



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

**Y Pwyllgor Cyllid**  
**The Finance Committee**

**Dydd Iau, 7 Mai 2009**  
**Thursday, 7 May 2009**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

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. This is a draft version of the record. The final version will be published within five working days.

**Aelodau pwyllgor yn bresennol**  
**Committee members in attendance**

Mohammad Asghar	Plaid Cymru The Party of Wales
Angela Burns	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Alun Davies	Llafur Labour
Chris Franks	Plaid Cymru The Party of Wales
Huw Lewis	Llafur Labour
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives
Joyce Watson	Llafur Labour
Kirsty Williams	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol**  
**Others in attendance**

Tracey Breheny	Pennaeth yr Uned Tlodi Plant, Llywodraeth Cynulliad Cymru Head of the Child Poverty Unit, Welsh Assembly Government
Donna Davies	Pennaeth Cangen Plant yn Gyntaf, Llywodraeth Cynulliad Cymru Head of Children First Branch, Welsh Assembly Government
Brian Gibbons	Aelod Cynulliad, Llafur (Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol) Assembly Member, Labour (The Minister for Social Justice and Local Government)
Michael Lubienski	Cyfreithiwr, Llywodraeth Cynulliad Cymru Welsh Assembly Government Lawyer
David Rosser	Cyfarwyddwr, Cydffederasiwn Diwydiant Prydain yng Nghymru Director, Confederation of British Industry in Wales
Elizabeth Williams	Pennaeth Is-adran Strategaeth Plant a Phobl Ifanc, Llywodraeth Cynulliad Cymru Head of Children and Young People Strategy Division, Welsh Assembly Government

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

John Grimes	Clerc Clerk
Abigail Phillips	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 9.31 a.m.*  
*The meeting began at 9.31 a.m.*

## **Ymddiheuriadau a Dirprwyon Apologies and Substitutions**

[1] **Angela Burns:** I welcome everyone to this morning's session of the Finance Committee on Thursday, 7 May 2009. I will remind you of a few housekeeping issues. Participants are welcome to speak in either Welsh or English, and there are translation facilities available. Please switch off any mobile phones. If the fire alarms go off, the ushers will tell us what to do and I would suggest that we follow their briefing tout de suite.

9.31 a.m.

### **Ymchwiliad i Ariannu Seilwaith Ffyrdd: Cydffederasiwn Diwydiant Prydain Inquiry into Funding Road Infrastructure: Confederation of British Industry**

[2] **Angela Burns:** This is the third evidence session of our inquiry into the funding of the road infrastructure in Wales. We have taken evidence already from the Deputy First Minister and the Minister for the Economy and Transport and from a specialist adviser. This morning we have asked David Rosser, who is the chief of the Confederation of British Industry in Wales, to come here.

[3] David, welcome. Thank you very much. We have noted that you are on a very tight timetable so we will endeavour to get you out of here by 10.00 a.m. You have prepared a briefing paper for us, for which I thank you. Would you like to make any opening remarks and then we will leap straight into questions?

[4] **Mr Rosser:** Very briefly, just to reiterate the importance to the business community of an effective and efficient transport system. It is one of the key enablers of an attractive business environment and hence a relative priority for the CBI and our members. I think that that is probably all to open with.

[5] **Angela Burns:** Thank you. I would like to start off by saying that I noted the 2005 transport brief that you have available on your website. In it, you suggested that other European countries invest about 1 per cent of their national income per year on transport infrastructure and that the UK as a whole invests 30 per cent less than that, which is quite something. Are you able to ascertain or identify for us why this gap between the UK and the rest of Europe is so substantial? How does Wales compare in terms of investment, first of all to the UK and, secondly, to Europe?

[6] **Mr Rosser:** I am not sure I can tell you why the UK invests less on transport than our European competitors. I think that it is probably a question for Government. Certainly, the CBI will consistently talk to Government about transport as a priority and about the effectiveness of the UK transport system as a whole. I think that it is a concern to us, particularly in the current climate when public finances will become more constrained again, that capital investment infrastructure may be seen as an easier, more palatable expenditure cut than some other areas of public spending. So, it remains a concern to us, but I think that the broad question is one for Government.

[7] As to Wales, I note from the Deputy First Minister's evidence to this committee that, as regards road building and maintenance, he plans on spending about £160 million of his £1.6 billion budget. If I just draw some comparisons with the Department for Transport budget, where it refers to a 10-year plan for the strategic and local road network of about £59 billion, were one to crudely take an annual expenditure from that and then derive a 5 per cent Barnett consequential from it, one might expect Wales to be spending about £300 million, very roughly, on roads, compared to the £160 million that the Deputy First Minister has

indicated that he plans to spend.

[8] So, it appears that Wales is devoting less as a proportion of its budget to this area of expenditure. Again, that is something that I think would generally concern the business community. As to why, I think that one must put that question to the Minister.

[9] **Angela Burns:** You have very neatly answered my second question, actually. Thank you. Alun, did you want to come in?

[10] **Alun Davies:** Thank you. In paragraphs 8 and 9 of your written submission, Mr Rosser, you discuss, first of all, the fact that you welcome the reprioritisation, if you like, given to transport within the structure of the Assembly Government.

[11] **Mr Rosser:** Yes.

[12] **Alun Davies:** In the second paragraph, you say that you disagree with the reprioritisation decision in the trunk road strategy. You said, in your first answer, that you speak to Government about transport issues. Can you characterise those conversations in any way? Are they structured consultation meetings with Government about the road strategy, if you like? Does the Deputy First Minister, or officials in his department, actively seek out your views on transport issues? Were you consulted at all during discussions taking place before the reprioritisation of the trunk road programme? Can you characterise how those discussions take place?

[13] **Mr Rosser:** Yes, I can. First of all, we were very pleased to see the responsibility for transport moved into the economic development portfolio. We thought that that sent out a strong signal that the Assembly Government recognised the importance of transport to the economy.

[14] We have fairly regular dialogue with the Deputy First Minister and Minister for the Economy and Transport. Those will be wide-ranging discussions. We have certainly spoken to him on a number of occasions about the importance we attach in particular to the east-west corridors in Wales and the renewal of the M4 around Newport in particular. I do not think that we have had a dedicated session to talk about transport that I can recall, but we do have ongoing dialogue.

[15] I do not believe that we were consulted on what appears to be a strategic decision to reprioritise from east-west schemes to north-south schemes. We responded to the Wales transport strategy consultation. It was not clear to us from the consultation document that this reprioritisation was in mind. I think that it was a very general, very vague or, depending on your view, high-level and strategic consultation. It clearly had no schemes listed in it for us to respond to. It clearly set out a methodology where the Wales transport strategy would be followed by a national transport strategy and would then be followed by the setting out of a programme of schemes. I think that we were told by civil servants that the detail would come in the national transport strategy.

[16] Now we seem to have skipped that and moved from a very general, high level, strategic consultation through to a set of schemes. What happened to the national transport strategy, which I think has yet to be published? Indeed, what purpose does that now have if we have already decided on the road and rail schemes that we are going to deliver? So, I think that we feel that we did not have a proper opportunity to contribute to the thinking in this area.

[17] **Alun Davies:** The Deputy First Minister, in front of this committee before the recess, seemed to imply to us that the reprioritisation was almost a domestic tidying-up process that

reflected the reality of the progress in different schemes. You described it as a strategic decision in your answer to that question. Would you therefore disagree with the Deputy First Minister's view of the reprioritisation of the trunk road programme?

[18] **Mr Rosser:** All that matters is what gets delivered. If one looks at the schemes and the phasing, very clearly some of the key east-west schemes appear to have moved out. Some of the internal transport schemes within Wales appear to have been advanced. At the end of the day, what really matters is when these things get delivered.

9.40 a.m.

