



Cynulliad Cenedlaethol Cymru
The National Assembly for Wales
Y Pwyllgor Cyllid
The Finance Committee

Dydd Mercher, 16 Ionawr 2013
Wednesday, 16 January 2013

Cynnwys
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Cynnig o dan Reol Sefydlog Rhif 17.42(vi) i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod
Motion under Standing Order No. 17.42(vi) to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur Labour

Jocelyn Davies	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Ann Jones	Llafur Labour
Ieuan Wyn Jones	Plaid Cymru The Party of Wales
Julie Morgan	Llafur Labour

**Eraill yn bresennol
Others in attendance**

Jeff Andrews	Cynghorydd Arbennig Special Adviser
Richard Clarke	Pennaeth yr Uned Buddsoddi i Arbed Head of Invest-to-Save Unit
Jane Hutt	Aelod Cynulliad, Llafur (Y Gweinidog Cyllid ac Arweinydd y Tŷ) Assembly Member, Labour (Minister for Finance and Leader of the House)

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

Dan Collier	Dirprwy Glerc Deputy Clerk
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Legal Adviser
Gareth Price	Clerc Clerk

*Dechreuodd y cyfarfod am 8.59 a.m.
The meeting began at 8.59 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Jocelyn Davies:** Welcome to the first meeting of the Finance Committee of 2013. I have received no apologies, so there are no substitutions today. I remind you all to turn off any electronic equipment you might have with you, because it interferes with the translation. We are not expecting a fire drill, so if you hear the alarm, it is probably a genuine emergency and you had better follow the directions of the ushers.

**Buddsoddi i Arbed—Tystiolaeth gan y Gweinidog Cyllid
Invest-to-Save—Evidence from the Minister for Finance**

[2] **Jocelyn Davies:** Let us move straight to our first substantive item, in which we shall take evidence from the Minister for Finance on our inquiry into invest-to-save. I am very grateful that the Minister is able to be with us this morning. Would you like to introduce yourself and your officials for the record, Minister? We will then move straight to the first question, if that is okay with you.

9.00 a.m.

[3] **The Minister for Finance and Leader of the House (Jane Hutt):** I am the Minister for Finance, and I have with me Richard Clarke, the head of the invest-to-save unit, and Jeff Andrews, my special adviser.

[4] **Jocelyn Davies:** As you know, we have been taking evidence on your invest-to-save project, and we note that your updated guidance for round 7 includes the statement that

[5] ‘Greatest focus will be given to projects that utilise proven approaches’.

[6] Why do you not want to consider projects that do not have a proven approach, and has anything occurred to deter you from taking up things that show some innovation and transformation?

[7] **Jane Hutt:** This is a difficult balance, is it not? We want to show what works, provide evidence and make sure that the bids have an evidence base, but it is also a matter of judgment about innovation. On proven evidence, some of them are learning lessons from other bids in terms of service change and transformation, and some of them are using a new way of working through pilot schemes. So, it is a judgment, but the point of that guidance is to say that we are looking for robust evidence, but it is not deterring innovation.

[8] **Jocelyn Davies:** So, there has not been an occurrence that would deter you or make you cautious about using a new way of working, it is just that you want to be able to provide evidence of the strength of the bids.

[9] **Jane Hutt:** Yes, and the interim evaluation has helped us along the way as has having the time to monitor projects. We see where there are weaknesses and strengths, and that all feeds into our judgment when we look at new bids.

[10] **Ann Jones:** The information that we have gathered from visits and evidence suggests that the cost of preparing an application to the invest-to-save fund could have an impact on whether organisations then follow through. So, what does the Welsh Government do to ensure that organisations get the support that they need to allow them to make an application in the first instance?

[11] **Jane Hutt:** The invest-to-save process has been kept as simple and accessible as possible. It has been interesting and valuable that the committee has gone out to test this with organisations that either have been involved or are considering being involved. I also mentioned evaluation, and the interim evaluation included interviews with a lot of successful applicants and some unsuccessful applicants, and lessons have been learned from that. However, we have a simple form, which requires information that should be easily available to organisations. It should not be onerous. There are also opportunities and funding to look at more complex preliminary works—there might be a feasibility study—and we have helped a few projects with that.

[12] **Ann Jones:** Some of the comments that I received were about geography; if an invest-to-save project was being thought of somewhere that is not close to Cardiff, a lot of time was involved in travelling back and forth for what could sometimes be a half-hour or 40-minute meeting, yet when they suggested video-conferencing, it was not acceptable. Is that the sort of thing that you should be looking to tighten up so that geography does not have a bearing on whether people will put in an application? If they have to travel eight hours for a half-hour meeting—that time is valuable, is it not?

[13] **Jane Hutt:** I certainly find that unacceptable, so I will ask Richard for an indication

on that.

[14] **Mr Clarke:** Video-conferencing opportunities are always used; we have used it. It is fair to say that, sometimes, the technology is not as good as it might be, but we have used it. We will always explore the opportunity of holding the panel meetings elsewhere. Of course, that means that we are looking for several shortlisted proposals in a particular area, but that is always an opportunity, and the panel has always accepted that as a reality. Video-conferencing is offered at the time when the panel meetings are agreed and is perfectly workable.

[15] **Ann Jones:** Will you strengthen that point so that those organisations are aware that that is a possibility?

[16] **Mr Clarke:** We do at the time that they are invited, but we will continue to make sure that that is the case, and encourage it.

[17] **Jocelyn Davies:** Obviously, that is not the experience that people have had. In terms of the bids that you receive, is there a fair geographic spread?

[18] **Jane Hutt:** In terms of the latest round, we are just assessing those. Richard can probably talk more about those.

