



**Cynulliad Cenedlaethol Cymru
Y Pwyllgor Menter, Arloesi a Rhwydweithiau**

**The National Assembly for Wales
The Enterprise, Innovation and Networks Committee**

**Dydd Iau, 5 Hydref 2006
Thursday, 5 October 2006**

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Consultation on the New Cross Country, West Midlands and East Midlands Franchise

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

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

Aelodau o'r Cynulliad yn bresennol: Christine Gwyther (Cadeirydd), Leighton Andrews, Janet Davies, Alun Ffred Jones, Carl Sargeant, Kirsty Williams.

Swyddogion yn bresennol: Tracey Burke, Cyfarwyddwr, Strategaeth ac Adolygu; Colin Eaketts, Is-adran Cynllunio a Gweinyddu Trafnidiaeth; Gareth Hall, Cyfarwyddwr, yr Adran Menter, Arloesi a Rhwydweithiau; Tim James, Pennaeth yr Uned Rheilffyrdd; Ian Jones, yr Adran Iechyd a Gwasanaethau Cymdeithasol; Bob Waller, Pennaeth Dros Dro, Polisi Sgiliau.

Eraill yn bresennol: Linda Badman, Cyfarwyddwr, Canolfan Byd Gwaith; Betsan Caldwell, Cyfarwyddwr Cymru, Cymdeithas Trafnidiaeth Gymunedol y DU; Hayley Dunne, Rheolydd Cydbwysedd Bywyd a Gwaith, Chwarae Teg; Ewan Jones, Dirprwy Brif Weithredwr, Cymdeithas Trafnidiaeth Gymunedol y DU; Griff Jones, Cymdeithas Ffeddygol Prydain.

Gwasanaeth Pwyllgor: Claire Morris, Clerc; Abigail Phillips, Dirprwy Glerc.

Assembly Members in attendance: Christine Gwyther (Chair), Leighton Andrews, Janet Davies, Alun Ffred Jones, Carl Sargeant, Kirsty Williams.

Officials in attendance: Tracey Burke, Director, Strategy and Review; Colin Eaketts, Transport Planning and Administration Division; Gareth Hall, Director, Department for Enterprise, Innovation and Networks; Tim James, Head of Rail Unit; Ian Jones, Department for Health and Social Services; Bob Waller, Acting Head, Skills Policy.

Others in attendance: Linda Badman, Director, Jobcentre Plus; Betsan Caldwell, Wales Director, Community Transport Association UK; Hayley Dunne, Work Life Balance Manager, Chwarae Teg; Ewan Jones, Deputy Chief Executive, Community Transport Association UK; Griff Jones, British Medical Association.

Committee Service: Claire Morris, Clerk; Abigail Phillips, Deputy Clerk.

*Dechreuodd y cyfarfod am 9.02 a.m.
The meeting began at 9.02 a.m.*

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

[1] **Christine Gwyther:** Good morning. I welcome Members to this meeting of the Enterprise, Innovation and Networks Committee. We will spend this morning, in the main, reviewing our economic inactivity review, the Government's response to it, and progress to date. We have had an apology from the Minister, Andrew Davies. I remind Members that translation is available and that if there are any problems, the ushers will show us the way out of the building. If Members or presenters experience any technical difficulties, please indicate to the deputy clerk, Abi, and she will sort you out. So, welcome to the meeting this morning.

[2] I remind Members that there will also be a budget scrutiny refresher meeting at 1 p.m. in conference room 20, which is the old committee room 1, on the ground floor of the Assembly offices. I also remind everyone not to touch the buttons on their microphones, and to wait until the red light comes on before you begin to speak. I assure you that it will happen quickly.

9.03 a.m.

Anweithgarwch Economaidd: Canolfan Byd Gwaith
Economic Inactivity: Jobcentre Plus

[3] **Christine Gwyther:** First we have Jobcentre Plus, which originally gave us evidence. Linda Badman, as the director, is here just to refresh us on that evidence and to take questions.

[4] **Ms Badman:** I will give five minutes of presentation by way of introduction, and then my time is the committee's. Jobcentre Plus last year helped around 105,000 people into work, and so far this year it has taken 215,000 claims to working-age benefit. There are around 4,000 Jobcentre Plus staff in Wales, operating through nearly 70 jobcentres, a number of call centres and benefit delivery centres. Since the paper, some time ago now, there have been some fundamental changes in the Government response to economic inactivity, and I would say that they fall into three main categories. The first is a change in process, the second is through a series of national programmes and, thirdly, through local innovation and collaboration.

[5] The one I would like to particularly feature at the moment is the change to the process. Since the last time that Jobcentre Plus gave information in committee, a national rebranding and roll out of the Jobcentre Plus process was flagged up by my head of business development, Roger Dinham. Now that process is complete and everyone who makes a claim for working-age benefit in Wales goes through a work-focused interview. That is the most substantial change since the last report to committee, where one of the main issues was that people who were economically inactive and claiming incapacity benefit and income support had no opportunity to be put in touch with the support and the help available. The ultimate consequence was that people who made a claim for an inactivity benefit did not have access or information, and, in many cases, long-term benefit dependency was the result.

[6] We now have that work-focused process in place. Evidence suggests that that stems the flow into long-term benefits, mostly by providing people with the information and help available to them early on. I briefly looked at some of the comments from the British Medical Association in the paper that Abigail has just handed around, and part of the change of process is trying to tackle some of the issues raised in the paper. Our pilot work general practitioners is ongoing.

[7] So, that is the national process. I provided the deputy clerk with information on the range of programmes. If I started to talk about the range of programmes and services available to customers, I would go well over my time allocation. So, I have included an intranet link and a hard copy of the range of programmes. They tend to be based around the characteristics of particular kinds of customers: lone parents, older people, people with health or disability issues, or information and help to overcome specific barriers like childcare, transport and lack of skills.

[8] Finally, on innovation and collaboration, no one organisation has the key to that. Jobcentre Plus collaborates with the Assembly on a number of projects that I have outlined in the paper. However, there is a real danger that, unless we have meaningful collaboration at local and national levels, we will all run around reinventing the wheel. Hopefully, there is sufficient information in the paper and I am at the committee's disposal to answer any questions.

[9] **Christine Gwyther:** I will bring in Members, but to start, can you give us a flavour of how you make the programmes more people-focused rather than process-focused? That

was a clear message that we got from witnesses during the review—that it was just too process-driven.

[10] **Ms Badman:** The claim for benefit, which kicks all of this off, can only be process-focused, but the idea is that everyone has an individual work-focused interview with a personal and specially trained adviser, so if you make a claim for incapacity benefit, you see one of our incapacity benefit advisers, who will have gone through very intensive training, and the conversation is about the individual barriers for people and the individual ways of overcoming them. So, it is process-driven, evidently, but the solutions are individual. There is no such thing, in my opinion, as a typical incapacity benefit customer and the key to delivery is the relationship with a personal adviser.

[11] **Leighton Andrews:** I am impressed with the work that has been done with the Rhondda Cynon Taf Local Health Board in terms of getting people back into work. It is not drawn out in your paper, so could you say more about the achievements of that programme?

9.10 a.m.

[12] **Ms Badman:** The achievements of that programme are spectacular. In Bridgend and Rhondda Cynon Taf since October 2003, we have piloted something called Pathways to Work, which I allude to in the paper. There has been a significant drop in the number claiming incapacity benefit in that area. The evaluation suggests that the delivery of Pathways to Work is the most significant factor. When customers make a claim for incapacity benefit, they go through a process of five work-focused interviews. Involvement in the work-focused interview is mandatory; involvement in work-based activity is not. It is about showing people the possibilities. The significant thing about Pathways to Work—and, again, the BMA paper is interesting here—is that it considers the person in a holistic sense, particularly with reference to whatever health condition they may have. The health boards are partners in that they deliver something called condition management, which seeks to help people to come to terms with their health problem and overcome barriers. It does not seek to cure the health problem and it does not move into a medical sphere, but it helps people to deal with it. The evidence is that long-term economic inactivity is actively bad for you, but work, even if you have a health problem or disability, is good for you.

[13] **Leighton Andrews:** I was hoping for a bit more detail on the numbers involved. If you do not have them to hand, perhaps we can have a note on that.

[14] **Ms Badman:** Absolutely.

[15] **Leighton Andrews:** As I understand it, this is part of a UK-wide pilot scheme. Are there plans to roll it out across the rest of Wales? Is the pilot scheme being assessed? Where are we with that?

[16] **Ms Badman:** By October 2007, the whole of Wales will be covered by Pathways to Work. It went live in west Wales in April, delivered by Jobcentre Plus; it will go live in Blaenau Gwent, Caerphilly and Merthyr Tydfil this month; the rest of south-east Wales, north and mid Wales are going through a procurement process, because Pathways to Work will be delivered by the private or voluntary sectors. So, the delivery will be about 50:50 between Jobcentre Plus and the private and voluntary sectors. The central Government position is that it knows that a Jobcentre-Plus-delivered Pathways to Work works and is successful. This exercise is to see if there is added value to be had through the involvement of the private and voluntary sectors. I can provide you with a raft of numbers, which I will do via the deputy clerk.

[17] **Christine Gwyther:** When will we have the evaluation of those different

approaches—or the same approach done by different agencies?

[18] **Ms Badman:** I do not have the evaluation timetable, but my guess would be that the first sign of evaluation, comparing the two, would probably be in 2010. My experience of the Jobcentre Plus Pathways to Work shows that it needs to run for about two years. It was around two years before substantial evaluation started coming out of the pilot scheme. The service from the private and voluntary sectors would need that amount of time for it to bed in.

[19] **Kirsty Williams:** I have also received positive feedback about the Pathways to Work, specifically the condition management aspect, not only from recipients, but from the staff who are delivering it—allied health professionals who feel that their skills are really being taken on board and that they can see how their work and their input is making a difference to people. You said that Pathways to Work will be rolled out across the country. Will all of those Pathways to Work programmes have a condition management programme attached to them, and a multi-disciplinary team with allied health professionals such as occupational therapists working in it?

[20] **Ms Badman:** The Jobcentre-Plus-delivered Pathways to Work schemes operate on the same model as that in Bridgend and Rhondda Cynon Taf. It is a mandatory part of the private and voluntary sector contracting process that condition management is a part of what is delivered. What is not mandatory is how that is delivered. So, I cannot say this early in the procurement process how the successful bidders will deliver it. However, it has to be in there as part of the delivery.

[21] **Janet Davies:** A lot of what I was going to ask has been answered since I indicated that I wanted to speak. I assume that client feedback will be included in the evaluation.

[22] **Ms Badman:** Yes.

[23] **Christine Gwyther:** Thank you, Janet; that it is very disciplined of you—very good.

[24] **Alun Ffred Jones:** A oes ffigurau ar gael i nodi faint o'r rhai anweithgar sy'n dioddef o broblemau iechyd? Beth yw'r cyswllt, neu'r canran—os yw'r wybodaeth honno ar gael? **Alun Ffred Jones:** Are figures available to note how many of those who are inactive suffer from health problems? What is the link, or the percentage—if that information is available?

[25] Yn ail, ac mae hyn yn benodol i ogledd Cymru, dywedwch y caiff Llwybrau at Waith ei weithredu gan y sectorau gwirfoddol a phreifat yng ngogledd Cymru, os deallaf yn iawn. Ni chredaf eich bod wedi dweud pryd y bydd hyn—a oes amserlen bendant ar gyfer hynny? A yw'r sector hwn yn bodoli eisoes, neu a oes rhaid ei greu o'r dechrau eto, er mwyn ei weithredu? Yr wyf yn ymwybodol bod rhai mudiadau yn gweithio yn y maes hwn, ond a yw'r wybodaeth a'r sgiliau yn bodoli yng ngogledd Cymru i weithredu hyn? Ai un cytundeb fydd ar draws y gogledd, neu a gaiff ei rannu yn wahanol ardaloedd? **Secondly, and this is specific to north Wales, you state that Pathways to Work will be implemented by the voluntary and private sectors in north Wales, if I understand correctly. I do not believe that you said when this will be—is there an exact timetable for that? Does this sector already exist, or does it have to be created anew, in order to be implemented? I am aware that some organisations work in this field, but do the skills and the knowledge exist in north Wales to implement this? Will there be one contract across north Wales, or will it be split up into various areas?**

[26] Mae mwy na dau gwestiwn yn y fan honno, mae'n ddrwg gennyf. **There are more than two questions there, I am sorry.**

[27] **Christine Gwyther:** That is fine.

[28] **Ms Badman:** I apologise if I miss any of the questions—I will go through them.

[29] Regarding data on health problems, there is some broad-brush data that suggests that there are three main categories of customers claiming incapacity benefit—it is roughly a third, a third, a third. They are: mild to moderate mental health issues, cardiovascular issues, and musculoskeletal issues; there are small percentages around the fringes that do not fit into those main categories. There is a spectrum of seriousness, and levels of seriousness, within that. That is what the data suggests. There is some exceptionally detailed information available via the Department for Work and Pensions, which I can probably access; it is technical and medical, but I am happy to try to source that for you.

[30] Secondly, on the timetable, I would hope that, by the end of October 2007, the private and voluntary sector pathways will be on the ground in north Wales and south-east Wales, which are the areas of Wales that are currently not covered. The procurement timetable is that there was national advertising, and advertising in Wales specifically, asking for expressions of interest. Those expressions of interest were considered at the end of September, and there is now a list of preferred bidders, the idea being that we are now going to a detailed tender round, looking at the very things that I suspect that you have some concerns about—do the organisations that are interested have the skills set, do they have the infrastructure, and do they have the capacity to deliver in all parts of Wales? I am sure that Members are well aware that there are difficulties sometimes in more remote parts of Wales, and it is beholden to all of us to ensure that they get the same level of service. Those are the things that will be looked at now.

[31] I believe that it is still commercial in confidence; there are some good organisations looking at this, which are well known in perhaps non-traditional Jobcentre Plus work, which may have more experience in disability issues, specifically. They are a mix; some organisations have put in a bid for the whole of the country, where this is available, some have put in a bid to offer the service throughout Wales, and some have done so specifically for some local authority areas. Therefore, there will be a mix.

[32] **Carl Sargeant:** Thank you, Linda, for outlining the success of the programme this morning.

9.20 a.m.

[33] I note from the paper that there has been, understandably, a major concentration in south Wales. Taking on board the points that Alun Ffred raised about the roll-out in north Wales and in particular—I am probably being parochial, like always—looking at Flintshire, where there is quite a high rate of economic inactivity in pockets, I wonder how you drill down into that. It is with the broad-brush approach that we are having success at the moment, but how are you interacting with Communities First areas, which are trying to seek support with regard to economic inactivity? You talked about the voluntary sector and the private sector possibly delivering this; have you looked at Communities First partnerships? How are you working across departments with social justice?

