provide more figures. Part of the problem has been that there is a myth out there that there are no treatment services available for this kind of problematic drug use. Now that we have the project in Newport, that may turn things around and we may get more accurate figures.

10.50 a.m.

[124] I am flabbergasted by point 13 on the information that is kept after drug-testing. I have no more to say on it than that. It is really concerning that information is being kept about people even after they have not been charged. That is just another example of the erosion of our civil liberties. However, I do not expect you to respond to that, Minister.

[125] **Edwina Hart:** I am relieved that I am not the Home Secretary, answering some of these points. On crack cocaine, yes, we are aware of the Turning Point project in Newport. People are aware of the services that are provided out there, so we understand, but we can speak to Turning Point about any information that it has. Do you want to say anything, Jo, because you have been talking to Turning Point, have you not?

[126] **Ms Jordan:** I have not been talking to Turning Point directly. The project in Newport is particularly aimed at crack cocaine users, but those are not the only services available. In Cardiff and Swansea, in the cities, where the crack cocaine problem exists, services are available but they are not only for crack cocaine, and that is the point that I think that Turning Point is making. However, in Newport, because it has seen, perhaps, a need for a specialist service, it has put that in place, and that is what is happening in Cardiff and Swansea. The numbers and services that are available are being kept under review. However, that is not to say that there are no services available for crack cocaine users; they are just part of other generic services. Turning Point is perhaps promoting its desire to build specific services for these people.

[127] **Edwina Hart:** All services in this area are welcome, anyway.

[128] On post offices, I have not had any discussions about the liberalisation arrangements because postal services are not a devolved matter. It is liberalisation and the commercialisation of the post office that has caused a lot of problems.

[129] The Welsh Assembly Government has discussed whether we could put any services out via post offices and we certainly think that local government could consider this, particularly in some rural areas. You may recall the row in Carmarthenshire when the council stopped collecting things via the post office. That was resolved when the decision was changed. I would be happy to raise with Derek Vaughan, with whom I have regular meetings, what more local government could do to support the postal services. We will also consider information points and so on that we, as an Assembly Government, could perhaps utilise post offices for.

[130] It was a very sad day yesterday when they all went up to Parliament to lobby on these issues. We have tried as best we can to protect some post offices here, but I feel that the tide is turning against some of the post offices in rural and deprived urban areas. We are already having queries from people whom we have helped with the post office development fund. They are saying that they do not know how much longer they can carry on. It is a shame. We have put money in and they have had nicer premises as a result, but the business just does not add up any more and it will be one more service that will disappear from our communities. It is very important that we have had such marvellous cross-party support on these issues.

[131] I am very pleased that we have supported the Polish Centre project and I cannot believe what positive coverage we have had on it and about migrant workers. That was quite nice. We are looking at what further work we are going to do. I am meeting the Welsh Local Government Association to talk about the issues of migrant workers and what more local government and we can do. They are coming here to work and so on and, eventually, some of them will bring families with them, so there are many issues for us and local government to explore in terms of the type of support that we can give. It is currently Poles, but we do not know who else will come in in the next tranche. So, this is very much an ongoing issue, which I would be pleased to keep you updated on, because we are doing a considerable amount of work now on the migrant workers agenda. That is with the support of employers, who are very keen that the Government makes these people welcome, because they value them coming into the economy to do certain types of work.

[132] On the asylum and immigration tribunal, I, like you, am not happy with the proposals on that and I have made my views known on what is, effectively, not a devolved matter. We had some interesting discussions on Monday in the forum, when we had everyone in to discuss asylum and immigration issues and their concerns about what is going on. Particular concerns are still emerging about unaccompanied children and how they are dealt with by the system and what advice they are given. We are particularly concerned to ensure that the children do not just have legal representation, but that they have an adviser, a supporter or a counsellor to go with them, if they have to attend meetings. When you are a young person and sitting across the table from you is someone very serious, looking at you and asking questions, your rights have to be protected. There was concern about anecdotal evidence that some of the questions being asked were along the lines of 'You cannot be unaccompanied, so how did you get in and who did you know?' There are all sorts of issues like that. We would not expect our children under the age of 16 to answer such questions, so we are trying, as best as we can, to influence the policy agenda to ensure that what the Assembly has agreed is best for children in terms of advocacy is adhered to in anything that comes out of the Home Office. If Members are interested in this strand of work, I would be more than happy to give an update on it in my next report. This strand of work is increasingly taking up our resources. It is a non-devolved matter, but the churches and other groups, such as the Red Cross, are anxious for us to start to address these issues. These are humanitarian issues, at the end of the day, and I think that we all worry about them.

[133] On the Supporting People grant, we have had our first meeting with local government to discuss the issues. I have been exceptionally heavily lobbied about what I should be doing about the Supporting People grant in terms of local authorities. Leanne, I would be pleased if you would put in writing the matter that you have raised today in committee, so that my officials can go back and make the necessary inquiries. We have had some anecdotal evidence about pressures on women's refuges, but I would like that to be substantiated so that we can take the matter forward. For our part, we are keeping to our agreements, and it would be awful if we were to find that we are putting money in and the other side is taking money back out. These services are important and must exist and be funded; local authorities certainly should not be playing fast and loose with their funding priorities in these areas. So I would like some first-hand material and then I would be happy to give a contact point, at official level, for people to perhaps discuss this matter informally. These organisations occasionally find it difficult to approach us, because they are sometimes told off for doing so and I think that we must deal with the matter in the most sensitive way that we can. Therefore, if we could do that outside committee, Leanne, I would be grateful for that.

[134] In terms of HEES, the pilot studies will address those other issues, will they not?

[135] **Mr Samuel:** They will, Minister; that was the answer that I gave to Mick Bates.

[136] **Edwina Hart:** Yes. I am not going to look at my targets yet; I still feel that with the increases in the budget, I may well reach them. It is not something that I have not thought about, but I must have that target in mind to try to drive as close to it as possible.

[137] **Mr Samuel:** It has to be remembered that fuel poverty is a combination of three things: energy prices, the efficiency of the dwelling and income. The Assembly can affect local authorities and the dwelling itself, but energy prices are not a regulated area, certainly not by the Assembly. Also, the Assembly's ability to affect income is primarily limited to making sure that households receive the benefits to which they are entitled. A lot of work is going on in that area and the mapping project that the Minister has commissioned, which will be reporting later in the year, will be very helpful in trying to understand how we refer people and who is coming into contact with these households.

[138] **Edwina Hart:** Benefits advice is now being successfully given through the Eaga partnerships. I held a surgery on this matter and a substantial number out of those who attended were entitled to further money. A lot of people are not aware of the fact that, over the age of 60, they can have £500 for further insulation in their houses and it is not means tested. We will have to think about what marketing we should do to encourage people to take up some of these benefits. It is strange when people come to you and say, 'I do not think that I am entitled', and you say, 'Go and have a little chat', and when they have that little chat they realise, 'Oh yes, I can, I am entitled'. You are talking about £8 or £9 a week, which can make a substantial difference when you are looking at energy bills. We must reinforce what happened in my questions across the parties, to encourage people to take up the benefits to which they are entitled, to look at what they are able to get. The sum of £500 for people aged over 60 will make quite a difference. Loft installation and things like that can have an impact on bills.

11.00 a.m.

[139] On stock transfer, Leanne, we are fairly certain that every local authority has properly undertaken an analysis of what their stock requires in terms of money, and we have checked that.

[140] **Ms Whittaker:** Yes, all the local authorities have now undertaken a stock condition survey. When they get further down the pre-ballot stage, which seven local authorities are in now, they have further full stock-condition surveys undertaken.