[19] **Mr Clarke:** Yes, we have a good—

[20] **Jocelyn Davies:** Could you let us have a note on where the bids have come from?

[21] **Jane Hutt:** To go back to this point, it is helpful that you have made these visits as well as the evaluation. I am sure that this will be reflected in your report, but I would also want to know where there is this alleged refusal, because it is not appropriate. We can work online and by telephone, and panel meetings can move around the country. That is something that we really want to nip in the bud.

[22] **Julie Morgan:** There is a recommendation in the interim evaluation that bids would be themed. We have had different responses to that in the evidence that we have had, with some people welcoming it and others feeling that smaller bids might be squeezed out. Is it the intention to introduce thematic bidding rounds? How will you ensure that the smaller projects do not get squeezed out?

[23] **Jane Hutt:** There is a great value in having some thematic bids, particularly when we are trying to align this with public service transformation, and the public service leadership group is very engaged in promoting the fund to ensure that organisations can make use of it. There are certain work streams that lend themselves well to the invest-to-save fund, like asset management. Certainly, we do not want to limit it so that other organisations and one-off projects could not benefit. We are not limiting bids by a narrow theme, and we do want the widest possible range of projects. Smaller organisations and lower-value projects certainly have access to the fund, but where there is a proposal that has a theme, such as reablement, which is one area, then that would be welcome. However, it is certainly not exclusive in terms of thematic bids.

[24] **Julie Morgan:** So, it is just a sort of approach, really, that will not exclude.

[25] **Jane Hutt:** Yes, it is an approach and an opportunity to link it to a wider programme for government objectives. In that context, I have mentioned the public service leadership group. It is proving to be a valuable fund for that work. If you look at the national assets working group, we have Cardiff local service board's asset review, we have Powys County

Council's regeneration of Brecon town centre, and Cardiff and Vale University Local Health Board's estate strategy—these are programmes of work and projects that have come out of the public service leadership group's national assets working group. So, in a sense, the thematic route is stimulating opportunities, but it is certainly not exclusive.

[26] **Julie Morgan:** We have also had evidence that introducing thematic bidding may reduce the time that there is to put in an application, and I just wondered whether you could comment on that.

[27] **Jane Hutt:** The strong message from the Minister and the Government is that smaller organisations and lower-value projects have access to the scheme, but collaborative working offers advantages. That is about scale, access and lessons learned, and about making sure that we progress as far as that is concerned. I do not think that it should be limiting in that way. It can provide an opportunity and make sure that, where there is an element of collaboration, it can also provide a steer for public service development.

[28] **Julie Morgan:** You talked about giving ample time for people to apply; what would you say is 'ample time'?

[29] **Jane Hutt:** I gave my written statement on 5 November for the next round and that round closed on 7 January. We have now suggested that the next round will be held in November 2013. So, there is ample time. If there were funds available, I would want to consider it mid-year as well. However, once again, that is one of the lessons learned. There are many who are looking at invest-to-save and are starting work on it and now know that the next round, beyond this one, is in November.

[30] **Jocelyn Davies:** So, Minister, in terms of the themes that you have, do you have funds allocated for each theme?

[31] **Jane Hutt:** No.

[32] **Jocelyn Davies:** You mentioned asset management; you would not restrict the bids to a proportion of the overall fund for asset management. They could all be related to asset management or, perhaps, not.

[33] **Jane Hutt:** Certainly not. As the scheme is used more and becomes more popular, we have to make judgments about priorities, because we have, for example, voluntary early redundancy schemes. Invest-to-save is another route for that, particularly the NHS. However, the public service leadership group has work streams, one of which is service transformation, a lot of which is about reablement. We started with the Gwent frailty project, but we now have a number of projects across north and south Wales. So, it is certainly not exclusive to the thematic bids or to one work stream of the public service leadership group.

[34] This is interesting; as the fund matures, people will feel more confident. Taking on board the points raised by Ann Jones earlier, we have to make it accessible and geographically balanced, but the Government will then have a tougher choice and tougher decisions to make about who will get this money.

[35] **Paul Davies:** I want to ask some questions about the investment threshold of the fund. From the evidence we have received, the £200,000 threshold may be a barrier to entry for smaller organisations and smaller projects. Last week in Plenary, you made a commitment in response to a question I asked you to keep the threshold under review. Will you tell us what opportunity there is to introduce flexibility into the fund to ensure that this threshold does not become a barrier to entry?

[36] **Jane Hutt:** I was grateful for your question last week during the finance questions. I can give you the reassurance that we are considering projects that are below the £200,000 threshold. However, that threshold has helped us to be more strategic and to target projects that give a good return for investment. This has come as a result of the experience of using the fund. It also comes back to the point about organisations putting in time to develop bids knowing or hoping that there is a fair chance of their being successful. Our finding is that the £200,000 threshold is a valuable steer, but it is certainly not excluding smaller projects that might be appropriate and fit the criteria. What we certainly do not want are projects that offer poor value for money and projects that are not strategic and where invest-to-save is not necessarily the appropriate route.

[37] **Paul Davies:** We received a letter from the Minister for Local Government and Communities informing us that the asset management pilot met the invest-to-save threshold as it was applied at a programme rather than a project level. Given that the smaller organisations that you have talked about cannot group projects together in that way to be considered at a programme level, this could put them at a disadvantage. What consideration are you giving to ensuring that smaller organisations are not disadvantaged in that way?

9.15 a.m.

[38] **Jane Hutt:** That goes back to using the public service leadership group in a strategic way. It has an asset management work stream. That group includes chief executives from local government and health boards. It brings groups of applications together to provide appropriate and value-for-money bids. The work stream groups the bids together; not the organisations. So, it works as a useful gateway for smaller organisations.

