



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

**Y Pwyllgor Menter a Dysgu
The Enterprise and Learning Committee**

**Dydd Iau, 25 Chwefror 2010
Thursday, 25 February 2010**

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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.

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'r pwyllgor yn bresennol
Committee members in attendance

Christine Chapman	Llafur Labour
Jeff Cuthbert	Llafur Labour
Andrew Davies	Llafur Labour
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales
Brian Gibbons	Llafur Labour
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Chair of the Committee)
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Leighton Andrews	Aelod Cynulliad, Llafur (y Gweinidog dros Blant, Addysg a Dysgu Gydol Oes) Assembly Member, Labour (the Minister for Children, Education and Lifelong Learning)
Chris Burdett	Pennaeth yr Is-adran Cymorth i Ddysgwyr, yr Adran Plant, Addysg, Dysgu Gydol Oes a Sgiliau Head of Support for Learners Division, the Department for Children, Education, Lifelong Learning and Skills
Judith Cole	Head of Recurrent Funding Branch, the Department for Children, Education, Lifelong Learning and Skills Pennaeth y Gangen Ariannu Rheolaidd, yr Adran Plant, Addysg, Dysgu Gydol Oes a Sgiliau
Guy Flament	Rheolwr Rhaglen, Polisiâu'r UE - Uwch-swyddog Desg, Cyfarwyddiaeth Gyffredinol Polisiâu Rhanbarthol Programme Manager, EU Policies - Senior Desk Officer, the Directorate-General for Regional Policy
Carmen González Hernandez	Dirprwy Bennaeth Uned y DU ac Iwerddon, Regio E2 Deputy Head of Unit for UK and Ireland, Regio E2
Georges Kintzele	Pennaeth Uned B2 (Iwerddon, Latfia a'r Deyrnas Unedig), Cyfarwyddiaeth Gyffredinol Cyflogaeth, Materion Cymdeithasol a Chyfleoedd Cyfartal Head of Unit B2 (Ireland, Latvia, United Kingdom), the Directorate-General for Employment, Social Affairs and Equal Opportunities
Ruth Nugent	Swyddog Desg ar gyfer Dwyrain Cymru, Cyfarwyddiaeth Gyffredinol Polisiâu Rhanbarthol Desk Officer for East Wales, the Directorate-General for Regional Policy

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

Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Mike Lewis	Cymorth Tîm Team Support
Siân Phipps	Clerc Clerk
Ben Stokes	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Anne Thomas	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.

Cyflwyniad ac Ymddiheuriadau
Introduction and Apologies

[1] **Gareth Jones:** Bore da, bawb, a chroeso. Hoffwn wneud y cyhoeddiadau arferol. Cynhelir y cyfarfod yn ddwyieithog. Mae clustffonau ar gael er mwyn clywed, ar sianel 1, y gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg ac, ar sianel 0, y sain wedi'i chwyddleisio. Bydd Cofnod o'r cyfan a ddywedir yn gyhoeddus ar gael.

Gareth Jones: Good morning, everyone, and welcome. I would like to make the usual announcements. The meeting will be conducted bilingually. Headsets are available to hear, on channel 1, the simultaneous translation from Welsh into English and, on channel 0, the amplified audio. A Record will be made available of all that is said publicly.

[2] Atgoffaf bawb i ddiffodd eu ffonau symudol ac unrhyw ddyfais electronig arall. Nid oes rhaid cyffwrdd â'r meicroffonau. Nid ydym yn disgwyl ymarfer tân, ac, felly, os bydd y larwm yn canu, rhaid inni adael yr ystafell, ac efallai yr adeilad, gan ddilyn cyfarwyddiadau y tywyswyr.

I remind everyone to turn off their mobile phones and any other electronic devices. You do not need to touch the microphones. We are not expecting a fire drill, so, if we hear the alarm, we will have to leave the room, and perhaps the building, following the instructions of the ushers.

[3] Nid oes ymddiheuriadau, ac, felly, nid oes dirprwyon.

There are no apologies, and, therefore, no substitutions.

9.02 a.m.

Darpariaeth Arbenigol i Bobl Ifanc ag Awtistiaeth mewn Addysg Bellach
Specialist Provision for Young People with Autism in Further Education

[4] **Gareth Jones:** Cyn imi estyn croeso i'r Gweinidog a'i swyddogion, a oes gan Aelodau ddatganiadau o fuddiant?

Gareth Jones: Before I welcome the Minister and his officials, do Members have any declarations of interest to make?

[5] **Jeff Cuthbert:** Yes. I should declare that I am a governor of Trinity Fields special school in Ystrad Mynach, which deals with a large number of pupils who have autism.

[6] **Gareth Jones:** Dyma'r sesiwn olaf yn ein hymchwiliad i'r ddarpariaeth

Gareth Jones: This is the last session of our inquiry into specialist provision for young

arbenigol sydd i bobl ifanc ag awtistiaeth mewn addysg bellach. Estynnwn groeso arbennig i gynrychiolwyr Llywodraeth Cynulliad Cymru, sef Leighton Andrews, y Gweinidog dros Blant, Addysg a Dysgu Gydol Oes, a David Hawker—na, mae'n ddrwg gennyf, gwelaf fod newid wedi bod.

people who have autism in further education. We extend a special welcome this morning to the representatives of the Welsh Assembly Government, namely Leighton Andrews, Minister for Children, Education and Lifelong Learning, David Hawker—no, I am sorry, I see that there has been a change.

[7] **The Minister for Children, Education and Lifelong Learning (Leighton Andrews):** Chair Shall I introduce the officials?

[8] **Gareth Jones:** Yes, fine.

[9] **Leighton Andrews:** With me are Judith Cole, head of the recurrent funding branch, and Chris Burdett, the head of support for learners.

[10] **Gareth Jones:** Diolch yn fawr. Yr ydym yn hynod ddiolchgar am y dystiolaeth ysgrifenedig yr ydym wedi'i chael. Weinidog, a allwch wneud cyflwyniad o ryw bum munud er mwyn rhoi rhyw gefndir neu bwyntiau ynghylch sut y gwelwch bethau o ran awtistiaeth mewn addysg bellach? Caiff yr Aelodau wedyn ofyn cwestiynau.

Gareth Jones: Thank you. We are extremely grateful for the written evidence that we have received. Minister, could you give a presentation of about five minutes to give us some kind of background or pointers of how you see matters with regard to autism in further education? Members will then ask questions.

[11] **Leighton Andrews:** Chair, I am happy to go straight to the questions.

[12] **Gareth Jones:** Right. Paul Davies has the first question.

[13] **Paul Davies:** Good morning, Minister. Last week, a witness told us that she believed that there needs to be a change in the culture, values and beliefs within the system to improve services for young people who have autism. Do you recognise that?

[14] Secondly, Careers Wales plays an important role in the transition process, as you know, and it requires a learning and skills plan to be drawn up for all young people who have special educational needs in their final year at school. Are you confident that all eligible young people have a learning and skills plan? In your opinion, is the planning timescale sufficient, or could it be improved?

[15] I also note that you say in your paper that individual learners who would otherwise be funded to attend residential provision would sometimes prefer to access provision at their local college. You go on to say that, in such instances, local colleges can apply on a case-by-case basis for 'exceptional funding'. What does that mean? Can you expand on that, and where does that funding come from?

[16] Finally, how do you see post-16 special educational needs provision being funded in the future? Do you see it changing, given that Dr Chris Llewelyn from the WLGA said that it has been discussing with you and the Government the possibility of taking post-16 special educational needs provision back into the local authority settlement?

[17] **Leighton Andrews:** I think that I have managed to note down all those questions, Paul. Let me say at the outset that I approach this inquiry with an open mind, because the issues that we are seeking to deal with are not simple to address, and you will recognise that from the evidence that you have already received. There are clearly cultural issues regarding the approach taken by different organisations across boundaries, for example, and their ability

to work together. A number of witnesses have focused on the need for a multidisciplinary approach, which is what we would like to see. That is the approach that we have adopted as a Government with the action plans being produced by my colleague, the Deputy Minister for Social Services. Do we need changes in culture? I am certain that we do at a number of levels. Having said that we need cultural change, that is immediately a recognition that it is not a short-term process, but one that will need to be pursued through the system and through a number of different agencies. As your witnesses have said on a number of occasions, where there is good evidence of multidisciplinary working, it tends to lead to good outcomes, on the whole. That may be the exception rather than the rule, and we have some way to go when it comes to spreading best practice.

[18] On residential versus local provision, we try to support the learners where they would prefer to be supported. In some cases, people will opt for residential provision, and sometimes that will require travelling, often outside Wales. Sometimes, learners who would otherwise have to go for residential provision may be able to apply for and receive exceptional funding, if they can demonstrate that their residential requirement could be delivered in a local institution. I think that 21 students who have an autism spectrum disorder are currently in receipt of exceptional funding, which comes out of the funding that we make available to students who have learning disabilities.

[19] Paul, you asked whether the supplementary funding might go back into the overall settlement. I have not had any direct conversations with the WLGA about that. It is a possibility, and we would be certainly willing to explore it.

[20] **Paul Davies:** What about the learning and skills plan?

[21] **Leighton Andrews:** Sorry. Clearly, there is a responsibility on Careers Wales to ensure that learning and skills plans are developed for individual learners who have special education needs. I would hope that those are completed on time, and if there are examples of that not happening, I certainly want to know about them. From the evidence that you have received, it may be that there are some problems in that system. We are currently undertaking a review of Careers Wales, as you are aware, and the conclusions that this committee might draw from its inquiry might well be useful to us in that. I would certainly welcome evidence being supplied to us on that.