[141] **Edwina Hart:** Wrexham had to look over a 30-year period at what it could do to maintain the stock. So, all kitchens, bathrooms and central heating would have had to be included in that business plan. I am always happy to ensure that the true figures are reflected, and I will get Linda to go back to local authorities to ensure that the figures that have been put into the public domain are accurate, because it is important that people are certain that the business plans that they implement are accurate and reflected in the work that needs to be undertaken.

[142] There is no politics in this for me; it is about the accuracy of information. I understand that they are talking about privatisation in some of these leaflets in terms of rent increases, but I control rents for registered social landlords. These are the issues. They talk about a lack of security for tenure, but that does not apply either—it is still the same security. They go on about a lack of contribution or input from tenants, but that is not true, because we have quite sophisticated tenancy organisation arrangements with existing RSLs that will go into any new RSLs. So, it is that type of issue that is sometimes misleading. We will have another look, but local authorities can spend what they want, because they can go back to their electorate in terms of whether they are re-elected or not and what publications they send out. That is a matter for them. We check the accuracy of their publications and there have been alterations as a result of the checks that we have undertaken on literature. So, I know that that is going on properly.

[143] If Members have any concerns in this area, I am always happy for officials to revisit it. I am more of the opinion—as I said in answer to Leanne's question—that I am going to have to do something about questions to tell the truth about how RSLs are monitored and what happens with rents. It is not our position as a Government, but I am going to have to respond, because there is too much toing and froing about information. I would like to give tenants some certainty. You can be assured that this is not political on our part—we will ensure that only accurate information is put out in the public domain, and it sometimes focuses around our powers as an Assembly Government to control things. It is ironic that everyone talks about rents, but I have less control over local government rents than I have on RSLs.

[144] You talked about the convergence coming together, and we have been very successful in that. Experiences in England will not be relevant to the discussions here; I have to put that record straight and I am more than happy to do so. If Members ever want to write to me about such issues, and use a letter from me to put the issue into the public domain, as long as they tell me that it is for that purpose, I would be happy to do so.

[145] **Mark Isherwood:** I endorse what you said about stock transfer. Having previously been on the board of a housing association on Merseyside, I can confirm that, in addition to the housing gains, it was about giving tenants a voice. Done properly, it empowered people, but we must work with the RSL sector, because many RSLs in Wales have imaginative and increasingly successful tenant-participation schemes, which need to be built upon. Wrexham has updated its figures, and the leader referred to this at a recent meeting of a cross-party group of Assembly Members.

[146] I have supported the idea of accurate and unbiased information being given to tenants in the areas that you describe—rent, security of tenure and repairs. Many of the arguments that I have heard in Wrexham and north Wales are that tenants do not believe promises that repairs will be undertaken, because the assumption is that once a private company has the contract, it will not do it. So, we need some reassurance in that area.

[147] On the options, I have received phone calls from councillors in different councils on the prudential borrowing alternative, helping the tenants to understand what that is, in terms of what it can and cannot achieve. It is a one-off. We can get the Welsh housing quality standard, but what about the ongoing revenue costs afterwards, and what about the 20 or 30-year debt that the council will enter into in the name of the people? Also, what about the missed wider sustainable generation goals that we have discussed so many times, which are often not understood?

[148] In terms of unfit homes and homelessness, you refer to figures from the Welsh Local Government Association and that there is no evidence of the impact of unfitness on homelessness. Does it not have figures on empty homes, at the least—homes that are empty because they are unfit? That might be partially helpful. I know that organisations such as Shelter, Cymorth, Chartered Institute of Housing Cymru and others have done work in these areas, which is referred to in their own recent documents, which, perhaps, would be useful to draw attention to.

[149] At a recent north Wales regional committee meeting we focused on renewable energy and energy efficiency. I put a question to a local authority representative giving evidence to us. The response that I had about the housing health and safety rating system, which will also be a key component in this, was, ‘We do not really know yet what we will do about it’. In dealing with one particular case in one council, I have had a hell of a battle just to convince the council that it does apply to owner-occupiers, which is validated. In fact, councils subject themselves to possible case law if they treat a tenant differently to an owner-occupier. It has been a challenge to get them to accept that and also to accept that there is a general statutory duty here; it is not a power that they can use if they so choose if it gives them a solution that they did not previously have. It is something, which, in the most obvious cases, they have to do.

[150] In terms of the home energy efficiency scheme, you mentioned fuel poverty, causes, income, home energy efficiency and so forth. We recently tabled an amendment on behalf of Help the Aged, which everyone supported, arguing that we need research into fuel poverty, because there are many other issues that may be leading to this, in addition to the ones that you referred to. It was endorsed and the Minister agreed to support research in this area. Could the Minister confirm that we are talking about new research, rather than research that others might do?

[151] In terms of the supporting people grant, I endorse the concerns raised. I have also attended Women's Aid annual general meetings. Two weeks ago I visited a social housing project for vulnerable young women. They are all raising the same issues of concern over supporting people, the impact that it might have on their future operations, and about the supporting people revenue grant and whether it will be put within the revenue support grant in the future. That is causing grave concern; can you give us any updates or assurances on that?

[152] In respect of post offices and the small business rate relief, as you will be aware, Wrexham County Borough Council and Gwynedd Council will be losers in this. There will always be losers, but Wrexham County Borough Council, for example, has been putting roughly £2.5 million per annum into the previous scheme through grants from the Welsh Assembly Government, and it estimates that that will fall to between £600,000 and £1 million under this scheme. Gwynedd Council has similar concerns. What consideration, if any, has been given to some kind of transitional scheme to minimise the problems that could arise in those two counties?

[153] Also, with regard to funding for sub-post offices, one issue raised with me arises from the fact that when a sub-post office master or mistress retires, the Post Office then reassesses the funding that it will provide for that post office, based on activity levels. Frequently, it is preventing a new sub-post office master or mistress from taking on the business. I know that we cannot control the business of the post office but I am wondering what discussions you may have had on that.

[154] With regard to crack cocaine misuse, I had a meeting with a police inspector last week in my region who endorsed the growth in crack cocaine use. I wonder whether the police can provide any figures for you to support those that you already have.

[155] Finally, in terms of the funding for Polish workers, I refer again to Wrexham, which now has the largest Polish and eastern-European population in Wales. Only last week, I visited a manufacturing company in Wrexham where most of the people on the production line were highly skilled, excellent Polish workers. However, the council is increasingly concerned—as others are, across Wales and England—about the lack of UK-Government-driven support to meet the additional costs imposed on local government in terms of education, schools, health services and housing. What dialogue are you having with colleagues in London to try to address that?

11.10 a.m.

[156] **Edwina Hart:** On the Polish workers issue, as I indicated, I will meet with the Welsh Local Government Association, and the matters that you have raised will be discussed. It is important that we get a clear picture. I have had positive discussions at Assembly Cabinet level on the need for language training and so on. It is an ongoing matter, and I have a group of officials looking at the whole issue of migrant workers so that we can join up the policy agenda.

[157] On post offices, the matter that you raised about winners and losers is a matter for Sue Essex. However, the issue of retirement is interesting, and it is something that has been brought to my attention by other Assembly Members. I will put it on my agenda when I next meet with Post Office representatives, to ask them how they are dealing with that. If they make decisions about a business when a person retires, it impacts on whether anyone will purchase it. There are many issues around that, which I will be happy to take up.

[158] On the crack cocaine issue, that is not what the police are telling me. I appreciate that I only meet with the chief constables, and we will check to see whether there is anything else coming out, but it is not our understanding about the increase in use. I hope that you did not mean that the police inspector endorsed usage when you used that phrase, Mark. We will have to see on that.

[159] **Mark Isherwood:** He was not endorsing its use.