[19] Probably what we see as the key transport scheme for Wales going forward, which is a solution to the M4 around Newport, has not moved in terms of phasing, but the codicil 'awaiting a business case' seems to have appeared, from where I do not know. I thought, from discussions with the previous Minister for transport, that that was a scheme that the Assembly Government had decided to prioritise and to deliver. From my discussions with him, I thought that the business case had been made. So, while that may not have moved in the phasing, we are extremely concerned as to whether the commitment of the Assembly to that scheme has diminished.

[20] **Angela Burns:** Thank you very much for that. Joyce?

[21] **Joyce Watson:** In your written submission, you suggest that transport infrastructure, particularly roads, is a prerequisite for business efficiency and competitiveness and also for economic growth and development. In your opinion, are there any specific areas in Wales that may have lost out on inward investment due to a lack of a sufficiently developed road infrastructure?

[22] **Mr Rosser:** I think that it is now a generally accepted principle that transport is an enabler of economic growth. The Department for Transport's publication in 2008, 'Roads—Delivering Choice and Reliability', makes the linkage between GDP and an effective transport infrastructure. The Assembly Government's research says that an adequate transport infrastructure is a necessary precondition to economic development, so I think that the linkages are clear.

[23] It is much more difficult to talk about what might have happened had we had something different. Inevitably, one gets into anecdotal speculation rather than hard evidence. It is very hard to prove 'what did not happen because'. From a business perspective, transport links workforces: it widens workforce catchment areas. It links businesses with markets. Time to market is an issue, and the relative size of a potential workforce in an area is a factor that governs how a business can grow. So, I think that those areas of Wales that have not been linked to wider markets have been seen as less attractive areas for investment from a business perspective.

[24] There is an argument for linking some of the more peripheral parts of Wales into the Welsh transport network. There is equally an argument for linking some of the more well-developed parts of Wales into the wider UK market. I think that the economic impact of transport works for both of those. When you have to make some pretty difficult priority decisions against tight public finances, it is a question of where you can get the biggest bang for your buck. I think that we would see connecting Wales to the outside world, to the wider UK market and beyond, as being the biggest priority.

[25] **Joyce Watson:** You also go on to suggest that the predicted growth in road congestion could potentially cost £1.1 billion per year to the Welsh economy and £600 million per year to business. Could you provide further explanation of how you have arrived

at those particular costs?

[26] **Mr Rosser:** Those will have been arrived at by taking a Welsh share of the costs predicted for the UK. I think that Rod Eddington's review into transport has tried to put some figures around business costs. I think that we are not aware of specific analysis of costs to Wales; that is just a pro rata share.

[27] **Joyce Watson:** Following on, do you think that the Welsh Government is taking sufficient action in terms of investment in the road infrastructure to combat such potential consequences as the one that we have just discussed?

[28] **Mr Rosser:** There clearly is investment in transport in Wales. After this meeting, I will be driving to Bristol and I will possibly be taking the M4 to the north of Cardiff, which is being invested in as we speak, which is to be welcomed. I will also definitely be taking the M4 around Newport, which has just had a 50-mile-an-hour speed limit slapped on it, for what appears to me to be indefinitely.

[29] So, there is investment going on. I think that we have already discussed the relative proportion of budget in Wales that is being devoted to our road network and that it is lower than in England and that, in England, it is lower than in most EU countries. I think that the prioritisation of spend is clearly one for the Government, but we would just reiterate the importance of an efficient and effective transport infrastructure to the Welsh economy.

[30] **Angela Burns:** Thank you for that. Mr Rosser, may I ask you to try to be quicker in your answers?

[31] **Mr Rosser:** Sorry, yes.

[32] **Angela Burns:** Not for us, but I am worried about your timing.

[33] **Mr Rosser:** I will not dash away without people having asked what they need to ask.

[34] **Angela Burns:** I just do not want to make you too late. Oscar?

[35] **Mohammad Asghar:** In the same context as the questions asked by my colleagues, in your written submission, you state that there has been significant planned progress with transport since devolution. In your opinion, has this planned progress that you refer to translated into actual progress in terms of improving the trunk road infrastructure in Wales?

[36] **Mr Rosser:** In some areas, yes. One can see that investment has been made in the Heads of the Valleys road, which is very much to be welcomed. I have already mentioned that the widening of the M4 between Cardiff and Newport is also very much to be welcomed. I think that our concern is around the future direction of travel—if that is not too much of a pun—namely the commitment of the Assembly going forward to continue that investment and where it plans to prioritise that investment. We are concerned by some of the messages that we are getting from Government at the moment.

[37] **Mohammad Asghar:** You also welcome the Welsh Government's decision to link the transport and economic development portfolios, thereby giving transport a higher priority than it had previously. In your opinion, has this improved the co-ordination of the allocation of transport funding with economic growth and development and, if so, could you provide some evidence of that?

[38] **Mr Rosser:** I think that we have seen a general rebalancing in the spend between economic development and transport, which we have welcomed. We would be very happy to

see the rebalancing of spend between economic development and transport continue, but again we would want it spent on economically significant transport schemes. I think that that is the real issue that concerns us at the moment, whether we are now going to be spending more money on transport schemes that perhaps have a more social or nation-building emphasis rather than an economic emphasis.

[39] **Angela Burns:** Are you happy with that, Oscar? I see that you are. Huw, I think that you had a fairly substantial question.

[40] **Huw Lewis:** Mr Rosser, good morning. I think that I would speak for many if I said that WAG's explanation of the 2008 reprioritisation of the trunk road programme was, to put it kindly, a little woolly. However, on this point, your written submission is very clear, in contrast. What you tell us is that eight north-south schemes have been moved up the priority list and six east-west schemes have been moved down, that that is a step in the wrong direction, and that it has led to a downgrading of the economically valuable east-west links. It could not be clearer and we appreciate that.

[41] There are two parts to my question. In your view, is the essence of that reprioritisation, that 90-degree shift from east-west to north-south—because we have not had a clear answer on that from WAG—a fundamental strategic shift rather than a tidying-up, as Alun mentioned? That is the first part of the question. The second part is what do you anticipate would be the economic impact of that, if that is the case?

[42] **Mr Rosser:** I do not think that I have ever heard the Minister state, 'I am now going to do north-south rather than east-west', but clearly he has made statements about seeing it as a priority to connect places within Wales.

9.50 a.m.

[43] That could be done by further extending east-west corridors, hooking up Haverfordwest and Pembroke to the motorway network, or it could be done by better connecting Caernarfon with Cardiff. I think that all we have done is to look at the schemes that have gone back and look at the schemes that have come forward and drawn a conclusion. What will the consequences of that be? I think that that partly depends on just how congestion and traffic flows grow in the future. Clearly, the economy will play a part in that, but the transport system and the length of time it takes to invest in the transport system means we should be planning for a time when the economy has returned to what we all hope is more normal.

[44] **Huw Lewis:** I have a supplementary question on that. Is this the right thing to do in a recession, David, in your view?

[45] **Mr Rosser:** Our view is very clearly that, as I think the Wales Employment and Skills Board said in its report this week, we should make the development of the economy the overarching priority for the Welsh Assembly Government and the transport strategy should underpin that. From our perspective, that means connecting Wales with the outside world and making sure that those links are as good as possible.

[46] **Angela Burns:** Are you happy with that, Huw?

[47] **Huw Lewis:** I am very happy with that.

[48] **Nick Ramsay:** As an organisation, was the CBI aware of the slippage problems inherent in the 2004 programme? To give a bit of context to that, during his appearance before this committee the Deputy First Minister and Minister for the Economy and Transport



said that there had been considerable slippage in the 2004 trunk road forward programme, which we had many concerns about. So, as an organisation, were you aware of that and do you think that there are consequences to it?

[49] **Mr Rosser:** I am not sure we were aware of it in a strategic fashion. I think that it strikes me there is always slippage in most transport and certainly road schemes. The planning system will always seem to provide a delay to most delivery. If individual schemes did not happen according to plan, that would not necessarily have surprised us, but I do not think that we were aware of a systemic problem.