[39] **Paul Davies:** To clarify, smaller organisations can get together in order to put forward an application.

[40] **Jane Hutt:** They can, but the work stream provides the steer. Anyone in asset management—it is a small country; it is a small world—tries to follow good practice and access invest-to-save, or other routes, if those are helpful. So, this has produced a helpful gateway to bringing those smaller bids together at an appropriate level.

[41] **Paul Davies:** How many applications for funding below the £200,000 threshold did you receive in the recent bidding round?

[42] **Jane Hutt:** I understand that lower level bids, as I said, have gone through the national assets working group. We have not had any one-off individual bids below the £200,000 threshold, as far as I know, but a few have been grouped together under the asset management work stream.

[43] **Mr Clarke:** That is quite right, Minister. We have had one bid that is just over the £200,000 threshold—£201,000—from a health board. Through the national assets working group, we have a new programme of projects that it has pulled together, which are quite considerably lower in value than that threshold; some are around £30,000. However, they are all working towards the priority area that has been identified.

[44] **Mike Hedges:** One of the things I actually understood in the contributions of those who came to speak to us was what was said by the National Botanic Garden of Wales. It came in with a relatively simple project that required well under £200,000, through which they put in something that would save on its electrical costs over a long period of time. It was simple and easy to identify. Given your answer to question 3 and your answers to Paul Davies's questions, would such a scheme get through this time?

[45] **Jane Hutt:** That is a good example of a scheme that has been very successful. I noted with interest the response of the garden's representatives to the process and that they felt that it had been very valuable. I would not exclude a good scheme that had got through the first bidding round. I have said to Paul Davies already that I am keeping the £200,000 threshold under review. That scheme was at an earlier stage—

[46] **Mr Clarke:** It was at an earlier stage, but, interestingly, that scheme was about energy efficiency and effective and good estate management. Therefore, it could align with the work of the national assets working group, as one of its priority areas. That group has been looking at energy efficiency across the public service estate, so it is quite likely that such a scheme could go through that route, even if the bid were of a lower value.

[47] **Jocelyn Davies:** However, it is unlikely that an organisation, having seen your criteria, would make a bid for less than £200,000. So, today, the National Botanic Garden of Wales would probably not make a bid.

[48] **Mr Clarke:** I would like to add to that, because the national assets working group invites bids alongside, so there is almost a separate process of identifying other opportunities. So, although our overarching guidance goes out, alongside it, the national assets working group invites bids in pulling together its programme of work.

[49] **Jane Hutt:** To follow on from that, we also have a responsibility to make sure that organisations such as the National Botanic Garden of Wales, which might not be part of this leadership group, have the knowledge and access to come in. So, we could consider that in our guidance and perhaps point them, for example, from the national assets group to the lead organiser so that they can come in. We certainly do not want to exclude them. For the National Botanic Garden of Wales it was probably one of the key factors of its sustainability project.

[50] **Ieuan Wyn Jones:** What is so magical about the figure of £200,000?

[51] **Jane Hutt:** This, again, is a result of experience of the fund over the years. I do not think that it is magical at all. As I said, it is under review. Perhaps Richard can elaborate.

[52] **Mr Clarke:** How was it arrived at? Originally, and as has been mentioned to you previously, I think, when a threshold was considered, it was £100,000. As part of the appraisal of looking at what had happened to the bids that had come in under various thresholds, that is what we looked at. I think that we looked at £50,000, £100,000, £200,000 and all the way up. We looked at the individual, what the value for money would be, and what would be the likelihood of success for those projects. We found, initially, that projects up to £200,000 had less chance of success and were not being taken forward for various reasons. On some occasions it was because the projects were actually being withdrawn by the applicants themselves because they found that they could afford them within their own resources as time moved on, especially if they were around the end of a financial year. On other occasions, we found that quite a number of projects fell by the wayside because they did not meet the key criteria of the scheme. So, there was quite a high mortality rate. So, we found that it was up to that level of £200,000 where most projects were falling by the wayside. Above it, we also found that projects were more likely to have a chance of success and also delivered greater value for money for the investment that was being made.

[53] **Ieuan Wyn Jones:** Do you accept that if you put that figure on, some schemes under £200,000 will lose out?

[54] **Mr Clarke:** That is where I think that the Minister has—

[55] **Jane Hutt:** As I have said, we will keep this under review. It is interesting that if you looked at the interim evaluation, which has steered us in terms of this threshold arrangement and review, you would see that its recommendations, in terms of looking at the number and value of projects to be funded in future rounds, for example, and their impact on maximising efficiencies, all led to the decision about moving from £100,000 as a minimum to £200,000. In a sense, we are also talking about the opportunities for smaller projects to come together—to be grouped under the asset management route. As I said to the Chair, we should make this much clearer to projects that sit directly outside the public sector, and perhaps more into the third sector and other parts of the public sector. This is obviously something that we will keep under review.

[56] **Jocelyn Davies:** I know that Mike wants to come in on this.

[57] **Mike Hedges:** From my examination of the projects that have gone through, I came to exactly the opposite conclusion to the one that you have just come to. I would be very pleased if I could ask, via the Chair, for a note giving an explanation of the statements that you have just made.

[58] **Jocelyn Davies:** Yes; it is slightly odd that you would say, Mr Clarke, ‘Some of those projects did not meet our criteria, so we are adding other criteria’. If they did not meet the criteria, they should not have been considered in any case. It did not matter whether they were under £200,000 or over £200,000; they did not meet the criteria. Is it not one of the criteria that, if you can afford this yourself, you should not be applying to the Welsh Government for invest-to-save funds? There are criteria that these projects did not meet, and now you have added another one on top, which is this £200,000 threshold, which excludes projects that would meet your criteria. It seems a bit confused to me.