[160] **Edwina Hart:** In terms of supporting people, I am due to meet with the director of Welsh Women's Aid, so that I can have a clear picture of what is going on in the organisation. We are aware of the pressures and of the local authorities, which I will be raising again with Derek Vaughan—and which I have previously raised with him—and I will report back to the committee. When the director of Welsh Women's Aid comes here, she will probably use that as an opportunity to go through all the issues, hopefully on all county authorities, which will be good.

[161] You also raised the issue about the new fitness standards. I would be grateful if you raised some of these issues privately with me, because I paid for the training last year in local authorities to get them up to speed on the new fitness standard; money was given especially for that. So, if there are any problems, have a quiet word with the head of housing, because we would like to hear about them, bearing in mind that we funded that training in local government. There are issues around that if the right things are not being done.

[162] You mentioned stock transfer, which is important, and I had not thought about setting out prudential borrowing in literature before. A lot of people say that you can have prudential borrowing without realising what the impact of the revenue will be, and how that will adversely affect the terms of other services if it is too much. That might be something that we could usefully look at in any question and answer literature that we might do, because it is a complicated area and we would have to try to explain it in plain English. It is easy to understand if you say, 'If you borrow this amount, you must pay it back, so let us look at next year's budget to see where that money will come from'; it will either come from increased council tax—which borders on the impossible—or from the cutting of services. We will have a look at that as a question, because it would be useful.

[163] There are a lot of issues on the home energy efficiency scheme, which every Member has raised with me. I forgot to say when replying to you, Leanne, that the money increase is in the supplementary budget. There are increases in HEES that are being dealt with. Mark, you said that I could probably get further information from other parties, which would have information on unfit homes and homelessness. I would be happy to ask officials to see whether we could get anything from any of those organisations, in order to enhance our knowledge in this area, as a committee; I will report back as soon as I get anything.

[164] **Janice Gregory:** Thank you, Minister. That concludes that item. We are way behind time; perhaps we were a bit optimistic with the first part of the meeting, but it was an important subject.

11.14 a.m.

**Cyfarwyddiadau Drafft ynghylch Didyniadau Cymhorthdal Ad-daliadau Rhent
Draft Rent Rebate Subsidy Deductions Direction**

[165] **Janice Gregory:** You have all been supplied with paper 3. We are asked to agree on the draft direction. If we agree on it, I will write a letter to the Minister.

[166] Minister, do you want to add to that?

[167] **Edwina Hart:** We have completed the consultation with the local authorities and officials have provided a few authorities with further information. We have had no objection to the content of the direction for local government and, in fact, some local authorities have welcomed this direction. So, that is the factual position from our point of view. I am not trying to pull a fast one on this.

[168] **Janice Gregory:** This has all been supplied to us in our papers, but does anyone object or are you happy that I write a letter to the Minister? I see that you are happy with that.

11.15 a.m.

**Is-ddeddfwriaeth
Secondary Legislation**

[169] **Janice Gregory:** As always, we have the schedule and there are two new items.

[170] **Laura Anne Jones:** On the Housing Act 2004, in terms of part 6 of annex 2 and the reference to section 226, could the Minister expand on what she has done with regards to the power to issue guidance to local housing authorities in respect of carrying out assessments on Gypsies and Travellers and any strategies that LHAs are required to prepare? Could you expand on how forcefully that has been carried out?

[171] **Edwina Hart:** Has guidance been published, Linda?

[172] **Ms Whittaker:** No, I think that we are—[*Inaudible.*]—on the guidance.

[173] **Edwina Hart:** Would it be helpful if I circulated the guidance once it is available?

[174] **Janice Gregory:** That would be useful.

[175] I wanted to draw your attention to two new items, namely 31, which is the Smoke-free Premises etc (Wales) Regulations 2007, and 32, which is the Allocation of Housing and Homelessness (Eligibility) (Wales) Regulations 2007. Those are two new items on this quite lengthy schedule. Clearly, you do not have any comments on those or you would have already raised them. We will now break for 15 minutes.

Gohiriwyd y cyfarfod rhwng 11.17 a.m. a 11.33 a.m.

The meeting adjourned between 11.17 a.m. and 11.33 a.m.

[176] **Janice Gregory:** Thank you for returning, even though we are slightly late. I know that there are other Members to come in. Before we move on to the second part of the meeting, there are a couple of issues that I need to raise, which I did not want to raise at the beginning of the meeting. The first thing is the fact that I have had no comments on the social justice and regeneration element of the Assembly's equality annual report. Unless anyone has any comments that they wish to make now, I will have to write to Gwenda Thomas, the Chair of the Committee on Equality of Opportunity, to tell her that we have no comments. The report has been circulated to Members and I have not had anything back. I understand that the deadline for Gwenda is tomorrow. I am pretty sure that there are no comments or we would have received them by now.

[177] The other issue that I need to raise relates to something that was raised in the last meeting—and I thank Mick for chairing it; as you know, I was attending a family funeral—namely the issue of the policy reviews. I understand Members' concerns that time is short. We knew that this would be problematic, but we were all champing at the bit to undertake the police reviews. I believe that, at the time, the Record will show that I said that that would undoubtedly impact on any future reviews that we were going to undertake.

[178] Leanne has suggested that we leave the prevention part of the substance misuse review as an entry in our legacy paper. We will all be required to leave a legacy paper for post-May next year. Having done such good work on all our previous reviews, I have no wish to dilute that part of the review. I am happy that we do that. We have taken some evidence on this—Claire has pointed that out to me. We took evidence in north Wales on 30 March, and we also took evidence on 21 June. However, I understand that Members have concerns that we have not taken enough evidence.

[179] **Leanne Wood:** My main concern is the lack of evidence that we have taken from people who would have received some kind of input from a preventative service. I do not believe that we can fully appreciate the impact that a service will have unless we talk to people who have been through it and hear their views. Therefore, I believe that we should leave it in the legacy paper. I know that your suggestion was that individual Members could go to individual projects and perhaps talk to people that way, but I do not believe that that is adequate; that would just be paying lip service to the service users' perspective. We should think about doing it properly so that they can have a full and meaningful input into that.

[180] **Janice Gregory:** I understand what you are saying, but I disagree with you. We have done this in the past, in other reviews, and I disagree that it would only be paying lip service. When we did the review of housing for older people, it was incredibly successful when Members went out to visit different projects. In that regard, people were more open and honest, and were happier to discuss things in private, rather than in a committee setting.

[181] **Leanne Wood:** I am not opposed to our going out and seeing people in the projects, as we did with the older persons' review. That was fine, and it worked well, because they were scheduled visits, which were planned well in advance, and I presume that the people whom we went to see had a full idea of what we expected to get from them. My concern about doing that for this review now is that there is not enough time to do the process properly.

[182] **Mark Isherwood:** I would endorse that. How we do it is open to discussion—our going to them, rather than them coming to us, may be a good way of achieving this. In that context also, we have had several presentations from statutory, or public, agencies on their work on prevention and education, and with schools, and so on. Consequently, we have not heard much from voluntary organisations, which often include addicts, ex-addicts, ex-offenders, and others, which have developed many interesting prevention schemes.

[183] **Janice Gregory:** As I said, I am fine on this—I do not mind. There is no way that I want to dilute this part. I still think that we would be able to do it if we were focused enough to do it. However, if that is what Members wish to do, then I have to remind you that you agreed the forward work programmes and the additional reviews that we did; this is where we are with it now, and we are where we are. Therefore, if you want to leave it as part of the legacy paper, then I am more than happy to do it on the evidence that we have gathered so far. Whatever comes post-May 2007, we will take it on from there. Are we happy to do that? I see that we are. The youth homelessness review will carry on. That is fine—great.

11.40 a.m.

Y Ddeddf Arbed Ynni yn y Cartref 1995 Home Energy Conservation Act 1995

[184] **Janice Gregory:** If you switched your mobile phones, or anything else, on during the break, please switch them off. For anyone who was not here earlier, we have simultaneous translation, and, if the fire alarm goes off, we will be required to leave the building.