[34] **Ms Badman:** It is quite a tricky area, because of the infrastructure of Communities First, which, rightly, has a bottom-up structure. I have had some experience in the Heads of the Valleys area. Different Communities First partnerships have different priorities, so, I would not say that Jobcentre Plus Wales has a strategy for interacting with Communities First. We work with the Department for Social Justice and Regeneration within the Welsh Assembly Government, but we are dependent on Communities First demonstrating the initial

interest to work with us. I know of instances where we have responded where there is an interest.

[35] I absolutely take your point, that by changing the process and introducing work-focused interviews and pathways, we are dealing with people moving on to benefit dependency. There are places in Wales—Rhyl is one—with particularly high economic inactivity, where one of my other strands, that of innovation and collaboration comes in; there are a number of strands to that. In Rhyl, in particular, you will be aware that, in collaboration with the Welsh Assembly Government, we have developed Want to Work, which was done when we were not really sure what the timetable was, or if there were a future for Pathways to Work. Its concentration is not so much on new claims for incapacity benefit, but on those who are on inactive benefits in the long term. That is working in a focused sense and in specific areas.

[36] Rhyl, pleasingly, has been selected as a pilot area for the city strategy along with the other economic inactivity hotspots of the Heads of the Valleys. These are really early days; it is meant to be a collaborative partnership of people with a common goal in a specific area of economic inactivity, pooling all of their resources and trying to do things differently. The specific aim is to raise the employment rate in that particular geographic area. I do not have details, because it is not Jobcentre-Plus-led, but consortia-led, and it is Department for Work and Pensions money. These are too early days to say what the strategy will look like.

[37] **Carl Sargeant:** The further into the process you go, the more difficult it will probably get to achieve better results. So, you will have to get more focus, as you said. Looking at the British Medical Association paper, I see that there are some challenges ahead that need to be addressed. Do you have any proposals to be more focused, such as with Communities First? Taking on board what you have just said, have you thought about what you can develop or work at for the future? Do you have any key people working towards that?

[38] **Ms Badman:** The response is around projects like Want to Work, the Cities strategy and Communities First—and it depends on where the Communities First partnerships are coming from—where you work with partners in a small geographic area. There is more opportunity to spend some time with community partnerships, because they have phenomenal influence in the communities that we are trying to reach. We can tell people what help is available for them at the front end of the claim, but, at present, 210,000 people are claiming incapacity benefit who may not have gone through that process and that is a big job.

[39] Briefly, on the GP side, we have a pilot scheme running for a GP surgery project, which Members from Bridgend and Rhondda Cynon Taf may be aware of. We have permission from, I think, six GP surgeries in the area to locate specialist pathways advisers in the surgery for a morning a week, so that the GPs can refer directly to the pathways adviser. We also have some early work-focused activity on GPs' prescribing as part of somebody's care plan. It is early days yet, though.

[40] **Christine Gwyther:** In my area, in Communities First wards, where Jobcentre Plus sits on the partnerships, it has been hugely beneficial. However, I have always wondered whether that is the personal commitment of the Jobcentre employee or whether they are required to be there, and that has never been made clear. Can you tell us?

[41] **Ms Badman:** It is not a requirement. Something that I expect the district managers to do, via their external teams, is to follow up any interest from Communities First, and we have had rounds of presentations to Communities First co-ordinators. So, we have tried to be proactive in telling people what Jobcentre Plus is doing, because one of the biggest challenges, in my opinion, is the fact that there is a huge amount of interest in economic inactivity and, as I am sure you can appreciate from the paper, there is a huge amount of

central Government activity and funding going on, and there is a real danger that local projects will try to do things for which there is already funding and a process, rather than focusing any available money on adding value to what is already there. We have been out there talking to the Communities First co-ordinators and the partnerships, and we are most active. I can think of a couple of examples where Jobcentre Plus shares Communities First partnerships, and that is because it has been invited in, and not because we have any automatic seat at the table.

[42] **Christine Gwyther:** I realise that you cannot impose anything—that is the whole bottom-up ethos, which is what we value.

[43] **Alun Ffred Jones:** Gan ddilyn sylwadau Carl, deallaf y rheswm am y pwyslais; mae llawer o'r cynlluniau hyn wedi'u targedu ar leoedd megis y Rhondda, Merthyr a Blaenau Gwent oherwydd y ffigurau a'r canrannau uchel yn rhai o'r cymunedau hynny a esgeuluswyd yn y gorffennol. Ond, mae'n wir hefyd bod yr un sefyllfa yn bodoli mewn trefi a phentrefi gwledig, fel Pwllheli hyd yn oed. Am fod y niferoedd hynny yn fach, mae tuedd i'w hanwybyddu neu'u hesgeuluso. Pam na ellir gofalu bod arferion da o'r cynlluniau y clywsom amdanynt yn y Rhondda ac ati hefyd i'w cael yn y wardiau eraill hynny lle mae problemau? Nid oes ots os yw'r niferoedd yn fach; mae'r dioddefaint a'r canlyniadau yn union yr un fath.

Alun Ffred Jones: Following Carl's remarks, I understand the reason for the emphasis; many of these schemes were targeted at places such as the Rhondda, Merthyr and Blaenau Gwent, because the figures and percentages for some of those previously neglected communities are quite high. However, it is also true to say that the same situation exists in rural towns and villages, even in towns like Pwllheli. Because those numbers are low, there is a tendency to ignore and neglect them. Why is it not possible to ensure that good practice from schemes that we heard about in the Rhondda and so on is also applied in those other wards where there are problems? It makes no difference if the numbers are low; the suffering and the consequences are exactly the same.

[44] Gwn fod Rhyl yn cael ei thargedu—ac mae gwir angen targedu Rhyl—ond mae angen ystyried sefyllfa Ynys Môn, sydd â'r gwerth ychwanegol crynswth isaf ym Mhrydain. Mae lefel yr anweithgarwch economaidd yn uchel iawn mewn rhannau o'r ynys. Er hynny, ni welaf yr un cyfeiriad yma at unrhyw gynlluniau i dargedu Ynys Môn— a oes rheswm am hynny?

I know that Rhyl has been targeted—and Rhyl really does need to be targeted—but Anglesey's situation needs consideration, as it has the lowest gross value added in Britain. The level of economic inactivity is very high in parts of the island. Despite that, I cannot see any reference to any plans to target Anglesey—is there a reason for that?

[45] **Ms Badman:** No, there are no specific schemes; the Cities strategy that I referred to was something that local consortia could bid for, and that is very experimental. There have been 15, nationally—that is Wales and the UK. So, it is too early to tell what will come out of that, but of course, communities such as Ynys Môn and Pwllheli will all be covered by Pathways to Work.

9.30 a.m.

[46] From the pilot projects in Bridgend, Rhondda Cynon Taf and beyond, we have learned about what I would call the 'big hitters', namely the things that really have an immediate impact, such as the condition management programme that has been referred to. Another one that is significant in my view is the return-to-work credit. High rates of benefit for those on incapacity benefit often make people feel that it is not worth their going back to work. The return-to-work credit is part of the national programme. So, in communities such

as those in Ynys Môn and Pwllheli, as soon as Pathways to Work kicks in, they will be the access point for the work-focused interview, the condition management programme and the return-to-work credit, which are the three things that have come out of the evaluation in Pathways to Work that make the most significant difference.

[47] **Kirsty Williams:** You stated that, although it is compulsory for people to go through the interview process, you cannot then compel people to enter into Pathways to Work programmes. Has any evaluation been done of the reason why people, having gone through the interview, do not then choose to participate? Is there any common theme running in terms of those types of claimants who do not want to participate and those who do go through Pathways to Work but do not then end up in employment? Has any evaluation been done of the reasons why those clients are not successful, or the barriers to them, as compared with the clients who do go on into employment? I am concerned that, at present, we are perhaps dealing with the easier cases—people with less complex needs, problems and barriers—and, as we become more successful, we will eventually get down to a hardcore of individuals who have very complex needs that will perhaps not be so easy to manage. Have we boiled down to what those types of problems may be in the future?

[48] **Ms Badman:** It is part of the ongoing evaluation process. The pathways that we will see across Wales focus on customers making a new claim for incapacity benefit. We have now moved the Bridgend and Rhondda Cynon Taf work to people who have been on incapacity benefit for a while. That is probably where the most fruitful evaluation on that will come.

[49] I would make two comments. We must not forget that incapacity benefit is there for people who are sick and have health problems, and there will be a proportion of people for whom, even if they would prefer to work, it is not going to be an option. I am not absolutely sure that we have a feel for what that percentage is out of the huge numbers. The other thing is that there is a view that some people claim incapacity benefit as a form of early retirement, and I know that Members will be well aware that there is interest in the levels of incapacity benefit.

[50] Another process introduction will be the development of a new benefit, because there is a view now that incapacity benefit has been around for a long time and does not necessarily meet the needs of current society. The introduction of the employment support allowance will introduce a requirement for people to be involved in the process and will identify that percentage of people who we have talked about for whom this is not an option, and that will lead to people being on a higher rate of benefit. There is a view that there is a certain perverseness about the fact that the longer you are on incapacity benefit, the higher the rate becomes. I would suggest that the development of the new benefit will probably be fraught with controversy. It is due to be introduced in 2008 and it is at a very early stage, but I am happy to make arrangements to feed back to Assembly Members on the development process.

[51] **Christine Gwyther:** Thank you for that. It was more than a refresh; it was a complete update. If you are able to stay for the rest of the session, please—

[52] **Ms Badman:** I have another Assembly meeting.

[53] **Christine Gwyther:** Oh, right. You are very much in demand. Thank you very much then.

9.36 a.m.

Anweithgarwch Economaidd: Chwarae Teg
Economic Inactivity: Chwarae Teg

[54] **Christine Gwyther:** Our next presenter is Hayley Dunne, who is the work-life balance manager from Chwarae Teg. I welcome you to the table. We have a paper from Chwarae Teg before us, which Hayley will briefly introduce, and then we will go into a question-and-answer session. Members, if you are willing, we will take all the evidence from the presenters and then have a discussion towards the end of the meeting, during which we can also quiz the officials from the Department for Enterprise, Innovation and Networks.

[55] **Ms Dunne:** Good morning. Chwarae Teg's role focuses on the economic impacts of care and I want to highlight a few issues: the lack of provision as a barrier to employment is still around; there is the continuing issue that carers face in being unable to participate as fully as they might like in the labour market, due to caring responsibilities; and the biggest obstacles to equality of opportunity are still childcare and, increasingly, providing care for an ageing population.

[56] In Wales, unpaid care is carried out by 340,000 people and, in the UK, it is estimated that unpaid caring work is worth £227 billion. One thing that we know is that the care agenda is not going to go away. One of the ways in which employers in Wales are addressing the issue of supporting carers in employment is through work-life balance initiatives. Chwarae Teg in Wales, supported by the Department for Education, Lifelong Learning and Skills, has been instrumental in influencing employers in this area, and supporting them in implementing effective policies and procedures, which not only assist the individuals, but help to improve the business.

[57] Since 2000, the Welsh Assembly Government has led developments around work-life balance in Wales. We have produced a guide for employers, 'Work-life balance, a better way of working and living', which includes a step-by-step guide for large and small businesses to look at work-life balance as a business imperative. It also includes case studies from large and small businesses, demonstrating how it can be achieved. In 2002, there was a pilot project, working with seven large public sector organisations, which involved three years of intensive support and advice and resulted in a huge culture change within those organisations, from having a 'we can't possibly do this, it is too difficult' attitude to having a 'work-life balance is essential to our business' attitude.

[58] There is also the small and medium-sized enterprise challenge fund. Over four years, 40 small and medium-sized enterprises have benefited from financial support to help them to look at these issues within their organisations. A 'Work-life Balance in Wales' website was launched and it continues to address work-life balance issues for employers and employees—it is a one-stop shop for people in Wales to address work-life balance issues. The success of these initiatives led, last year, to the Minister approving a three-year strategy for work-life balance in Wales, called 'Getting the Balance Right', which we, at Chwarae Teg, continue to deliver, and which is aimed at large, small, public, private and voluntary sector organisations.

[59] We found that work-life balance continues to demonstrate to business that, if implemented correctly, it can assist with a variety of issues, including the recruitment and retention of staff. It can also improve morale, increase confidence and loyalty within an organisation, reduce stress, absenteeism and staff turnover, create a valued workforce and, above all, can lead to the organisation becoming an employer of choice. Wrexham County Borough Council saw recruitment-and-retention and sickness-absence rates, in social services alone, reduce by half; they now stand at half the national rate for recruitment and retention in social services. Turnover also reduced by almost a half in one year, and sickness absence fell significantly in the same period. That was all due to the implementation of work-life balance

initiatives.

[60] The law on the right to request flexible working changed this week, to include those who care for adults. We, at Chwarae Teg, do not want companies to see this as an exercise in compliance, but as an opportunity to modernise and reform their working practices and to reap the business benefits as a result. An inclusive and flexible approach to working patterns can make a significant contribution to developing and retaining a skilled, flexible and diverse workforce, which will assist Wales in creating a vibrant economy.

[61] **Christine Gwyther:** Thank you for that. I am sure that most of us had have had the experience, in our constituencies, of employers who think that flexible working applies only to them, and that they can just drag people in on a whim to work a four-hour shift. It is clear that flexible working will be the way forward for anyone with a caring responsibility. So, how do you go about explaining those responsibilities to employers?

9.40 a.m.

[62] **Ms Dunne:** We highlight the law to them around the right to request flexible working. We also take it further than that, and we discuss what it is that they want to achieve by introducing flexible working. We look at what their drivers are, and we ask them whether they are having problems recruiting or keeping staff. We then look at how the business works with them, and whether or not they can look at different working patterns while still delivering the business. By doing that, it becomes evident that one size does not fit all, and the same will not work for every company. Large businesses and small businesses will have very different needs. So, we work very much individually with that business on what it feels can work for it.

[63] **Christine Gwyther:** Okay, thank you. You said that around 141 small and medium-sized enterprises have been supported by the challenge fund. What was the range of sizes, because small and medium-sized enterprises cover—

[64] **Ms Dunne:** Yes. They ranged from the smallest SME to the largest SME. The ones that received money—I would have to check absolutely—were mostly at the smaller end of the SME scale. There were one or two that were perhaps at the larger end of the SME scale.