[59] **Jane Hutt:** We will certainly provide a note. Perhaps I could refer back to the interim evaluation, which led to this change, but also give reassurance about the prospects for bids under £200,000.

[60] **Jocelyn Davies:** It might be the case, Minister, that you are inundated with bids and you need to have some sort of threshold in order to manage their number. That is a more sustainable answer than saying that, as the projects were not meeting your criteria, you decided to add another one.

[61] **Jane Hutt:** That is certainly not a basis for change.

[62] **Jocelyn Davies:** No. Shall we go on to your question, Chris?

[63] **Christine Chapman:** I want to pursue the issue of the stage 2 panel process. The organisation that I visited last week found that the relationship with Welsh Government officials was helpful in the process. On the other hand, we have also received evidence that some organisations felt that the process was a bit daunting. We took evidence from the National Botanic Garden of Wales, and the comments of its representatives are on the record. Would you agree with this perception that they feel that the process is daunting?

[64] **Jane Hutt:** Certainly, I would hope that it was not daunting. As a result of feedback on people’s experience of the panel, we have given more guidance on what to expect from panel meetings. They are not meant to be formal interviews—Richard is part of this—but are about discussing aspects of the projects and clarifying whether they fit the criteria and who is going to take responsibility for taking them forward. It is meant to be a non-bureaucratic mechanism: rather than more form-filling, it is much more a question of taking things forward at that stage so that a decision can be made. There is guidance and a steer as to what to expect at the panel.

[65] **Christine Chapman:** What about the smaller organisations? We cannot afford to lose anybody who may be put off by the process. You have mentioned more guidance. Have you any other thoughts on how you can improve the situation?

[66] **Mr Clarke:** May I say a bit about the process? Once a project is shortlisted, we will have a conversation with them. The whole idea of the panel is to have a conversation. It used to have this stigma of being like *Dragons' Den*, but that is not where we are with this. This is about a useful exchange of information to gain a better understanding. The purpose of the panel is to come to a view in order to offer a recommendation for the Minister to decide whether or not a project might have access to the fund. The whole idea is that, once a project is shortlisted, we get in touch with them and give them feedback, at the outset, on the issues that the panel drew attention to during the shortlisting process, and on areas it wanted to explore in more detail in order to clarify the project proposal. We then send a guidance note, which says what to expect. We help with the arrangements for them to come along to see us, whether through a video-conference or whatever. We help them to set up those arrangements. We have learned this through experience, because it is fair to say that, early on, we did not go to that level. By the time it comes, it is a short meeting, and we find that to be the best way of making use of the time of all parties. It is an opportunity for them to ask questions of us about the fund. Hopefully, that is much more helpful.

[67] **Julie Morgan:** The project that I visited did describe it as the 'dragons' den', and they did find it quite daunting, but I was impressed with what they were doing. One of the points that they made was that there was nobody on the panel with the clinical expertise that they had expected. They were quite surprised, because it was a complex project to describe. Could you comment on that?

[68] **Mr Clarke:** The panel seeks comments from colleagues who have the expertise. Very often, the panel will not necessarily have someone who has specialist knowledge of the project areas. These projects cover the whole breadth of public service delivery. As an alternative, it seeks comments at the application stage—it shares the application and seeks views on it—so some of the panel's questions have been provided by other professional bodies within the service. We also share the presentations. They mostly come to us with a PowerPoint presentation and provide other information, which we share with our colleagues within the wider Welsh Government as well.

9.30 a.m.

[69] **Julie Morgan:** So, who is on the panel?

[70] **Mr Clarke:** Individuals? It draws from the finance—

[71] **Jane Hutt:** Can we provide a note on that?

[72] **Jocelyn Davies:** Yes. I just wondered, if somebody was coming to make a presentation in support of their bid, how many people would they be faced with, do you think? Mr Clarke, how many people would be around the table?

[73] **Mr Clarke:** Usually around four.

[74] **Jocelyn Davies:** So, it would be a panel of four. I was wondering, when you called it a conversation, whether you think you have come to have a conversation with us this morning. Is this a conversation?

[75] **Mr Clarke:** It is a sharing—

[76] **Jocelyn Davies:** It is a bit like you coming here and us testing the robustness of your arguments, is it not? I should not imagine that many people would put themselves up for that if they could possibly avoid it. It is just a panel of four people, however, is it?

[77] **Mr Clarke:** It is, and they have the opportunity to bring a similar number.

[78] **Jocelyn Davies:** So they are supported in terms of—

[79] **Mr Clarke:** Yes, indeed.

[80] **Jane Hutt:** Also, I am sure that the people you have met and their experience has been really helpful, but it has to be robust because it is highly competitive. This is valuable money, and, in a way, I am sure that it is a really good experience for them, as they are probably mostly applying for things just through written forms. I note that Dr Plummer from the National Botanic Garden of Wales was complimentary about the two-stage process and the fact that she felt that it was professional.

[81] **Ieuan Wyn Jones:** What would be helpful is if we could find somebody who was not successful to see whether they shared the same view. [*Laughter.*]

[82] **Jocelyn Davies:** Chris, did you have any more questions?

[83] **Christine Chapman:** I have some specific questions. The application deadline for round 7 was 7 January. Would you have details of the number of applications received, the sectors that applied for funding and the types of projects requiring investment?

[84] **Jane Hutt:** Yes. There has been a very good response to this round. Just from speaking to Richard earlier, I think that there have been 21 expressions of interest. In terms of looking at the sectoral spread, 20% relate to public-service-wide proposals, 20% are from local government and the majority of the others are from the NHS. So, at this stage, I cannot give you any more detailed information, but I understand that there is, for example, a re-submitted application proposal from the last round. That is also something that we have not discussed today, namely that some proposals, as a result of support and advice, are re-submitted. We will be shortlisting at the end of the month and we will be making an announcement in early March.