[22] **Jenny Randerson:** I have two questions for you, Minister. One relates to the timing of decisions on those young people who are applying for residential accommodation.

9.10 a.m.

[23] We have heard evidence here that applications have to be with your department by 31 January. I would acknowledge that we also have evidence that shows that a whole series of processes have to be gone through after that. One of the witnesses has given me some statistics on freedom-of-information requests that show that, for example, in the last year for which I have statistics, of the 68 applicants, 25 did not receive a decision until September, and only two of them had a decision in March. So, the decision making is very late indeed. I am sure, Minister, that you recognise that knowing in September where you are going in September, sometimes after the term has started, is difficult enough for a young person without special needs, but, for someone with autism, that is almost impossibly difficult.

[24] It has been emphasised to us how important it is to have that preparation time and, therefore, ideally, decisions need to be made by March or April to enable the school that the young person will be attending to make that early preparation. What are the problems that lead to this very late decision making? Witnesses tend to suggest that they are within your department, but I am sure that you believe that those problems lie elsewhere, so perhaps you

can tell us. Whatever the problems are, would it be possible, for example, to make the final date for applications somewhat earlier, perhaps by December or even November the previous year, in order to allow early decision making and preparation to take place?

[25] My second question relates to information we received from ColegauCymru on the supplementary funding that further education colleges receive. In recent years, your department has provided 100 per cent of what they have asked for, which I believe is based on detailed calculations that they present to your department in order to justify their claims. This year, it would appear that they will receive 70 per cent, on the basis of your announcements. Will that stay at 70 per cent, or might it rise? I gather that it is paid out of what is left over from other funding: is that the case? We talked earlier this morning about the need for a change in culture. Do you not believe that there is a need for a change in culture with regard to this aspect, in that further education colleges taking on very complex young people need the incentive of knowing that their additional costs will be fully funded? Do you agree that it should not be regarded as something to be paid for from left-over funding?

[26] **Gareth Jones:** Before you answer, Minister, I think that Brian wants to add to that.

[27] **Brian Gibbons:** I have a supplementary question to the first part; it will save us coming back to it again. I am not sure that the evidence we heard was quite as clear-cut as Jenny said, although there were questions aimed at your department with regard to the turnaround time for dealing with applications. A number of witnesses said that the problem did not necessarily lie there and that there were problems getting information in a timely fashion so that it could be properly processed and so forth. However, witnesses have said that a way to address that was through multidisciplinary fora, such as we have in Carmarthen and Pembrokeshire, to give examples of good practice. It has been said that if that multidisciplinary process took place at an earlier stage and was able to inform the funding application, it might constitute the breakthrough needed to expedite payments.

[28] **Leighton Andrews:** There is no disputing that some decisions are made late, and I completely agree with what Jenny said: that it is bad enough to have a funding decision taken late if you do not have the challenges that face people with an autistic spectrum disorder; and, therefore, it is particularly difficult to make a change for those for whom change is very difficult to cope with in those situations. There are a number of reasons, bluntly, why things do not always go according to plan. For example, sometimes the information that is supplied to us is not sufficient, and our officials will have to go back to Careers Wales to test it and seek further information; and sometimes there may be non-educational reasons why a particular placement has been requested, meaning that we have to arrange joint funding, which may involve a number of different agencies and adds to the complexity of the process. If the joint funding element could be agreed earlier—before the application for the education component is made to us—it would simplify the journey. All of these issues can result in delay. To be fair, one of your witnesses from Beechwood College, Mr Jackson, said that it was not entirely fair to lay all of the blame at DCELLS' door; we are having to deal with a number of different agencies.

[29] **Jenny Randerson:** It is a complex process. However, we did hear from witnesses that the funding appeared to go into a black hole, but I am giving you an opportunity to—

[30] **Leighton Andrews:** Through you now, Chair, I ask that if anyone has any evidence of an example where they think that my department has been responsible for the disappearance of an application into a black hole that they bring it my attention, because I would like to hear about it.

[31] **Gareth Jones:** I will try to be helpful on that point by taking heed of what Brian Gibbons said, which is that the system is at fault rather than any specific department. I believe

that greater, more effective co-ordination would help tremendously here, because we are dealing with a multi-agency approach. That is the challenge.

[32] **Leighton Andrews:** I accept that, but we, as a department, are equally at the end of a long trail in terms of putting these applications together. We have not made a 100 per cent commitment on the subject of supplementary funding. We have, in some years, been able to pay 100 per cent of funding, and, in the past, we have often made an initial commitment and have then been able to make that up to 100 per cent. This year, we have exceptional pressures on budgets, and I have, therefore, been able to make a contribution of around 70 per cent. If additional money became available, I would certainly look at making that up as far as I can. It is fair to say that we have to expect the FE colleges, as well as ourselves, to put money into this; that is part of this process.

[33] **Jenny Randerson:** I have raised the issue about bringing the application date forward. Is there a reason why it has to be 31 January?

[34] **Ms Cole:** The date of 31 January has been there for a long time. You have raised this with us before, and we have looked at the matter. It is the same as in England, but that is not a defence. It relates to the fact that we are talking about a multi-agency process. Most students do not need residential provision, because they go into mainstream provision in the FE sector. For those who are going to go into residential facilities, it is about working with social services, and we are quite often advised that adult social services departments are not in a position to consider applications very much earlier than that date, so we would have to wait for that to happen. We would also not get the learning and skills plan up to date, so we would have to wait for that to happen, too. Rather than having a process where you get something in, then you expect another bit, and then another, the theory is that the date is set at a point where these things should naturally come together; they all come in and then we can deal with them. It is variable; some years, things come in on time, and, in others, they are spread out. Last year, for example, looking at ASD specifically, of about 19 applications, we had eight by the due date and the rest were after it. We looked at them all, as there would be no sense in not doing that, but having a deadline means that we can process them. We recognise the issues, and we keep looking at them, but, so far, we have not found a way of making the process better.

9.20 a.m.

[35] **Brian Gibbons:** This is a predictable process, and the assessment, as we understand, starts at 14. It is predictable, therefore, that adult social services will have to get involved in this. If we are putting a multidisciplinary team in place, as the Chair mentioned, then it is easy to anticipate that adult social services should be part of the assessment process. It is just bad planning and bad process if adult social services are not in place at an early stage. I do not know the justification for them not being around the table in the multidisciplinary process, even if the child is 14 and 3 months or 14 and 6 months. That is not an excuse for taking this from a client or person-centred approach.

[36] **David Melding:** We are not talking about tens of thousands of students—sometimes it is under 50.

[37] **Leighton Andrews:** In terms of residential provision, that is true. Overall, we are talking about 200 students that we know of, but there are issues related to the data. This came up in one of your earlier hearings. On the prevalence in the population, we would expect there to be more students with ASD than are actually reported—probably around 300—whereas we are reporting 220 or so in total, including those in residential facilities.

[38] **Andrew Davies:** Judith mentioned that many, but not all, social services departments

are not in a position to do this. As you describe the process, it strikes me that this is not citizen-focused at all. It strikes me that this is producer interest. These are questions for local government to answer. I hear all the time that it is the citizen who is there for the convenience of the service provided and not the other way around. Brian is right that the processes need to be looked at from a different point of view. I am sure that the Minister agrees with this. It is up to the provider to change its procedures, not for the user or their carers to fit in.

[39] **Leighton Andrews:** I agree. That is why we currently have a number of pilots under way, in the areas of assessment and transition. I would hope that some of the good practice that Brian was referring to, from Carmarthenshire, for example, reflects the fact that we have a pilot going on there in relation to assessment of those up to the age of 25 with complex learning difficulties, which is looking at this on an interdisciplinary basis.

[40] **Gareth Jones:** This is the challenging area for us. Christine and Jeff want to come in on this point.

[41] **Christine Chapman:** You mentioned, Minister, the key transitional workers that have been piloted, and I am interested to see how the work is progressing. Witnesses have told us stories of how they felt that they had to battle their way through the system, and all of us have had casework where parents have said that they have had to struggle to get this transition. The role of the key transition workers will be important here. Is there enough clarity in the system? There are many people involved. You mentioned Careers Wales, but there is also, if you are looking at 14-19 for example, the learning coaches. That is an ongoing, relatively new process. Do you feel that there is enough clarity in the system so that these different roles are working together for the benefit of the young person?

[42] **Leighton Andrews:** I will start with the transition key workers. We are building to agree on some of this committee's recommendations from its previous inquiry on additional learning needs. We set up the transition working group, we have a number of pilot projects under way on transition, and we have a transition conference coming up next week. I hope that, as a result of the evidence, we are responding here to recommendations that you made in the last 12 months. We are working to try to ensure that we are getting better practice as a result of that. There are issues, clearly, and your witnesses have flagged up some issues in relation to Careers Wales that we will want to look at and take on board in respect of the review of Careers Wales. I have questions currently regarding whether we ask too much of Careers Wales in light of the range of issues it covers, and whether some of the work that is currently done within the Careers Wales companies might be done elsewhere. That is one of the issues that we will look at.

[43] The learning coaches have a role within 14-19 learning pathways. We have support there and there are support arrangements within the Welsh baccalaureate and so on. There is an issue about training. I have heard evidence from your witnesses about what appeared to be a lack of training in respect of one agency that was referred to in an earlier hearing. So, there are issues relating to training. We are putting investment into those, but the pilot schemes are at an early stage. When we have more evidence, then I hope that those will give us something to draw on in terms of best practice.

[44] **Gareth Jones:** Jeff, you have the next question.