[65] **Kirsty Williams:** Research has shown that those people who are currently economically inactive that would like to return to work in the near future are women with young children. From your organisation's perspective, how successful has the Government been since the report was produced in improving access to childcare, in terms of the number of places that are available? Can you also give us an update on some of the affordability issues that parents or women might have with regards to paying for childcare if they go back into the labour market?

[66] **Ms Dunne:** We have seen an improvement in the number of childcare places; I do not have the exact figures to hand. However, there is still not enough. A report that I read recently indicated that there is still a huge shortage of childcare places, and there is something like two places for every 10 children under the age of five. Affordability remains an issue. I do not have the figures to hand, but I could get them for you.

[67] **Kirsty Williams:** That would be helpful.

[68] **Carl Sargeant:** You mentioned that three local authorities were taking part in this. You show Wrexham's figures, which are quite impressive in terms of results. What is the cost of implementing this? It is difficult to measure the cost and the outcome—there could be a very successful outcome but there will be some cost to the authorities. If it is a success—and

perhaps this is more of a question to officials—why are we not rolling it out across the 22 local authorities if it is good practice?

[69] **Ms Dunne:** It depends on what initiative an organisation wants to implement. Wrexham County Borough Council went down the route of involving its teams and then taking a corporate approach. So, it discussed the needs within a team and then found a solution within that team through a business case. The team and the individuals had to develop a business case on whether or not it would cost anything, and how it would affect and improve the business before any change could be made. Over the three years, Wrexham had around 70 projects running, involving 700 staff. I do not know the exact costs, but there were some things that cost nothing. I will give you an example: in its finance department, it was finding that people were taking most of their annual leave in March, which was not conducive to the business because of end-of-year accounts. So, it changed the leave year for the finance team and moved it to a system whereby the leave year for an individual would start when they started in the job—it is called a staggered leave year. In that way, it was not presented in March with the whole team wanting to take time off. Obviously, that was a management issue and it could not happen anyway, but staff did not have to go through the experience of asking, ‘Who will have time off and who will not?’. That did not cost it anything.

[70] It also looked at its flexible hours scheme, and it removed the core hours and extended the band widths. It used to be from 8 a.m. to 6 p.m. but it has been extended to 7 a.m. to 7 p.m.. It also changed the recording system, which did not cost anything either. So, it depends on what initiative it wants to implement.

[71] In terms of rolling out to other local authorities, in the three-year strategy, we are now working with two other local authorities, Blaenau Gwent and Cardiff, which are looking at initiatives within their own organisations. We have produced a report from the pilot project that highlights all the best practice, which all local authorities have had. So, we are beginning to roll out the process.

[72] **Carl Sargeant:** I may have misled you, so would it be possible to have a copy of that best practice for authorities?

[73] **Ms Dunne:** I can get that for you.

[74] **Christine Gwyther:** Hayley, to what extent have you been working with the NHS—that huge employer of people with caring responsibilities, which has high levels of sickness absenteeism because people get exhausted trying to achieve a work-life balance?

[75] **Ms Dunne:** We have not done as much work with the NHS. We have worked with the North Glamorgan NHS Trust. We have looked at some of its policies and helped it to review them. Hopefully, we will be working with Velindre NHS Trust very shortly. We have started meetings to look at how we might help that organisation. We have also worked with the North West Wales NHS Trust and we are looking at doing some partnership work with it. So, at present, it is very little, but it is on the agenda.

[76] **Christine Gwyther:** You are dipping your toe in there.

[77] **Ms Dunne:** Yes.

[78] **Christine Gwyther:** That is good. Thank you.

[79] **Alun Ffred Jones:** Gwelaf eich bod **Alun Ffred Jones:** I see that you are yn gweithredu mewn gwahanol rannau o operational in various parts of Wales. Do you Gymru. A oes gennych swyddfydd ym have offices in all parts of Wales, or am I

mhob ran o Gymru, neu a ydwyf yn iawn i ddweud eich bod wedi gorfod cwtdogi ar y nifer? A yw hynny'n golygu eich bod wedi torri'n ôl ar nifer y staff hefyd yn y blynyddoedd diwethaf, neu a ydwyf yn anghywir?

right in saying that you have had to cut back on the number of offices? Does that mean that you have also had to make staff cuts over recent years, or am I wrong in that?

[80] **Ms Dunne:** You are referring to the Bangor office of Chwarae Teg. We have had to relocate the Bangor office and we have some shared desk space with Menter a Busnes in north Wales. Our officer in north Wales is on maternity leave, and we had only two members of staff in the north Wales office and so it was not viable to keep it open. So, we have not cut back on staff in the north Wales area. We have someone working there on work-life balance and on our Ready SET Go project. Our director of policy and development is on maternity leave and will return, we hope.

[81] **Leighton Andrews:** Have you done any work on how technology specifically can be used to improve work-life balance? It is an area that we have looked at elsewhere in relation to transport issues and reducing the need for the number of journeys. I realise that e-mail can be a tyranny, whether you have it at home or in the office, so it is not automatically any kind of panacea. However, reducing the stresses in people's lives can also involve reducing the need to travel. I just wondered whether that has come into the area that you have been looking at.

[82] **Mr Dunne:** Yes. Some of the work that happened in Bridgend County Borough Council was around a homeworking pilot initiative. The council identified some 150 people who potentially wanted to work from home in some way or another, whether that was on an occasional, part-time, or a full-time basis. The council has just completed a pilot project for working from home, which it is evaluating. I do not have the results. Obviously, that involved technology.

[83] As an organisation, Chwarae Teg recognises that technology can play a huge part, certainly in homeworking, working differently and in having a flexible location. We are working in partnership with BT on that and, hopefully, developing a project in that area.

[84] **Leighton Andrews:** I did not know that, Chair.

[85] **Christine Gwyther:** Well, you should. That is very bad. Okay, thank you very much indeed Hayley.

[86] We are waiting for our next presenter from the Community Transport Association UK. I suggest that, while we have our officials alert and sitting to attention, we ask them questions relating to Hayley's presentation or the previous one. I realise that that is splitting things up slightly, but I want to use our time as effectively as we can.

[87] **Carl Sargeant:** Could I take the point that I asked Hayley about to Gareth, on the roll-out programme for successful models? Have you any thoughts on that? It may not fall within your boundary, but the NHS point is important. Certainly, the local authorities will be key in that.

9.50 a.m.

[88] **Mr Hall:** Some important principles have come to the fore from the two presentations. Linda Badman described a lot of good things that are going on; some are piloted and some are happening only in certain parts of Wales. We have to remember that the Department for Work and Pensions does not have devolved responsibility for the Assembly

Government, so we are operating at two levels. We are taking advantage of the investments that come from the UK Government and, working with the DWP, the Assembly Government influenced what was originally called the Cities programme. In England, economic inactivity is mainly an inner-city problem, whereas there is a realisation that, in Wales, it is in towns and in pockets in rural areas, which Members have highlighted today. So, we have managed to influence national policy.

[89] We were given examples of pilots and good practice that the Welsh Assembly Government has developed and piloted. It is important to learn that we should not go around reinventing the wheel, as Linda said. The message that I have taken back from that is—for example, on convergence funding and on the European social funding dimension—where we have good practice and similar schemes, that we need to bring them together and roll them out across Wales. That is an important lesson that we need to take forward when it comes to European funding, because good practice should be evaluated and rolled out in order to get some consistency.

[90] Another thing that really came to the fore was that this committee is very much involved in the economic inactivity agenda. If you look at our core terms of reference, you see that we talk a lot here about better jobs, the knowledge economy and added value, but a very important factor is getting more people into jobs. It is part of our responsibility but, again, I am mindful of the Beecham review. If we are to get to grips with the whole economic inactivity issue, we need to bring all Government departments together—the Department for Enterprise, Innovation and Networks, the Department for Social Justice and Regeneration, the Department for Health and Social Services, and the Department for Education, Lifelong Learning and Skills, which also has people here today.

[91] There is an analogy in what we are trying to do with business and account management, which is getting away from trying to shoehorn different projects and products, as I have said many times. There is a direct parallel here with the Pathways to Work experience, which has advisers working with individuals. If we see people as individuals, and we mix all the resources that are available, we can find a solution that benefits those individuals. So, I have taken a lot from what has been said so far, and there is a lot of scope for simplification and joint-working.

[92] Collaboration was another thing that Linda mentioned, which is about coming together. There are lessons to be learned here from the Heads of the Valleys experience. We are working with the DWP, the local authority, and with the Communities First people, because not only do we want to work with individuals, we also want to improve the environment in which these people live and find work. A number of things have been highlighted about education, with early years and the whole skills agenda, which are important, and we will come on to childcare and transport, because there are different barriers to different individuals.

[93] Another important issue is the role that Government itself can play. I was up in Ebbw Vale earlier this week, and I saw that one of the barriers there is people's inability to commute, given their perception of how far it is to commute. In order to get these people out of inactivity and into work, we have to provide opportunities locally. I think that £1 billion pounds a year of public money is spent in the Heads of the Valleys area—and we know all about that all around Wales.

[94] In terms of procurement, whether it is road-building contracts or achieving the Welsh housing quality standard, there are many opportunities for us to create opportunities for the economically inactive by introducing social clauses, which is a pathway into work. So, we can then match the skills with them. There is also an obligation on Government in terms of considering how recruitment policies can create opportunities for the economically inactive to

get back into work, through opportunities to work in central and local government.

[95] **Christine Gwyther:** Coming back to procurement, how do you get around the regulations surrounding that? How do you get social clauses inserted into our procurement policy, because we all want to see them, but we have always been told that that is not possible?

[96] **Mr Hall:** It is possible. There are European rules on this and it is wholly legitimate. An organisation called Value Wales is dealing with that. Social clauses can be included and it is an even-handed process, so we do not tread on any European regulations. When we talk to businesses, they have no problem with these clauses, but if you want to take on apprentices locally, an apprenticeship takes three to four years, so the length of the contracts should be sufficient that you do not have to renew them annually. If you have a long-term contract—for example, for four or five years with performance in it—you then have the confidence of the private sector, which takes on the contract, in that it will take on apprentices. Similarly, you can have clauses about local sourcing opportunities for small businesses to get into that loop. So, there is some mythology around that, and much of it is about communication with the private sector and taking a longer-term approach to the relationship with the contractors.

[97] **Kirsty Williams:** Going back to Pathways to Work and the condition management, one of the key successes, as I said earlier, in the project in the Rhondda and Bridgend was its condition-management aspect, as well as the work of the occupational therapists within that, whose skills related to identifying what people can do and communicating that. I am concerned to hear that, although condition management will be a part of the contracts that are out to tender at the moment in mid and north Wales, there is no specific requirement on how that care management will be delivered. Given that we know that the OT element has been particularly successful, I am concerned that we will potentially lose out on that in mid and north Wales.

[98] To raise something that we have not touched on, we are talking here about people who have been inactive for a long time. Surely one of the most proactive things that we could do is prevent people from coming out of work in the first place. If we have people in work who will potentially become inactive because of problems with the workforce, we need to get to them before it becomes a problem. The original report talked a lot about occupational health, health and safety, and working with employers to keep people in work. What progress have we made? In Australia, OTs are hugely in demand. Companies have their own OTs to keep their people in work, so, if someone has a problem with any aspect of their job, they work with the OT to see whether there is anything else the company can do. It is a question of what the employer can do to keep the staff. I think that we are missing out on such an opportunity here.

[99] On the points raised with Hayley, there is still a huge problem relating to childcare places and accessibility. Could you outline how you will take that agenda forward to try to improve that situation? You also said that Government can do a lot to help. There has been a great deal of focus on the disincentives to working. People often think in terms of help with council tax or housing benefit, and those are the obvious ones. However, I understand that some of the smaller disincentives are not being looked at. For instance, I understand that work tax credits now mean that you are not allowed free school transport for your children. I am told by my local authority that that decision was made by the Welsh Assembly Government. I cannot get to the bottom of that. I think that my local authority may be trying to pull a fast one, but I have been unable to track it down. It sounds like a small matter, but, if you are on a low wage and it costs you £140 a term to have your children bussed to school, and your working tax credit may be only a relatively small amount, you may think, 'Why bother?'. If someone can find out whether that is the case, I can then go back and beat Powys over the head with it. That would be great.

10.00 a.m.

[100] **Christine Gwyther:** With a letter?

[101] **Kirsty Williams:** Powys is different. It is always different.

[102] **Mr Hall:** I must declare an interest, as I am a council tax payer in Powys.

[103] **Christine Gwyther:** It is obviously your fault, then.

[104] **Mr Hall:** It is. Like everything else, Chair.

[105] **Kirsty Williams:** There are many things in Powys that are Gareth's fault, but this is not one of them. [*Laughter.*]

[106] **Mr Hall:** Thank you. There are a number of issues there. I will bring in Bob Waller. I have talked in this group about what we are doing to help businesses with workforce development, training and skills. It is important that, as part of that holistic approach, where we have account managers going into business, it is wholly legitimate that some of that occupational support helps people who are in work. So, I agree with that.

[107] You also mentioned long-term inactivity and the fact that we want to stop people getting into this downward spiral. I know that Linda would have explained that there are strategies for people who go out of work. The focus is on those people, as it is a highly critical time. If you are out of work for longer than 12 months, it takes far more effort and energy to get you back into work. So, they realise that, if you can get to people, build that relationship and get them back into work within 12 months, that is important and the returns from that are positive.

[108] We have already identified that some people are very ill and cannot get back into work. Others have problems such as mild forms of anxiety and depression, or muscular-skeletal disorders that can be managed, and they can go back into productive employment and be beneficial to the economy through employment. One of the things that we have not looked at this morning is the support that we give people to get back into work. Once these people who may have been out of work for some time are back in work, it is important that we carry on with the support during that critical three to 12 months. Once they go beyond the 12 months, they are back in the labour market for a long time, hopefully.

[109] Bob will talk about childcare. There are issues, particularly in Blaenau Gwent, which I have seen at first hand. The provision is not there. It does not make economic sense for private businesses to set it up, though there is a demand. A lot of childcare is provided through extended families, especially through women. Many of the women returning to work are taking portfolios of jobs and are still trying to cope with their childcare, as well as the care of elderly or sick relatives perhaps. So, that is an important issue.

[110] If we are going to motivate many inactive people to get out of worklessness and into the workforce, you have to have an incentive, which is the gap between what they receive in benefits and what they get through work. That is a fact of life. We do not want to erode that difference through childcare or transport costs. If you erode those, you will be back to square one. There are opportunities for us to be far smarter in the way in which we keep that difference, so that people can aspire to getting back to work. As has been said, being in work is a lot better for your health and wellbeing. Bob can come in on the childcare aspects.