[85] **Christine Chapman:** Are there any changes from the last round or any themes emerging, would you say, in terms of the type of applications coming forward and the sectors, and is there an increase in applications?

[86] **Jane Hutt:** As I said, there are more, which is very good, because there were nine in the last round and 17 in round 5, but, as you can tell from what I have said, the NHS is leading in terms of the number of bids submitted. With regard to the NHS, as I said, voluntary early release features, but some other e-rostering arrangements are also emerging. However, there is a good representation from across the public sector. We will be able to give more details, obviously, as they come through for consideration.

[87] **Christine Chapman:** Are you reasonably content with the volume and type of applications coming forward, or do you think that there could have been more?

[88] **Jane Hutt:** This inquiry, statements I have made, questions to me in the Chamber, and work with the public service leadership group are all really important and the invest-to-save fund is now growing in maturity and there is greater professional confidence in it. I think that we have had a much better response than we had in the last round; the issue now is that

we have only limited funds to allocate, so success breeds its own problems.

[89] **Ann Jones:** It is obvious that the NHS and local authorities are well into invest-to-save and understand it and have all the ways in which they can do it. There are some smaller organisations, however, that possibly do not know about invest-to-save, or are unsure about whether it would fit any of their ideas. How will you as a Government ensure that all bodies that are eligible to apply for the invest-to-save fund—I know that you are saying that it is successful now and that you have challenges with the amount of money available—are aware of its existence in an effort to promote and widen the uptake?

[90] **Jane Hutt:** It is geared towards the public sector and, working through the public service leadership group, we would expect organisations such as the Welsh Local Government Association—. I do not think that we need to do any more in the NHS, as all those bodies know about it. It is interesting to look at, and I have been asking questions about further and higher education, for example. I believe that a proposal is coming through in this round that includes an FE project, and that is in partnership. Also, there is the voluntary/third sector. We could possibly do more to engage with that. I do not think that we would need to do any more with local government and the NHS, but it is widening out.

[91] Also, as I have said, our officials are raising awareness at every opportunity, at workshops and conferences, and I think that this inquiry is also going to be very valuable.

[92] **Ieuan Wyn Jones:** A oes perthynas o gwbl, Weinidog, rhwng eich cronfa buddsoddi i arbed a'r gronfa cydweithredu rhanbarthol sy'n cael ei gweithredu yn adran Carl Sargeant? Gan fod eich cronfa chi yn golygu bod rhaid i bobl dalu'r arian yn ôl, lle na fydd rhaid yn achos cronfa Carl Sargeant, beth yw'r gorgyffwrdd posibl rhwng y ddwy gronfa, a sut y mae rhywun yn asesu pa un o'r ddwy y dylid mynd ar ei hôl?

Ieuan Wyn Jones: Is there a relationship at all, Minister, between your invest-to-save fund and the regional collaboration fund being operated by Carl Sargeant's department? Given that your fund requires people to repay funding, whereas that is not the case with Carl Sargeant's fund, what is the possible overlap between both funds, and how can someone assess which of them they should pursue?

[93] **Jane Hutt:** I have had close discussions with the Minister for Local Government and Communities on the ways in which the regional collaboration fund and the invest-to-save fund can align closely. Indeed, it is important in terms of the regional collaboration fund that guidance has now been produced, and the Minister has written to local authorities, mentioning not only the regional collaboration fund and its criteria, but also invest-to-save as another route.

[94] I think that it has been very valuable, in terms of us working together, that we have clarified the difference between them and the opportunities. If you look at the regional collaboration fund, it offers a one-off grant. It is important that that is a grant that can help to drive collaboration. It may not have that recyclable loan repayment as part of its main intention, but, obviously, we must have value for money in terms of the regional collaboration fund. So, it has its place, and there is close working between our officials and the regional collaboration fund officials.

[95] The regional collaboration fund will have its benefits in terms of collaboration, but it may not realise those early release savings in the way that the invest-to-save fund would expect.

[96] **Ieuan Wyn Jones:** Os mai cael awdurdodau lleol i gydweithio â'i gilydd ac arbed arian yw bwriad Carl Sargeant, beth

Ieuan Wyn Jones: If Carl Sargeant's intention is to have local authorities collaborate to save money, what is the

yw'r gwahaniaeth rhwng y ddwy gronfa?

difference between the two funds?

[97] **Jane Hutt:** It is partly this: when invest-to-save bids and proposals are developed, it is important that they meet the criteria in terms of generating savings to repay the investment, whereas the regional collaboration fund may be to drive collaborative engagement and co-operation—as you said, the Minister wants to see that co-operation—but financial benefits are not the first port of call; that may be a longer-term initiative. It may be about service improvement through a regional collaboration fund proposal. It will be interesting to see what comes forward and which route authorities will choose, and we will be able to test it out there. However, it seems to me that it is good that there are two routes—there is a non-repayable grant for collaboration and there is invest-to-save, which is already tried and tested.

[98] **Ieuan Wyn Jones:** Onid ydych yn pryderu y bydd perygl y bydd awdurdodau lleol ond yn mynd ar ôl y grant na fydd yn rhaid ei dalu'n ôl, yn hytrach na'ch cronfa chi?
Ieuan Wyn Jones: Are you not concerned that there is a risk that local authorities will pursue only the non-repayable grant, rather than your fund?