[185] This item is on the Home Energy Conservation Act 1995, which is paper 5. I understand that you are introducing this paper, Minister.

[186] **Edwina Hart:** There has clearly been disappointment with regard to local authorities and the policy agreements in terms of this issue. In the seven years up to 2004, progress was only at 5.65 per cent. After one year of having the policy agreements, the overall improvement up to 2005 was 6.88 per cent, and achieving the target of 35 per cent in 10 years' time will be difficult, but that does not mean that I will not keep it as a target. However, I hope that the increased spending on the home energy efficiency scheme and energy efficiency commitments, coupled with what is hopefully now a more positive movement on the policy agreements, will have an impact and that, over the final two years, we will make real progress in this area. The policy agreement target of a 12 per cent improvement over 10 years is expected to be achieved by the majority of local authorities. So, I hope to include the 2005-06 results in a report that I will bring to the committee early in the next year. Progress has been slow—there is no doubt about that—and tackling energy efficiency will be increasingly difficult, as we said earlier, in terms of hard-to-heat homes, which do not have gas and have solid walls. We are piloting renewable measures, which will help with

getting information. This report follows on from our earlier discussion on the home energy efficiency scheme. I do not think that there is anything further that I can add.

[187] **Mick Bates:** I have a couple of issues. First, I accept what the Minister says and I share her disappointment, but I draw her attention to paragraph 32 on page 6—I rarely comment on reports in this detail—where it states:

[188] ‘The current rate of annual improvement is encouraging’.

[189] I hardly think that that is the correct adjective to use. Can someone explain how that is ‘encouraging’?

[190] Secondly, this is a reporting mechanism, and the targets that are built into this are ambitious. The target of 30 per cent in terms of improvement is ambitious. We have known that for a long time, so it seems that, whatever evaluation is taking place, there needs to be another mechanism, somehow, by which to reach that target. What work has been undertaken to see, when we reach 2012 and the Welsh housing quality standard is in place, what impact that will have on reaching these targets, because obviously there must be a heavy foot on the accelerator if the final target is to be reached? That could have a massive impact and I just wonder what you anticipate that will contribute towards the total.

[191] **Edwina Hart:** We will have a look at that, because if they get to the 2012 target, home energy efficiency is also key to how we are dealing with some of the issues in terms of what they have to do in homes, so it would have an impact. We will do some work on that and come back to you on it.

[192] On your first point, we used the word ‘encouraging’ to give encouragement.

[193] **Mick Bates:** What about the figures in the table, though?

[194] **Mr Samuel:** Based on previous years—

[195] **Edwina Hart:** We do not want to go there, Francois. [*Laughter.*]

[196] **Janice Gregory:** Thank you for that clarification.

[197] **Laura Anne Jones:** This is slightly off the wall, but it is quite important. How are you working with the Minister for Education, Lifelong Learning and Skills to ensure that children understand the need for energy efficiency, in terms of turning lights off when they leave a room, or whatever it may be? As you know, children are the ones who are poking their parents to do these things, by saying, ‘Turn the lights off, Dad’, or whatever. It is certainly what I did. What work are you doing in that area?

[198] **Edwina Hart:** Work of that sort is part of the education provided in schools, because many schools have now signed up to ecological projects, whereby children learn all about energy efficiency and it is a proper strand. The problem arises once they move from primary schools, is it not, because their attitudes change? When we deal with the issue of smoking in schools, they all understand it when they are in primary school and they all go home and tell their parents to smoke outside because they are damaging their health. Apparently, there has been a lot of friction in some households, after children have learned what cigarettes can do. However, when they go to secondary schools, there seems to be a change in attitude. I do not quite know what occurs then, but I can assure you that work is being done in schools. If you like, I will write to the Minister for Education, Lifelong Learning and Skills to confirm how this is focused upon in the curriculum, but I think that we all know from our experiences that this is dealt with in the school system. However, perhaps a bit more needs to be done with children over the age of 11, because they have so much equipment in their bedrooms that is left on standby.

[199] **Mark Isherwood:** On that subject, whenever we meet children from primary schools—and secondary schools—in the Assembly or when visiting schools, there are always questions about this. In the North Wales Regional Committee meeting, we heard evidence about the green schools initiative in Ynys Môn. About three weeks ago, I did a teleconference from the Assembly with a school in Holyhead, during which I spoke to the school council and the school green council. Half the questions were about this agenda. It was a very positive model to build on.

[200] The key issues that I wish to raise hark back to the Des Wilson private Member's Bill in Westminster, which did not go ahead, but which had all-party backing. It was for a move to some sort of statutory reporting, and perhaps statutory targets. At the regional committee meeting, I asked the local government representative about this, and he supported the idea of statutory targets and reporting. He said that it would make it a great deal easier for them as officers to implement the process needed to achieve the goals. How are the 22 authorities performing, first, in terms of progress against the 12 per cent and 30 per cent targets; and secondly, with regard to reporting on that? Are there some good practice models? Are there others who need help in taking forward the agenda?

[201] **Edwina Hart:** Your remarks about the green schools initiative are interesting. They are doing good things in these sectors with regard to energy conservation. You said that the local authority officer welcomed the idea of statutory reporting. I can see the WLGA thinking, 'new burden, new money' as soon as these issues are mentioned. Francois, on the basis of your experience in dealing with them, can you give examples of any authorities that are good on this?

[202] **Mr Samuel:** There is a well-established Home Energy Conservation Association network, through which local authorities exchange experiences about the various projects and initiatives that they deal with. That operates across Wales. A magazine is produced by the HECA network, which operates across GB. There are plenty of examples of good practice by authorities, which we try to promote through the network. Local authorities are alert and enthusiastic to learn about it. Often, in the end, the issue is resources. It comes down to the decisions made by individual authorities. There is no lack of enthusiasm on the part of HECA officers.

[203] **Edwina Hart:** Perhaps Francois could circulate one of those booklets to give Members an idea of the best practice.

[204] **Mick Bates:** On good practice, there is a good Sustainable Wales supplement, which has just been produced. It highlights the example of a great biomass project using timber for district heating. There are good examples around the country. Perhaps it would be a good idea to circulate that supplement with the HECA booklet.

[205] **Edwina Hart:** Most of the officers that you meet in local government, which has the prime responsibility for this, are enthusiastic about this agenda. It is a question of mainstreaming the issues in the authority and at chief executive level. They are enthusiasts who want to get on and do this, so mainstreaming is one of the key issues for us.

[206] **Leanne Wood:** How is HEES targeted? You mentioned that people could have eligibility checks. I presume that wider benefit entitlement checks would be involved in that. So, the potential for bringing incomes to local communities is quite large. Is this something that Communities First partnerships could help with?

[207] **Edwina Hart:** Yes. That is an issue that I would like Communities First partnerships to look at. We are carrying out an exercise to monitor who is giving out advice. Advice is given by so many bodies on home energy efficiency. We want to draw up a map of Wales to show who is doing what and where, perhaps to streamline it or to add to it. When fire service staff do home fire safety checks, they sometimes notice that, for example, an old house does not have central heating and so on. Therefore, they could suggest solutions to the person living there. We are trying to achieve such an integrated approach by doing this mapping exercise. Once it is complete, I can encourage Communities First areas to look at that as a strand of their work.

11.50 a.m.

[208] You have to knock on the door—you must have a reason to knock on the door, and fire safety checks provide a useful reason to do so. However, we can make much more of what people receive through HEES and, more importantly, their benefit entitlement cheques. Many people think that because they have a small occupational pension, they are not entitled to financial tax credit, but they are. The issue is about who helps you with the forms. Help the Aged representatives are helping people with forms in some areas, and that is an absolute blessing, because the form in itself is enough to put you off from making any sort of application. Of course, how you fill in the forms is an issue. Sometimes, you think that you can do something; for example, you assume that you can cook when it is just a matter of heating a meal up, but that is not the same as the ability to cook, is it? These issues form part of the necessary discussions about whether you are eligible for attendance allowance and so on. So, once the HEES mapping of who gives advice on this matter is done, we will also look at the other things that we can do, but we need to start supporting campaigns for these forms of take-up and knocking on doors to do it.