[111] **Mr Waller:** I will pick up on a couple of points. I will make a couple of general

points first. I am from the Department for Education, Lifelong Learning and Skills and not from the Department for Enterprise, Innovation and Networks. The two departments work closely, but matters relating to welfare to work and inactivity are the primary responsibility of DELLS and not DEIN.

[112] **Christine Gwyther:** We have always said in this committee that we do not care about what we see as completely artificial barriers between the Welsh Assembly Government's departments. Welcome to the committee.

[113] **Mr Waller:** Thank you. On the point about condition management in the areas of north Wales where the private and voluntary sectors are being invited to put bids together, that is potentially a concern, which we have raised with the DWP. The bids have not yet been agreed. As we heard from Linda Badman, there is a shortlist of organisations that have bid for this; we have not seen it, as it is not a devolved issue. However, you can rest assured that we will be looking carefully to ensure that there is sufficient provision to tackle these issues. We have the mechanisms in place to work closely with Jobcentre Plus to address any issues. For the record, we have a working level agreement with Jobcentre Plus, which requires us to share information. We also have the Wales Employment Advisory Panel, chaired by Ruth Marks, which looks at general welfare to work issues in Wales, and that body will surely keep an eye on this. We also have a new creature called the Wales Strategic Group, which links together with the Department for Education, Lifelong Learning and Skills, Jobcentre Plus, and the Welsh Local Government Association. That picks up on some of the points that have been made about local initiatives, and it may be a relevant point to note.

[114] Your second point was on helping to prevent people leaving work and joining the inactive. That is a crucial area, especially as people are now being expected to work longer, the changes to pension rules, and so on. Therefore, it is one that we have picked up in the new European programmes for 2006-13. In fact, under the European social fund priorities, there is a strand proposed for precisely this, so we will be working further on that. One key area is to ensure that people who are potentially vulnerable to redundancy have the transferable skills to enable them to take up alternative employment. We also have the ReAct programme, which, in cases where major redundancies are announced, we step in immediately and provide actually quite significant amounts of financial support to retrain employees.

[115] I cannot answer your question about tax credits and free transport to school, but we note—

[116] **Kirsty Williams:** No-one seems able to.

[117] **Mr Waller:** We will note the point, and see whether anyone is able to answer that.

[118] **Christine Gwyther:** We will have that in written form from someone.

[119] **Mr Waller:** Yes, we will get on to that.

[120] On childcare, how long do you have, Chair?

[121] **Christine Gwyther:** Not long. Please be brief.

[122] **Mr Waller:** There are a few key points on childcare, which is not my area, but I will do my best.

[123] We acknowledge that childcare is a major issue across Wales regarding inactivity, as well as more generally for parents, and the welfare of children. On places, between March 1999 and March 2005, there was an increase of 18,500 childcare places in Wales. That

certainly does not go far enough to meet demand, but it is a substantial increase. What else are we doing? There is the new Childcare Act 2006, which will place a duty on local authorities in Wales and England to secure sufficient childcare places in their areas. It is due to come into force in April 2008, at the same time as in England, and we are working closely with the UK Government on its implementation.

[124] Funding for childcare initiatives is done primarily through the Cymorth scheme, a local government grant scheme. At least 8.5 per cent of the funding is required to be for childcare, including childcare information services. The budget for Cymorth is set to increase to £59 million in 2007-08. So, there are reasonably significant increases in funding there. In addition, we will have the new Flying Start initiative, which aims to provide part-time free childcare in its target areas—the most deprived areas of Wales. A sum of £46 million is available over the two years to March 2008.

10.10 a.m.

[125] More in the area of education than childcare, there is the foundation phase for young children. For childcare, more specifically, we grant aid to a range of voluntary sector organisations through the children and families organisation grant. Collectively, these bodies received £1.88 million in the current financial year. Finally, we fully fund Criminal Records Bureau checks for childcare workers in the voluntary sector, because we know that that is a significant burden that it has to take on, and that is to the tune of £263,000 in the current year.

[126] **Christine Gwyther:** Do you want to pick up on that, Kirsty?

[127] **Kirsty Williams:** No, that is fine.

[128] **Leighton Andrews:** I have two questions for Mr Waller and then a quick question for you, Chair. Mr Waller, you said that you had a concern about private and voluntary sector engagement in the programme in north Wales. Is that an ideological objection? Secondly, you went through a list of initiatives, a lot of which we are familiar with in terms of the education agenda of the Welsh Assembly Government, but I am not quite clear as to why DELLS has such a lead responsibility in this field.

[129] **Christine Gwyther:** That was news to me.

[130] **Leighton Andrews:** Yes, it was complete news to me, too. The way that the answer then rolled out did not give me a feeling of coherence and consistency in terms of an overall approach by the Welsh Assembly Government. This is where I come to my question to you, Chair, though Mr Waller may want to comment on what I have just said. Should we have a proper presentation from the Welsh Assembly Government about how it is responding to issues of economic inactivity? As a committee, we have always approached it in relation to DEIN, and now I am slightly confused about where the overall responsibility lies.

[131] **Christine Gwyther:** Gareth, do you want to explain briefly where the responsibility lies, whether it has shifted and, if so, why did we not know?

[132] **Mr Hall:** In my introductory remarks in answer to Carl's question, I tried to make the point that economic inactivity is all about joining up together. By definition, someone has to take the lead, but that does not abdicate the other departments of any responsibility. So, I see that, of everything, this whole agenda cuts across all the different portfolios.

[133] **Leighton Andrews:** Yes, but who takes the lead? The paper that the Minister put to us, which I think was the update, does not make it entirely clear who is in the lead. If you look at the opening paragraph, you see that it says,

‘This update draws together the work of the Welsh Assembly Government across Department For Enterprise, Innovation & Networks; Department for Education, Lifelong Learning & Skills; Department For Social Justice & Regeneration; and Department For Health & Social Services’.

[134] So, who is in the lead?

[135] **Ms Burke:** I was just going to make the point that economic inactivity, as we have seen this morning and as we all know, is a complex area and requires a complex solution.

[136] **Leighton Andrews:** Who is in the lead on this?

[137] **Ms Burke:** As I say, there are many aspects—

[138] **Leighton Andrews:** No-one is in the lead. No-one in Government is in the lead on economic inactivity. Is that clear? Is that right?

[139] **Ms Burke:** No. I think that the lead, in a sense, lies with DELLS in terms of economic inactivity, if you want to put it in those terms. However, clearly, economic inactivity is a complex issue that requires complex solutions, and that requires parts of Government taking leads. So, for example, DELLS is leading on childcare and on the relationships with many of the programmes that we have discussed this morning, but, for EIN, clearly, economic inactivity is core, given the number of people who are inactive in the economy. There is a group in the Assembly, involving all departments, working actively to raise economic activity rates. That is chaired by DELLS officials, but EIN, in the shape of me, as well as social justice, Jobcentre Plus and so on are all active partners around the table.

[140] **Leighton Andrews:** I am still baffled by this. Economic inactivity is one of the biggest issues facing the communities that I, and some of my colleagues, represent.

[141] **Christine Gwyther:** I would say that we all do, actually.

[142] **Leighton Andrews:** Fair enough; I am not trying to exclude anybody or assume priority in this matter. I have always assumed, given that this committee has produced a report on the issue and that there has been a response to it, that this committee sees itself as being in the lead on the matter. I had therefore assumed that the Department for Enterprise, Innovation and Networks was in the lead. The impression that I am getting is that you are not in the lead.

[143] **Christine Gwyther:** We have been told that the department is not in the lead in this area, and that is news to us; I am not sure that it is welcome news.

[144] **Mr Hall:** What this committee has heard this morning, as all agree, is that economic inactivity is about economic development, health, skills, education and transport. It is a corporate responsibility for the Assembly Government as an entity to bring all these strands together and to get all these Government departments working together. The other thing that we have highlighted this morning is that you cannot have a one-size-fits-all approach, which is why we have the Wales spatial plan. Where we respond to this, we bring the different strands together, and, hopefully, one of the benefits of having a devolved Welsh Assembly Government is that we can join all these things together to get solutions that really make a difference to the individuals affected and the communities where they live and work.

[145] **Christine Gwyther:** However, the sort of local strategies that we all rely on to reduce economic inactivity in our areas are led by your department, and structural funds are led by your department, which will be a massive input in to the thrust for greater economic activity

among our population.

[146] **Carl Sargeant:** With respect, simplistically, when an announcement about job losses is made in Plenary, in most cases, Andrew's response is along the lines of, 'We are working hard with the education department to overcome this problem', or 'We are going to see the factory', or something. This morning, Leighton asked a pretty simple question, really: economic inactivity—who is leading on this? To be honest with you, there was not a 'yes' or a 'no' or a 'We are doing this'.

[147] **Christine Gwyther:** I think there was a 'yes' in that DELLS is leading on it.

[148] **Carl Sargeant:** I cannot believe that, on such an important issue, we are even thinking about who is in charge. There must be a lead person who runs this. If it is Jane, then it is Jane, and I accept that, but I think that we need a paper, like Leighton said, or certainly a more substantial briefing, on what and who actually has the lead role in this matter across this cross-cutting issue, because it affects a very significant part of the economy of Wales. We need to be sure—I need to be sure—of what is going on.

[149] **Janet Davies:** If there is confusion on this matter, then the confusion must lie at the ministerial level, rather than at the level of civil servants. Rather than having a paper, although I have no objection to one, we should write to the First Minister and ask him just where he has allocated this responsibility; to which Minister, and, therefore, to which department.

[150] **Leighton Andrews:** My remarks are not that dissimilar to what Janet said, but if we are going to have a presentation from Government on economic inactivity, I suggest that we have Ministers present.

[151] **Christine Gwyther:** All the Ministers who have an input?

[152] **Leighton Andrews:** Or they can allocate a lead Minister.

[153] **Christine Gwyther:** That would be a step forward.

[154] **Ms Burke:** If there is any confusion in this meeting, I am sorry for hesitancy earlier on, but the lead for economic inactivity, if you want to put in those terms, does lie with DELLS. However, as EIN, we see ourselves as having a responsibility. I was not quite sure where the line of questioning was going, but the lead, if you want to put it in those terms, is with DELLS, but certainly, EIN sees itself as having a leadership role in economic inactivity, and so it should.

[155] **Leighton Andrews:** In that case, I have a follow-up question. Can we ask the clerk to ascertain how many occasions the Committee for Education, Lifelong Learning and Skills has looked at economic inactivity in the course of this Assembly?

10.20 a.m.

[156] **Janet Davies:** If we are going to write to the First Minister—I am not sure whether or not that was agreed—we should perhaps express our concern, if the lead is with DELLS rather than with the economic department.

[157] **Kirsty Williams:** If we are going to write to the First Minister—and that is fine—we first of all need to find out why that decision has been taken, because I do not think that I am in a position to argue the toss over whether or not it should be with DELLS, although there may be very good reasons. I am not aware of any reasons for placing in that area.

[158] **Christine Gwyther:** Clearly none of us are.

[159] **Kirsty Williams:** Indeed. It is not just a question of how many times that particular committee has looked at issues around economic inactivity, but of what the Minister, Jane Davidson, has been doing to proactively engage with this committee. I know that I have not been here very long, but does she come here to tell us about what she has been doing, giving us the opportunity to scrutinise what DELLS has been doing? I do not see that that has been happening.

[160] **Christine Gwyther:** She has not been asked to do that, because I did not know.

[161] **Kirsty Williams:** Absolutely, she has not been asked to do so because you did not know but, surely, if this a really big job, there is nothing to stop a Minister saying, 'Look, I would like to come to the committee to tell you about these particular things'. Ministers do not have to wait for an invitation. One would hope that our Ministers are slightly more proactive and would say, 'I want to tell Assembly Members about what we are doing', rather than simply sitting there like a wallflower, which Ms Davidson is certainly not, and saying, 'I will wait for an invitation to come'. Goodness knows that Andrew is very good at sucking other people's jobs into his department and we may not want any more given to Mr Hall, although I am sure that he would like it, but we do need an explanation as to how this situation has arisen.

[162] **Alun Ffred Jones:** Ni fyddaf yn ailadrodd yr hyn sydd wedi'i nodi y bore yma. Mae Leighton wedi codi pwynt pwysig iawn, a gobeithio y gallwn gael rhyw fath o arweiniad yn y dyfodol.

Alun Ffred Jones: I will not repeat what has already been noted this morning. Leighton has raised an important point and I hope that we can have some kind of steer on this in the future.

[163] Cyfeiriaf at ddau beth sydd wedi'u nodi, ac yr wyf yn falch iawn bod Mr Bob Waller yma y bore yma. Cymerwch, er enghraifft, y cynllun Dechrau'n Deg a'r canolfannau sydd wedi'u sefydlu ar hyd a lled Cymru, mae ansicrwydd mawr ynglŷn â'u cyllido i'r dyfodol. Maent yn gwybod bod ganddynt gyllid am hyn a hyn o flynyddoedd ond nid i'r dyfodol wedyn. Mae hyn yn hollbwysig gan na allwch ddechrau cynllun fel hwnnw ac wedyn disgwyl i rywun arall, fel llywodraeth leol, gymryd y cynllun drosodd yn y gobaith y bydd yn parhau ag ef, gan ei fod yn sylfaenol i weledigaeth y Llywodraeth hon, ac yr wyf yn gefnogol iawn iddo.

I will refer to two things that have been noted, and I am very glad that Mr Bob Waller is present this morning. Take, for example, the Flying Start scheme and the centres that have been established throughout Wales, there is great uncertainty regarding their future funding. They know that they have funding for so many years but not after that. This is vital because you cannot initiate such a scheme and then expect somebody else, such as local government, to take it over in the hope that it carries it on, because it is fundamental to the vision of this Government, and I am very supportive of it.

[164] Ar yr un wedd, mae sgiliau yn rhan o'r broblem anweithgarwch economaidd hon ac, yn aml iawn, sgiliau sylfaenol yw'r rhai hynny, sef darllen a chyfrif—heb y rheiny, nid oes gennych hyder na'r sgiliau, yn aml, i fynd i waith. Yr oeddwn yng Ngholeg Menai mewn seremoni wobrwyo yn ddiweddar lle'r oedd grŵp mawr o bobl wedi bod drwy gyrtsiau ac yr oeddynt yn dechrau

In the same way, skills are part of this problem of economic inactivity and, very often that is basic skills, namely reading and arithmetic—without those, you do not have the confidence or skills to go into work. I was at a prize-giving ceremony in Coleg Menai recently, where a large group of people had been through courses and were just getting started on reading and other basic skills and

ymgyfarwyddo â darllen a sgiliau sylfaenol eraill a rhai pethau eraill, fel TG ac yn y blaen. Maent yn llwyddiant mawr ond, unwaith eto, yr oedd y coleg yn dweud bod ansicrwydd ynglŷn â chyllido i'r dyfodol. Nid oes pwynt cychwyn rhaglen o'r fath oni bai ein bod yn parhau â hi am o leiaf 10 mlynedd.

other things, such as IT and so on. They are a great success but, once again, the college was saying that there is uncertainty over future funding. There is no point beginning this kind of programme unless we continue with it for at least 10 years.