[99] **Jane Hutt:** Well, we have already tried and tested the invest-to-save fund, and local authorities have taken it up and found it to be very valuable for asset management and service change such as reablement. We must also remember that only a relatively small amount of money is available through a grant from the regional collaboration fund. Also, invest-to-save is not just about collaboration. Local authorities have used it and it has been about service transformation, and about reablement for the health service. It has not necessarily all been about collaboration.

[100] **Ieuan Wyn Jones:** Dywedoch yn eich ymateb i'r gyllideb ddrafft y byddech yn disgwyl i'r ddwy gronfa ddelifro gwerth am arian. Yn eich cronfa chi, mae gwerth am arian yn amlwg, sef eich bod yn disgwyl y bydd y grant yn cael ei dalu'n ôl ac y bydd arbedion. Beth yw'r meini prawf gwerth am arian yng nghronfa Carl Sargeant?
Ieuan Wyn Jones: You said in your response to the draft budget that you would expect both funds to deliver value for money. In your grant, value for money is obvious, in that you expect the grant to be paid back and that there will be savings. What are the value-for-money criteria in Carl Sargeant's fund?

[101] **Jane Hutt:** Collaboration is a key objective of the value-for-money funding stream that he has now initiated. I think that you have had a response from Carl Sargeant on the role of the regional collaboration fund, which, I hope, will justify, in terms of value for money, the expectations regarding the outcome of the fund.

[102] **Jocelyn Davies:** So, Minister, you do not have a say in which bids are successful for Carl Sargeant's fund. You have invest-to-save under your remit, but the bids for Carl Sargeant's fund do not come to you and go through an entirely different process, I assume. Of course, his fund has been top-sliced from those local authorities anyway.

[103] **Jane Hutt:** The criteria for his fund were developed with local authority leaders. As I said, local government is made aware of invest-to-save as a route alongside the regional collaboration fund, but our officials are working very closely together on this. It is very early days in terms of the regional collaboration fund, so we need to test that out.

[104] **Jocelyn Davies:** So, the agreement to have access to his grant is within his own department—each bid does not go through this central process and involve you, because that is within his own gift.

[105] **Jane Hutt:** Yes, it is his decision in terms of the regional collaboration fund. It is

local authority money, it is his budget—

[106] **Ieuan Wyn Jones:** Y cwestiwn rydym yn ceisio ei ofyn yw: gan eich bod wedi rhoi meini prawf gwerth am arian ar ei gronfa ef, a oes gennych swyddogion ar y panel fydd yn penodi'r bobl fydd yn llwyddiannus o ran grant Carl Sargeant?

Ieuan Wyn Jones: The question that we are trying to ask is: since you have placed value-for-money criteria on his fund, do you have officials that will appoint the people who will be successful in terms of Carl Sargeant's grant?

[107] **Jane Hutt:** As far as I know, and it is very early days, guidance would be sought—it always is in terms of a financial basis anyway—to ensure that it was a value-for-money route. It is a policy decision by the Minister. Richard, I do not know whether you been involved in any decisions yet, have you?

[108] **Mr Clarke:** The bids for the new fund have only just come in, but I can confirm that some of the invest-to-save panel member officials have also been invited to look at the new bids that are coming in for the regional collaboration fund.

[109] **Jocelyn Davies:** Thank you for that clarification.

9.45 a.m.

[110] **Ieuan Wyn Jones:** Y pwynt olaf felly, Weinidog, yw eich bod wedi dweud y byddech yn edrych ar, er enghraifft, briodoldeb y ddwy gronfa ar gyfer ceisiadau arbennig fesul achos. Os yw hynny'n wir, gallech chi neu eich swyddogion ddweud bod cais gan awdurdod lleol yn fwy priodol ar gyfer y gronfa arall. Sut mae hynny'n mynd i ddigwydd?

Ieuan Wyn Jones: The final point therefore, Minister, is that you said that you would look at, for example, the appropriateness of both funds for specific bids on a case-by-case basis. If that is true, you or your officials could say that a bid from a local authority would be more appropriate for the other fund. How will that operate?

[111] **Jane Hutt:** These are very early days, but we will see how this operates through the consultation that has already commenced. I am sure that there will be more questions about how the regional collaboration fund will deliver, and the Communities, Equality and Local Government Committee will be interested in that as well. However, what is important to me is that I clarify that invest-to-save is a route; it is not just about collaboration, but the early release of savings, as it is about linking into the public service leadership group. It has always been embraced and accepted by the Minister for local government as an important route for service transformation and access to funding from the Welsh Government.

[112] **Ieuan Wyn Jones:** A gaf i gadarnhau, felly, os yw awdurdod lleol yn gwneud cais o dan gronfa Carl Sargeant a'i fod yn ymddangos i'r swyddogion sydd ar y panel ei fod yn fwy priodol ar gyfer buddsoddi i arbed, a fyddai modd ei symud o un gronfa i'r llall?

Ieuan Wyn Jones: May I therefore confirm that if a local authority makes a bid under Carl Sargeant's fund and it appears to the officials who are on the panel that it is more suitable for the invest-to-save fund, would it be possible to shift it from one fund to the other?

[113] **Jane Hutt:** Yes.

[114] **Jocelyn Davies:** Ann, can we move on to your questions? I remind Members that—

[115] **Ann Jones:** Peter is next.

[116] **Jocelyn Davies:** I am sorry; yes, it is Peter. We are overrunning slightly—that is not a reflection on you, Peter—so I remind Members of that.

[117] **Peter Black:** To follow on from that set of questions, when you come to evaluate invest-to-save bids, you have a set of criteria and stages that an application has to get through before coming up against the *Dragons' Den*-type panel, which determines whether a bid is successful. Is there a similar process in terms of the regional collaboration fund?