[45] **Jeff Cuthbert:** We are drifting into the main areas that I want to talk about, so I think that it is appropriate that I ask my question, which relates to transition, now. I agree with the earlier points from Brian, Andrew and Christine. I made the point last time that no-one in the Welsh Assembly Government or in local government is trying to be unhelpful deliberately in relation to assisting those with autism—whether in residential colleges, mainstream provision, or special schools. It is very much about having a learner-centred approach. There must be

better co-ordination for the benefit of learners. Indeed, it is the 14-19 pathways and transition into FE that will demand that that happens.

[46] I mentioned that I was a governor of Trinity Fields School in Ystrad Mynach, which has excellent links with The College Ystrad Mynach. Caerphilly Local Education Authority is one of the authorities piloting the 14-19 pathways. However, that legal entitlement across Wales begins in September. I am sorry for the great preamble. As part of your review, you will look also at special schools and their funding. Bearing that in mind, are we heading in the right direction in order to ensure that those pupils who are somewhere on the autistic spectrum—and I appreciate that there is an enormous variety of conditions within that spectrum—will be catered for properly once the 14-19 pathways kicks in with regard to the relationship between schools, FE colleges and work-based learning providers, or are there still significant concerns to be addressed?

[47] **Leighton Andrews:** Certainly, I think that there are concerns. My starting point on the 14-19 learning pathways is that the approach, in a sense, is about the individual needs of the particular learner. So, we are talking about a citizen-centred focus in the way that Andrew referred to earlier. In principle, we have in place the provision for plans to be drawn up, for example, for all students with special educational needs in their final year at school. That is the learning and skills plan with which we began the session. So, a number of the elements have been laid down in policy. However, laying down things in policy is not necessarily the same as delivering them on the ground. We are, I think, very familiar with that. That is the issue that we have to continue to pursue.

[48] There may be particular challenges in respect of work-based learning, for example. That takes us back to what I discussed earlier, which is that the numbers with ASD in the system may not be truly reflected overall, but there may be occasions when some students with ASD would not necessarily want to be identified as such in work-based situations. That is quite possible, as part of this. So, overall, there are a number of issues and I am not yet confident that, in the work-based learning environment, we have got everything right. However, with our investment in transition and other aspects, we are trying to find ways through these.

9.30 a.m.

[49] **Nerys Evans:** Mae gennyf dri chwestiwn. Mae fy nghwestiwn cyntaf am ddatganiadau. Yr wyf yn siŵr bod gan bob un ohonom waith achos lle mae'n rhaid inni frwydro'n erbyn yr awdurdod addysg lleol i gael datganiadau i unigolion yn ein hetholaethau. Clywsom gan ColegauCymru mai'r datganiad yw'r brif ddogfen neu'r man cychwyn i bobl ag awtistiaeth. Gwyddom am bobl nad ydynt yn cael datganiad y mae'i angen arnynt. A ydych yn cydnabod y problemau hyn, ac a ydych yn credu bod y cynlluniau dysgu a sgiliau'n ddigonol yn y cyd-destun hwn?

Nerys Evans: I have three questions. My first question is about statements. I am sure that all of us have examples of case work in which we have to battle against the local education authority to get statements for individuals in our constituencies. We heard from CollegesWales that the statement is the main document or starting point for people with autism. We know of people who, although they need one, are not given a statement. Do you recognise these problems, and do you think that the learning and skills plans are adequate in this context?

[50] Mae'r grŵp trawsbleidiol ar awtistiaeth wedi sôn am anghenion pobl ifanc sydd â syndrom Asperger, sy'n ffurf ar awtistiaeth. Gwelwn bobl ifanc sy'n alluog mewn un maes yn cael trafferthion mawr

The cross-party group on autism has touched on the needs of young people with Asperger's syndrome, which is a form of autism. We see young people who, though capable in one area, are struggling in others,

mewn meysydd eraill, ac mae hwn i'w weld mewn adroddiadau gwahanol a gwaith Cymdeithas Genedlaethol Awtistiaeth Cymru. Pa gefnogaeth sydd ar gael i ddatblygu sgiliau cymdeithasol pobl ifanc sydd â syndrom Asperger, yn enwedig y rhai sy'n cael trafferthion ag amser strwythuredig?

and this can be seen in various reports and in the work of the National Autistic Society Wales. What support is available to develop the social skills of young people who have Asperger's syndrome, particularly those who have difficulties with structured time?

[51] Yn olaf, mae'n glir bod anhawster cyfathrebu yn nodweddiadol o awtistiaeth, ac mae hynny'n anos byth os nad oes darpariaeth ar gael yn iaith gyntaf yr unigolyn. Gwn am y diffygion mawr cyfredol yn y ddarpariaeth cyfrwng Cymraeg yn ein colegau addysg bellach. Beth yw'ch barn ynghylch y ddarpariaeth hon, yn enwedig honno ar gyfer anghenion pobl sydd ag awtistiaeth sy'n Gymraeg iaith gyntaf?

Finally, it is clear that problems with communication are typical of autism, and that is even more difficult if provision is not available in the individual's first language. I know about the massive shortfalls in Welsh-medium provision in our further education colleges. What is your opinion on this provision, particularly that to meet the needs of those with autism whose first language is Welsh?

[52] **Gareth Jones:** Before you respond, Minister, Brian wants to add a question on statements.

[53] **Brian Gibbons:** On Nerys's first point, the message came across strongly for me that a learning and skills plan is very much second-class currency compared to a statement of educational need. Would you agree with that? If you do, how can we address it?

[54] **Leighton Andrews:** Statements are fairly clear and firm statutory guidance as to what is needed, so I am not surprised by what you say.

[55] We have four pilot schemes, essentially, currently under way in respect of statutory assessment and statement reform. Brian has referred in the past to Carmarthenshire, where the pilot scheme concerns learners who have severe and complex needs. There a tripartite structure has been developed, involving health, social services and education, to handle the issues of managing and funding services for children and young people who have severe and complex learning needs, and it has also funded the complex learning needs co-ordinators. So, you have an example there of good practice, and that could be a guide to us in due course.

[56] As to what we are doing specifically for individuals' social skills, it is often the case that the courses that are funded through FE, through the national planning funding system, that are taken up by students who have Asperger's syndrome or another autistic spectrum disorder will be independent living skills courses. I think that one of your witnesses, earlier in this process, talked in some detail about the nature of those courses, but that is commonly what they are being funded to follow.

[57] On Welsh-medium provision, the basic issue is that there is a problem regardless of what your first language is. If you have an autistic spectrum disorder, we need to try to ensure that we have the right level of provision, whatever your linguistic needs. As you are aware, we are developing a Welsh-medium education strategy, and this is an area that we will need to cover within that.

[58] **Gareth Jones:** Before I invite Brian Gibbons to contribute, David Melding has a question.

[59] **David Melding:** On the point about statements, some witnesses said that statements

can become almost like individual passports for students, which could take them through the whole education process, certainly from age 14 onwards, and even through higher education, if they go on to higher education, and into their early twenties. At the moment, a statement just applies to the local education authority, but there is an issue there if these students go on to further or higher education. Is there any way of looking at that? Is the Government examining slightly looser or more flexible approaches to providing the necessary services and support for these students?

[60] **Leighton Andrews:** I do not know about ‘looser’, but I think that the question of whether everything has to be guided by a statement is an open one. There can be other approaches to assessment. However, on your specific question, the pilot scheme in Carmarthenshire, as I understand it, is addressing the challenges that people face up to the age of 25, so that would cover your point.

[61] **David Melding:** I think that most people who consider this issue would be slightly surprised that it is so fragmented. Students could be assessed as having certain needs and that assessment will be modified, but it does not change vastly between the ages of 16 to 25 or whatever. However, somehow that support has to be argued for again if a student moves to another institution or out of county or whatever. That is quite frustrating for people.

[62] **Leighton Andrews:** It clearly is frustrating, but you are talking about transitions between different providers and I guess that that is part of the issue. I suppose that if students are going through the special schools system, then, in many cases, they may be in that one particular learning provider space for some time, possibly, in some cases, until the age of 19. So, you have a different set of challenges when they are moving from one institution to another, which is why we have the pilot schemes going on in respect of transition.

[63] **David Melding:** I understand that, but I think that some parents and students feel slightly frustrated when the whole assessment process has to commence again at ages 16 or 17, when they may have gone through the process thoroughly at 14 or 15 and that that can slow down the whole process. It may need to be adapted—obviously it will if the change is from a residential placement to a community one—but there seems to be this sense that they have to go completely back to stage 1 and that causes a lot of difficulty and delay.

[64] **Leighton Andrews:** Your point is well made. I do not know whether either of my colleagues wants to comment on that.

[65] **Mr Burdett:** That is at the heart of the pilot scheme that we are looking at for those with severe and complex needs. We want to move away from the idea of the division between statement or non statement, and the fairly narrow responsibility that is placed on the education department, to a wider multi-agency assessment that will go from age 0 to 25, and which will fall on all of the partners equally so that it should address those very points. That is the direction of the reform that we are looking at.

[66] **David Melding:** I understand that a task and finish group is looking at FE and HE at the moment, and is likely to report some time this year. Can you tell us when exactly it is likely to report? If it is to report on time, will you be able to make that commitment? I would also like to follow up the point about awareness raising, which you acknowledge in your paper as being very important. I was impressed that it referred to the need to raise awareness in terms of the mainstream, so that it is not just about the students directly or about the SEN co-ordinator or whatever, but also relates to other students who come into contact with people with ASD, particularly in community settings, and to staff in general who may be delivering part of the curriculum and may need to be aware of the limitations that some people have. It may only be that the student needs more time to undertake a task or that a certain way of conveying information is not as direct or appropriate.

[67] I would like to know when we will see some of these products and how they will be rolled out, for example, whether they will be included in the teacher training curriculum and in ongoing training for existing staff, and particularly how you might get students in general to be more aware of these issues. That is of concern to us, but we are pleased that you are taking up the challenge.