[165] **Christine Gwyther:** Thank you all for that. Are there any questions left unanswered? I might have drifted slightly there.

[166] **Leighton Andrews:** There is one question unanswered: the issue about the private and voluntary sectors in north Wales. Are your concerns ideological?

[167] **Mr Waller:** There are several questions there, but on that specific one, no it is not an ideological objection; it is a practical one. We would have been concerned as to whether the private and voluntary sectors had the expertise and capacity to deliver what Jobcentre Plus has been able to deliver for the other areas of Wales. We need to be assured that people throughout Wales will get a good quality of service from the UK Government on this.

[168] **Leighton Andrews:** You say that it is a practical objection, but what is the basis of your concern that they may not have the capacity?

[169] **Mr Waller:** We do not know, it is untested until they come forward with their bids is it not? With Jobcentre Plus, we know what they are capable of—

[170] **Leighton Andrews:** So, your assumption—

[171] **Christine Gwyther:** It is a preconception.

[172] **Leighton Andrews:** Sorry, therefore, your working assumption is that they do not have the skills.

[173] **Mr Waller:** No, we just do not know.

[174] **Mr Hall:** I think that it was Carl who said that economic inactivity is the most important cross-cutting issue facing Wales. We have lead departments on cross-cutting issues, on everything from promoting bilingualism to diversity and sustainable development. Departments take the lead, but that does not say, in any way—or should it be implicated—that other departments may abdicate their responsibilities. On the contrary, in EIN, we are wholly committed to making our contributions to this agenda. Kirsty has gone, but I am not here looking to build empires—far from it—I am looking to join things up so that we can get things done better, and deliver more on the ground.

[175] **Carl Sargeant:** I do not doubt for a minute your commitment to economic inactivity. I was concerned that there would be head-scratching while three officials pondered who is in charge of this and who is not. Maybe it was a spur-of-the-moment question that threw you, but the fact is that if there is some confusion, and we do not know the actual route that this takes, it is clear that we need to find and establish that, which is what Janet and Leighton suggested. So, I accept your commitment, but I think that we need to be clear on who is going to take the lead on this.

[176] **Christine Gwyther:** Yes, because the whole point is that we will be refreshing our recommendations as a result of this meeting, which is the whole point of looking back at our

previous reviews. We need to know who to make those recommendations to, because there might well have to be some priority shifting and somebody has to make the decisions. We need to know who the lead Minister is and who will be making those decisions. It is not your fault, and you are not here to be anybody's fall guys, but the point had to be made.

10.26 a.m.

Anweithgarwch Economaidd: Cymdeithas Trafnidiaeth Gymunedol y DU **Economic Inactivity: Community Transport Association UK**

[177] **Christine Gwyther:** I am now going to call our next presenters, from the Community Transport Association UK, to come to the table. Thank you for waiting so patiently. We have Betsan Caldwell, who is the Wales director of the association, and Ewan Jones, who is the deputy chief executive of the association at UK level. I think that Betsan is going to introduce the paper and then Ewan may like to say a few words on the UK perspective before we move on to the question-and-answer session.

[178] **Ms Caldwell:** Dechreuaf drwy ddiolch i'r pwyllgor am y cyfle i gyflwyno tystiolaeth y bore yma. Fel y gŵyr rhai ohonoch, Betsan Caldwell ydw i. Yr wyf ar secondiad ar hyn o bryd o'r Cynulliad, fel cyfarwyddwr Cymru y CTA, neu'r Gymdeithas Trafnidiaeth Gymunedol. Dyma fy nhrydedd wythnos yn y swydd felly yr wyf yn hynod o falch o gael cwmni Ewan Jones, y dirprwy brif weithredwr, ac er gwaethaf yr acen Albanaidd, mae teulu Ewan yn hanu o Gastell-nedd yn wreiddiol.

Ms Caldwell: I will begin by thanking the committee for the opportunity to give evidence this morning. As some of you will know, my name is Betsan Caldwell. I am currently on secondment from the Assembly, as the Wales director of the CTA, or the Community Transport Association. This is my third week in post, therefore I am extremely pleased to have the company of Ewan Jones, the deputy chief executive, and despite the Scottish accent, Ewan's family hail originally from Neath.

[179] Corff ar draws Prydain yw'r CTA ac mae'n darparu arweiniad, hyfforddiant a chyngor ar gyfer cyrff gwirfoddol sy'n ymateb i anghenion cludiant pobl sy'n ddifreintiedig oherwydd lleoliad, iechyd neu oedran. Mae'r cyrff hyn yn gwasanaethu ystod eang o sectorau, megis addysg, gweithgareddau ieuencid, cyflogaeth, hyfforddiant, datblygu sgiliau, atal trosedd, gwasanaethau cymdeithasol, iechyd, gweithgareddau hamdden, adfywio cymunedol a'r amgylchedd. Felly, oherwydd bod achosion anweithgarwch economaidd mor eang, mae CTA yn credu fod gan gludiant cymunedol gyfraniad perthnasol iawn i'w wneud, oherwydd ei natur drawsbynciol.

The CTA is a pan-British association and it provides leadership, training and advice to voluntary organisations that respond to the transport needs of people who are disadvantaged because of their location, health or age. These organisations serve a wide range of sectors, such as education, youth activities, employment, training, skills development, crime prevention, social services, health, leisure activities, community regeneration and the environment. Therefore, given that the causes of economic inactivity are so diverse, CTA believes that community transport has a very relevant contribution to make, because of its cross-cutting nature.

[180] O ran y pedwar argymhelliad sydd o ddiddordeb arbennig i CTA, yr ydym yn croesawu rhai o'r newidiadau sydd wedi digwydd ers 2004-05, ynghyd â'r esiamplau o arferion da sy'n datblygu yng Nghymru. Fodd bynnag, teimlwn fod ychydig o ffordd i

In terms of the four recommendations that are of specific interest to CTA, we welcome some of the changes that have taken place since 2004-05, and the examples of good practice that are developing in Wales. However, we feel that there is some way to

fynd. Mae argymhelliad 19 yn ymwneud â datblygu gwell cyswllt rhwng cynlluniau cludiant cymunedol a'r sector preifat. Mae cydlynwyr mewn swydd bellach, mewn sawl awdurdod lleol, sydd wrthi yn creu rhwydweithiau integredig ar draws y sectorau. Hefyd, mae partneriaethau cludiant rhanbarthol yn gweithio'n agos gyda chyflogwyr lleol i ddarparu cynlluniau teithio cynaliadwy ar gyfer eu cwmnïau. Fodd bynnag, mae angen sicrhau bod manylion cludiant cymunedol yn cael eu cynnwys fel rhan o wybodaeth gyhoeddus electronig o'r ansawdd uchaf, a bod cyfraniad y sector yn economaidd, ochr yn ochr â chyfraniad darparwyr masnachol, yn cael ei gydnabod yn ehangach yn strategaeth cludiant Cymru, yn ogystal ag yn y cynlluniau rhanbarthol sydd i ddilyn.

10.30 a.m.

[181] I droi at argymhelliad 20, er bod cludiant cymunedol yn cyfrannu eisoes tuag at y sector iechyd, mae angen rhai gwelliannau, megis sicrhau tâl am y gwasanaeth. Argaeledd cludiant integredig ddylai roi'r sail i'r newidiadau arfaethedig i'r gwasanaeth iechyd yng Nghymru, yn enwedig ar gyfer y bobl hynny sy'n byw mewn ardaloedd gwledig, yn y Cymoedd neu yn ardaloedd difreintiedig ein dinasoedd.

[182] Hoffai Cymdeithas Trafnidiaeth Gymunedol y DU hefyd weld adolygiad y Cynulliad o wasanaethau cludiant cleifion yn dirwyn i ben yn fuan, ac unrhyw argymhellion yn cael eu gweithredu. Yr ydym hefyd yn teimlo y gellid gwella cynllunio cludiant ar draws adrannau'r Cynulliad er mwyn sicrhau gwell defnydd o adnoddau cynhenid a mwy o integreiddio polisi.

[183] Mae argymhelliad 21 yn ymwneud â chyllido, ac yr ydym yn mawr groesawu prosiect arddangos y fenter teithiau a chonsesiwn a sefydlwyd gan y Cynulliad y llynedd, ynghyd â'r cyllid a dderbyniwyd drwy'r grant gwasanaethau cludiant lleol. Fodd bynnag, pan fydd y grant hwn yn cael ei drosglwyddo i'r consortia rhanbarthol yn 2008, hoffem sicrhau bod gwario isafswm o'r grant ar gludiant cymunedol yn cael ei wneud yn orfodol, gan mai canllaw yn unig sy'n

go. Recommendation 19 concerns developing better links between community transport initiatives and the private sector. Coordinators are now in post in several local authorities who are working to create integrated networks across the sectors. Also, regional transport partnerships are working closely with local employers to provide sustainable transport plans for their companies. However, there is a need to ensure that the details of community transport are included as part of electronic public information of the highest standard, and that the sector's economic contribution, alongside the contribution of commercial providers, is more widely acknowledged in the Wales transport strategy, as well as in the subsequent regional plans.

To turn to recommendation 20, although community transport already contributes to the health sector, some improvements are needed, such as ensuring payment for the service. The availability of integrated transport should be the basis for the proposed changes to the health service in Wales, especially for those living in rural areas, the Valleys or disadvantaged urban areas.

The Community Transport Association UK also wishes to see the Assembly's review of patient transport services coming to its conclusion soon, and any recommendations implemented. We also feel that transport planning could be improved across Assembly departments to ensure better use of innate resources and more policy integration.

Recommendation 21 deals with funding, and we very much welcome the demonstration project of the community transport concessionary fares initiative established by the Assembly last year, as well as the funding received through the local transport support grant. However, when this grant is transferred to the regional consortia in 2008, we wish to ensure that an obligatory minimum of the grant is to be spent on community transport, because only guidelines currently exist.

bodoli ar hyn o bryd.

[184] Yn anffodus, teimla Cymdeithas Trafnidiaeth Gymunedol y DU nad oes cymaint o welliannau wedi digwydd o ran argymhelliad 22. Teimlwn fod adnoddau ledled Cymru yn mynd yn wastraff ar hyn o bryd oherwydd diffyg cydlynu, cydweithio a chydgyllido. Gellir gwneud llawer gwell defnydd o faniau, ceir ac arbenigedd adrannau cludiant awdurdodau lleol, er enghraifft, a gellid hefyd sicrhau bod canllawiau ariannu ar gyfer cyrff gwirfoddol sydd am brynu cludiant yn gofyn am dystiolaeth o weithio mewn partneriaeth i sicrhau defnydd cyson o'r adnodd hwn drwy'r flwyddyn.

[185] I gloi, teimlwn fod rhai pethau wedi gwella ers yr adolygiad cyntaf yn 2004-05, ond bod cyfle i wneud tipyn mwy er mwyn galluogi cludiant cymunedol i helpu i drechu her anweithgarwch economaidd. Hoffai Cymdeithas Trafnidiaeth Gymunedol y DU adael pedwar prif neges gyda'r pwyllgor. Yn gyntaf, mae angen tipyn mwy o integreiddio rhwng darparwyr cludiant yn y sectorau cyhoeddus, preifat a gwirfoddol. Yn ail, mae angen adolygiad trylwyr o ddulliau cyllido cludiant cymunedol, yn enwedig wrth baratoi ar gyfer trosglwyddo'r grant gwasanaethau cludiant lleol i'r consortia cludiant rhanbarthol yn 2008. Yn drydydd, mae angen adolygu'r gyfraith sy'n rheoli cludiant cymunedol er mwyn galluogi'r sector i wneud y defnydd gorau o adnoddau. Yn olaf, mae angen ehangu'r rhaglenni cludiant consesiwn i gynnwys mwy o wasanaethau cludiant cymunedol, er mwyn sicrhau bod pob teithiwr sy'n gymwys yn derbyn y gwasanaeth y dylent ei gael.

Unfortunately, CTA feels that there have not been as many improvements in terms of recommendation 22. We feel that resources across Wales are currently going to waste due to a lack of co-ordination, co-operation and co-funding. Much better use could be made of local authority transport departments' vans, cars and expertise, for example, and it could also be ensured that funding guidelines for voluntary bodies that wish to buy transport require evidence of partnership working to ensure consistent use of this resource throughout the year.

In conclusion, we feel that some things have improved since the first review in 2004-05, but that there is an opportunity to do more to enable community transport to help to tackle the challenge of economic activity. The CTA wishes to leave four main messages with the committee. First, more integration is required between transport providers in the public, private and voluntary sectors. Secondly, a thorough review is required of the methods of funding community transport, especially in preparation for transferring the local transport services grant to the transport consortia in 2008. Thirdly, the law controlling community transport should be reviewed to enable the sector to make the best use of resources. Finally, the concessionary transport schemes should be enhanced to include more community transport services, to ensure that every eligible passenger receives the service to which they are entitled.

[186] **Christine Gwyther:** Thank you, Betsan. Are there any comments?

[187] **Mr E. Jones:** Betsan has covered many of the points that we are working on in Wales specifically. We are aiming to involve the community transport network at a more strategic level across the UK in order to consolidate the work that it has already done, and integrate it with the public transport network as whole. In doing that, we want to look at the best practices developing in different areas, so we have been involved in a lot of work to do with researching social enterprise, for instance. It means that we can work with community transport groups, not just to consolidate their funding base, but to look at ways in which they can also develop their own income generation to increase their sustainability. There are lessons that we can learn from that work, which happens to have been done in rural England, which we can apply across the UK.

[188] Another particularly exciting project for us is the community transport concessionary fares initiative in Wales, because nothing like that has happened in the UK. There has been a formal thought-out mechanism to try to use the community transport sector to deliver concessionary travel. That is a big issue across the UK. There are many people who are entitled to concessionary travel who cannot access it, and that may be because of rural inaccessibility, financial reasons or physical disability. We are advocating across the UK that concessionary travel scheme administrators use the maximum number of services in order to deliver that concession because we feel that, potentially, people are being discriminated against. We are embarking on some research to try to quantify that because we get a lot of ad-hoc reports that people are suffering problems, but we need to ascertain from the scheme administrators which services they use, which services they do not use, which operators can be reimbursed for providing free travel, and which cannot. So, we are contacting all of the authorities in Wales and England to look into that.