[118] **Jane Hutt:** That question needs to be addressed to the Minister for local government, not me. We have covered the ground in terms of the guidance from our officials when requested.

[119] **Peter Black:** You have already said that you might get an applicant for invest-to-save funding that you might want to push towards the regional collaboration fund, and it might work the other way as well. How do you know that the evaluation of that is robust if you do not have similar assessment criteria?

[120] **Jane Hutt:** It might be helpful, particularly in terms of time—

[121] **Jocelyn Davies:** I do not suppose that you have an example of this, Minister; you are just saying that, theoretically, it is possible.

[122] **Jane Hutt:** If it would be helpful for me to write to you, with the Minister, to clarify that point, we will do so.

[123] **Jocelyn Davies:** Okay.

[124] **Jane Hutt:** This is a small world, is it not, in terms of the knowledge base of what is available? You have to recognise that the Welsh Local Government Association has a responsibility and is engaged in promoting and progressing both schemes. The RCF is new, and we will need to test that and monitor how effectively the invest-to-save fund sits alongside it in terms of opportunities.

[125] **Peter Black:** It is because it is a small world that we are concerned about why you have two funds to do, effectively, the same job.

[126] **Jane Hutt:** We could go back over this again. If I can clarify—well, I think that it speaks for itself.

[127] **Jocelyn Davies:** No, you have clarified this, Minister: Carl Sargeant's fund is to encourage collaboration, yours is to encourage savings, and sometimes they cross over and sometimes they do not. I think that you have made it clear that there is a difference between the two funds.

[128] **Peter Black:** Will the invest-to-save fund now not consider collaboration projects?

[129] **Jane Hutt:** We have already been through the importance of asset management, for example, where there is a great deal of collaboration. In fact, the smaller projects that might be from more than one authority are a useful vehicle for the invest-to-save fund, and there is some real learning going on about the ways that local authorities can make efficiencies as a result of invest-to-save funding. So, they are learning from each other.

[130] **Peter Black:** So, if a collaboration project came before the invest-to-save panel, how would you consider whether or not that should be referred to Carl Sargeant's fund?

[131] **Jane Hutt:** We have our criteria; it is not totally horses for courses. It will be a question to consider. We have already talked about our two-stage process, so, at the first stage, when they apply for invest-to-save, we might say that something might be more appropriate for regional collaboration. That is the benefit—we could say, ‘This is possibly open to either scheme’. However, again, we should test it out because the first round is only just coming through for regional collaboration.

[132] **Peter Black:** This is my last point; I will ask about evaluation later on. Were you expecting fewer applicants from local government as a result of the collaboration fund being set up?

[133] **Jane Hutt:** No. In fact—and I think that I mentioned this—around 20% of this round was from local government and around 20% were pan-public sector. So, it is progressing and it has not made an impact. Do not forget that it is also a very small amount of money; £10 million will not go very far.

[134] **Peter Black:** It is a small amount of money in a small world. [*Laughter.*]

[135] **Ann Jones:** The guidance for the invest-to-save fund states that projects must sustain or enhance citizen-centred public services, yet, last April, the Public Accounts Committee stated in its report that it was concerned about the level of the impact of workforce reduction. Some of what you have said in relation to the invest-to-save fund has been related to workforce reduction. So, how do projects that come forward with schemes like e-rostering and voluntary early release schemes fit in with the concerns of the Public Accounts Committee, and how does the invest-to-save panel take those concerns into account when it evaluates which application to give the go-ahead to?

[136] **Jane Hutt:** That is a valuable and important point, because the invest-to-save fund is looking to support projects that sustain and enhance public services as well as deliver savings, so in appraising the proposals and the bids, they have to consider both of those aspects. The NHS in particular has made great use of the voluntary early release scheme. The release of staff can help the service to shape future prospects just in terms of the type of staff that come through. From looking at this, the majority have been approved to come from support staff—administrative and estate staff—and some in managerial positions. So, it is important. All voluntary early release schemes have to look at the impact on front-line staff. Voluntary early release schemes can increase the number of front-line staff because of how they are developed. The criteria being used for approval include evidence that is needed about loss of skills and experience or capacity, which is crucial to any voluntary early release scheme. It cannot have a detrimental effect on safety, quality or efficiency of service.

[137] **Mike Hedges:** We heard evidence that it was difficult to tie some of the benefits directly to the invest-to-save investment, especially when more than one organisation or investment source was involved. Also, having looked at some of them, I can see, from the personal experience of others trying to do something very similar, that one or two looked highly ambitious in terms of their expected returns. How is this factored into the evaluation of individual projects and to the fund as a whole?

[138] **Jane Hutt:** When I came before the committee last time, I talked about the enhanced arrangements for the evaluation of projects, which means that very early in a project’s life, we consider how improvement can be measured. So, that has been factored into the follow-up evaluation of the fund. We are seeking to find ways in which we can look at outcomes achieved as a result of that evaluation.

[139] **Jocelyn Davies:** One issue that concerns the committee is that organisations, when they make their bid, can make claims about the savings that will be accrued, but when they

are asked to measure the savings afterwards, they will say that they are difficult to measure. What happens in the meantime, apart from the fact that they have had their hands on your money and have spent it? Can we assume that the evaluation process, and the process that they had to go through to get the money, pins them down on how they will measure the savings? With some organisations, it seemed that it was more of an art than a science in terms of counting up how much they were saving.

[140] **Jane Hutt:** We are always talking about the outcomes, as well as the outputs of our investment, and it can be said that invest-to-save is helping to sharpen up the analysis of outcomes. The money has gone in and it has been spent. This is about the outcomes, and how we can show that the investment is a catalyst and a facilitator for change. That can include real cultural change in an organisation and how collaborative working within, as well as between, organisations has come about. It can be transformational, but that is where we need the advice that comes from the evaluation to help us.