[68] **Leighton Andrews:** We are meant to be launching transition guidance for professionals, for example, at our transition conference next week.

9.40 a.m.

[69] We have a number of examples of FE colleges that were involved in training staff, and you are right to highlight the importance of that. On the points that you made about the attitude of other students, that is down to general awareness. It is an issue for us as well as for the sector bodies in the field, and it is a question now of working together in partnership. We have funded information materials for learners, working with SNAP Cymru and Learning Disability Wales, and we have funded quite a number of activities in respect of awareness raising. Deals are being rolled out through the strategic action plan, there is a publicity campaign targeting employers, for example, and there is a website. So, a whole series of initiatives is being taken within that plan and a lot of activity is under way.

[70] The task and finish group will be meeting during 2010 to look at the issues of FE and HE. That is a development from the strategic action plan. I do not have a date as to when that is likely to conclude.

[71] **David Melding:** Perhaps you could get back to us on that, because it would be timely if it could do its work pretty quickly.

[72] **Leighton Andrews:** Yes, it would be, but whether—

[73] **David Melding:** That is what we are here to scrutinise.

[74] **Leighton Andrews:** On this particular subject, it is not just a question of scrutiny. In a sense, we are developing policy and looking at best practice in an area that is quite complex. I think that we will benefit from the conclusions that you draw on the basis of the evidence that you have taken, as it will inform our thinking.

[75] **Brian Gibbons:** I want to turn to the commissioning of specialist college provision. The figures that we have show that, of just over 200 young people attending these residential colleges, two thirds go to England, with one third in Wales. Given that the location of the colleges include Oswestry and Hereford as Welsh, approximately two thirds of those students could be said to be studying within Wales's orbit, if you like. That means that it should be possible to organise and co-ordinate provision in a coherent way, ensuring a managed market in this area of activity. However, we have strong evidence that the commissioning of these services is not well co-ordinated and is probably not very coherent. I would therefore appeal for much stronger and more coherent commissioning. The point was well made that, of the commissioners of these specialist colleges, the Department for Children, Education, Lifelong Learning and Skills or the Assembly Government is very much the main funder. So, DCELLS is in a unique position to adopt that lead role of co-ordinating. Do you agree with the case put that commissioning has not previously been well co-ordinated, but that it is possible to develop a coherent market between well-established partners to deliver this? I am aware of the substantial consultation on learning disabilities taking place under Gwenda Thomas's portfolio, and I have had a look at that. I was surprised at the paucity of reference to the work of DCELLS, even though the guidance in that consultation document ran to well over 100

pages. I was surprised that there was not more evidence of joined-up Government in that, because many of the issues and commissioning guidance that Gwenda Thomas was consulting on seemed to fit like a glove with the problematic areas of residential education.

[76] **Gareth Jones:** Minister, Jenny wants to add a point on that.

[77] **Jenny Randerson:** I just have a question supplementary to that. One thing that has struck me as surprising is how difficult it has been to get a picture of exactly what is provided and where in further education in Wales. In the independent residential colleges, it is relatively simple, but it seems that the picture in our further education colleges is confused. How does your department respond to gaps in the market? For example, this year, it looks as though you will be reimbursing only 70 per cent of the supplementary funding. Therefore, there will be no incentive for FE colleges to enter into that work. In fact, there will be a disincentive to stay in that work, because they will not be fully recompensed for the additional costs. I am interested in the apparent gaps in the market, and how you identify them and ensure that there is provision no matter where you live.

[78] **Leighton Andrews:** There is not quite a ‘contradiction’ but a degree of inconsistency between what you are suggesting and what Brian is suggesting. On the market, whether it is managed or otherwise, I was struck by some of the evidence that you received, which suggested that competition is being provided rather than an effective provision of services. We have had issues of competition between providers in post-16 learning overall, which is not always beneficial, helpful, or the best use of public money. That tells me that we need a better sense of what is being provided in the individual institutions. Then again, we are talking about a range of individuals with a wide range of different needs. I am not talking here just about autism spectrum disorders, but about additional learning needs overall.

[79] One reason why we may be funding a lot of students who have an ASD at a number of institutions in different parts of the UK is that a number of those institutions cater for different needs, which may be very personalised. These are personal commissioning decisions, if you like, that we are supporting, essentially. The picture is not simple and this is not a simple exercise. As part of the gap analysis, we will look at the demands that are brought to us by those individuals who will have identified that the kind of support that they require cannot be supplied in their own locality. In an ideal world, every local college would provide everything that everyone needed, but we know that that is not the case and is not likely to be.

[80] There is a challenge for us from what has come out and been drawn to your attention as evidence, namely whether the market could be better managed. That would mean our looking at a number of things: existing provision in specialist colleges, dedicated provision in FE more generally, and the overall use of our resources to see whether, in the Welsh context, we could better manage the supply of provision for students who have an ASD. I will take this narrower inquiry, as distinct from your last inquiry, in that regard. We will want to think more about that. Having seen that evidence, I think that we need to look at what might be feasible.

[81] You also made a point about working with other Government departments, and I certainly want to pursue with the Deputy Minister for Social Services how my department is working with hers on some of the issues around commissioning, as well as others.

[82] **Gareth Jones:** Dyna ni. Ar ran aelodau'r pwyllgor, diolchaf i chi, Weinidog, ac i'ch swyddogion. Yr ydym wedi cael sesiwn graffu ddefnyddiol. Mae hwn yn faes heriol. Yr ydym wedi sôn am unigolion, ond **Gareth Jones:** There we are. On behalf of members of the committee, I thank you, Minister, and your officials. We have had a useful scrutiny session. This is a challenging area. We have mentioned individuals, but

hefyd am yr angen i rwydweithio a sicrhau cydlyniant. Dyna'r her, hyd y gwelaf i. Diolch am ddod atom y bore yma, a dymunwn yn dda i chi.

also the need for networking and to ensure co-ordination. That is the challenge, as I see it. Thank you for joining us this morning, and we wish you well.

9.50 a.m.

[83] [*Interruption.*] Apparently, we are not yet ready to move to the next item on the agenda. Therefore, under Standing Order No. 10.25, I suspend the committee meeting for a few minutes.

*Gohiriwyd y cyfarfod rhwng 9.51 a.m. a 9.55 a.m.
The meeting adjourned between 9.51 a.m. and 9.55 a.m.*

Cronfeydd Strwythurol—Gweithredu Rhaglen 2007-13 Structural Funds—Implementation of the 2007-13 Programme

[84] **Gareth Jones:** Estynnaf wahoddiad i'r Aelodau ddatgan unrhyw fuddiant. **Gareth Jones:** I invite declarations of interest from committee members.

[85] **Jeff Cuthbert:** As you know, I am Chair of the programme monitoring committee. Much of the evidence and questioning will relate to the work of the programme monitoring committee, which is a WAG appointment. As I do not feel that it is appropriate for me to be present, I will withdraw from this part of the meeting.

[86] **Gareth Jones:** Thank you, Jeff. Andrew?

[87] **Andrew Davies:** As a former Minister for finance, I was a member of the Cabinet's European structural funds committee, and I was also specifically responsible for the targeted match-funding pot. That is my declaration.

[88] **Gareth Jones:** Thank you, Andrew Davies. Brian Gibbons?

[89] **Brian Gibbons:** I was also a member of the Cabinet's European structural funds committee.

[90] **Gareth Jones:** Diolch yn fawr iawn am eich datganiadau. Yn gryno, fel cefndir, dyma sesiwn gyntaf ein hymchwiliad newydd i gronfeydd strwythurol—gweithredu rhaglen 2007-2013. Fel y gwelwch o'r agenda, mae gennym gynhadledd fideo. Yn awr, byddwn yn cysylltu â'r Cyfarwyddiaeth Gyffredinol Polisiâu Rhanbarthol a'r Gyfarwyddiaeth Gyffredinol dros Gyflogaeth, Materion Cymdeithasol a Chyfleoedd Cyfartal. Mae'n bleser gennyf estyn croeso cynnes o Gaerdydd i Guy Flament, rheolwr rhaglen polisiâu'r Undeb Ewropeaidd, ac uwchswyddog desg y Gyfarwyddiaeth Gyffredinol Polisiâu Rhanbarthol. Croeso hefyd i Georges Kintzele, sef pennaeth Uned B2, sy'n cynnwys Iwerddon, Latfia a'r Deyrnas Unedig, yn y Gyfarwyddiaeth Gyffredinol

Gareth Jones: Thank you for those declarations of interest. Briefly, as background, this is the first session in our new inquiry into structural funds—implementation of the 2007-2013 programme. As you will see from the agenda, we have a video conference. We will now connect with the Directorate-General for Regional Policy and the Directorate-General for Employment, Social Affairs and Equal Opportunities. It is my great pleasure to extend a warm welcome from Cardiff to Guy Flament, the programme manager for EU policies, and senior desk officer at the Directorate-General for Regional Policy. We also welcome Georges Kintzele, who is the head of Unit B2, which includes Ireland, Latvia and the United Kingdom, in the

dros Gyflogaeth, Materion Cymdeithasol a Chyfleoedd Cyfartal.

Directorate-General for Employment, Social Affairs and Equal Opportunities.

[91] Yr ydym yn falch eich bod yn gallu cysylltu â ni, ac edrychwn ymlaen yn fawr at eich cyfraniad. Yr ydym yn gobeithio bod y cyswllt a'r system gyfieithu yn gweithio ar hyn o bryd. Ar ran y pwyllgor, hoffwn ddiolch yn fawr ichi am y dystiolaeth ysgrifenedig, sydd wedi bod o gymorth inni. Yn unol â'r drefn, hoffwn ofyn ichi wneud cyflwyniad o ryw bum munud i egluro inni rai o'r prif bwyntiau a fydd, yn eich tyb chi, o ddefnydd inni. Yna, byddwn ninnau, fel Aelodau, yn troi at y cwestiynau.

