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Mr Jonathan Morgan AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Dear Chair

ASSEMBLY GOVERNMENT RESPONSE ON *COMMUNITIES FIRST*

The Clerk's letter of 10 May requested my advice on the response by the Assembly Government to the Committee's report on Communities First. This letter sets out my advice on the response.

The Assembly Government's response is positive insofar as it states that it accepts all of the recommendations in the Committee's report, and, in doing so, accepts all of the recommendations made in the Wales Audit Office report published in July 2009. The response contains a direct criticism of the Committee's report, which is unusual. I do not intend to comment on the Assembly Government's criticism, as it is a matter for the Committee to consider. However, I do have a number of general and specific concerns about the response.

Although the response states that the Assembly Government accepts all of the Committee's recommendations, in many places it is vague in terms of how the recommendations will be implemented. The response refers to things that are under consideration or discussion, or aspirations that the Assembly Government is looking to take forward. There are relatively few clear timescales for action, despite the Committee explicitly asking for timescales for implementing each of the recommendations in the Wales Audit Office report. In part, it is understandable that the Assembly Government would not be entirely clear as to how it intends to change the programme and it is reasonable for it to take time to consider the fine detail. Nonetheless, I think the response could have been much clearer in setting out how the Assembly Government intends to move the programme forward, and the associated timescales, following the clear conclusions and recommendations set out in the reports by the Committee and the Wales Audit Office.

I would also draw the Committee's attention to the numerous references to an external evaluation of the Communities First programme, to be undertaken during 2010-11. The Assembly Government's description suggests that it expects the evaluation to be wide ranging, looking at the outcomes the programme has achieved and the processes for delivering the programme. Of course, a commitment to learning and evaluation is commendable. But there is a risk that such a review could be used as an excuse to delay taking action, the need for which has already been identified. The Communities First programme has already been subject to

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numerous reviews, including most recently by the Committee and the Wales Audit Office. In my opinion, the weaknesses in the programme are now well known, and the Assembly Government needs to get to grips with tackling those weaknesses as a matter of urgency, rather than await the results of another review.

I also have a number of specific observations, particularly on the Assembly Government's response to the Committee's Recommendation 1, which required the Assembly Government to accept each of the Wales Audit Office recommendations and to provide details of the actions and timescales for addressing these recommendations.

- Recommendation (a) of the Wales Audit Office report said that the Assembly Government should make Communities First a priority and that progress in reducing the gap in outcomes between Communities First areas and the rest of Wales should be a key measure of the Assembly Government's success. The Assembly Government's response makes a positive reference to Communities First informing new policies through the Policy Gateway. But it makes no reference to the Assembly Government measuring its performance in terms of reducing the gap between Communities First areas and the rest of Wales.
- On recommendation (b), the Assembly Government's response states that it already ensures that appropriate references are made to Communities First in wider policies, plans and guidance. However, the Wales Audit Office report and the evidence to the Committee suggested that this was not always the case, with Communities First often not being on the radar of those delivering services that are not directly involved in regeneration. This response illustrates my general concerns about the vagueness of the Assembly Government's response. The Assembly Government reports that it intends to "explore" how it will ensure local authorities prioritise Communities First, "look to reinforce the potential" for closer working between service providers and Communities First Partnerships and "look into" whether an indicator on reducing the gap can be developed. There is little that clearly commits the Assembly Government to new action in direct response to the recommendation.
- Recommendation (d) concerns opportunities to encourage local authorities to improve their service delivery focus on Communities First areas, for example through the reform of the Wales Programme for Improvement. While the Assembly Government says that it accepts the recommendation, the response does not explain what it intends to do. As it stands, the response merely states that there is already a requirement in the Local Government Measure to reduce disadvantages in service provision and accessibility, whether in Communities First areas or elsewhere, and that forthcoming guidance will reflect that requirement. This response suggests that the Assembly Government does not intend to make any specific reference to or requirements regarding Communities First. Accordingly, it is unclear exactly what the Assembly Government is going to do differently as a result of accepting this recommendation.
- The response to recommendation (i)(a) is also vague. This is an important recommendation about partnerships not being held accountable for delivering outcomes that they alone cannot deliver, like a safe neighbourhood or healthy community. The recommendation makes clear that those outcomes need to be agreed and shared with service providers, with the partnerships being clear on their contribution to achieving

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those outcomes and measuring their performance and progress based on that contribution. The Assembly Government states that it accepts the recommendation but does not explain what it intends to do to implement it. The response says that the Assembly Government will meet with local authorities to “review what processes are in place”. This response does not state what the Assembly Government intends to do to strengthen those processes or introduce them where they do not exist. The response falls short of the clear direction that is needed to ensure that there is a strong framework for local partnerships and service providers to work towards shared outcomes, based on a realistic assessment of what each can contribute.

The Assembly Government's response to the remaining four of the Committee's recommendations is also not very specific on detail or timescales. For example, Recommendation 3 calls for the Assembly Government to develop a 'carrot and stick' approach to incentivising programme bending. The Assembly Government's response simply says that “it is exploring the best means, through incentivisation and direction, of drawing the attention of” service providers to the need to prioritise Communities First. It strikes me that that the Committee's recommendation is calling for a considerably more directive approach than is evident in this response.

Although, the Assembly Government's response to the Committee's report is not a very informative one, it does state up front that the Assembly Government will provide the Committee with an update in 12 months time on the progress made in implementing the Committee's recommendations. The Committee had requested a 12 month update in respect of just two of its recommendations (2 and 5), but the promise of an update in 12 months time in respect of all the Committee's recommendations would provide the Committee with an opportunity to follow up progress across the full scope of the programme in Spring 2011. We would, of course, be pleased to provide further advice to the Committee on the Assembly Government's update report.

Yours sincerely



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