11.51 a.m.

**Gorddyled
Overindebtedness**

[209] **Janice Gregory:** As Members will know, this item is to provide us with an update on the delivery of the recommendations outlined in the Deputy Minister's review of overindebtedness.

[210] **Huw Lewis:** I am pleased to be able to report some concrete progress on the recommendations of my review, which took the summer of 2005 to complete. I refer Members to annex 1 for the detail, but, just to give you a brief rundown, I am pleased to report that we now have a grant scheme to support annual contributions by local authorities to the child trust fund for looked-after children—'baby bonds', if you like. Local authorities are being asked to act as a good parent would in terms of the child trust fund by regularly topping it up. The reason for this arising out of the review was the recognition of those tipping points in people's lives when debt can become a problem. What we are talking about in this case is achieving adulthood, and we all know all too well the challenges that can face young people who have been in long-term care in reaching adulthood. So, that is providing them with an asset that other young people might take for granted.

[211] We have punched above our weight in terms of drawing down from the Department of Trade and Industry's face-to-face debt advice fund; we have managed to grab around 7 per cent of that fund, which amounts to about £3.2 million. I understand that Citizens Advice will be our primary delivery mechanism for that face-to-face debt advice over and above what is available just now.

[212] The Financial Services Authority has now been appointed as our agent to look at putting together a Welsh centre for financial education. Members will remember that the point of this new institution, when it is realised, is to raise the game and introduce minimum standards for available debt advice. So, those organisations that are involved, and perhaps those organisations and individuals that can contribute in the future, will have a centre of excellence, if you like, where ideas can be exchanged and minimum standards of training can be established.

[213] We have also succeeded in changing the school curriculum to take account of financial literacy education, or will soon succeed in doing so, and that work is ongoing through the Department for Education, Lifelong Learning and Skills. Although there are other aspects to this, I just want to mention, as well, that my work has begun in terms of drawing in Communities First partnerships, hopefully, to look at community and family income maximisation and debt minimisation. There was a gathering of south Wales Communities First co-ordinators in Bridgend; at that meeting we introduced the idea of Communities First partnerships being ideal delivery platforms for community-based initiatives, working with other partners, looking at such issues as benefit take-up and debt problems. Also, there is enormous potential for Communities First partnerships and credit unions to work closely together. Communities First partnerships, if they are not covered by a credit union in their area, could perhaps look at what they could do to change that. For those that are covered by credit-union operations, Communities First partnerships could take a long, hard look at how they could boost and assist to expand the activity of the credit union.

[214] Coming back to some of the points that were made earlier about the long-term future of Communities First and how that ties in with social enterprise and capital based in the community, there are some potentially exciting prospects for the future in terms of good, strong, robust, healthy credit unions being established in Communities First areas and what that might mean, in the long term, in terms of capital being held in, and under the control of, the community and where we might go beyond the 10, 15, 20 years, or whatever it might be, of Communities First.

[215] **Leanne Wood:** I have two brief points. The first is on the credit union issue. It is a movement that needs to be promoted. Do you have any information on increasing take-up? Are more people going to credit unions now than were before? How is the idea being promoted?

[216] The second point is the news about Farepak. That is not part of your report, as it is new information, but it is clearly impacting on people with very low incomes and my concern is, and I am sure that this is shared by other committee members, that people will, because they thought that they had savings for Christmas and now no longer have them, be going to Provident Financial or Shopcheck Financial Services and other kinds of loan sharks. What are the implications of that in the long term? Can the Minister do anything about this situation with Farepak? It is a tragic situation for the people involved and many people are not going to have a Christmas now.

[217] **Edwina Hart:** I am due to issue a statement, probably tomorrow, on the Farepak issues. I am currently looking to officials about all the issues that you have raised with me and I intend to make representations. That should be covered in my statement. There are a few final points that I am toying with in terms of what we might do but I am very conscious that this has impacted on the most vulnerable and poor in society. I am also very concerned that people were apparently aware of problems as early as April—there have been indications from some individuals about that—and people had been paying in. That is only anecdotal but I will explore all of this before I issue my statement and, obviously, Members will want to be kept updated. Even after I have made my statement, I will be more than agreeable to update the committee via you, Chair, on a regular basis about any action that we would be taking and any that we would be asking the UK Government to take on this matter.

[218] **Janice Gregory:** Thank you, Minister. That would be most useful.

[219] Huw, do you want to address the point on credit unions?

[220] **Huw Lewis:** Yes, just as an aside, coming back to credit unions and Leanne's point, there is work that we can do in the future around impressing upon people the usefulness of a credit union in terms of things like saving for Christmas. It is a good, community-owned alternative and it is not affected by the vagaries of the public sector—Farepak has taught us about that.

[221] We can get the details on the take-up of credit unions. I do not have the numbers with me, Leanne. I know that the numbers are increasing and that credit unions are accumulating members and capital all the time in Wales. We would need to get you the figures.

[222] **Mick Bates:** Thank you for the report. I fully endorse what has already been said about Farepak and I look forward to the Minister's statement to see whether any positive action can be taken on behalf of those people who have lost what, to them, is fundamental in the build-up towards Christmas.

12.00 p.m.

[223] I have two issues, Huw, on the report. I endorse the work in secondary schools through credit unions and I would like to hear a bit more about how you are going to encourage it. I am a member of a credit union and all too often it boils down to whether we have the resources and the individuals to do that work and how we can liaise with the schools. The Flint example—I remember that Sandy went into some detail on it—is excellent. Will there be some resources to help with that?

[224] My second point is strongly connected with something that you said in a previous answer about Communities First and encouraging communities to have small social enterprises and to take on capital. Have you talked to organisations such as the Federation of Small Businesses about how credit unions can assist small businesses, very often community ones, with financial advice? In Newtown, for example, we are twinned with an Irish credit union from Mitchelstown and I was amazed to learn how much of its work entails funding local small businesses. Nowadays, after it has built up its capital, its work involves quite large businesses. Ultimately, it is that enterprise that brings prosperity and well-paid jobs to the very areas that we are often targeting.

[225] **Huw Lewis:** On the secondary schools and credit unions, I do not know whether any of the officials have more detail than I may be able to grasp from my memory.

[226] **Ms Fretton:** We are working quite closely with the Financial Services Authority and the personal financial education group to gather together, for schools, the information that is available, such as guidance and best practice. It will certainly cover secondary schools. There is quite a lot of work going on in that area and we could probably give a bit more detail on it, if that would be helpful.

[227] **Huw Lewis:** Is that okay, Mick?

[228] **Mick Bates:** It is basic information on good practice that we need. Will that go to each individual secondary school or to the local authority?

[229] **Ms Fretton:** The current proposal is that we are working on getting together a centre for financial education, which will pull together the best practice that is available. The current proposal is that consultants will be available to schools to provide education materials to help teachers. We are at the beginning of sorting out that proposal at the moment. However, I anticipate that it will certainly include secondary schools.

[230] **Janice Gregory:** Therefore, it is work in progress.

[231] **Huw Lewis:** Financial education, when it comes about, will mark a step change. This will be a one-stop information shop, above anything else. People in Wales will know where we go for this kind of work, and schools will be included in that.