We are pleased that you have been able to connect with us this morning, and we look forward very much to your contribution. We hope that the video link and the translation system are working. On behalf of the committee, I thank you very much for your written evidence, which has been of great assistance to us. In accordance with our usual practice, perhaps you would like to make a brief introduction of around five minutes to highlight some of the main points that you regard to be useful to us. Then we, as Members, will turn to questions.

[92] **Mr Flament:** Good morning, everyone. I will also introduce you to Carmen González, who is the deputy head of the regional development fund unit; and also Ruth Nugent, who is the new desk officer for east Wales.

[93] I will try to summarise, in order to give you a brief outline of the programme. First, we are fairly satisfied with the way that the two programmes are moving in Wales. In effect, there are four programmes in total in Wales. The programmes have reached the 50 per cent target in terms of commitment. All of the programmes in Wales have met their N+2 target, which is of considerable importance to us. The Welsh European Funding Office is very experienced in delivering the programmes in Wales. We rely heavily upon their experience and expertise in implementing our programmes. We are also quite satisfied with the spread of projects across the economic actors in Wales. We believe that all of the partners are deeply engaged and associated with our programmes.

10.00 a.m.

[94] This has been done because there is a strong willingness on the part of the managing authority to involve all the partners in the programme. The programme is being quite responsive to the economic recession in Wales. Together with the commission, WEFO managed to renegotiate the programme last year in order to facilitate its delivery. The programme is still in line with its strategic targets. On the commission side, we believe that the programme should continue as it is for the time being. Thank you, Chair.

[95] **Gareth Jones:** Diolch yn fawr, Mr Flament, am y cyflwyniad hwnnw. Trown yn awr at yr Aelodau a fydd yn gofyn cwestiynau ichi ar y rhaglen yn gyffredinol.

Gareth Jones: Thank you, Mr Flament, for that introduction. Members will now have questions for you on the programme in general.

[96] **David Melding:** I am grateful that we have had the video link this morning; it is an excellent opportunity to put some questions to the commission. In your paper, you say that private sector participation still seems limited to the strategic level insofar as the number of projects it leads, but that it is better in terms of its involvement in delivering the various projects, which I understand. Is this problem, namely getting the private sector involved at a strategic level being a challenge and its involvement being somewhat limited, common across other European regions that receive convergence funding or is Wales poorer than the average in its performance in this area?

[97] **Mr Flament:** Speaking from the ERDF side only, the private sector's commitment in

the programme is, roughly speaking, 30 per cent of the total. We are seeing increasing commitment from the private sector this time. Bear in mind that, when the private sector is engaged in the programme, you have the state aid consideration, which is a limiting factor. For the time being, private sector companies are being granted seven projects on which they are the lead sponsors. In addition, they participate actively in delivering the programmes where they have been awarded the service contracts. Therefore, all in all, private sector involvement is satisfactory from outside, given the nature of the Welsh economy.

[98] **David Melding:** How does it compare to other areas of Europe that receive these funds? Are they doing about the same in terms of private sector-led projects, or are they doing better or worse than Wales?

[99] **Mr Flament:** There are similar considerations across the UK and across member states. The state aid limitation imposes strict conditions on the participation of the private sector. However, I omitted to mention one matter that is relevant to your programme, which is that the private sector benefits directly from JEREMIE and venture capital funds, so that is an important element. So far, the private sector has received £20 million. In other words, even under the state aid limitation, we associate the private sector directly with our programme. It is hard to give statistics at the moment; the refined analysis should be done at mid-term, when the commission will ask for the detailed statistics on the involvement of the private sector. Compared with the situation in the past, the private sector now has greater engagement with the programme.

[100] **David Melding:** Thank you. That is clear. I want to move to another issue in my second and final question. In your paper, you say that the legacy that these funds will leave is now less secure because of the economic recession. So, the permanent economic benefit after 2013 is perhaps a little more difficult to anticipate or measure. Is the fact that the legacy component is becoming much harder to assess a particular case for Wales or is it faced by other European regions?

[101] **Mr Flament:** There are different elements in evaluating the legacy. The first is that, within the selection criteria, there is a legacy and exit strategy, which is evaluated ex-ante. Given the change in economic conditions, it is hard to predict whether a project will remain sustainable after the closure of the programme. WEFO, in evaluating the project, will ensure, to the best of its knowledge, that the project remains sustainable. On top of that, apart from the initial assessments, Wales is progressively moving towards a culture of loan and venture-capital funds in order to make these funds more sustainable after the end of the programming period. In other words, the money returned from the project is constantly recycled in the economy. We strongly believe that the policy will adapt its ways so that the present programming period progresses well in the future.

[102] **David Melding:** Are there any other examples of how the legacy component is now being re-examined in light of the economic recession, which, as you said, had a profound effect on how this programme is operating, given that it commenced before the beginning of the recession? Given that, to date, we have 15 per cent of the finance for the programme committed, but not spent, there is still a good chance to adapt a lot of what is already committed to ensure that this legacy issue is examined as much as possible in the new economic circumstances.

[103] **Mr Flament:** There are two elements that govern the implementation of the programmes. The first is the evaluation process, and Wales has developed quite a robust evaluation plan. The second is that, once a project is not delivering according to the spending profile, or does not meet the expectation, Wales could reject the project and recycle the money elsewhere. In other words, Wales has a monitoring system, which is capable of spotting areas of underconsumption or underabsorption permanently. So, the monitoring of

the system is solid in WEFO. We have examined the system and we believe that, over time, Wales has enhanced its monitoring capacity by implementing an adequate monitoring system.

[104] **Nerys Evans:** Mae'n dda cael tystiolaeth oddi wrthyh y bore yma. Mae fy nghwestiwn cyntaf i'r Cyfarwyddiaeth Gyffredinol Polisiâu Rhanbarthol. Yn adran 10 eich tystiolaeth ysgrifenedig, yr ydych yn sôn am y pryderon ynghylch goblygiadau toriadau mewn gwariant cyhoeddus a'r effaith y gall hyn ei gael ar weithredu cronfeydd strwythurol yng Nghymru. A allwch chi ymhelaethu ar hyn? Yn olaf, soniasoch yn eich papur ei bod yn anodd cymharu'r rhaglen hon â'r rhaglen flaenorol, gan fod gwahaniaethau mawr rhyngddynt. A allwch esbonio ymhellach pam nad oes budd na defnydd i gymharu'r ddwy raglen?

Nerys Evans: It is good to receive evidence from you this morning. My first question is to the Directorate General for Regional Policy. In section 10 of your written evidence, you mention concerns about the implications of cuts in public expenditure and the impact that this may have on implementing the structural funds in Wales. Can you expand on that? Finally, you mentioned in your paper that it is difficult to compare this programme with the previous programme, because there are major differences between them. Can you explain further why there is no benefit or real use in comparing both programmes?

10.10 a.m.

[105] **Mr Flament:** Regarding the first point, the commission has already revised, with WEFO, the programme to increase the contribution rate. In other words, the match funding side of the programme of co-financing from the Welsh has been decreased substantially. Therefore, we adjusted the programme to be responsive to the economic downturn, at a time when the match funding was becoming quite critical. Considering the economy of the UK, and seeing the way that the budget was celebrated last time, all of the departments experienced cuts, primarily because of the financial crisis. If the trend continues, that might have some impact on the match funding of the programme. You are aware that the private sector, in particular, is suffering from the recession, and it is one of the main contributors to the match funding of the programme. The situation is not entirely clear, but we are reassessing the programme on a continuous basis to determine if the co-financing rate is adequate.

[106] Your next question was on a comparison with previous programmes. The delivery of the present programme is quite different to the previous one. You understand that Wales has modified the delivery system by implementing strategic frameworks for this current programme. Any project that is approved must have a good fit with the strategy framework, which has been negotiated with all partners. There is a crude emphasis in this programme on strategic delivery; in other words, the present programme has fewer projects than the previous one, but these projects are more important. Most of the projects are delivered through procurement, so Wales is designing projects in order to attract wide participation of the private and third sectors, while WEFO is reducing the administrative costs at the same time. The programme is, therefore, more manageable, and the outlooks that are sought through the delivery of the project are more strategic in nature. As a result, the programme is fully orientated towards the Lisbon strategy and the strategy for growth and jobs, which were pretty new, and underline the delivery of the new programme. Have I answered your question?

[107] **Nerys Evans:** Do, diolch. Mae gen i gwestiwn byr arall ar y pwynt cyntaf a wnaethpwyd. A ydych chi'n credu bod digon o hyblygrwydd yn y system i ymateb i unrhyw newidiadau yn y gyllideb gwariant cyhoeddus neu'r cyllid o'r sector breifat oherwydd bod yr adolygiad yn digwydd yn

Nerys Evans: Yes, thank you. I have a brief question on the first point that was raised. Do you believe that there is sufficient flexibility in the system to respond to any changes in the budget for public expenditure or the finance from the private sector because the review is continuous?

barhaol?

[108] **Mr Flament:** We are fully confident that Wales has set aside enough match funding, and we have a guarantee from the Welsh administration that match funding will be available. Nonetheless, we can never foresee changes in the economic situation. The economic situation across Europe is quite unstable for the time being and we have to adjust constantly to the economies of the regions. We are quite flexible in our approach, but we want to maintain the strategic focus of the programme, which is highly concentrated on research, innovation and representing the future of the regions.