[50] **Nick Ramsay:** You say that there is always slippage, which was a message that we as a committee got from a number of areas, particularly in terms of the trunk road programme. We were interested in asking further questions on that. You say there is always slippage. Do you think that there are any examples where projects not moving forward have adversely affected business in Wales? You have already spoken about the need for certain road projects to continue during the recession. By some of them not continuing and by there being doubts over their progress, do you think that that has had a negative impact on the business environment?

[51] **Mr Rosser:** I did not say that I understood why there was always slippage; I just accepted that there seemed to be. Again, it is hard to provide evidence of something that did not happen. To date, I do not think that slippage in schemes has had a significant effect on investments that did not take place. I think that our concern is looking forward and looking for a long-term strategic commitment from the Welsh Assembly Government to delivering Wales's connections with the outside world.

[52] **Nick Ramsay:** There has been a reprioritisation in the 2008 forward programme, and the Deputy First Minister has told us that he thinks that that is a more realistic programme than previously. Would you agree with him?

[53] **Mr Rosser:** I am afraid I do not have sufficient detail on the problems with the schemes that have slipped back, but I presume he must be aware from discussions with civil servants that the financing of the M4 around Newport has become less attractive because of changing rules on Treasury balance sheets and whether you can keep PFI off the balance sheet or not. I would be interested to know whether those concerns remain, now that any pretence of keeping the state of the UK balance sheet within what we might have called sensible limits has gone. I am not close enough to individual schemes to know whether there are significant delivery problems, if that is what the Deputy First Minister is referring to.

[54] **Alun Davies:** To follow that up, I am interested in your response to that, Mr Rosser, because this slippage, if you like, occurred over a number of years from, say, 2004 through to 2008 when the announcement was made. Now, during that period of four years, you were in contact with the Government—as you said in answer to one of our first questions—discussing transport issues and I presume, therefore, discussing road transport as well, or certainly road-building strategy. Did the Government not indicate to you at any time that that slippage was taking place?

[55] **Mr Rosser:** I do not recall discussions that indicated that there was a systemic problem in the delivery of the transport and road scheme. Maybe we should be more critical and more challenging. One is used to hearing that delivery timescales for significant infrastructure projects are not going to be met. I think that that is the norm rather than the exception. Against that background, it is easy not to spot the fact that a whole programme is not being delivered because one assumes that it is just another planning problem or another environmental impact study that needs to be done. So, maybe we were not on the ball enough to challenge that.

[56] **Alun Davies:** I certainly agree with you that we have to be more intolerant, if you like, of this level of slippage and poor management by Government. I think that you are right about that. Looking at the announcement last year, it does appear to have been a complete volte-face. If the reason for that is managerial rather than political, as the Deputy First Minister indicated to this committee before recess, then would you agree that it is somewhat surprising that no indication was given at all over that four-year period that there were issues of quite a fundamental nature affecting, as you say, a systemic approach to the totality of the Government's strategic trunk road building programme?

[57] **Angela Burns:** Before you answer that, I will just follow up on what Alun said. In case you are not aware, Professor Cole in his witness statement to us, in a previous session, said that in his opinion the slippage was a direct result of the funding strategy or the lack of funding. So, that ties in with what Alun said, and I would just like a 'yes' or 'no' opinion on that. *[Laughter.]*

[58] **Mr Rosser:** I am not aware that there have been systemic management problems within the Department for the Economy and Transport. I think that that is probably one on which the Deputy First Minister should to respond to this committee: if that is the situation, what was being done either by him or previous Ministers to tackle that. I am not sure that I am close enough to that situation to shed much light on it. Either there is a political decision to switch priorities or they have not been managing the forward programme very well. I am not clear which it is.

[59] **Angela Burns:** Kirsty, would you forgive me if I ignored your questions because we are running tight on time?

[60] **Mr Rosser:** I am happy to continue.

[61] **Angela Burns:** No, because I also have a Minister outside who has a very short window and we have a huge piece of Government legislation to get through. There is one question that I know we would like to ask. Alun, I think that it is yours on public-private partnerships.

[62] **Alun Davies:** You have discussed the M4 around Newport. I think that in some ways you did so in your written submission and you have done this morning. We have discussed PPPs at different sessions of this committee and we understand and appreciate your views on those. You have suggested that the M4 project could be used as a testing ground for a Welsh PPP, based on not-for-profit principles. Is that what you believe would be the best PPP model for transport investment?

[63] **Mr Rosser:** It strikes me that the M4 project around Newport is of such a scale that it would probably be hard for the Assembly Government to deliver from its current budget, even over a four-year build period.

10.00 a.m.

[64] So, I suspect that getting external finance in is likely to be necessary to do that. Certainly, the previous Minister for transport indicated that it could only be done by getting external finance in. I think that I will leave the precise model on which that will be done to the Assembly and its financing experts. It is probably a little beyond my area of expertise.

[65] The reason we have heard for the delay in progressing the M4 around Newport is the problem around PPPs now appearing on the UK Government balance sheet. That does not appear to us to be a good enough reason not to proceed with this, and we would urge the

Assembly Government to have whatever discussions were necessary. PPPs and PFIs are still proceeding. They are still proceeding in England. The Government balance sheet is not, in terms of debt, perhaps as constrained as it was 12 months ago. We would think that that is not an acceptable reason for not progressing with that key scheme.

[66] The detail of whether you pay per mile used or by using some other form is to be thrashed out between the Assembly and contractors and financiers. We would prefer to see the cost of that scheme not charged to road users, but I think that the view from our members at the time was that if that was the only way of getting it built then we should do it.

[67] **Angela Burns:** Can I just clarify that? If the only way of getting it built was to have tolls on it, would the CBI support that?

[68] **Mr Rosser:** Reluctantly. I think that it indicates the importance that we attach to that road. I think that if we move—I was going to say ‘as we move’—to a system of national road pricing across the UK, that then becomes much more acceptable. However, the view our members took at the time was that if that was the only way of getting it built, then we would reluctantly accept that. I think that we would need to see that there is an alternative, which is the old M4 around the north of Newport, so you are paying for a better service and more predictable travel time. On that basis, I think that we would reluctantly accept it, but it just needs to be built.

[69] **Alun Davies:** Would you prefer the Government to employ a funding mechanism that would mean that that would not be necessary? Your preference would be for a PPP not-for-profit model, but you would see road pricing as better than nothing. Are there any other potential road schemes in Wales to which you would take the same attitude?

[70] **Mr Rosser:** We believe that that new M4 around Newport is, by head and shoulders, the most key route and scheme for the economy. I think that it is hard to see another scheme which is of such economic importance that we would accept, or we would recommend, a system of tolling to get it built.

[71] **Angela Burns:** Thank you very much for coming to the meeting. I would like to draw this session to a close. Would you be happy if I were to write to you on behalf of Kirsty and myself as we both still have outstanding questions?

[72] **Mr Rosser:** Of course.

[73] **Angela Burns:** I know that you slotted us in at very late notice. We appreciate your time. Thank you.

[74] **Mr Rosser:** Thank you very much, indeed.

[75] **Angela Burns:** We will take a very quick break, and it has to be very quick. I will just bring the Minister in.

*Gohiriwyd y cyfarfod rhwng 10.04 a.m. a 10.07 a.m.  
The meeting adjourned between 10.04 a.m. and 10.07 a.m.*

10.07 a.m.

**Goblygiadau Ariannol y Mesur Arfaethedig ynghylch Plant a Theuluoedd  
(Cymru)**  
**Financial Implications of the Proposed Children and Families (Wales) Measure**

[76] **Angela Burns:** Good morning, Minister. I welcome you and your officials to this morning's meeting of the Finance Committee. I really appreciate the time you have given us. I know that your time is very tight this morning and, at the risk of making you want to faint, we have about 20 fairly substantial questions to get through. Please briefly introduce your officials and yourself for the record and make any opening statement you have before we leap into it.