[232] All I can say about Mick's second point is that he is absolutely right. Mick is lucky enough to have that Newtown credit union in his constituency, which I have promised to go to see soon. That credit union is a thing of legend, with the one in Llanelli, in terms of credit union development. They are right, as are you, to point out that once you have a certain level of membership, premises, shop fronts and a certain level of capital, the next logical thing is to follow the Irish example and to start tying in small businesses with the work of credit unions. You are right, Mick, that that work is well-established in Ireland and has a great track record. It is a few years down the road for us, because we first have to get the idea of what a credit union is into a percentage of the Welsh population's minds, and that will take time. In vast swathes of Wales, there is no history of this way of saving and borrowing. However, you are right to point that out; it is in my mind and it is somewhere where we would like to go.

[233] **Janice Gregory:** Of course, Bridgend county credit union is coming up as well.

[234] **Huw Lewis:** Sorry, I knew that I would upset someone.

[235] **Janice Gregory:** Laura, you wanted to make a brief point to Trish.

[236] **Laura Anne Jones:** I wanted to ask Trish Fretton more about delivering this to secondary schools. Obviously, I wholeheartedly welcome it; I could have done with it when I was at school. I went through university and accumulated tonnes of debt because I did not know any better—I did not know that that was a bad thing to do. My attitude was that, if people were going to give me money, I was going to take it. It was a terrible thing to do. I now try to influence any child whom I possibly can to do otherwise. To have this training in schools would be fantastic. However, who is going to deliver this to the children? You are sending the information down, but are the people who are going to lay it out in front of the children going to be trained to do so? Are they going to use visual aids and so on, to make it interesting? If someone just comes to talk to you about money and figures, and uses acronyms left, right and centre, you will just go blank. That is an important part of it.

[237] **Huw Lewis:** The development work is with the Qualifications, Curriculum and Assessment Authority for Wales at the moment; the educationalists have got their sticky fingers on it, and we will have to see what they come up with as proposals. Two things are for sure—we are envisaging this flowing through the personal and social education and the mathematics side of the curriculum. There is also a third element, which is that new materials and advice would be available for schools. When I meet professionals who are working on this, and other officials, I impress upon them that there are good examples of best practice out there. The best example that I have seen ran between Flint High School and Flint Citizens Advice, which used visual aids and drama in a very engaging way. The idea that you can engage 14 and 15-year-olds in talking about credit card interest rates is quite a challenge—it would send me to sleep—but they had cracked it. If we can aspire to that, and I hope that ACCAC will have that kind of ambition in terms of the imagination that goes into the materials and the curriculum changes that we are looking at, I would be satisfied. It is with ACCAC now, so we will see what comes out of the machine.

[238] **Mark Isherwood:** On financial literacy in schools, when I started my career in a building society a quarter of a century ago, we had a school bank. All the banks and building societies would go into a school or a network of local schools, and run school savings schemes, and so on. For various reasons, that has largely withered on the vine, but I suggest that we open dialogue with people such as the Buildings Societies Association, the British Bankers' Association, the Council of Mortgage Lenders and Business in the Community, because they are now pushing their corporate social responsibility agendas. The beauty of this is that it would not cost Government a penny—except coffee for those visiting.

[239] I am pleased to see that 37 debt advisers have been funded for Citizens Advice face-to-face advice. How is that general advice helping to plug the gap introduced by Jobcentre Plus? I have had people coming to me—as I am sure that we all have—stating that it is often the most vulnerable people who are least confident in picking up a phone and speaking to someone who they cannot see about what they regard as complicated issues. There is an informal network—there is often a retired person on the estate whom they respect to whom they will go for advice. What consideration could be given to that?

[240] In terms of co-working with utility companies, Energywatch recently raised an issue with me and others on the Assembly group, in that new charges were being applied to meters before meter recalibration, which was putting people into apparent debt when they were not really in debt. This was causing huge problems and distress. What dialogue could you have there?

[241] Finally, the biggest component of indebtedness, which is responsible for the famous £1.3 trillion figure, is secured rather than unsecured lending, and housing-related lending. I have been sent some figures only this week from the Department for Constitutional Affairs in London, showing that actions entered in court for mortgage and landlord possession proceedings have shown a bigger percentage increase in Wales than in England. In the second quarter of 2006, there has been a 25 per cent increase in actions entered in Wales, compared with 16 per cent in England. There was a 36 per cent increase in orders made, and the figures from Citizens Advice, introduced at a conference in London, showed that court activity has gone up by 80 per cent between 2002 and 2005, and by 40 per cent since 2004. You referred to the Consumer Credit Act 2006, and quite rightly so, but this is more mortgage-code-related, working with the Financial Services Authority, which you mentioned in a different context. It also targets the non-status lenders, as they are called, because it states that non-status lenders have a share in court activity up to 10 times their market share. Non-status lenders are those who do not apply the normal income assessments, ability to pay, income multiples, and so on—they normally go on the security of the house, and often overlook adverse credit scoring and so forth. The net result is that many of these people end up being homeless. So, again, what consideration are you giving to this sector?

12.10 p.m.

[242] **Huw Lewis:** Mark is quite right to point to the private sector, in terms of banks and building societies, as something that we need to think about and as organisations that we need to talk to. Many towns and villages now do not have that local bank or building society network that we used to have, hence a great deal of preoccupation with the credit union development side of things. However, this is not to say that there has not been dialogue and that there will not be any. As I say, the Financial Services Authority is working for us and I know that it will be having ongoing dialogue with the sector. I would also anticipate that part of the purpose of the centre for financial education would be to formalise policy discussion and development with the private sector and the lending sector to make sure that we are aware of each other's hopes and aspirations as to how we deal with this huge indebtedness problem.

[243] I take on board your comments about face-to-face debt advice. We are pleased to get there. For each face-to-face adviser out there working for any period of time, you can be sure that hundreds-of-thousands-of-pounds-worth of debt are being handled by each adviser. So, they are literally worth their weight in gold. There is a provision within the rubric—taking what you said about a familiar person on the estate—for Communities First partnerships to start working with their local Citizens Advice, for instance, in terms of identifying members of their partnership or community who would be the right sort of person to benefit from some training. That would be financed by Communities First, mentored, probably—but not necessarily—by Citizens Advice. That would start some work within the community so that this kind of expertise could be introduced into the community rather than descending upon it at intervals. It would also need to be proactive, of course. The wish is that, instead of reaching crisis point and then someone turning to someone else for help—Citizens Advice, for instance—there would be a level of proactivity within the community about seeking out those families and individuals potentially at risk of unmanageability when it comes to debt.

[244] In terms of utility companies, all I can say is that you are quite right; there are causes for concern. The First Minister has taken the lead in terms of discussions with the companies; I know that Dwr Cymru has been part of those discussions. That has sort of gone upstairs from me, slightly. We still do not have the full form of what a good proactive intervention on the part of the Assembly with the utilities might mean for people. However, these are difficult areas for the Assembly, which does not really necessarily have any clout in terms of powers. However, there are ways of talking, particularly with partners in local government, in terms of how billing is done and how bill collection is achieved. There is a lot of potential that needs a renewed effort; we need to go back to these issues and you are right to point them out.

[245] On your final point, Mark, on secured and unsecured housing debt, this takes us into the realm of Westminster and its powers over consumer credit. It was encouraging that, last month, the level of personal debt in the UK had fallen on a monthly level, for the first time. Perhaps the great British public is starting to be aware of the scale of the problem within their own lives and, to some extent, are attempting to take control.

[246] The new individual voluntary arrangements are making a difference, but, again, those tend to come at the crisis point in people's relationship with credit. With regard to the bulk of what you mention there, we are reliant on Westminster doing the right and sensible thing, and we will continue to lobby on that. I have had contact and meetings with my counterparts in Westminster about these issues, and that is a matter for them.

[247] **Janice Gregory:** That concludes item 8.

12.15 p.m.