[109] **Christine Chapman:** My first question is to both DG Regio and the directorate-general for employment. At the end of last week, we saw the latest GDP figures. Do you think that these latest figures have any implications for the way in which the current round of structural funds should be implemented in Wales? My second question is to DG Regio only. In your paper, you say that, owing to the economic recession, spend is slow to come from the European rural development fund programmes. Does that also apply to the ERDF projects specifically intended to address the impact of the recession?

[110] **Mr Flament:** The last statistics indicate that Wales is hovering around 75 per cent, but we are combating the effect of the recession with our programmes. Together with WEFO, we are designing projects that cater to the population of Wales. The selection of the projects is geared towards those that could benefit the economy of the country. As you said, the programme is 50 per cent committed and there is still 50 per cent to commit in the west Wales and the Valleys area. We still have time to adjust the strategy. The selection of projects is constantly re-examined in order to be flexible enough to deliver what is best for the local population of the region.

[111] **Mr Kintzele:** I want to add something on the European social fund programme. My name is George Kintzele, and I am the new head of the geographical unit that deals with the UK, Ireland and Latvia. On the question of GDP, you will understand that the reduction in GDP is far less difficult for Wales than it is for Ireland and Latvia. Overall, the situation in terms of that specific aspect is less dramatic than in neighbouring member states or regions. The crucial thing as far as the Directorate-General for Employment, Social Affairs and Equal Opportunities is concerned is whether we have the right balance between dealing with the recession and supporting the exit strategy. As my colleague from DG Regio has said, last year, through our excellent partnership with the Welsh administration, we agreed on changes in the programme, including changes in the intervention rate. Until now, my department has not received any signals to indicate that those amendments and modifications were not appropriate to the Welsh situation.

[112] However, we, like you, are looking to the UK budget announcement in March, and we understand that you are developing an economic renewal strategy. We would suggest that when those documents are available and those elements are known, it would be worth considering, around June or September, whether the balance is right within the European social fund programmes or whether we should have changes in order to support the exit strategy. We still have three years to underpin the Welsh and the national efforts.

10.20 a.m.

[113] To confirm what my colleague is saying, that is why we, in the commission, are ready to listen to your wishes, to look at any modification request that you would like to present in the second part of the year, and our two commissioners and the commission have agreed a fast-track procedure to adopt that within a short time span. That is how we see the current situation. We believe that the next six months will be crucial in order to assess whether there should be changes, what direction they should take, and whether they should last for the next

three years, from 2011 to 2013. That is our approach in DG Employment and Social Affairs.

[114] **Mr Flament:** On our side, we are quite open, but we believe that the strategy that was devised originally is still appropriate for the time being, especially to tackle the structural weaknesses of your economy, and that the strategy has long-term components that are geared towards the long-term economic issues that your region could face.

[115] **Jenny Randerson:** On the ESF convergence programme's priority 4, which relates to modernising and improving the quality of public services—I believe that €33 million is available—the programme monitoring committee noted that no projects had yet been approved, and that, therefore, no spend had been committed. It said that that was a significant implementation issue. My first question is to DG Employment. Is that a cause for concern for you, as well as for the programme monitoring committee?

[116] My second question is to DG Regio. Your paper says that the 2010 target for the convergence programme is challenging. Can you explain in more detail why you consider that the targets for 2010 are challenging, beyond what you have already said this morning? Do you have concerns for 2011 as a result?

[117] **Mr Kintzele:** I would like to go into some detail on your question relating to the ESF programme. I think that we have to keep the right perspective, if I dare say so to honoured Members. The thrust of last year and this year's efforts was to implement the programmes and other priorities in an appropriate way, so that we have a consistent and solid answer to your labour market and skills difficulties, which have increased in the current recession. In that context, our assessment, if we compare the programme implementation in Wales with the other ESF programme, is that the programme is well implemented. With regard to the financial aspects, we are also satisfied with the overall financial implementation, while noting that some improvements are needed. That is our assessment from a broad perspective.

[118] There are some elements in the programme, including the implementation of priority 4, which need to be closely monitored and discussed. However, from our perspective, that can be done, and will be done, through the standard partnership approach. As you know, we have a quality partnership with the Welsh administration and other Welsh partners. You are right to indicate that there is an issue, but we suggest that it can be handled through the standard, normal way of monitoring. Of course, we will need to look at it and we are convinced that, in the next two monitoring committee meetings, there will be further elements on the issue of priority 4. There are also a couple of other items that need to be approved, one of which, to our mind, is the effective delivery of the evaluations this year. As my colleague has said, there is an ambitious work plan for evaluation. We will need to assess, with the partners, the deliverables. So, this is how we situate the programme in relation to your question.

[119] **Mr Flament:** As regards the N+2 target for 2010, together with WEFO, we have observed that the expenditure is slow to come, given the difficulties experienced in the Welsh economy. We are fully minded of the facts, and we constantly monitor the spending profile of the projects here to adjust them—and WEFO in particular is doing that. We expect, as a compensating factor this year, the implementation of the JESSICA fund, which could facilitate the second N+2 obligation.

[120] According to the intelligence that I have received, 2011 will not be harder than 2010. However, with the flow of expenditure that is expected to come at a steady speed in 2011, we are reassured that WEFO is highly likely to meet the 2011 targets. However, we should bear in mind that the economic recession is not asserting a negative influence on the spending profile of the operational programmes. So, we are convinced that WEFO is doing its utmost to facilitate the delivery of the projects. It is also checking beneficiaries' spending on a continuous basis to ensure that they will make the 2010 targets. According to my sources,

assuming that the JESSICA fund is in place quite soon—maybe by the end of March—it seems that the difficulties could be remedied.

[121] **Jenny Randerson:** I want to go back to the answer on ESF priority 4. Are you surprised that there has not been as much spending as you had hoped on that particular priority? It is about modernising and improving the quality of public services. Therefore, to me, it sounds as though it should be a part of the programme that is relatively within the Assembly Government's control of expenditure, and less prey to the variations of the private sector and the market.

[122] **Gareth Jones:** Before you answer, there is a supplementary question to that from Dr Brian Gibbons.

[123] **Brian Gibbons:** I was looking at the Assembly Government decision log, or whatever it is called, and I saw something to the effect that some money had been specifically earmarked in the past couple of weeks by the Assembly Government to address some of the issues in relation to priority 4. I do not know whether our colleagues in Europe are aware of that. If that is true, will it address some of the issues that Jenny has raised?

10.30 a.m.

[124] **Mr Kintzele:** Before taking over responsibility for the UK, I was in charge of other member states—always in the geographical unit of the Directorate-General for Employment, Social Affairs and Equal Opportunities. The activities and interventions required to support the modernisation and the quality of public administration and services are very difficult. In many cases that I am aware of, they need a lot of preparatory time and specific monitoring aspects. So, we are not surprised that there are specific difficulties in implementing that priority, because we observe that in our member states and in other programmes. We are aware, as I said, of the need to have specific monitoring of that priority, and we are confident that, through our very close co-operation with the Welsh administration and with the partnership, the apparent weaknesses in the current implementation will be addressed very soon.

[125] As you know, two important monitoring committees are coming up in March and June, and we are confident that, by June, the necessary measures will be adopted and implemented. That is a part of our discussion with the Welsh administration and it will be a part of the overall review that we intend to undertake. As my colleague said, we are not only doing our standard monitoring during that specific period, but are also closely monitoring the financial implementation so that we do not get N+2 problems in any of the regions and member states. We are also looking at the level of implementation of the various authorities. So, by June, we expect to have a clear sheet on these two aspects and we suggest that, at the same time, we will have a clear view of your economic renewal policy and whether some changes have to be adopted. So, this is well planned and is well on-track, and we hope that we will get the results that you expect, namely quality implementation of priority 4, like the other priorities.

[126] **Gareth Jones:** We will now go back to Dr Brian Gibbons.

[127] **Brian Gibbons:** First, I am pleased to hear of your fairly positive view of how the programme is being implemented in Wales. Generally, your comments on WEFO have been overwhelmingly positive. I am also pleased that you are reasonably confident that we will reach all our targets. To underpin that, according to some of the information that we have seen, at the moment, the profile of spend is of the order of 8 per cent of the money that is available. We have probably got another five or six years in which to spend it, but 8 per cent still seems to be quite low. On the basis of whether you are happy with what is going on

elsewhere across Europe and based on previous historical experience—even though you say that that is not always relevant—do you feel confident that that low 8 per cent is still a fairly healthy sign? Similarly, we could be as low as 3 per cent on outputs such as job creation, but you do not seem to be unduly worried about that, which is good news for us in Wales. I would be grateful if you would just confirm that that is your view.

[128] Secondly, you have said that, over the next three to six months, you will review how the programme is going, and decisions will be taken on the direction of travel and so on. Would that include the consideration of intervention rates, for example? Even though our intervention rate has increased fairly substantially, it is still significantly lower than the maximum possible intervention rate under the structural funds programme. So, could the intervention rate be revisited if the economic circumstances and the implementation of the programme require it? Is the effective delivery of the programme the only criterion that you would use? For example, in your papers, you refer to the fact that the changed intervention rate in effect maintains the sterling equivalent of the programme. Is that the crucial issue or is it the effective delivery of the programme, regardless of the sterling equivalent, so that, if you need to move beyond the sterling equivalent to deliver the programme effectively in the face of the economic crisis, you would be happy to do so if the case can be made?

[129] I have another question, but perhaps those two can be dealt with first.

[130] **Mr Flament:** We are quite confident on our side that the financial targets will be met, given how you implement the financial engineering instruments. In addition, we feel that the Welsh administration has set aside a buffer fund to ease the pressure on match funding. For us, the match funding is quite important. We negotiated the OP on the grounds that the match funding in sterling should remain at the same level as decided originally, because we had the Welsh administration's assurances that the match funding would come along at the appropriate time.