[77] **The Minister for Social Justice and Local Government (Brian Gibbons):** Because this goes across a number of portfolios, I do not actually know what the official designation is in the other departments. [*Laughter.*]

[78] **Ms Williams:** I am Elizabeth Williams. I am head of the children and young people strategy division, and I am representing the Minister for Children, Education, Lifelong Learning and Skills.

[79] **Ms Davies:** I am Donna Davies. I am head of policy for vulnerable children, and I am representing the Deputy Minister for Health and Social Services, Gwenda Thomas.

[80] **Ms Breheny:** Good morning. I am Tracey Breheny. I am head of the child poverty unit in the Minister's department.

[81] **Mr Lubienski:** I am Michael Lubienski from Welsh Assembly Government legal services with lead responsibility on the legal side.

[82] **Angela Burns:** Thank you. That is an array of talent, indeed. Minister, would you like to make an opening statement?

[83] **Brian Gibbons:** Yes. First, thank you, Chair, for agreeing to have the lead officials from the various departments because, as you know, this is a fairly complex proposed Measure, covering a number of portfolios, which I am taking forward as the lead Minister. Your permission to allow officials from other departments is greatly appreciated. Thank you very much for that.

[84] The purpose at the heart of this proposed Measure is to deliver social justice for all children here in Wales and to allow them to reach their full potential—an opportunity that many of us take for granted. We need to recognise that depriving these children of their life chances also deprives them of the opportunity to contribute to society in a wider sense. Consequently, not only will these children lose, but we will all lose out if we do not effectively tackle this agenda. So, this challenge is very much at the heart of Assembly Government policy.

[85] The purpose of the proposed Measure is to create, for the very first time, a coherent legislative framework on child poverty right across all public agencies here in Wales. This is particularly important not only because of its practical consequences, but because it creates a coherent sense of national purpose and mission to which all public services will sign up in delivering in this agenda.

10.10 a.m.

[86] Our bringing forward this proposed Measure is evidence of the innovative way that

we are working: we understand that the UK Government is seeking to create a similar duty across the United Kingdom, and many of its approaches are very much in line with the broad approach that we are taking. So, I think that this particular Measure allows us to demonstrate here in Wales that we are able to take a lead by innovative example and meet a challenge that other parts of the United Kingdom are now taking on in line with what we have done.

[87] A number of the proposals in the proposed Measure will be brought forward on an incremental basis. There will be some big-bang changes, but several will be incremental. A number of the incremental changes will be brought forward through regulation, which will, of course, be subject to its own independent consultation and regulatory impact assessments. This is an important safeguard against creating new, unaffordable duties as the details of the proposed Measure are rolled out for detailed implementation.

[88] The regulatory impact assessment aims to assess the cost of delivering the policy intent. As you will appreciate, it cannot totally predict the future use or capacity of a new law to refine and change policies well into the future. However, in annex B, we have tried to help the committee by developing some ideas; I hope that you found that useful. I also recognise that there are some gaps in identifying the total cost of the proposed Measure when fully implemented. For example, at this stage, we are unable to give the full extent of costs for implementing the integrated family support teams, because the process will start with pioneer delivery units and, as it develops, the precise direction will be informed by the practical experience. Although we have some rough estimates for to what the total envelope will be, precise costing is not possible down to the last couple of pounds.

[89] In conclusion, this is a proposed Measure about ensuring that all Welsh authorities are operating within the same strategic framework, and that we operate within a framework that is consistent with the policy approach being adopted by the UK. It is about the Welsh Assembly Government's accepting fully its responsibility to set a strategic policy direction and to give a clear line of sight from central Government through to local organisations, who will be involved in the front-line delivery of this important policy.

[90] **Angela Burns:** Thank you very much. I would like to open by saying that this is quite some proposed Measure; I have gone through it insofar as I understand the details. I take on board your point that it is very difficult to cost when you are looking way ahead into the future, but, on the other hand, a number of concerns have been raised about the costing. In response to the consultation, it has been suggested that the proposals—even those that are in the near future rather than the far future, if that makes sense—are not adequately costed. Can you just expand on that issue a bit? Of course, as the Finance Committee, understanding the potential costs of this to the Assembly and to Wales is the one area that we have to be pretty strong on.

[91] **Brian Gibbons:** We have been very careful in bringing forward this proposed Measure not to put unfunded burdens on public bodies in Wales. I think that we realise that the goodwill of those public bodies is very important if they are going to engage with this agenda. So, we have given a considerable amount of thought to ensuring that we do not create any additional burdens. If people feel that there are particular areas where that may be the case, we are happy to discuss the merits of those individual cases.

[92] However, we need to realise that this is an area of activity on which the Assembly Government spends literally hundreds of millions of pounds, addressing the failure to tackle child poverty adequately in the past and on a range of policies designed to tackle child poverty into the future. So, this proposed Measure is about how we spend the hundreds of millions of pounds addressing the consequences of child poverty, but, equally, proposing measures, which are in the budget, some of which will have increasing budgets over future years. For example, policies in relation to the foundation phase, Flying Start, Genesis, Want

to Work and domestic abuse, as well as drugs and alcohol policies, will all have expanding budgets into the future. However, these policies with expanding budgets are going to be part of the key delivery vehicles for this proposed Measure. So, our view is that we have been very careful to assess the costs as far as that was possible. If there are items that the committee or others feel we have not costed adequately, we are here to try to address those particular concerns.

[93] **Angela Burns:** You talk about the intended effects, but the proposed Measure is so broad that there are, in fact, effects beyond the intended effects. It is wide enough to allow future governments to bring in far greater cost implications. How would we be able to look at being able to draw a line around your intended effects? We can perhaps understand the costing implications of that, but under the provisions of the proposed Measure, there is the ability to go further, much further than the intended effects. That in turn will have enormous cost ramifications.

[94] **Brian Gibbons:** I would not necessarily say that that is the case. First, we have a clear understanding with, for example, Welsh local government that any new duties or responsibilities placed on it will be funded by us as the Assembly Government. That is enshrined in the Essex-Jones Agreement, which we still respect. To give effect to many of the proposals in the proposed Measure regulations and further secondary legislation will be required. We would expect that that secondary legislation will have its own cost implications, and that will be included in the regulatory impact assessment of those regulations. That will be subject to scrutiny by the National Assembly. Clearly, we will be open to challenge if we try to do what you voiced concern about in your question.

[95] **Angela Burns:** I will leave it there on that issue for the minute because I think that we are going to keep coming back to this theme. Chris, would you like to ask your question?

[96] **Chris Franks:** Minister, I was intrigued to see the comments of the Joseph Rowntree Foundation. I will give you the quotation:

[97] ‘The financial implications of the proposed Measure depend on the content of national and local strategies and the demands that flow from these.’

[98] I was interested to hear what you have just said. Do you agree with the comments of the Joseph Rowntree Foundation?

[99] **Brian Gibbons:** Yes, I think so and, indeed, I would say that that probably applies in the UK context as well. When it uses the word ‘national’, I do not know whether it is talking about England, Wales, Great Britain or the United Kingdom. We use the word ‘national’ in the context of Wales. So, yes, I think that that is a fair assessment.

[100] **Chris Franks:** When local authorities are preparing their strategy, they have to consider what resources are available. Did I hear you say that, at this stage, you basically consider everything to be cost-neutral?

[101] **Brian Gibbons:** No, a number of—

[102] **Chris Franks:** Are they going to be given additional resources for additional duties?