Cynllun Gweithredu ar Dlodi Plant Child Poverty Implementation Plan

[248] **Janice Gregory:** All papers for this meeting have been circulated for ease of reference. We are now looking at paper 7. I hand over again to you, Huw.

[249] **Huw Lewis:** I do not know whether this is the convention but, before I begin, and at the risk of being unfair to others, I wish to thank Tracey Breheny and Lynne Schofield for their help over the summer, on developing the work that I am about to describe. They have been entirely professional and they are a credit to the Welsh civil service. I do not know whether that is the done thing, but there you are.

[250] **Janice Gregory:** It is done now.

[251] **Huw Lewis:** Okay. I am very excited about the development of policy in Wales with regard to our commitment as a Government to eradicate child poverty by 2020, and I hope that Members share my excitement. The plan that I worked on during the summer involved a series of bilateral meetings with every Assembly Minister, and the First Minister, concerning this work, in an attempt to draw all aspects of Assembly policy making, activity and expenditure into the orbit of the commitment to eradicate child poverty by 2020. Those meetings took up a considerable amount of time and were detailed, and there was a universal commitment, on behalf of the Assembly Government, to get stuck into it. I hope that we will see the fruits of that work developing in ways that go beyond what might be happening in the rest of the United Kingdom.

[252] We are developing a Welsh approach to child poverty that has some unique aspects, which are only happening here. There are some far-reaching commitments for the future, which, again, would be distinctive to Wales and a direct result of this work. To dive in, I want to talk about the milestones and targets. Members are aware that I made a commitment some time ago that the Assembly and the wider Welsh public would have the ability to measure and judge the progress towards reaching the 2020 target. That involves a series of what we call milestones, which are measures relating to 2010, and targets, which relate to the endpoint of 2020. These would be measurable numerical statistics relating to children's health, housing, education, and so on, which will be published annually in the annual Social Justice and Regeneration Committee report so that everyone can see how progress is going towards reaching the 2020 target. That paper is now being printed, is it not?

[253] **Ms Schofield:** I hope so.

[254] **Janice Gregory:** I hope so too, seeing that you are delivering it next Monday.

[255] **Huw Lewis:** We are launching the milestones and targets document in the Senedd next Monday at 10 a.m.. Everyone is welcome, and there will also be some invitees coming along, especially those who worked on the original strategy, 'A Fair Future for our Children'. A discussion will then no doubt open up, and we will have a raft of milestones and targets, relating to numbers and statistics that have a direct impact on the lives of that group of children—around 70,000 or so of them—who are still affected by poverty in Wales.

12.20 p.m.

[256] To give a brief update on the child poverty proofing policy, which Members will have been aware of in the past, we have now revised the policy gateway tool used for high-level policy emanating from the Assembly. That is done. So, effectively, the Assembly's policy on child poverty proofing, as it rolls out from whatever aspect of the Assembly's activity, has begun. That will involve more than the gateway tool itself and it relies to a certain extent on political vigilance, as it does not remove the role of the politician, and the Minister in particular, from the process. It is there as a robust means of ensuring that everyone involved with rolling out Assembly policy, in whatever directorate, is aware that child poverty is a universal concern for the Assembly.

[257] Work is also ongoing—and I have started a series of meetings post the targets and milestones document—to look at how our new powers from next May might influence this agenda. Post-2007, we will have the ability to legislate—I am still calling these things Bills; I know that, technically, they are not Bills, but the Welsh public will end up calling them Assembly Bills because that is what everyone understands. In terms of how we might legislate to engage the whole of the Welsh public sector in the struggle against child poverty, this is not an issue that can stand alone with the Assembly or with an enthusiastic local authority working as a partner here or there. This would, ideally, in my mind, be something that we can legislate for to ensure that all arms of the Welsh public sector are engaged to some extent or other, according to their role in society. We would need something that would be a structured and measurable intervention in the lives of those children in poverty, working with their families or with their communities. At the moment, although thinking is at an early stage, I envisage something that is not dissimilar to Welsh-language legislation—in other words, a certain minimum plan would be required of any public sector organisation, or indeed any organisation that would benefit from Assembly funding.

[258] So, any organisation, from an NHS trust to a local authority to the Wales Millennium Centre, would have to structure its work, re-jig its budgets, and change the time that its workforce spends on certain issues so that they spend some of their effort on measurably intervening with a community, a number of families or individual children who are in poverty, and they make a difference to their lives. That could be something as formal and structured as looking at dental health in an NHS trust area, or it could be something with a softer social aspect, if you like, such as the work that the national museums and galleries might undertake with communities and children in poverty in terms of the excellent work that they already do. As I say, this is early days, but we need to consider some way of impressing on them the need to do this in a structured and annually reportable way, so that this then comes back into the public arena for evaluation and constructive criticism on how that has been done. That would be similar in some ways to a Welsh-language scheme, but that will develop over time—I think that 'partnership action contracts' is the jargon.

[259] In terms of other issues that I should touch on, we are now getting into some serious research on public sector career ladders, which Members may remember us discussing on previous occasions. We are considering the public sector in the first instance, but there is no reason why any enlightened employer—take an organisation such as the National Assembly for Wales, which is a large employer—should not consider this over time in terms of looking within workforces at those people in particular who are on lower incomes and who enter with lower skills levels, and should not accept, if someone enters the organisation with a certain degree of educational qualification and at a certain salary level, that that is necessarily the part of the organisation that they would stay in. The employer should act proactively to raise the skill level and the earning power of everyone within the organisation, but particularly those who join it on lower salary levels and with lower levels of educational achievement, and so on. So, there would be a commitment to a ratcheting up through the organisation as much as is possible, and as much as the person concerned would wish, by providing the training and the wherewithal—which might be something such as childcare—to ensure that people have the prospect of moving up, in theory, from entry-level jobs at the Assembly. I am not referring to the entry level in the civil service, but, as a hypothetical example, it could be people moving from being security staff to being the Permanent Secretary, in theory. These would be career paths that would be proactively opened up by the organisation.

[260] This is difficult and long-term stuff. I do not mean to be flippant about this at all—serious work needs to be done on this. However, there are some lovely examples of this, such as those in the Scottish health service, which has seen successes along these lines. It is something that we are researching. We are under no illusion that this is simple, but we are serious about looking into it, within the public sector in the first instance.

[261] **Janice Gregory:** Is that it, Huw?

[262] **Huw Lewis:** There is one more thing, Chair. The work is still ongoing to look for a proposal for a dignity for children programme, which would click in, as Members may remember, at the half-way stage of the 2010 timescale. This would be a Wales-only initiative: a proactive, community-based wraparound intervention in the lives of children in poverty, those at risk of falling into poverty, their families and their communities as a whole. We are particularly excited by the work of On Track in the Rhondda and Bridgend. Although I am sure that it would not be unmodified, we think that that has the potential to be rolled out as a national programme. At the moment, we are calling it the dignity for children programme, and the aim is to achieve this by 2010. There is a lot of research work to be done to ensure that we get that right.

[263] **Leanne Wood:** I will keep my comments brief, because we have so little time. First, I welcome the work that you are doing on trying to bring all of the different ministries on board on this. However, I would like to make a similar point to that which I made earlier in the debate on Communities First. The child poverty action group has criticised the Welsh Assembly Government for not being vocal enough with regard to those Westminster policies that impact on child poverty, and the benefits and tax-credit systems in particular. I am sure that you are aware of research that came out this week that talked about the tax-credit trap in which people now find themselves, whereby they are unable to raise their income levels or go for promotion and so on, because they find that they take themselves out of eligibility for child tax credits and then working becomes untenable. So, what are you doing to intervene in Westminster policy areas on this? I know that it is difficult, because these issues are not devolved, but if you are talking about trying to increase co-operation among ministries here, there also needs to be robust dialogue with the Westminster Government.

12.30 p.m.