[189] **Janet Davies:** Thank you very much. I always find it difficult to get a hold on this community transport issue. Because of its nature, it is very dispersed and it is an amorphous subject, as it were, so it has been very helpful to have your presentations today.

[190] I have a couple of questions. On recommendation 20, you talked about the need for improvement in deciding who pays if transport is connected with the national health service in any way, be that to attend out-patient appointments, to visit, presumably, or to do other things, and you said that better co-ordination is needed. Could you give me a flavour of what work is being done to try to make progress on this?

[191] On the concessionary fares, my understanding is that, in London, people have an option; instead of having free bus passes, which they might be too physically unable to use, they can have a certain number of free taxi journeys per month—not a huge number, but a small number. For very frail people, this is a very good option. Would something like that be a way forward, possibly taking into consideration that some of the journeys might be provided through voluntary partnerships? Would you see any way forward in that as something for people who either do not have bus services at all, or who are very frail? I am thinking of a family member who is in her mid 80s, has broken both her hips, is profoundly deaf, but still gets around and goes to what she wants to go to because she gets these free taxi journeys. I have only those two questions.

[192] **Ms Caldwell:** Perhaps I will begin and Ewan can come in later. In terms of your first question, community transport currently contributes quite a lot towards non-emergency patient transport and so forth. However, we do not receive payments often for this kind of work. This was one of the points that I think that we were making in terms of the Assembly's review of current non-emergency patient transport, which I think has been ongoing for a little while, as it were. We would really like to see that coming to a fairly rapid conclusion and the role of community transport recognised as a major contributor towards that.

[193] **Janet Davies:** So, it is really up to us to put it to the Minister then.

[194] **Mr E. Jones:** We are getting an interesting number of reports from Members. First, I can understand your difficulty in getting your head around community transport; I have been trying for 20 years and I do not think that I am there yet. By their nature, community transport groups are often small and local; they can see a need and they try to meet it. We have found a lot of examples of projects where there has been a need for health transport and the patient transport services are either inflexible or involve long journeys in terms of time, not necessarily to travel a large number of miles, or there just has not been anything available. Therefore, community transport has stepped in and has done that. Perhaps its key funders are saying, 'Okay, you are working towards health; what input are you getting from the health services?'. Often it is no input, or we have seen, perhaps, more formalised approaches from

health services, ambulance trusts and such like, for community transport to do work, but at a marginal cost. Some might say, 'You have a bus anyway; you can fit something in', and, therefore, the health service is not actually paying the full cost of the transport that it is getting. So, that in itself has also been a problem.

[195] There is increasing pressure on the health service and the ambulance trust to be efficient and to manage their resources, but the problem with that is that they are looking at it from their point of view in terms of whether they can develop a more efficient and effective non-emergency ambulance service. If you look at that from a different angle, the cost has actually just been passed to someone else. Has anyone assessed that cost, and whether the overall cost is less or more? It might be less, but it might be more; we do not know. There is not enough integration, joined-up thinking and looking at the cross-sector benefits. It is easy for me to say that, but it is not an easy job to do, and we need to consider these issues.

10.40 a.m.

[196] **Janet Davies:** What about taxis?

[197] **Mr E. Jones:** There are a number of projects where taxi cards or vouchers—you will hear them being called different things—are used as an alternative. Some of the projects that have been funded in Wales through the community transport concessionary fares initiative are doing exactly that, and they are going well in Pembrokeshire and Ceredigion and places where there is also a degree of partnership. Travelling in a car or taxi is often more appropriate for passengers, and is more accessible in some cases than accessing transport on local buses. As a result, that has been deemed a more appropriate solution than, for instance, the community group buying a minibus and providing the transport in that way, and it is also working in partnership with the local commercial sector. The taxis are primarily provided by commercial operators who are running a local business. So, if money that is going into community transport is providing a service that is needed, and it is using existing resources in order to do so, then we feel that that is an appropriate way of working.

[198] Mr Eaketts—whom I have not formally met—and his department, which is involved in funding the CTA and the CTCFI, will be commissioning an external evaluation of the scheme as a whole, and it will be interesting to look at the results of that.

[199] **Kirsty Williams:** How engaged are community transport schemes in this agenda of tackling economic inactivity? There are examples of organisations within my own constituency that do sterling work, but, primarily, they see themselves as providing transport for elderly people of pensionable age, and not people who are actively part of the economic inactivity agenda, or disabled people, which is one of the groups of people that we are looking to get back into work. How switched on are these organisations in terms of seeing themselves providing a role to help people to get back into work? Many of these organisations that I am aware of have limited membership, so someone who is 35 years old and looking to travel to work would not be eligible for membership of many of these community transport schemes. How can you engage with those groups and tell them that there is an opportunity here for them to move into this type of work?

[200] In rural areas, where it is often most difficult to access public transport and where there are small numbers of people who need to travel, it is inappropriate to run large vehicles, which would be mostly empty. So, is there a role for community transport to manage schemes that might look at promoting individual travel or the skills needed to provide such travel? Within my own constituency, they are looking to train people to travel on mopeds or motorcycles and to supply them to people. That is a much more effective way of getting people to work than, perhaps, running a fleet of buses to a small isolated community, where maybe there are only one or two people who need the transport.

[201] **Ms Caldwell:** You will find that there is a wide range of community transport schemes, and you have already identified a few, such as those using scooters. There are also schemes whereby people can book a car for a journey. You are probably right in that some groups would not consider contributing towards that kind of agenda. However, they may be contributing without almost knowing it, simply because the causes of economic inactivity are so broad, and they may be contributing indirectly towards solving the problems. As Ewan mentioned earlier, we are moving towards getting groups to go down the road of becoming social enterprises, whereby they contract for the delivery of services or local service agreements. Also, I have just arranged to meet representatives of JobCentre Plus in Wales, for instance, so that we can have closer links with some of the work that it is doing.

[202] **Mr E. Jones:** The short answer is that there is not enough. There are several reasons for that. Some of those reasons lie in the voluntary sector itself and, as you say, certain groups have identified themselves as providing a specific service for a very specific client group. However, it is incumbent on voluntary sector organisations, particularly if they use public funds, to make best use of those funds and services. So, one of the CTA's roles is to involve a much wider range of groups in the strategic debate to influence the environment in which they operate.

[203] However, other factors affect how and why they operate. For example, at a legislative level, we mentioned the need for a review of the legislation that governs most community transport, which will operate under sections 19 and 22 of the Transport Act 1985. So, community transport groups can run scheduled services, using a minibus, which are open to the general public under section 22, but they are not allowed to pay a driver. So, if you run a section 22 service, it must be registered with a traffic commissioner, including a timetable, therefore, you must run to that timetable by law, but try doing that with volunteer drivers, and you will find that it is difficult.

[204] According to section 19, you can carry only specified groups of passengers. That has been reinterpreted in recent years, so you can specify the group as a remote geographic community, but there is still a wide range of people who cannot then access those services, for example, tourists and people who visit the area. The operator licensing regime is reserved and operates at a UK level, but there is a big issue there. There are several operators who will operate under car-sharing legislation, but we have seen the development of accessible MPVs in recent years. Those vehicles are operated by organisations in services that are more akin to community transport under sections 19 or 22, but car-sharing legislation is not appropriate for that, so it needs to be looked at. Should smaller vehicles be brought into the legislation that covers community transport? So, there is a whole range of issues on how they are allowed to make money, profit and where they should not make profit, which is all right and proper. However, the sector is now moving on to develop new services and is doing so in a pioneering fashion, which means that it is pushing the boundaries of the legislation. We want the sector to be able to define the services that meet the needs and then the legislation should be put in place to allow that to happen.

[205] Finally, it is not uncommon to see a community transport vehicle and a non-emergency ambulance and commercial bus all in the same area. For different reasons, they cannot carry each other's passengers. Again, sorting that out is a big legislative job of work, but the technical term, in my view, is that that is a piece of nonsense. We need to make best use of these resources.

[206] **Christine Gwyther:** I suggest that we need to look at that. It could be an important recommendation from this committee. I realise that we cannot go into the detail of that now, but I would like us to return to that and ask for your written advice on that at some stage.

[207] **Mr E. Jones:** We have already submitted a paper to the Department for Transport, and we are happy to copy that to you.

[208] **Christine Gwyther:** Thank you for that. Okay, Carl first and then Alun Ffred.

[209] **Carl Sargeant:** You raise an important point. I have three questions to ask, but the focus of this today is economic inactivity, as Kirsty said. My questions are on the transport issues in general, but it is important to focus on the re-regulation of buses, which warrants discussion in this committee.

[210] You mentioned interaction with the health service and the ambulance trust; are there practices across Wales that have a financial compact with their local health boards for voluntary sector transport groups? In Flintshire, there is a wonderful community transport service—an ever-growing fleet in high demand, but it does not always get glowing reports. I think that it is very good, but I have received complaints from taxi companies, saying that they are in direct competition with this sector. You highlighted the fact that there is service provision, but that the drivers are unpaid. They do not see it as an equal service, although there is a role for community transport. Those are the general transport issues.

10.50 a.m.

[211] My point on economic inactivity goes back to a question that we asked Jobcentre Plus, which is how you focus upon and drill down to areas where there is economic inactivity, such as Communities First areas, which was an example given this morning. How do you think you could best use your service and sell the wares of how you can get people back into work and help them with the transport issue, which is usually one of the big points with regard to getting to areas where there are jobs? We have Deeside Integrated Transport, which is a local government initiative. It is like a dial-a-ride bus and it costs £1 to get to the industrial estate. There is a huge potential for the community transport services to do that. However, I do not see how you do that now.

[212] **Mr E. Jones:** A range of services operate in the community-transport network. It is not just dial-a-ride and minibus services. Kirsty has already mentioned Wheels to Work, which is a large area of operation, and is growing further. A lot of community transport schemes are starting to set up Wheels to Work. Travel training is a huge issue. Many people never got into the habit of using public transport, never mind getting out of the habit of using it. Many people fall into groups, such as young people, disabled people, older people, and people with learning difficulties, who need assistance to get back into—or get into for the first time—using public transport. Therefore, travel training is another big issue.

[213] I also see community transport as a route into work. I spent a number of years running and developing transport and transport broker services. Volunteer turnover was a big issue. I could not generate the funding to pay the drivers. However, I managed to generate a small amount of funding to put in place a volunteer organiser who set a structured programme so we brought volunteers in and trained them up to the standard at which we normally operate. We then added additional training on skills relating to fire and evacuation, passenger safety and a range of other things. Towards the end of their year, we also put them through the full public service vehicle test. So, we knew that we would have a high throughput of volunteers, but that was okay because we had structured it so that we could put a training programme in place and we knew that that would attract more volunteers. When we researched the likely job opportunities for them with the commercial transport industry, it said that they would walk into a job, because they receive a higher level of training with us than they would with commercial operators. So, community transport is a route into work. Again, it is about being part of the integrated transport network. Can people who are suffering as far as economic inactivity is concerned use all of the services available to access work? The

answer to that at the moment is that they cannot. That is why it is not just about community transport, but all transport services. You need to look at how they can be used, and at what the tools are in the box to help solve this.

[214] **Alun Ffred Jones:** I fod yn glir, yr wyf yn cymryd mai chi sy'n gyfrifol am weinyddu grant y Llywodraeth a dewis y grwpiau gwirfoddol sy'n gweithredu ar hyd a lled Cymru. A yw hynny'n wir?

Alun Ffred Jones: To be clear, I take it that you are responsible for administering the Government's grant and choosing the voluntary groups operating across Wales. Is that correct?

[215] **Ms Caldwell:** Nyni sy'n gyfrifol am weinyddu'r grant, ond dewiswyd y grwpiau llwyddiannus gan banel. Yr oedd aelodau o amryw o gyrff yn rhan o'r panel. Fel y deallaf hi—a bydd Ewan yn fy nghywiro os wyf yn anghywir—y Gweinidog a benderfynodd yn derfynol ar y grŵp.

Ms Caldwell: We are responsible for administering the grant, but the successful groups were chosen by the panel, which was made up of members from many bodies. As I understand it—and Ewan will correct me if I am wrong—the Minister took the final decision on the group.

[216] **Alun Ffred Jones:** Gallaf eich sicrhau fy mod wedi derbyn nifer o lythyron ynglŷn â hyn gan y Gweinidog, sy'n gwadu bod gan ei weision sifil unrhyw beth i'w wneud â'r broses. Nid oes ots am hynny yn awr. Hoffwn symud ymlaen.

Alun Ffred Jones: I can assure you that I have received a number of letters from the Minister which deny that that his civil servants had anything to do with the process. That does not matter now. I would like to move on.

[217] Mae hi'n ddiddorol gweld y grwpiau sy'n gweithredu. Os edrychwch ar fap o Gymru, gwelwch ei fod yn dechrau yn Ninbych ac o gwmpas Rhyl ac yn dod i lawr i dde Cymru, ar draws y Cymoedd ac i fyny i Geredigion, yna mae bwloch yng ngogledd-orllewin Cymru lle nad oes yr un grŵp yn gweithredu o gwbl. Nid wyf yn disgwyl ichi ymateb ar y cwestiwn penodol, ond gwrthodwyd grŵp sy'n gweithredu yn ardal Nefyn a Phen Llŷn fel rhan o'r broses honno.

It is interesting to see the groups that are operating. If you look at a map of Wales, it starts in Denbigh and around Rhyl, and moves down to south Wales and across the Valleys and up to Ceredigion. There is then a gap in north-west Wales where not a single group operates. I do not expect you to answer the specific question, but a group active in the Nevern and Pen Llŷn area was rejected as part of that process.

[218] Y cwestiwn sy'n codi wedyn yw, pe cymerwch ardal ddifreintiedig fel y Rhyl, mae gwasanaethau meddygol, er enghraifft, ar gael o fewn dwy neu dair milltir mewn ysbyty cyffredinol. Ym Mhen Llŷn, ac mewn ardaloedd ym Meirionnydd, yr ydych yn sôn am bellteroedd o 40 milltir i'r gwasanaethau sylfaenol hynny. Anghofiwch enghraifft y Drws Agored yn Nefyn.

The question that then arises is, if you take a deprived area such as Rhyl, medical services, for example, are available within two or three miles in a general hospital. In Pen Llŷn, and in areas of Meirionnydd, you are talking about distances of 40 miles to those basic services. Forget the example of Drws Agored in Nevern.