[103] **Brian Gibbons:** Well, as things stand, there are extra resources going into crucial parts of this policy development area, such as extra money going into the foundation phase. We realise, for example, that, if you accept that education is a powerful instrument for tackling child poverty, which the child poverty expert group under the chairmanship of Huw Lewis has reported to us, you could ask how we are addressing that. However, developments

such as the foundation phase, in which many millions of pounds will be invested over the next few years, the expansion of Flying Start over the next few years, and the work on the disabled children benefit uptake, will be bringing new money to tackling this particular issue.

10.20 a.m.

[104] So, the proposed Measure is being introduced in the context of a range of policies to which extra resource is being given at the moment. The purpose of the proposed Measure is to give coherence, purpose and co-ordination to that increased spend, so that we can deliver in a targeted and focused way to tackle child poverty.

[105] **Angela Burns:** Kirsty, do you have a quick question on that?

[106] **Kirsty Williams:** Yes. Minister, would it be fair in that case to sum up your approach to the financing of implementing the proposed Measure by saying that there is very little need for additional finance, with the exception of the new teams that you will be piloting? That is the area where, at the moment, there is no current budget and you will have to find some money. Are all other aspects of the proposed Measure currently contained within your or other departments' expenditure plans?

[107] **Brian Gibbons:** Yes. I think that the proposed Measure can be delivered within the growing budget that has been targeted on a number of the crucial areas that are necessary to tackle child poverty. Clearly, if there was more resource it would be possible to go further and faster, but there is no doubt that the budget that we have linked to the strategic coherence that this proposed Measure will bring is going to create a greater sense of purpose and deliver much more effectively than if legislation were not in place.

[108] **Kirsty Williams:** As the Finance Committee, how do you think we can have confidence in that statement, given statements made by the First Minister and the Minister for Finance and Public Service Delivery about the need to comprehensively review all existing Assembly expenditure in light of budget constraints coming down from London? You are saying that we do not need to worry about the financial implications of the proposed Measure because it can be delivered by the projected figures that you have for various schemes for the next couple of years. However, the Minister for finance is saying that everything is up for grabs and that we are going to have to re-look at absolutely everything in the budget. Therefore, we can have no confidence—and neither can you—that the projected figures for various schemes, whether it be Cymorth or the foundation phase, will actually be delivered because of the situation we find ourselves in.

[109] **Brian Gibbons:** I think that that certainly is a conceivable scenario. Having said that, this is clearly one of the Assembly Government's top priorities. Consequently, one would expect, within the range of priorities and, indeed, in terms of any funding decisions that would have to be made, one of the Assembly Government's top spending priorities will be addressing the issues that the proposed Measure—

[110] **Kirsty Williams:** Are you confident that your view that this is a top priority is shared by the Minister for finance and the First Minister because, to date—

[111] **Brian Gibbons:** I have no doubt—

[112] **Kirsty Williams:** To date, when they have been asked questions about what their priorities are, neither the First Minister nor the Minister for finance has been able to give the National Assembly any answers. So, I welcome your statement today that this is one of the Government's spending priorities. Thank you.

[113] **Angela Burns:** We need to look at the financial implications of the proposed Measure.

[114] **Kirsty Williams:** We have got more sense out of him than we got out of Andrew and the First Minister.

[115] **Chris Franks:** You are being praised there, Minister—I think. Have we been provided with a financial breakdown? You have said that various pockets of money are going to go into this, but do we have a coherent report that sets out what additional demands there are likely to be and what additional resources are either in place or about to be put in place? I take your point about the foundation phase, but my difficulty is that it is all a little bit global, and I would like to be able to work through it and see what the bottom line says.

[116] **Brian Gibbons:** Yes. I think that there are some figures given in this, and Kirsty has mentioned the integrated family support teams and the extra money that is going to those. We have given a ballpark figure for that—both for what we are providing immediately and in an attempt to anticipate the full cost, looking into the future; it is an ultimate likely cost in the order of £10 million. We have also given costings for the standards officers for social services, and there are about two or three other areas where we have provided specific figures.

[117] The key costing, apart from the regulations, will be outlined in the development of the Assembly Government's strategy, because one of the key points of the proposed Measure is that it will place a statutory duty on the Assembly Government to develop a new, updated strategy for tackling child poverty. The very specific details of the commitment are going to be enshrined in that strategy rather than in the proposed Measure, which is only setting a legislative framework to allow that to happen. So, you would not expect all of the answers to be in the proposed Measure. More specific operational answers will be contained in the strategies.

[118] **Nick Ramsay:** This builds on Kirsty Williams's question with regard to costs, but it is a more specific query about the cost relating to the child poverty unit. It is estimated in section 3 of your paper to be about £55,000.

[119] **Brian Gibbons:** Yes, that is right.

[120] **Nick Ramsay:** First, is that the cost per annum? Secondly, on what estimates and assumptions is this figure based?

[121] **Brian Gibbons:** Well, the answer is 'yes', that is an annual estimate. The figure is derived from the cost of the extra staffing levels we feel will be necessary to bring forward the extra work entailed in the proposed Measure. We realise that, as it is, the child poverty unit just would not have the personnel or the resource to give full effect to the proposed Measure. Tracey is head of the unit. I think that we have a secondee in the unit at the moment to help us to bring forward some of this but, looking to the future, we clearly need to increase the capacity. So, that figure is based on the personnel requirement to deliver that.

[122] **Nick Ramsay:** I have a couple of comments following on from that. The figure of £55,000 seems to be quite specific.

[123] **Brian Gibbons:** Yes. Tracey may be able to give you more information.

[124] **Nick Ramsay:** That is a good thing—if that is what it is and it is accurate.

[125] **Ms Breheny:** As the Minister said, it is a very small team, and the figure of £55,000 relates to one additional member of staff at what we call band E, which is senior executive



officer level. The cost is based on our estimate of the work that will be necessary to develop the Welsh Ministers' strategy as well as the work that will fall to the unit to strengthen guidance to local partnerships if they are to fulfil their duty through the children and young people's plans. So, it will be necessary for the unit to strengthen the guidance on the child poverty aspects of those plans, and for those Assembly Government-sponsored bodies, which will also need help and guidance to understand their role in fulfilling the duty.

[126] **Nick Ramsay:** Is it a crucial aspect, then, of the delivery of the proposed Measure and the strategy?

[127] **Ms Breheny:** It is because this is the first time that Welsh Ministers have had a duty of this kind placed upon them.

[128] **Mohammad Asghar:** Regarding Part 4 of the proposed Measure, Minister, it is a duty of the local authority to prepare strategy to discharge its obligations in its children and young people's plan under the Children Act 2004. To what extent are the strategy provided for in the proposed Measure and the CYPP comparable?

[129] **Brian Gibbons:** Do you mean the CYPP in total or some aspect of it?

[130] **Mohammad Asghar:** Yes, some of it.

[131] **Brian Gibbons:** Part 4 deals with participation and play, and the rationale behind having Part 4 as a separate part is, first of all, that the duties in relation to participation and play are going to be more universal services for all children in an area. Most of Parts 1, 2 and 3 of the proposed Measure are focused very much on children in need or children suffering from disadvantage and deprivation. The provisions in Part 4 are relevant to all children and the opportunity of all children to participate.

10.30 a.m.

[132] Looking at the proposals we are bringing forward and at what is additional in the proposed Measure to what is required under the Children Act 2004 and what the children and young people's plans do, the proposed Measure will place a statutory duty on the Assembly Government to develop a strategy and a statutory duty to report against that strategy. Furthermore, other public bodies, which I think are listed in section 12, that are not covered by the current strategies and that do not have a statutory duty in relation to child poverty, will be brought within the ambit of the legislation. So, I think that there are clear additional elements in the proposed Measure that are not covered by the current statutory requirements of the Children Act and the children and young people's plans.

[133] **Mohammad Asghar:** Further to this, if the local authority has a duty to prepare such a plan and has received funding to do this, can you explain further the reasoning behind including such provision in the proposed Measure?