[131] Regarding the output targets, the second element, DG Regio has agreed with WEFO to revise the targets, as we considered them to be slightly underestimated. We have indications through the contractual target that the programme is well on track to exceed the output targets. We will be doing the exercise in 2010.

[132] Concerning the effect of the recession, our understanding is that the UK is coming out of recession and that the economic picture should be brighter in the near future. We remain hopeful, as do you, that the economic conditions will improve in the near future.

[133] **Brian Gibbons:** Yes, but, if I could add—*[Interruption.]* Sorry, Mr Kintzele. Carry on.

[134] **Mr Kintzele:** It is clear from the discussion that we may be in a slightly different situation, whether you speak about the ERDF programme or the ESF programme. We agree absolutely with what our colleagues are saying about outputs and financial implementation, and we agree with you that tight monitoring and a clear assessment of the situation by you will be needed. However, from our perspective, at the same time, we would like a debate to be held in Wales about the possible consequences of your economic renewal policy and on a possible modification request, which, by the way, you are perfectly within your rights to make, as it is not the commission that takes the initiative but Welsh authorities and the Welsh Government.

[135] We have to get the policy mix right to support the exit strategy. That is a crucial element, and as the UK budget will be decided by, and announced in, March, that will be a further component that will need to be assessed on the Welsh authorities' side and on the commission's side.

[136] So, I would say that, when we have this package of assessments—that is, the tight operational and financial monitoring according to current programmes and current priorities, your assessment of the possible consequence of your own economic renewal strategy, and a discussion of the possible consequences of the UK budget—we will need, and we have agreed to be open to, a discussion with you, but you have the lead in Wales. I insist on that.

[137] 10.40 a.m.

[138] If you consider that the programmes are perfectly well fitted for the next years until 2013 and that they do not need or deserve a change, that is perfectly okay for us because we do not believe that there will be a difference in the broad assessment. However, I would like to insist that this year be a crucial year to decide the possible changes to the programme—or even to decide to make no changes.

[139] **Mr Flament:** If I may, I will add one or two elements to respond to your concern about the contribution rate. We need to bear in mind not only that you have stated a consideration, but also the additionality principle that regiments the implementation of structural funds in the UK. There is a third element that you have to be careful of, which is the substitution effects of the funds. In other words, we cannot substitute the public financing. The principle of co-operation works on the basis of co-financing. Therefore, that matter should really be analysed in collaboration with WEFO's administration, because there are wide consequences to including the contribution rate. We need to be very cautious about many aspects of our EC policies.

[140] **Brian Gibbons:** I think that that is clear enough. Thank you. I will now turn to the issue of procurement. You make reference in both your documents to procurement. I think that it is DG Regio's document that states that the delivery of the operational programme through open procurement will bring substantial benefits to Wales. However, Mr Kintzele's document states,

[141] 'Thus, the application process or the use of procurement in project delivery'.

[142] It seems to me that WEFO decides that here in Wales. I have no doubt that the open procurement process makes sense in many instances, but it has been my experience, certainly at a constituency level, that it has been very damaging to a number of well-established delivery partnerships. Indeed, some partnerships that have been project sponsors with a record of good delivery suddenly find themselves having to go through a procurement exercise for a project that they are sponsoring, which seems to be totally bonkers—if that word translates across to the commission. Can you clarify for me the decision on procurement? We are repeatedly told that the procurement route is dictated by Brussels, and that there is no discretion for WEFO on this. However, the two documents from the directorates-general are nothing like as dogmatic. If we take the DG Regio document for example, we see that it is very much a pragmatic decision: if procurement makes sense, go down the procurement route, but if it does not make sense—in other words, it damages existing delivery partnerships—there is no requirement to go down that route. Could you give some clarity on the degree of latitude that WEFO has in deciding how these projects are sponsored and delivered?

[143] **Mr Flament:** I will respond to your concern about the involvement of partners in public procurement. Bearing in mind the difficulty of getting used to public procurement, WEFO has been organising a number of training sessions to help partners to respond to public procurement. The culture of public procurement in WEFO is not part of the delivery mechanism to reduce the number of projects and facilitate the management of the programme.

[144] There are two aspects to public procurement, in our view. The first is compliance

with the directive that is in effect. In other words, the programme implies that you have to be compliant with a number of EC regulations, and I would say that that is the non-positive aspect of public procurement. The positive aspect as made known by the first results is that it better engages the partners—primarily the private and third sectors—to respond and to get associated with public procurement. Public procurement enhances competition among the potential applicants and provides equality of opportunity and transparency for the partners taking part in the process. By having a programme delivered primarily through public procurement, you involve more partners. The culture sometimes needs to be adjusted, but we believe that, over time, when the partners are made fully aware, that culture will become ingrained, the procurement process and the response will be sped up, and we will have as many partners involved in delivery as we had in the past. That is the view from the commission's side.

[145] **Mr Kintzele:** I want to come in on the European social fund, which, as you know, had a different tradition of using grants in the past. I am not sure whether the committee has seen our evidence to the House of Lords inquiry, but that was a key question raised. Our assessment of the situation is that, in the past, we used the European social fund method of grants. As the Chair is indicating, taking the UK as an example, we had many innovative projects but, unfortunately, in some regions, we had a lot of problems with the audit trail. Our assessment, supported by the European Court of Auditors and the European Parliament, concluded that there is a need to ensure full transparency, value for money, and accountability.

[146] Politically, I would like to mention that the DG Employment is moving towards supporting more public procurement with the European social fund. To encourage the use of public procurement in our domains, we are also proposing new methods of accounting, through changes in regulation, based on unit costs, or a flat rate for indirect costs. It is important for you, as Members of the National Assembly for Wales, to know that the European Parliament and the European Court of Auditors are concerned about the financial implementation, and they support the move towards more transparency in the rules. The bottom line is that they support the greater use of public procurement in the human resources development domain. So, that has been accepted by my political leadership, under the previous commission, and will continue to be accepted by the political leadership currently.

10.50 a.m.

[147] To make it crystal clear, the way forward is to have more public procurement in the HRD domain, supported by some simplification work on the accounting side. We now have a guidance document agreed by the EU-27 committee, which implements the regulations on structural funds relating to unit cost lump sums and the indirect costs at a flat rate. So, the basis is to have simplification. Public procurement should be used. It is another issue whether, in some conditions, there would be a need for different sorts of interventions for some specific measures related to the groups that are the most distant from the labour market. That is another issue that may be and will be discussed. There is an argument that there would be merit in discussing how some of these schemes are implemented if this becomes the focus of your programme, and whether we could use other methods to facilitate the involvement of and implementation by small organisations, the third sector and so on.

[148] However, this again is linked to two or three policy directions. It is linked to whether the Assembly and the Welsh Government want more dedicated actions towards that specific labour market issue. However, in general terms, I can confirm what, politically, we said at the highest level of my department in the directorate-general, which is that we are moving forward to have more public procurement in Europe for ESF implementation.

[149] **Brian Gibbons:** What you are saying is fairly clear, although I do not necessarily

agree with your point of departure because, in my experience in Wales, in many instances, the problem is not that the Government is not willing to engage with the third sector and non-governmental partners; it is that the procurement process is damaging those relationships with non-governmental organisations. So, the argument that the procurement route is, effectively, to allow non-governmental organisations to become involved does not necessarily apply in Wales. Many good working relationships with third sector and non-governmental organisations have been damaged by this procurement exercise. So, there are many instances in which this has defeated its purpose.

[150] **Andrew Davies:** Chair, I find this exchange absolutely surreal. I find it extraordinary. Brian's point is well made. We are talking about using structural funds to deliver on the Lisbon agenda, which, to give the big picture, is about making Europe globally competitive. You would not have this debate in India or China. This is surreal. Europe is becoming less, not more, competitive, and part of the reason for that is the incredible bureaucracy. As the Minister responsible at the time for drawing up the strategic frameworks and the strategy for the convergence programme approach, I can tell you that I was trying to strip out as much unnecessary bureaucracy as possible. Chair, we will have to come back to procurement, because it is a big issue.

[151] However, I wish to go back to the points that have been made. I read your papers very carefully and I have listened to your answers very carefully. As officials, you will be very careful about what you say. For me, it is not about new strategies; it is about implementation. The strategy is sound. I listened carefully to what you said about implementation. Correct me if I am wrong, but the elements of implementation that you have focused on are what I would call process issues. To use your phrase, this is about being satisfied with our overall financial implementation.

[152] So, what we have really been talking about today, and what you talk about in your papers, is commitment, spend and outputs. Where you have talked about outcomes or responding, you commend the Welsh Assembly Government for its short-term response to the recession. Under the Objective 1 programme, there was a mid-term review and a mid-term evaluation, which are not happening with the convergence and competitiveness funding programme. How confident are you that the programme is delivering its long-term strategic objectives? My fear, as a former Minister, is that we will obsess endlessly about whether we reach our N+2 commitments. A huge amount of effort will go into ensuring that money is spent and commitments are fulfilled, and the danger is that we will not achieve long-term structural change in the Welsh economy.

[153] **Mr Flament:** The programme's strategy, as it was agreed initially by the commission, is geared towards obtaining long-term results. It was decided upon jointly. I do not feel that we are obsessed by the financial targets. We are more concerned, on all sides, about the outputs and the outcomes that are obtained through the programme. We are monitoring that closely, because we believe firmly that the programme has to achieve in line with what has been decided. The strategic emphasis in the programme is about the long-term. The first two or three priorities relate to research and development and entrepreneurship. If you analyse that closely, you will see that we are catering for the long-term sustainability of your economy. There are some short-term measures in the programme, but, judging by the projects that have been adopted so far, there is quite a long-term sustainability emphasis in the selection of the projects.