[219] Beth yw'r cyfiawnhad dros gynnig gwasanaeth i rai pobl sydd mewn angen—beth bynnag fo'r angen hwnnw—mewn rhai rhannau o Gymru, ond ei wrthod i gymunedau ac unigolion eraill sydd yn yr un sefyllfa mewn ardaloedd eraill? Credaf i chi ddweud tua diwedd eich cyflwyniad y dylai pob teithiwr gael mynediad i'r math hwn o

What is the justification in offering a service to some people in need—whatever that need may be—in some parts of Wales, but refusing it to other communities and individuals who are in exactly the same position in other areas? I believe that you said towards the end of your presentation that every traveller should have access to this kind of service, but

wasanaeth, ond nid dyna'r sefyllfa ar hyn o bryd. Mae rhai ardaloedd o Gymru yn cael eu hamddifadu. that is not the position at present. Some areas in Wales are being deprived.

[220] **Ms Caldwell:** Cynllun peilot, neu gynllun arddangos, yw CTCFI, felly dim ond 15 sydd wedi cael eu dewis yn y rownd gyntaf. Bu i ni sôn yn gynharach am y gwerthusiad a wneir o'r cynllun hwn yn weddol fuan, a'r gobaith wedyn, yn dilyn cwblhau hwnnw, yw y caiff hwn ei roi ar waith, fesul cam, ar draws lleoedd eraill yng Nghymru. **Ms Caldwell:** The CTCFI is a pilot scheme, or a demonstration scheme, so only 15 have been selected in the first round. We mentioned earlier that an evaluation will be carried out of this scheme fairly soon, and the hope then, following the completion of that, is that this will be rolled out across other areas of Wales.

[221] Ni wn a ydych am ychwanegu at hynny, Ewan. I do not know whether you wish to add to that, Ewan.

[222] **Mr E. Jones:** The term that the Welsh Assembly Government has used throughout is 'demonstration projects'. I agree that coverage is far from complete, but this is a new idea, so will it work? Putting the money in—£3 million over three years—and testing that with those schemes is welcome. However, in discussions before the scheme was formally established, the point was raised that, if it works and we roll it out across Wales, this could cost millions of pounds. What do we do then? Frankly, that is a political question. If this scheme works, and provides appropriate transport, and makes an improvement, then the CTA and others will press for it to be increased. It does not need to operate in the same form—there may be different ways of using local transport consortia, or local authorities, to deliver it. However, if it works, and the outcomes that WAG and the CTA hope for come about, then it should be rolled out further.

[223] **Christine Gwyther:** Do any other Members wish to come in on this? I see that you do not. Do you wish to add anything to this item, Colin, before we break for coffee?

[224] **Mr Eaketts:** Not really. Like Betsan, I have only just taken up responsibility for my post in the last few weeks. It would be interesting to meet separately with the Community Transport Association UK, outside this meeting, to go through its ideas, and to take forward as many of them as we can.

[225] **Christine Gwyther:** When we return to the transport issue, and the different categories, we will bring you in then, Colin; that will be at a future meeting, clearly, because we would not have time to do it all this morning.

[226] We will break now for 15 minutes. At the start of the meeting, Abi brought around the British Medical Association submission, which was received only this morning. Therefore, we have a few minutes during the break to look at it.

[227] **Leighton Andrews:** There is a BMA paper that has an EDT reference number on top—that is an old paper, I believe—and then there is 'economic inactivity'; is that the one that you are referring to? That is from the BMA today, is it? Is it the one that shouts at us in capitals?

[228] **Ms Morris:** Yes, that is the latest paper.

[229] **Christine Gwyther:** We will break now, and meet again in 15 minutes.

Gohiriwyd y cyfarfod rhwng 10.59 a.m. a 11.21 a.m.

The meeting adjourned between 10.59 a.m. and 11.21 a.m.

**Anweithgarwch Economaidd: Cymdeithas Feddygol Prydain
Economic Inactivity: British Medical Association**

[230] **Christine Gwyther:** I welcome Dr Griff Jones from the British Medical Association and Ian Jones—I assume that you are not related—from the Department for Health and Social Services, who is here to help to answer questions on the health issues surrounding economic inactivity. Griff, we would be grateful if you could briefly outline the papers that we have received from you and then be good enough to answer questions from Members.

[231] **Dr Jones:** You have received a copy of our paper on economic inactivity in Wales. It deals with what are well known problems on the GP side, mainly, the difficulty of keeping people active due to various health reasons and also due to concerns about long waiting lists and getting people properly investigated in as short a time as possible. These areas are probably improving at the moment, but slowly. You want to try to keep people at work, but, sometimes, what you can do about that is inevitable, depending on their illnesses, and you end up having to keep people off work until their investigation is completed. Often, that can be for several months. As I said, things are improving in some areas, but there is a lack of facilities and often a lack of access for GPs to the system, for example, sometimes there is a lack of access to a particular type of scan. This, as you will probably know, varies according to your postcode in Wales. If you are in Cardiff or Swansea, you can get something done, but if you are in north Wales, you probably cannot. These are some of the problems that come up.

[232] Some problems that cause me some concern are when you have a middle-aged man who has been doing an unskilled job and he has an injury or something, and he seems to be the one who it is difficult to get back to any kind of work. This is mainly due to lack of education and skills, and often it is difficult to retrain this type of man. Often, employers do not want to know, basically. The responsibility of employers varies a great deal. With the change in a lot of areas away from the old heavy industries, the ‘brushing-up’ jobs and so forth where people could hide have gone. Many of the people in a certain age group who find difficulty in getting employment become depressed and develop mental illnesses and so forth, so these are issues that exist together with other disabilities and, combined, they can render some people unemployable.

[233] Issues such as lifelong learning and people’s ability to get the right sort of training are difficult to get around. Very often, we have to look at individuals in the doctor-patient relationship, and the doctor has to make a decision on what the patient is able to do. To get people to return to work or to work part time depends a lot on the attitude of the employers and, perhaps, how much pull the GP has got with the employers, because sometimes the employers are our patients, too, and we can fix things. There are certain employers who co-operate, such as in the case of people who have renal disease, as they often need dialysis and so on, and I have known a few people who have been able to carry on working while receiving dialysis. They did not lose their jobs; in fact, some of the employers actually paid them at the same rate, despite their being missing for, say, two days a week. It depends on the skill levels, of course, and how essential you are to a company. That is an important issue, but the delays in the health service do not help, basically. There are issues when people want to go back to work and they fall into the benefit trap, and they lack the initiative then to get back into work, and that can be a big problem, sometimes more so in rural areas in which transport systems and so, as you have been discussing, can be a factor. You have the paper for the rest of it.

[234] **Christine Gwyther:** Thank you very much. I will kick the questions off and then bring the Members in.

[235] One of our recommendations was that the Welsh Assembly Government look at ways to make occupational health services available to small and medium-sized enterprises. We had some evidence from Jobcentre Plus earlier that looked towards maybe helping that to happen. I have been involved with an organisation in Carmarthenshire called Capacitate, which also aims to work for employers who want to employ people with disabilities or difficulties with, for example, mobility and so on. Also, it helps them with those employees who are moving into disability. Do you have any experience of working with employers quite positively for the people already in their employ to keep them in work when we might just be talking about adaptations or support in some way that will keep people in work?

[236] **Dr Jones:** It varies in various industries, certainly in north Wales, and there are those that do have occupational physicians, while others may have a GP who has an interest in some of the smaller factories and so on. If one does approach those people to see what is possible, I think that things can be done to help patients, especially to keep them at work, initially, as I think that it is important to do anything you can to keep people at work. If you can get an employer that is willing to do so, that is the main thing. Generally, there is a lack of occupational doctors around, and that is part of the problem.

[237] **Christine Gwyther:** In your oral evidence, you said that some things are available in Cardiff and Swansea—it sounded like diagnostics that were not available in north Wales. Can you give us a brief list of what they are?

[238] **Dr Jones:** One of the main things is the newer PET scanners. You have one in Cardiff and another in Swansea, but we do not have one in north Wales. So, the availability of those kinds of things tends to have a slow roll-out, and they are useful in diagnostics, especially perhaps for some of the orthopaedic conditions that crop up from time to time.

11.30 a.m.

[239] I think that our service in north Wales is like a third-world service compared with services down here. It is slowly improving but we are heavily dependent on services from over the border in England and they are not always willing to put us in the right place on the waiting list, shall we say. We have heard a lot about that in various areas, especially orthopaedic-wise in Gobowen.

[240] **Kirsty Williams:** Dr Jones, would the British Medical Association see doctors and GPs as having a proactive role in tackling economic inactivity? Obviously, when you become a doctor, you do not necessarily see yourself as somebody who has a focus in that particular area, but would you accept the premise that you have a potentially crucial role to play in helping us solve problems of economic inactivity?

[241] If you do accept that—not that I wish to make the GP contract any more complicated than it already is, or add any more workload—could you see any benefit in there being an opportunity to reward GPs who actively take on a role in looking at getting some of their patients who are suitable to go back to work, back to work or in looking at local health boards commissioning enhanced services from GP surgeries that may have an interest in occupational health or this kind of economic inactivity agenda? Those GPs' practices could be rewarded given that, ultimately, getting people back to work should have a pay-off for GPs because they would then have fewer people being sick. There is a direct correlation between poverty and illness, so getting people back to work is also in your interests as GPs.

[242] **Dr Jones:** On your first question, we have not really been trained to do that job and you tend, if you like, to champion the patient very often and see their point of view and, especially in those areas that are in the benefit trap, you tend to sympathise with the patient's

cause, especially if it might cost them more to go to work and they would be out of pocket. Having said that, it is something that grows with the job and you feel a bit of responsibility for it. There are certainly GPs who feel that way, but whether or not it is official BMA policy, I would not like to say. Certainly, being a GP, you feel involved with that person and their family and you feel that you should be doing your best to get that person economically active if you can, but if you cannot, you fall back on the welfare state, which is probably the biggest difference between practising here and practising in the States or somewhere like that.

[243] As far as whether some GPs would be willing to specialise a bit more in this, GPs are always very enterprising and, given the right challenge, they would probably rise to it.

[244] **Christine Gwyther:** When your colleague gave us evidence when we first started collecting evidence for this review, he came up with the idea, which I assume was shared by the BMA, that it would be a good idea, when somebody comes out of work, to immediately put them on a programme to get them back into work, and not to wait six months or 12 months, when it is more difficult to get them back into work. Would you share that view? Is that something that the BMA is actively encouraging among its members?

[245] **Dr Jones:** Ideally it would be the best thing but, in practice, it is very difficult to do. If you can keep the patient in work, it is better. That is probably the best way forward, if you can get adequate support from the employer and perhaps from the occupational physician, if they have such facilities at that works or factory. However, when someone is off to begin with, you do not know how long the illness is going to last, whether it is the beginning of something big or something that will get better. It is difficult to put people on a programme too soon and, as I said, you are often waiting for the result of investigations anyway. Then, again, it is a case of whether they can continue with their work or whether the employer can find suitable work for them while they are waiting for investigations and treatment.

[246] **Leighton Andrews:** Have you had any input from doctors who have been involved in the Pathways to Work scheme, with the Department for Work and Pensions and the pilot areas of Bridgend and Rhondda Cynon Taf?

[247] **Dr Jones:** No.

[248] **Leighton Andrews:** So, there is not any BMA evidence to update since 2004.

[249] **Dr Jones:** Not on that, no.

[250] **Leighton Andrews:** Okay. I do not know what your plans are for this inquiry, but may I suggest, Chair, that, if we are going to get meaningful updated evidence, it might be worth looking at evidence from the health boards that have been involved in that?

[251] **Kirsty Williams:** Trained on the media this morning was research that showed that patients diagnosed with cancer often suffer illegal discrimination at work from employers who look to sack them because they are regarded as a liability. In your experience, as a practitioner, are you aware that companies are sometimes less than sympathetic and less than willing to look at these issues in a sympathetic way? Are you aware that they sometimes regard a person who is sick as a liability to their business and then occasionally act illegally or inappropriately in dealing with that person?

[252] **Dr Jones:** I have not come across that kind of discrimination often. I think that employers tend to be quite diplomatic about it. Of course, that depends on the extent of the illness, whether it is curable or not, and how long the patient has to be off work.

[253] **Christine Gwyther:** Are there any other Members who want to come in on this? Ian,

from what you have heard this morning, can you give us an update on the things that the Welsh national health service is doing to help with economic inactivity?

[254] **Mr I. Jones:** My particular area of responsibility is related to the general medical services contract, so I cannot really give you an update on that, because that is subject to national negotiations on a UK basis. Discussions are under way at the moment, so I cannot give you an update that links directly to the GMS contract. Areas such as access to hospital services or diagnostic requests are outside my aegis, so I could not really comment on them, but I could direct the query to the relevant officials.

[255] **Leighton Andrews:** May I ask about the GMS contract? There have been significant changes over the last 18 months or so and, to all extents, the changes that have already taken will potentially have an impact on economic inactivity.

[256] **Mr I. Jones:** It is difficult to make the link with economic inactivity, although there is certainly a link there, and it is something that would have to be researched. For example, the enhanced services that were negotiated nationally as part of the settlement in 2006-07 offer much-needed services to patients with learning difficulties and the severely mentally ill. Presumably, that would link to economic inactivity, but some research would be needed to confirm that.

[257] **Kirsty Williams:** Mr Jones, that was why I asked the question. Is there scope to look at enhanced services that have a much more direct relationship to the economic inactivity agenda? Is there a way in which you could influence GPs into seeing themselves as more of an integrated part of solving this problem, by looking at the contract around quality points and enhanced services? Obviously, unless you have a GP with a particularly strong interest in this matter or unless they are rewarded for taking on that work, they are unlikely to do it—unless they are required, under the contract, to take on that work, they are less likely to do it. It is my concern that it is via the GMS contract and enhanced services that you might be able to drive it forward.

[258] **Mr I. Jones:** In the main, enhanced services are commissioned by local health boards, so that would be a matter for them. There is scope to negotiate national enhanced services, but that would be dependent on funding and on national negotiations.

11.40 a.m.

[259] **Leighton Andrews:** Surely, some of the changes that have taken place in relation to the GMS contract involve things like doctors carrying out minor surgery. Given what was said by the British Medical Association in its old evidence, two years ago, that itself gives scope for bypassing some of the problems that have happened in relation to waiting lists in the past, does it not?

[260] **Mr I. Jones:** It would give the scope, but, as I say, enhanced services for minor surgery would be commissioned by local health boards.

[261] **Leighton Andrews:** I understand that, but it could have an impact on economic inactivity, could it not?

[262] **Dr Jones:** It might help in getting someone back into action quickly, because you get it done in the same week and you do not have the problem of waiting to get it done. We were doing that before the contract.