[134] **Brian Gibbons:** We want all public bodies in Wales to work coherently together with a real sense of national purpose. One of the purposes of the proposed Measure is to create that national coherence in Wales in line with the national priority that we have established to tackle child poverty. As I say, at the moment the statutory duty rests only on local government, local health boards and a number of other organisations. There are many other organisations not included in that duty, not least ourselves.

[135] **Kirsty Williams:** Section 5 refers to authorities that are not in partnership with other authorities having to make their own plans. It says that the costs of that would be minimal and could be readily expected to be included in the current budget of that organisation. Do you

have a figure in mind for what it would cost an organisation to undertake the writing and publication of such a plan?

[136] **Brian Gibbons:** I do not think that we have a very detailed figure on that. We would expect, even as things stand, those public bodies to be cognisant of the priorities of the Assembly Government and to reflect those in their approaches to delivery and activity. We certainly would not want or expect any of those bodies to be going off at a tangent to the priorities of the Assembly Government, and clearly child poverty is already a well established priority. So, we would expect those organisations to already be sensitive to that requirement.

[137] We do not think that the additional requirements under this statutory duty would represent very significant additional work for them. However, the requirement is that they set this out in a much clearer, strategic way for their organisation. Many of these organisations have a very narrow focus compared to, for example, the list of aims at Part 1(2). So, because they will be dealing just with their particular area of work and responsibility, we do not expect that they would have to address any more than one aim, or possibly two at the most. Consequently, we do not feel that it is going to be a radical additional new demand on those organisations. That is why we have stated what we have in the regulatory impact assessment.

[138] **Kirsty Williams:** But do you not have an idea of a figure in mind?

[139] **Brian Gibbons:** Well, perhaps a couple of hundred—

[140] **Kirsty Williams:** It seems to me that you cannot make that claim unless you have actually thought about what the costs would be.

[141] **Brian Gibbons:** We are looking at tens of thousands, low hundreds of thousands at the maximum, I would have thought. We are not looking at millions of pounds. We have no expectation that it is going to be of that order, so it will be some quantum of thousands of pounds.

[142] **Kirsty Williams:** As the Finance Committee, my understanding is that, in our report, we have to be able to give the National Assembly some kind of confidence that these figures are robust and have been thought about clearly. You keep saying, Minister, ‘Well, we do not have very detailed figures on that; we have a bit of a punt on it’, and if you are pushed you might come up with a few figures. I just do not think that that gives us the confidence to think that it has been very clearly thought out.

[143] **Brian Gibbons:** I think that you have to look at what these organisations are doing and use your judgment as to whether the statutory duties that are going to be created by this legislation are likely to create significant additional burdens. Looking at the duties and responsibilities and the remit letters of those organisations at the moment, and then at what this strategy will additionally ask, it is just a commonsense judgment that the demands are not going to be particularly high. It will be a refining of what should be current core business for those organisations, but they will have to do it within a new particular legal framework.

[144] **Angela Burns:** I would like to address one particular issue. The WLGA has made much of the additional cost that the proposed Measure may bring to it. It believes that the burden and cost of implementing the proposed Measure have been underestimated, and it envisages that the funding will be insufficient. Are you categorically able to say that you believe that the WLGA is, essentially, over-egging this a bit?

[145] **Brian Gibbons:** I think that the point that Oscar made in his question is that a great deal of this work is work that local authorities should already be undertaking under current statutory duties under the Children Act 2004. We said at the beginning that we were very

careful in formulating the proposed Measure in relation to local authorities and others and that we were not going to expand the requirements on them beyond their current statutory duties. We have consciously tried to frame the proposed Measure to deliver that objective.

[146] So, I do not think that the case has been made by the WLGA, unless it is saying that it is not currently fulfilling its statutory duties, which I do not think is what it is saying. I think that it would argue that it is fulfilling its statutory duties, in which case, for it, there is going to be nothing additional. It explicitly says in the proposed Measure that delivery against the statutory duties in the Children Act 2004 will be sufficient to meet the requirements in this proposed Measure, so there should not be any additional cost.

[147] **Angela Burns:** Thank you. Kirsty, I think that the questions are still with you.

[148] **Kirsty Williams:** Sections 6 and 8 are to be determined by the regulations, namely the type, duration, eligibility, and areas covered by those interventions. Those will be addressed by regulation. As you say, there is a balance to be achieved between what is in the proposed Measure and the potential costs that may come out of regulation at a later date. Those regulations could expand greatly the need for resources, if eligibility criteria were to be changed. Have the potential financial implications of such regulations been assessed?

[149] **Brian Gibbons:** Yes. This is to cover two eventualities. One is that, as the Cymorth money goes over into the revenue support grant, the activities covered by Cymorth will continue on a statutory basis. So, the particular requirements here mirror, I hope, the type of activity that is going on within Cymorth.

[150] Now, what you are saying is probably also true. We are currently in difficult financial circumstances, but in future, as, it is to be hoped, more resources become available there will be scope. However, this, in itself, as written, is not going to create that problem, because it is really just a case of putting on a statutory basis what is in Cymorth.

10.40 a.m.

[151] Equally, some of the sections through to section 9 would cover it. It is not our intention at the moment, but if, for example, Flying Start was to go into the revenue support grant, these particular sections would allow us to have a statutory framework. So, local authorities would have flexibility to deliver how they wish, which is what they are asking for, but the policy intent of maintaining that focus on addressing child poverty would remain on a statutory basis.

[152] **Kirsty Williams:** I want to ask you about the RSG. In previous witness evidence, we have heard that when a special grant transfers into the RSG, there can be quite a variation in the figures that an individual local authority receives. So, a local authority could be doing very well out of a special grant because it really needs to develop its services, but because a different formula is then used to allocate the RSG, a local authority that has been having a notional amount of money under a grant to deliver a service could find itself with less money to deliver that service when it goes into the RSG—some local authorities might find that they have more, and that is great. Are you aware of any such consequences for local authorities with the move of Cymorth into the RSG?

[153] **Brian Gibbons:** Obviously, the detail will be negotiated and discussed with the Welsh Local Government Association as we approach the proposed transfer. Some money has gone in; the money for childcare has already gone in. As we approach 2011, more detailed discussions will be taking place with the WLGA on the specifics. The station platform that we are departing from will be the distribution formula as for the children's social services part of the standard spending assessment. So, that would be, if you like, the starter for 10. People

would look at that and do precisely the exercise that you are asking the question about. People may say that that is totally fit for purpose and a fair way of doing it, but when they look at it in more detail closer to the date, they may have some concerns, such as those that you are raising. The distribution mechanism may need to be tweaked or, alternatively, the money may need to be passed over on an even more phased basis than we are proposing at the moment. The transfer is over a period of three years, I think, at the moment. So, if there was potential for disruption with windfall winners and catastrophic losers, which I do not think is likely to happen, clearly, a much more phased and incremental approach would have to be taken. We do not anticipate that that is likely to be where we are, but it will be discussed and we are aware of it.

[154] **Angela Burns:** Joyce, do you want to come in on this?

[155] **Joyce Watson:** Yes. I have a question for clarity, really, about joined-up government. It seems to me—and I am asking the Minister whether this is the case—that what is really happening here is that we are putting in statute things that clearly should be delivered, but it is also about ensuring delivery, by another mechanism, of those things that we all agree should be happening to eradicate child poverty. It also seems to me—and this is my question to the Minister about joined-up government—that this is on an equal footing to the proposed local government Measure that is just going through and the intention of outcome-based delivery. There seems to be a marrying of the two. Could you confirm that?

[156] **Brian Gibbons:** Any special grant will have its own bureaucracy and costs. One of the advantages of getting rid of an excessive number of special grants is that the money that is consumed in the bureaucracy of the process of the special grant can hopefully be released to front-line services. Clearly, the moneys that we are talking about in relation to Cymorth are quite substantial; they are well over £50 million. So, if we can get rid of the bureaucracy around the Cymorth grant, we would expect that money to be released to front-line services, and we would hope that that would be the purpose.