[154] **Mr Kintzele:** I would like to make two further comments. First, we have said since the beginning that we have a close monitoring of policy operation and the financial aspects. So we are looking at the operational data in terms of outputs and not just the financial data. I agree with you that a mid-term review exercise would not be a bad idea and, indeed, some member states and regions have decided to do a mid-term review exercise. So this lies very

much in the hands of the Welsh authorities. As my colleague said, we are happy with the evaluation plan, which will feed in the qualitative achievements and outcomes. So, we believe that we must wait for the deliverables of the evaluation plan. That is the broad picture, so I think that there may be a slight difference of view on that.

[155] In terms of the strategy, as far as the labour market is concerned, when you look at the employment and unemployment figures, I think that there is merit in saying that the specific strategy that was agreed and negotiated in 2006-07 may need to be revised. That is our message. However, the responsibility is on your side—on the Assembly and the Welsh Government. We are open to having that discussion in June on the basis of the latest labour market data, the latest decisions on the national budget and on your economic renewal strategy. We are not saying that there is a need to revise, but that we have a moment when we can put all the elements on the table and have a discussion on whether some elements should be changed. In terms of the recession, there is currently a debate in the UK, as you know, that we need to find the right mix between getting out of the recession, keeping the long-term goals of structural adaptation, and supporting the exit strategy.

11.00 a.m.

[156] Our analysis of the labour market, for which we take responsibility, is that without a proper exit strategy you will not put in place the labour market, job creation and skills that will be necessary to face the new economic and global challenges, with new competitors such as China and India. The issue is to determine the core elements that have to be put in place in Wales to support the exit strategy, and to what extent they should be supported by the structural funds. That is how we see the situation. It is not just an issue for Wales, but an issue for all regions and all member states.

[157] **Andrew Davies:** My question was: how confident are you that the implementation will deliver on the original strategy? I accept the point that we need to be flexible in responding to the situation, but that is my fundamental question. So far, all the discussion in the papers and the questions has been about financial implementation in relation to commitment and N+2. Those are not long-term, strategic outcomes.

[158] **Mr Flament:** If we were not confident, we would renegotiate the strategy in light of the economic factors that have been affecting your economy. That is the point. We are quite open, but we have to take into account the commission's orientation and the Welsh Assembly Government's evaluation of the progress of the programme at the same time. The request should emanate from the Welsh strategy, but so far we, on the DG Regio side, have not had an indication that the strategy is being renegotiated. We see that, as an effect of the crisis, the Welsh Assembly Government is in the process of changing the culture of grants into one of investment, with money being constantly recycled into the economy. We value that; it is a good move by the Welsh Assembly Government. In addition, in our view, procurement enhances competition and gives a better opportunity for all companies, in either the private or the third sector, to participate in the delivery of the programme. So, there are positive points that could have long-term benefits for the economy.

[159] **Andrew Davies:** However, they are not new. Finance Wales received European funding, and has recycled funds. That has been in operation. So, this is not a new policy.

[160] **Mr Flament:** I agree, but the amount that is being invested in Finance Wales to assist companies during a tough economic time is fairly substantial. Secondly, we will be implementing JESSICA in Wales, which is a new instrument, and there is still the possibility for small loans. I agree with you that JEREMIE was applied in the previous programming period, but the fund is far larger now than in the past.

[161] **Mr Kintzele:** Perhaps it is about how we have understood your question, but, as far as the European social fund is concerned, if we compare the implementation of the Welsh programme with that of all the other ESF programmes, we consider that it is well implemented. In the current context, we are confident that the main targets will be achieved. We have agreed with WEFO and the Welsh authorities that, in the context of the revision that was agreed last year, the indicators will be revised slightly to make sure that they match the revision.

[162] You were saying that we put too much emphasis on N+2; I would like to tell the Assembly that, in qualitative terms, we believe that the ProAct and ReAct schemes represent best practice in Europe. So, we are not only looking at financial implementation or operational monitoring of what has been foreseen, but we are also looking at the qualitative implementation. I must say—I have already said it to WEFO and I want to repeat it to your committee—that you have schemes that represent best practice in Europe. The overall value, therefore, has to be balanced.

[163] On the other hand, if your committee comes to conclusions that there are weaknesses in some parts of the implementation—as other honourable members mentioned in relation to priority 4, or in other aspects of it—then we will look closely at your report, and analyse and discuss it. That is why this interaction is so important, and why we welcome it, because it comes at the right time. Again, as far as we are concerned, we are happy with the current implementation of the programme, because the standard of implementation is good compared to the other 100-plus programmes that we have in Europe.

[164] **Gareth Jones:** Ar y pwynt hwnnw, yr ydym yn dod at ddiwedd ein sesiwn graffu. Mae'r hyn yr ydych yn ei ddweud yn gywir, wrth gwrs: mae'n bwysig i ni allu cydrannu sylwadau a gofyn cwestiynau. Mae wedi bod yn drafodaeth hynod o agored a gwerthfawr; gallaf ddweud hynny ar ran pob Aelod. Yr ydym yn gwerthfawrogi'r ffaith eich bod wedi cysylltu â ni, a'ch bod wedi rhannu'r wybodaeth hon. Yr oedd y cwestiwn gan Andrew Davies yn un sydd o bwys mawr i ni yng Nghymru; yr ydym eisiau gweld y strategaeth hon yn llwyddo i wella'r economi drwyddi draw. Mae'n siŵr y byddwn yn cynnal rhagor o drafodaethau fel pwyllgor, ond yr ydym wedi canolbwyntio ar bwyntiau arbennig o bwysig yn ein hymchwiliad, ac yr ydym yn hynod o ddiolchgar i'r pedwar ohonoch. Dymunaf y gorau i chi, ac efallai cawn gyfle i gysylltu â chi eto yn y dyfodol.

Gareth Jones: On that point, we come to the end of our scrutiny session. What you say is correct, of course: it is important for us to be able to share comments and to ask questions. It has been an especially open and valuable discussion; I can say that on behalf of every Member. We appreciate the fact that you have contacted us, and that you have shared this information. Andrew Davies's question was one that is of particular importance to us in Wales; we want to see this strategy succeed in delivering improvements throughout the economy. I am sure that we will discuss this further as a committee, but we have focused on extremely important subjects in our inquiry, and we are very grateful to the four of you. I wish you all the best, and we will, perhaps, contact you again in future.

[165] **Mr Flament:** Thank you.

[166] **Brian Gibbons:** I would like to say that a lot of what we heard was very interesting and informative. I wonder what we do with that information, because it would be a pity for the committee to sit on it and do nothing; I do not know what your plans are.

[167] **Gareth Jones:** It is entirely in your hands. We highlighted key issues—we could have asked many more questions on procurement, and I think that Andrew was trying to do so—but, in fairness to the directorate, I think that the representatives were responding in general terms to the financing and so on, including the N+2 spend targets and hitting the

targets of the financial strategy. However, it is the outcomes that are important, and Andrew was quite right to ask that question. How we proceed from now on, armed with what we have heard, is for us to discuss further with Ben, and we will try to work out our direction for future inquiries.

[168] **Brian Gibbons:** We need to engage with either the Assembly Government or WEFO in some way.

[169] **Gareth Jones:** That is very much in line with what we have done; what we have, hopefully, done today is strengthen the format of questions that we will have for Ministers.

[170] **Brian Gibbons:** That is true. The other thing that is important is that, while there is not a formal mid-term review, a quasi-mid-term review is taking place, so I think that we have heard enough this morning for us to add some value to that.

[171] **Andrew Davies:** Following on from what Brian said, under Objective 1, and the Objective 2 and 3 programmes, there was a formal requirement for a mid-term review and evaluation. My understanding is that that was a requirement by the European Commission and that, for the current programme, there was no such requirement, but that was not what they said. They said that it was entirely a matter for WEFO as the managing authority; presumably the rules have changed.

11.10 a.m.

[172] **Gareth Jones:** I picked up on that specific point, that the onus is very much on this side, as it were. That is an issue for us to discuss further and then decide on our approach. We want this inquiry to be effective, and we have had an excellent opening discussion this morning, but there are still many questions to be answered. We can leave it there for the time being, but the question of the evaluation or the mid-term review is a key one. As far as calling the Minister in is concerned, Brian, certainly, we need to do that.

[173] **Brian Gibbons:** To try not to waste too much time, maybe we could try to clear this up in correspondence and decide at the next meeting, rather than take up time in the next meeting, and then having it decided in the next meeting after that.

[174] **David Melding:** I thought that this was the beginning of a short review. Is that not going to happen, or am I missing something?

[175] **Ms Phipps:** The Minister is coming in.

[176] **David Melding:** So, it will happen.

[177] **Brian Gibbons:** If we are producing a report—

[178] **David Melding:** If we are holding a short review, there will be a report.

[179] **Gareth Jones:** It is a structured approach and this is simply the opening scrutiny session. So, we will obviously return to it and, hopefully, we will get further details and information.

[180] Y papurau i'w nodi yw 'Darpariaeth arbenigol i bobl ifanc ag awtistiaeth mewn addysg bellach' wrth Sgil Cymru a chofnodion y cyfarfod diwethaf. Gyda hynny, yr ydym yn dod i ddiwedd y cyfarfod. Diolch

The papers to note are 'Specialist provision for young people with autism in Further Education' from Skill Wales and the minutes of the previous meeting. That concludes this morning's meeting. Thank you very much.

yn fawr i chi.

Daeth y cyfarfod i ben am 11.12 a.m.
The meeting ended at 11.12 a.m.