[263] **Leighton Andrews:** Some of you were, and you were rewarded in the contract. I will be very careful about what I say about the contract, but many people would say that the GMS

contract was designed to encourage more doctors to carry out more minor surgery. I am glad that you are confirming what I was asking, which is that it could have an impact in certain circumstances.

[264] **Dr Jones:** There is certainly more activity from that point of view, so it does help. The other thing is that, as part of the contract, the hidden element is that you are trying to prevent things. By concentrating on people's illnesses and so forth, you hope that people will not have to be off work. Prevention is a big part of that. By keeping blood pressure under control, for example, you avoid other complications.

[265] **Alun Ffred Jones:** This is not a question, but it is a comment about Leighton Andrews's suggestion that it would be more useful to the committee if we were to get someone who has taken part in some of this work.

[266] **Christine Gwyther:** Okay.

[267] **Kirsty Williams:** I am slightly out of it now, but does the Welsh Assembly Government issue guidance or directives to local health boards about the range of local enhanced services that they are commissioning? The contract allows for it, but unless the local health board has resources to commission the local enhanced services, they do not happen. Does that happen?

[268] **Mr I. Jones:** The LHBs would commission services in line with their health and wellbeing strategies.

[269] **Kirsty Williams:** So, there is no direction from the Welsh Assembly Government about the type of enhanced services that local health boards should be commissioning. Does the Welsh Assembly Government monitor the number of local enhanced services that are being commissioned?

[270] **Mr I. Jones:** There is monitoring of the LHBs through the service and financial framework process and the performance monitoring, but, again, I am afraid that that is done by another branch outside my area of responsibility.

[271] **Kirsty Williams:** Would it be possible to look at whether there are any examples of the local health boards commissioning enhanced services of this kind, for instance, minor surgery, rheumatology and such issues that might have an impact? It would be interesting to see whether they are using the opportunities in the new contract to do innovative work like this.

[272] **Dr Jones:** We have tended to go for nationally agreed services, which give you more of a uniform service throughout Wales. There are a few local services, but that has been our policy, so that it is easier to introduce the same services throughout Wales, if you can. There are pockets where you have local arrangements for special services, but there are not many.

[273] **Mr Hall:** To pick up on Leighton's point and where Kirsty was also coming from, in the BMA evidence it says that early interventions could be improved and it refers to a lack of services such as cognitive behavioural therapy. What you were hinting at was that cognitive behaviour occupational therapy is part of what Linda Badman called condition management. So, there is a specific link there. If we are to roll out Pathways to Work across Wales, making it part of the service that GPs can call on and refer to, we need to increase the awareness among GPs of that service. There is a great opportunity there, and we need to be mindful of that when we roll out that service.

[274] **Christine Gwyther:** You are leading on health now are you, Gareth?

[275] **Mr Hall:** Well, I am just trying to join it up. [*Laughter.*] That would be an empire, would it not?

[276] **Kirsty Williams:** Gareth could run it all, and then we would not have to worry about whom is the lead—it would be Gareth; he could do everything.

[277] **Christine Gwyther:** Thank you for that, Griff, and for coming so far to give your evidence. We are very grateful. You will receive a transcript of this morning's proceedings.

[278] Do Members have any more general points that they want to make to officials? Clearly, some quite important recommendations will have to be refreshed by us. Perhaps Claire can do a note of some of the key points that have come out this morning and maybe we can discuss that, either out of committee or at a future committee meeting. Is there anything that Members want to throw into the pot at this stage?

[279] **Leighton Andrews:** I want to emphasise that I think that the evidence that we have had this morning has been incomplete in two specific areas: the health evidence was incomplete, as was the evidence on ministerial responsibilities.

[280] **Christine Gwyther:** Thank you. I will draw this discussion to a close and we will move on.

11.46 a.m.

**Ymgynghoriad ar y Masnachfreintiau Traws Gwlad Newydd, Gorllewin
Canolbarth Lloegr a Dwyrain Canolbarth Lloegr
Consultation on the New Cross Country, West Midlands and East Midlands
Franchise**

[281] **Christine Gwyther:** Tim James is here. I am afraid that you do not have time to sit down and relax, because we are going straight into your item. You know what it is. Will you explain to us what the consultation means? We will then take Members' questions.

[282] **Mr James:** Of course. In principle, the consultation document was issued by the Department for Transport. It is important for us to note that the Welsh Assembly Government and the National Assembly for Wales are separate consultees in this process. The Welsh Assembly Government has responded, and you will note from the timescales in the document that the consultation period has passed. The consultation period commenced on 8 June and expired on 7 August—it was only 60 days, because the Secretary of State accelerated the process. However, we have negotiated with DfT and explained that the recess meant that this item could not be brought to committee in a reasonable time during the timescale. Therefore, DfT has left the consultation process open for comment from this committee.

[283] **Christine Gwyther:** Okay. Thank you. Off you go, Janet; the engine is revving.

[284] **Janet Davies:** Thank you, Chair. First, the main concern for this committee is the Cardiff to Birmingham and Nottingham service, which I will come back to in a minute. There are just a few points that I would like to pick up before I get to that, about drafting this consultation. I am sorry that this is very specific, but on page 14, you have a statement that:

'By far the largest segment of Cross Country's market is leisure'.

[285] When you look at the graphs, you see that it is actually 52 per cent. I do not call that

hugely greater than the 48 per cent for business. I think that it is slightly misleading.

[286] I also think that there is terrible jargon on page 20, about exogenous drivers modelling. Bearing in mind that this is about train services, I had all sorts of pictures floating through my mind when I read that. It would be nicer not to have quite as much jargon.

11.50 a.m.

[287] Also, on page 26, why is there no mention of a transport plan from Wales? Even if one has not been prepared in the same terms, that should have been stated, instead of there being no reference to it.

[288] On page 23, you talk about the rolling stock used between north Wales and London, which it proposes will come from a cancelled Manchester to Scotland service. I want to know what it is and whether it is of at least an equal standard to the rolling stock that is already used between north Wales and London. It does not say specifically, and I would hate to see that service go down from using, say, Voyager trains to using 158s, or something like that.

[289] If we turn to the main issue, the service between Cardiff and Birmingham is crucial for people in south Wales to get access to the big north-south services. The paper says that there will be no change, but the present service is not good enough in many ways. The times on which it runs on weekdays are probably acceptable; I think that there are 15 services running on an hourly basis, which does not sound too bad. However, we have had problems. In 2004, we lost everything that was direct through from Swansea, and that is a major problem. I looked up the times on the timetable yesterday evening—being a real anorak about this—and I do not know whether you are aware of this, but the National Rail timetable gives you only the changing services through Gloucester and Worcester for services from Cardiff to Birmingham, whereby you have to change once or twice to get to Birmingham. There is nothing there that gives you the opportunity to say that you want a through service, and it is only when you view the details that you pick up those services. That is bad because anyone who is not aware of that would say that it is dreadful, because you have to change twice to get to Birmingham, especially if you want to go on to somewhere else. Something has to be done about that timetable.

[290] The document states that there is poor performance in terms of the Cardiff service. That has to be improved in the new franchise. The rolling stock is also appalling. I do not know whether it has improved, because I have not travelled on it for two and a half years because I was so appalled at being in such a totally unhygienic and disease-ridden carriage going from Cardiff—

[291] **Alun Ffred Jones:** You are going into Eleanor Burnham territory now.

[292] **Janet Davies:** It was bitterly cold and there was no heating on a cold December day. You could not see out of the windows because they were thick with dirt, and when I pulled down the tray in front of me, it was covered in mildew-encrusted food. You have to do something about that, and the way in which they maintain these services. It has to be built into the new franchise.

[293] I do not think that the rolling stock, which is 158s and 170s, is appropriate for the service from Cardiff to Birmingham. I think that you need a better standard of train, be that the Voyager train or whatever. I know about the difficulty in getting new rolling stock, and I know that there is a shortage and a waiting time, but it simply is not good enough. I am glad that there is a demand for a realistic strategy on page 21, but I would like the committee to state that we want a good-quality service that is clean, prompt and faster from Cardiff to Birmingham. I would also like to see some trains running through from Swansea.

[294] **Christine Gwyther:** That was a tour de force. Thank you.

[295] **Mr James:** I will respond and explain how I can help the committee. I can certainly advise the committee on its response. I have shared some information on the Welsh Assembly Government's response with the clerk, which we can help you to provide to the Department for Transport. The franchise is let by the DfT, not the National Assembly for Wales or the Welsh Assembly Government. However, we are a consultee, and I will take you through some of the key points.

[296] First, it is an eight-year franchise, which is supposed to start from November 2007. It combines the existing Virgin cross-country service with, as Mrs Davies mentioned, the Central Trains service between Cardiff and Nottingham. It also includes the wider services between Penzance and Edinburgh.

[297] On my advice to the committee, picking up on your points, the service between Cardiff and Nottingham currently runs every hour. I recommend that your response states that this frequency should not be lessened and that there should be no loss of existing services. There is also one journey per day directly from Cardiff to Newcastle. That departs from Cardiff at 7.00 a.m. and returns from Newcastle at 2.21 p.m.. I recommend that you ask for more direct journeys to Newcastle and Scotland and that you consider recommending that some of those start in Swansea.

[298] I also recommend that the committee, in its feedback to the Department for Transport, suggests that Central Trains services include a stop at Chepstow, which is not a regular stop for Central Trains services between Cardiff and Nottingham. It was removed from the timetable for the purpose of performance benefits—fewer trains stopping there means that trains are more likely to arrive on time, which comes back to your point on punctuality. A key point there is that, currently, as you mentioned, Central Trains has a punctuality rate of less than 60 per cent between Cardiff, Birmingham and Nottingham. That means that only 60 per cent of trains arrive within five minutes of being late. I recommend that feedback to The Department for Transport should state that the successful bidder should demonstrate a robust performance plan for the service group.

[299] On rolling stock, Central Trains currently uses what are called 'class 170 trains'. They are reasonably new and are capable of travelling at 100 mph. That should be the minimum specification of a train in the service group. Given the availability of rolling stock, I doubt whether anything larger or new would be available, but that should be the minimum specification.

[300] **Christine Gwyther:** Am I getting the flavour, apart from the disease motif, that the Welsh Assembly Government's response is stronger than Janet's, so far?

[301] **Janet Davies:** It has made some extra points, which I would be glad to take on board. I did not realise that there was still a service running to Newcastle; you cannot pick that up easily from the timetables. Is it part of the franchise to issue clear timetables?

[302] **Mr James:** It is a franchise commitment, but it is also a part of the UK rail industry's commitment.

[303] **Janet Davies:** So, you could make the point, in the franchise, that it should be easy to get this information from the National Rail timetables, however that is phrased. I think that you agree with me that it is a poor service. That is hugely important. What I did not point out is that if you can have a good service from Cardiff to Birmingham, you can then get high-quality trains from Birmingham northwards, which may persuade some people not to keep

using these polluting aircrafts.

[304] **Kirsty Williams:** We have been given comprehensive and robust advice and if we could incorporate Janet's additional point about the need to produce clear timetabling, which would allow people to take advantage of these services, I would be content for that to be the committee's response. I just wanted to check something: does Gareth Hall also have lead responsibility for cleaning trains?

[305] **Mr Hall:** As a child, I wanted to be an engine driver, but I do not think that that ambition will be fulfilled.

[306] **Kirsty Williams:** It could be arranged, Mr Hall.

[307] **Janet Davies:** We will call on you when a driver is unavailable.

[308] **Alun Ffred Jones:** To reinforce Janet's point on the reference on page 23 to the cross-country service that is currently operating a number of services between Manchester and Scotland, the document proposes that these services should cease and that the rolling stock should be used to operate services between north Wales and London. Again, there is the same commitment that there should be no downgrading of the quality of the rolling stock or the specification. Do you have any information on that or can we put that into our response?

[309] **Mr James:** Yes. The document mentions the TransPennine Express, which is a service group, and from December this year, the franchisee is handing over 12 newer class 175 trains to Arriva Trains Wales. So, on the services from Holyhead to Cardiff and from Manchester to west Wales, you will see modern trains that are fitter for purpose than the existing trains. That will enable the older 158 trains, which you mentioned, to go back to the leasing company. So, there will be a step-change improvement.

12.00 p.m.

[310] **Alun Ffred Jones:** I agree with that, but this is a specific reference to the north Wales to London service. That is what I do not want to see downgraded in terms of quality or the specification of the rolling stock.

[311] **Mr James:** As far as I am aware, there is no plan to do that. However, we can make specific reference to that in our response to the DfT.

[312] **Alun Ffred Jones:** There is specific reference to a proposal that the service will cease and the rolling stock will be used on the north Wales to London line.

[313] **Mr James:** It refers to the fact that some services between Manchester and Scotland will cease and that these would be replaced by a different service, so the rolling stock would cascade elsewhere. I do not think that it is an issue that affects—

[314] **Alun Ffred Jones:** You say that the rolling stock will cascade; I am asking where it will be cascaded to. Will it be to the north Wales to London service?

[315] **Mr James:** I cannot answer that, I am afraid.

[316] **Alun Ffred Jones:** I do not expect you to answer it. The point that I keep repeating is that, in that cascade, I do not want to see the quality of the stock that is presently running from north Wales to London being downgraded and being replaced by something inferior coming down from wherever this service is.

[317] **Mr James:** Our discussions with the DfT indicate that that is not the case, but we can make specific reference to that. I believe that there is no intention to do that.

[318] **Alun Ffred Jones:** But this is presumably the response from the committee.

[319] **Christine Gwyther:** We will include that in our response.

[320] **Alun Ffred Jones:** Thank you.

[321] **Christine Gwyther:** All of the points made this morning will be included in our response. The points made by the Welsh Assembly Government, of which Claire has a copy, will be included. We have agreed the basic thrust of what you are asking for, but we will be asking for a bit more, especially on the points that Janet made.

[322] **Mr James:** I would like to make one final point. Arriva Trains Wales, which is our franchisee, runs trains between Cardiff and Gloucester, and shares the route with the cross-country franchise between Cardiff and Nottingham. The point that I would recommend that you make is that, whatever timetable the DfT and the successful bidder propose, the timetable and the service should complement the existing Arriva Trains Wales service rather than compete with it.

[323] **Christine Gwyther:** It has been interesting to have recommendations to this committee from the Welsh Assembly Government, because it should be the other way around. However, we have also come up with stuff of our own and we are breaking new ground today, as we know. So, thank you all very much for your attendance.

*Daeth y cyfarfod i ben am 12.02 p.m.
The meeting ended at 12.02 p.m.*