[157] However, you are right that this is a clear national priority for the Assembly Government and, even though we want to see the Cymorth money going over in time, we do not want to send a signal that the purposes of the Cymorth money in addressing disadvantage are going to be lost. Having that enshrined in a legal framework such as we have here means that everybody has an assurance about the need to deliver and, ultimately, to take an outcome-based approach to this issue.

[158] **Angela Burns:** Kirsty, have you finished? I see that you are. Huw is next.

[159] **Huw Lewis:** I want to focus on Part 2 of the proposed Measure, which is on child minding and day care. Could you expand a little on why it was felt to be unnecessary to prepare a regulatory impact assessment for Part 2?

[160] **Brian Gibbons:** From the point of view of the service users—in other words the providers, child minders and day care providers—the regime is going to be exactly the same. There are going to be no new requirements on them; the requirements will be exactly the same.

[161] The purpose of Part 2 of the proposed Measure is to consolidate existing law and to plug one or two gaps in the system, particularly to bring greater alignment between children's supervision and regulation and adult supervision and regulation, and children's homes in that context. There are two different regimes running side by side for child minders, childcare, children's homes, and adult homes. We want to create a greater coherence or alignment between the two systems. So, for the end users, the system is going to be absolutely the same. They are not going to experience any difference.

[162] **Huw Lewis:** However, in section 14 up to section 33, you are talking about a system of registration for child minders and day care and so on. Have you made any assessment of the costs of operating the system of registration?

[163] **Brian Gibbons:** No, this is going to be exactly the same. This is totally in line with current practice.

[164] **Huw Lewis:** Okay. In sections 18 to 20, you provide for a fee to be paid to Welsh Ministers. Have you given any thought to how the levels of those fees would be determined?

[165] **Brian Gibbons:** Again, this is current practice. Clearly, those fees will vary in the normal running of things, and there is nothing intrinsic in the proposed Measure that is going to change that. Michael, would you like to comment?

[166] **Mr Lubienski:** To clarify, there are currently no fees paid by child minders and day carers for any issues to do with applications for registration or anything else. The provision in the proposed Measure is simply to allow a fee to be paid if, in future, Welsh Ministers decided that that was appropriate. Under existing practice fees are not paid, and there is no current policy, as far as I am aware, to change that.

[167] **Angela Burns:** Elizabeth, do you want to add anything on that section?

[168] **Ms Williams:** No, thank you.

[169] **Angela Burns:** I see that you are happy with that.

[170] **Huw Lewis:** On section 34, you are providing for the inspection of child minding and day care providers and the publication of inspection reports. There must be an additional cost here, surely, for Welsh Ministers or for Estyn somewhere in the pipeline.

[171] **Brian Gibbons:** As a lot of this is consolidation into a single Measure, virtually all of section 34 is current practice.

[172] **Angela Burns:** Are you happy with that, Huw? I see that you are. Nick is next.

[173] **Nick Ramsay:** I want to ask you about sections 39 and 40, which are to do with fixed penalty notices and the timing of criminal proceedings. Those sections provide for the imposition of fixed penalty notices payable to the Welsh Ministers. Has any assessment been made of the costs required to administer and operate the system of penalty notices?

10.50 a.m.

[174] **Brian Gibbons:** There are potential savings in the system here because having the fixed penalty option will mean that the necessity of all parties going to court will be avoided, as they can choose to go down the fixed penalty route. So there is a potential saving. However, my understanding—and Donna may be able to elaborate on this—from Care and Social Services Inspectorate Wales is that even going through the court mechanism, there have not been many fines levied on offenders. So, there is not a great deal of money to be collected in current practice but, as I say, because people will not have to go to court—and this is the case in terms of the CSSIW and, indeed, any potential provider—that will be an option. There may be savings there. As this is not a very regular occurrence in the system at the moment, the costs are going to be fairly marginal.

[175] **Ms Davies:** As the Minister has just said, this proposal is just one part of a gap in all

regulated settings. This will allow fixed penalties. The Care and Social Services Inspectorate Wales is the regulating and registration body for these different settings, such as older people's homes, children's homes, care homes and childcare and, in future, there will be consultation on harmonising across all of those settings. They do not exist at the moment, but they do exist in legislation for other settings. So, there will be consultation about the fixed penalties, about what those levies should be and about how the process will work, but, as the Minister said, it is about bringing this into alignment with the big framework, where this was the one small gap.

[176] **Nick Ramsay:** Section 41 increases the time limit within which proceedings can be brought. Do you think that there will be any financial impact? Without section 41, you could end up with an investigation that is pretty short, but investigations could be protracted as a result of that section. Do you think that that could have a potential cost implication?

[177] **Brian Gibbons:** If we were in a situation whereby the number of proceedings brought to court was quite substantial, clearly there would be the risk of a substantial cost, but I do not think that is the situation. Even within the current time limits, the number of proceedings is fairly small. The number of proceedings that this would capture would be only a proportion of the current small number. So, we do not think, really, that the numbers here are going to be particularly substantial, but I think that the flexibility is there. Some of these hearings and some of the evidence gathering are quite complex. Even without the advice of the CSSIW, six months seems to me to be quite a short period of time within which to gather the necessary evidence. So, I think that this is giving CSSIW a degree of flexibility to allow it to do its job more effectively in a very small number of instances.

[178] **Mohammad Asghar:** My question is on integrated family support teams and boards. Sections 48 to 58 provide for the establishment of integrated family support teams and boards. It is stated in an explanatory memorandum that it has not been possible to estimate or quantify the cost of implementing these. Can you clarify, Minister, whether any work has been undertaken in an attempt to estimate or assess the potential cost of rolling out integrated family support teams across Wales either in relation to the initial intention of substance misuse, or in relation to their eventual application across other areas?

[179] **Brian Gibbons:** The drive behind the integrated family support teams was a recognition that some families face multiple disadvantage and deprivation. Very often these families have a range of highly complex problems, often driven by drugs, alcohol, domestic abuse and so forth. This is a real attempt to tackle the problems of those families, but very often those families can also be the root of a cross-generational perpetuation of the problems.

[180] So, not only are these integrated family support teams intended to address a particular problem in the here and now, but this is a genuine attempt to cut off the perpetuation of this problem into the next generation. We all know families that have, for three, four, or five generations, faced disadvantage, and we really have to make an effort to break that vicious circle.

[181] The development of the idea of integrated family support teams has been based on work that has gone on. For example, Option 2 in Cardiff was based on substance misuse, and the idea is based on the type of support that Option 2 provided to substance misuse families in Wales. Similar studies were done in England. Option 2 was a full, rigorous, evaluated study, so it provides a strong evidence base for the thinking behind the integrated family support team.

[182] Equally, there is an evidence base from things like the evaluated early parental intervention project and On Track in the Rhondda and Maesteg. So we have a fair feel for what works and, having drawn on that practical experience, we have then tried to capture

what the core costs of having those key personnel in a multidisciplinary team would be and the type of administrative support that would be needed for that team in this initial phase. The figures that you have there have been drawn very much from the practical experience that we have had in those various evaluated programmes.

[183] Looking to the future, as I think that I said earlier, we are going to start off on a pioneer basis, and there will be three integrated family support teams. We will build from that in light of experience. Our estimate for a universal service would be of the order of £10 million to £15 million, but the speed with which we would get there would depend on the experience that we get from these pioneer programmes. Clearly, there will be other resource constraints, which Kirsty mentioned in a previous question. So, it is difficult to give a definitive answer on the speed with which we will get up to universality at this stage.

[184] **Mohammad Asghar:** I have one additional question. I hope that you have covered the forced marriage element in this sort of family support?