[264] Another thing that will impact on child poverty levels, which I raised earlier on, is the job losses in the civil service. If we are going to lose 6,000 plus jobs in Wales as a result of these changes, that will also have an impact on child poverty levels.

[265] **Laura Anne Jones:** I, too, thank you for the work that you are doing; I am sure that we all hope that it is successful, and that you achieve your target by 2020.

[266] In your work, are you looking at how to deal with Gypsies and Travellers and their children? Are you working alongside and with the voluntary sector and groups in Communities First areas to identify child poverty areas? They are target areas, but I was delighted to read a statement here that not all deprived people are part of a deprived community, as I know of severe pockets of deprivation in Monmouthshire that are never highlighted in any strategies, or whatever, but which do exist. It is essential to look at those areas.

[267] Thirdly, if children are unable to access public services, do you consider that to be child poverty? If so, you must be disappointed at the latest news that not many dentists are taking up the new contract. Many dental services will remain the same, and other dentists have retired, or have turned their practices into 100 per cent private practices, instead of jumping to take up the new contracts. Therefore, does that form part of your child poverty review?

[268] **Mark Isherwood:** I endorse Leanne's comments on the Joseph Rowntree Foundation research, which shows that incentives for work in terms of income tax, employee national insurance contributions, council tax, as well as tax credits and benefits, have fallen since 2000, according to its figures. This follows the research that it published in July, which projects that, given the current policies, the poverty rate will remain very much as it is, and the Government will fall substantially short of meeting its target for its reduction. UK Government tax and benefit policies have a key role to play in this.

[269] I am sure that you will have seen the paper that was published this week from the End Child Poverty Network Cymru on the cost of education. It notes that 27 per cent of children in Wales now live in poverty, but that only 16 per cent qualify for free school meals, and that, therefore, only 16 per cent qualify for assistance with school uniforms, and so on. Do you have any comments on that?

[270] What role does housing have to play in measuring child poverty? Housing Forum Cymru says that over 35,000 children in Wales live in poor housing. Children living in poor and damp conditions have a much higher likelihood of contracting asthma and other respiratory diseases. It also states that the opportunities for those children are reduced; children who live in homeless families, on average, miss out on 25 per cent of schooling, and living in poor and overcrowded conditions reduces their opportunities to develop and learn. Therefore, that is central to all this.

[271] Finally, the Reform think-tank policy review concluded that, because more and more people in Wales are becoming dependent on the state for employment, small businesses are being denied opportunities to start up and employ people, and that talented young people, and modern industries, which are the lifeblood of future economic progress in Wales, will move from Wales.

[272] **Huw Lewis:** It is curious that some opposition Members are concerned about too many people being employed in the public sector, and that others are concerned about civil service job cuts. If there is ever to be a rainbow coalition here, you are going to have to thrash that one out.

[273] Leanne and Mark made relevant points about Westminster's role, and the fact that the tax and benefits system does not come under the Assembly's control, and that that system has an enormous impact on the lives of the children that we are talking about here. However, let us remember that the changes to the tax and benefits system instituted by Gordon Brown have already lifted a third of Welsh children out of poverty. That constitutes about 30,000 Welsh children—across the UK, it is in the millions. That is a considerable amount of progress that has been made. That is not to say that your points are irrelevant—they are not. This summer, I spent time with the Minister taking a look at this, Pat McFadden, up in Westminster, talking about this and lobbying from the viewpoint of Welsh children and on behalf of the Welsh Assembly Government that we need a further look at benefits, tax credits and so on, and how they impact on this agenda. The Westminster Government is well aware of that, but it has its remit and we must respect that in the same way that we would hope that it would respect ours. We will keep a close eye on that and continue to lobby and make representations on those issues.

[274] Laura mentioned Gypsies and Travellers, but it goes much further than that. I made a decision in this regard as this work was going on during this summer, because there is an issue here about us picking the lower-hanging fruit first. Already, the first 30 per cent of children have been moved out of poverty, and, in many ways, that was the easiest 30 per cent to deal with. As we go along, I anticipate that it will get more and more difficult, because we will be coming towards a group in society that not only has income problems, but multiple problems, such as issues impacting upon its homes and its whole community, in some instances, that have contributed to the situation that that group is in.

[275] We could have put in some paragraphs about that into the document that will be published on Monday, but, instead, I have recognised that this is a big issue and that we will, in fact, need another review. I have committed to another review looking at harder-to-reach groups, which would be, for instance, children in Gypsy and Traveller communities, children with disabilities that impact on their lives, children with disabled parents or relatives, children who are carers, children with a chaotic family life, living in homes in which drug or alcohol misuse problems are going on, and children with severe problems or multiple problems of one kind or another. It will also look at those children who do not have English or Welsh as a first language. To show sufficient respect for the complexity of those issues, we need a separate review, so we will embark on that. Of course, all those groups are not equivalent, and different issues affect each group.

[276] Laura mentioned working with the voluntary sector and Communities First and so on. Considerable dialogue has been going back and forth, although there is a huge agenda here and a lot of potential to open out the work on child poverty and to draw in partners at all sorts of levels. I am excited about the potential of Communities First, the voluntary sector and voluntary sector councils locally and how they can help with this, and about the new delivery platforms out there, like integrated children's centres. They are not voluntary, as such, but could act as delivery platforms for all kinds of initiatives that we might develop in order to meet these targets by 2010 and 2020.

[277] I will not go into the ins and outs of dentistry, but Laura is right to mention access to public services, as access to a social good is a part of whether you define someone as being in a state of poverty or not. In terms of access, we must be careful. The mere fact of being geographically distant from a social good such as a chiropodist, say—I do not know where I got that from—does not necessarily mean that you are deprived. If you can jump into the four-by-four and get there in 10 minutes, that does not mean that you are deprived, so, we must be careful about our definitions, but access is important, and it is something that we need to address through the Government of Wales Act power. You are right to say, and I hope that I have demonstrated, that you cannot do this work solely on the basis of area programmes.

12.40 p.m.

[278] We will have to universalise this work. I had always envisaged that the dignity for children programme would be a national service available to all communities in Wales over time. That is what would be my greatest hope in terms of a Welsh intervention that would directly bump down the number of children in poverty in Wales. There is some worth in what Laura pointed out.

[279] Sorry, that sounds slightly patronising; I did not intend that at all.

[280] **Laura Anne Jones:** I know what you mean.

[281] **Janice Gregory:** She knows what you mean.

[282] **Huw Lewis:** Mark is right to mention housing. There will be milestones and targets relating to housing conditions. I accept that it is crucial. You will have to wait until Monday to see what the numbers will be.

[283] **Janice Gregory:** What time will the launch be on Monday?

[284] **Ms Schofield:** It is at 1 p.m. in the Cwrt.

[285] **Janice Gregory:** Thank you for that, Huw.

[286] There is a paper to note—the social enterprise strategy. When the forward work programme was agreed, it was highlighted that time did not permit a full discussion on this item. It was stated on the forward work programme that it would simply be a paper to note, but should any Member wish to discuss any of the items, as time has not permitted that today, we would find time at the next ministerial meeting on 23 November.

[287] **Laura Anne Jones:** Could we find time for it, because social enterprise is quite an important part of our remit?

[288] **Janice Gregory:** We will certainly find time for it somewhere. Do not worry.

[289] **Ms Griffiths:** It may not be at the next meeting, because of the budget.

[290] **Janice Gregory:** It may not be that one, but I promise that we will find time.

[291] As usual, the Members' research service stands ready and waiting if anyone wants any specific briefings. Our next meeting will be on Wednesday 8 November, when we will be gathering evidence on the review of youth homelessness. Thank you all for your attendance this morning, which was very busy.

Daeth y cyfarfod i ben am 12.42 p.m.

The meeting ended at 12.42 p.m.