[185] **Brian Gibbons:** We recognise that many of these families will have domestic abuse issues. Indeed, as part of our wider approach to domestic abuse, we recognise the importance of violence against women, and forced marriage is very much a part of that agenda. We have issued guidance and an action plan in relation to forced marriage in Wales.

[186] **Joyce Watson:** Section 59 places a duty on local authorities to appoint a family social work standards officer, but this section and any financial implications arising from it are not detailed in the regulatory impact assessment. Minister, could you clarify whether such an appointment would have resource implications for local authorities and, if so, whether funding will be provided to cover those costs?

[187] **Brian Gibbons:** Yes. In some local authorities, there are people undertaking this type of function, but it is certainly not universal, and the purpose of this is to make that best practice universal across Wales. We recognise that there is likely to be a cost involved in this of between £500,000 and £1 million, potentially. Once the proposed Measure or the legal requirement is in place, we hope to consult with local authorities in relation to the process by which these officers can be put in place. Clearly, those consultations will address issues such as affordability and so forth. The pace at which this happens and the affordability issues that will pertain at that particular juncture will have to be taken into account, but we would not expect these to be in place in the best set of circumstances before 2010, 2011, or 2012. So, that is the timescale within which we would expect to see them in place.

11.00 a.m.

[188] **Angela Burns:** Is your estimate of £500,000 to £1 million based on a standards officer for each local authority?

[189] **Brian Gibbons:** Not necessarily. This is where we need to have discussions with local government, because it is certainly possible that, in some circumstances, a standards officer could cover a number of authorities. We do not want to be too prescriptive or dogmatic, but there is a clear need for a professional lead in relation to social services and to ensure that best practice is really embedded in social work practice in local authorities.

[190] **Joyce Watson:** I am going to look particularly at play opportunities now. It is stated in the explanatory memorandum that the assessment and securing of sufficient play opportunities and the promotion of such facilities will not have any additional costs for local authorities. However, the concern has been expressed in consultation responses that that might not be the case. In particular, Play Wales has stated in its submission that it believes that additional resources will be required, especially with regard to possible audit

requirements of the assessments. Would you care to respond?

[191] **Brian Gibbons:** Some of this work should be going on at the moment. Again, there is money in Cymorth to do some of this work. The section specifically makes reference to the fact that the assessment should be responded to

[192] ‘so far as reasonably practicable’.

[193] So we are not expecting all play requirements to be met in a day or a week. Clearly, there will be a time element to it.

[194] The thinking behind this is to help local authorities to decide what their priorities are in relation to play provision. If the assessment shows a fairly positive picture in a local authority area, the priority assigned to that particular work will be less than if there is a major gap in provision. So, it is also about informing local authorities of the requirements and placing a statutory duty to take reasonably practical steps to address them. I think that it will be a dual-stage thing, including a reasonability response to the needs identified.

[195] **Angela Burns:** Kirsty, did you want to come on this line of questioning?

[196] **Kirsty Williams:** Yes. Minister, could you give us an understanding of what a child could reasonably and practicably expect a statutory provision on play to mean for them and their community?

[197] **Brian Gibbons:** We hope to provide guidance and, indeed, some of this work will be outlined in regulation too. As I understand it, there is currently guidance out there, and I think that the play association—

[198] **Ms Williams:** We have a well-established play policy that is already out there. We will develop guidance that augments the play policy and forms the basis of the definition of how the play sufficiency assessments will be carried out. That will be done in partnership with the relevant organisations, our partners, so that we ensure that we get something that is practical and which allows local authorities to say, ‘This is reasonable and practical’, and still allows for a spread of ages and for different sorts of play in lots of different places. So, it is going to apply to lots of organisations, and not just to a narrow definition of play in a playground, for example. We will need to set that out, in line with our play policy, in the guidance that we develop in partnership with all of the relevant stakeholders.

[199] **Brian Gibbons:** There is also particular reference to children with disabilities, because we know that such children are particularly vulnerable to disadvantage in financial terms and in terms of life chances. One of the purposes of this is to ensure that the needs of children with a disability are not overlooked.

[200] **Joyce Watson:** On the same theme, with regard to securing sufficient play opportunities, if an authority conducts an assessment as detailed in the proposed Measure and identifies a need to secure additional play facilities, it is expected that the associated costs of doing so would be covered by existing resources being reallocated. Is that a realistic expectation?

[201] **Brian Gibbons:** There is provision for this in the Cymorth funding, for example, at the moment. While the ring fence will obviously be lifted as the money goes into the RSG, by having a statutory duty, the expectation is that the money that is currently in Cymorth, for example, will not be totally lost to this purpose. So, there will, effectively, be some money there in any event, even as things stand, through Cymorth.



[202] We realise that we are going to be in difficult circumstances for the future. This will be delivered in partnership, and not just through local authorities' own resources; there will be many other sources for it, such as the third sector and the lottery. There are many other ways in which this provision will be met. Clearly, we realise that the speed and the direction is going to be very much affected by the prevailing economic circumstances. That is why the phrase

[203] 'so far as reasonably practicable'

[204] is included in the proposed Measure.

[205] **Joyce Watson:** Section 61 provides for the participation of children and young people. There is no mention of the financial implications of this section in the explanatory memorandum, and consultation responses have suggested that it is unclear what financial implications may arise as a result of that provision. It is suggested that existing Cymorth funding provides funding in this regard for those aged 11 to 25 and that there may be further financial implications for extending the participation function across the age range. Could you clarify whether it is indeed the intention that this provision is to be met from existing funding? Is that a realistic expectation?

[206] **Brian Gibbons:** I think that many local authorities are striving to do this. Indeed, it is my understanding that well over three quarters of local authorities have participation policies in place at the moment. So, a fair amount of progress has been made. Clearly, we would want that to continue, but this is also about how local authorities set about doing their business. For example, in terms of their community strategy development, there is a requirement to engage with key stakeholders, so one would expect that good practice to be mainstreamed into the existing activities of local authorities and other key stakeholders. As I say, the overwhelming majority are already well on the road. Something like £3 million or £4 million in Cymorth is earmarked for this type of activity. Equally, third sector organisations work with local authorities to facilitate this, so there will be opportunities for partnership working too. I do not know whether Elizabeth or Donna have anything to add to that.

[207] **Ms Williams:** Certainly, there has been enormous progress, and there is a lot of really good practice, so a lot of getting this embedded is going to be about sharing the best practice that exists. It is about changing the way in which people do things; it is not necessarily about spending a lot of extra money on it. I am not trying to pretend that there is not a resource issue attached to this; that is why there is Cymorth theme D. Certainly, we have been extending the age range of participating activities way beyond those aged 11 to 25, to those aged 5 to 25 and even younger. There has been a lot of activity and a lot of work on that, and we have funded specific work with Funky Dragon, for example, on the 0-10 age range, so that we are ensuring that the whole age range is involved. So, again there is some really good practice that does not necessarily have a huge cost implication. This is very much about changing the way in which people do things, and it is not necessarily about spending a huge amount of extra money.

11.10 a.m.

[208] **Angela Burns:** Are you happy with that, Joyce?

[209] **Joyce Watson:** Yes.

[210] **Angela Burns:** Does anybody have any other questions that they wish to put to the Minister? I see that they do not. Minister, is there anything that you wish to add in conclusion?

[211] **Brian Gibbons:** No. Thank you again for the courtesy of the invitation and for facilitating other officials to be here so that we could address your questions as comprehensively as we could.

[212] **Angela Burns:** Thank you for your time. This is a very complex one for us, so we will be discussing it further in private session in a moment. I really appreciate your coming, and I am sorry that I have delayed you by 11 minutes. I know that you are on a tight time schedule.

11.10 a.m.

**Cynnig Trefniadol  
Procedural Motion**

[213] **Angela Burns:** I propose that

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

[214] I see that the committee is in agreement.

*Derbyniwyd y cynnig.  
Motion carried.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.10 a.m.  
The public part of the meeting ended at 11.10 a.m.*