[141] **Jocelyn Davies:** Peter, did you want to come in on this point?

[142] **Peter Black:** I would like to offer an example here of the Lean project for which Neath Port Talbot County Borough Council received £374,000 from the invest-to-save fund. The evaluation report from Swansea University said that it was a fantastic scheme that had great potential to transform the way that children's services are delivered. However, the Care and Social Services Inspectorate Wales report says that the implementation of that scheme caused huge chaos in children's services and led to what is now an intervention by the Deputy Minister for Children and Social Services. It appears that the evaluation of that scheme is not in touch with the reality of what happened on the ground.

[143] **Jane Hutt:** I am interested in the outcome of that evaluation. There have been changes as a result of the experience of the evaluation to reflect changing circumstances, and, in fact, our officials and the Deputy Minister's officials are consulting on this. This is about us, as well as the authority, learning from the children's services project. As you say, Peter, this is an important point for our evaluation framework.

[144] **Peter Black:** How robust was the assessment process when you came to look at it? Did you ask Neath Port Talbot council what capacity it had to take on board this additional work, and how it related to the number of looked-after children coming through, which, even at that stage, was among the highest in Wales? The fact that this project went ahead on that basis seems to indicate that there are failings in the system.

[145] **Jane Hutt:** Lessons have been learned as a result of this project and as a result of the evaluation. We could come back to you on this specific project, which was an early-stage invest-to-save project, if you want us to. We could provide a note to the committee so that we can answer Peter's specific points.

[146] **Jocelyn Davies:** Yes; a note on the Neath Port Talbot children's services project would be useful. Mike, did you have more questions?

[147] **Mike Hedges:** One of them has been dealt with, but the other one has not. We have heard evidence that there is more to be done to actively promote best practice and lessons learned outside of publishing case studies. Given this evidence, what more will the Welsh Government be doing to ensure that there is greater take up of successfully proven invest-to-save projects? I find that the best projects are the simple ones, where the money is spent and it is easy to track the savings—not just the energy savings, but those related to buildings and other simple savings. Those are projects where a bit of money has been added to a system, along with lots of other bits of money, and, at the end of the day, they can say, 'We've saved all of this' or, in some cases, 'We've done more because we have had this money'. However,

they can say those kinds of things without really proving themselves.

10.00 a.m.

[148] **Jane Hutt:** The point about promoting best practice and lessons learned is that it has to be about all the work that is done in sharing the case studies as a result of the evaluation.

[149] I am circulating those case studies widely. We could probably do more as far as that is concerned around the whole public service. A great deal can be done through web publishing, events and showcase projects, but, again, I am sure that the committee will have views on this. I think that the other organisations that are umbrella organisations can play their part. On the point about best practice and lessons learned outside those case studies, asset management will be a simple way of releasing the funding. Service transformation and learning the lessons about reablement, for example, across several counties and a number of health boards is where we are testing out new practice. That is a very different route, if you like, to using invest-to-save. On the other hand, if you are saving thousands of pounds, or even millions of pounds, by enabling people to be supported in their homes or in primary care, in communities, rather than in hospital, we are duty-bound to use invest-to-save as a route.

[150] **Jocelyn Davies:** Thank you, Minister. I have one last question. As you have mentioned, there is more demand for the fund and as it becomes more popular I am sure that you will not have enough money to go around. Do you think that there will be any opportunities to increase the amount of money that is in the fund?

[151] **Jane Hutt:** As I mentioned earlier, we have already announced that the next round will be held in November. I have also put more money into the fund. Again, this is a balance of judgment about the early release of savings and whether we might be able to have a fund mid-year. The more that we promote the fund, the more it will be needed and the more difficult decisions will have to be made in terms of priorities. One point that I would like to make, Chair, at the end of this session is that, as far as I understand, this is the only national scheme of its kind in the UK; so, we are breaking new ground and we are learning the lessons. I am sure that your inquiry will have a great input into this.

[152] **Jocelyn Davies:** Thank you, Minister. I apologise that we have kept you slightly longer than we had intended. You did say that you would send us a note on the geographic spread of the bids, the panel membership, the collaboration fund, and Neath children's services.

[153] **Jane Hutt:** Thank you very much.

[154] **Mike Hedges:** Also, we asked for a note on how they came to that conclusion regarding the £200,000 threshold.

[155] **Jocelyn Davies:** Yes, we asked for a note on the threshold and why you came to that decision. As usual, of course, we will send you the transcript to check for factual accuracy.

10.03 a.m.

Buddsoddi i Arbed—Adborth ynghylch Ymweliadau Aelodau'r Pwyllgor Invest-to-Save—Feedback from Committee Member Visits

[156] **Jocelyn Davies:** We have a number of papers before us that Members have submitted. Ann, could we start with anything that you would like to tell us about your visit?

[157] **Ann Jones:** It is obvious that savings will be made from this project. I think that they were quite pleased that they had had the opportunity to have this money to set it all up. I think that it will meet the objectives of a sustainable workforce, and they are now looking at ways in which they can enhance it. The only reason they can do that is that they have been able to have those savings. It was okay. However, I wondered whether they would have done it without invest-to-save, and whether there would have been a collaboration because there are various authorities involved. So, I wonder whether they would have done it under a collaboration in any case. Having heard what we have heard about collaboration, I wonder whether that will now cloud the situation, and whether this would have been successful or not under invest-to-save. We need to clarify the difference between collaboration and invest-to-save. Certainly, on the invest-to-save bid that was submitted at the time that it was made—because they are into their second year—I think that it has probably worked for them; and it has worked for those people who are the service users at the end of the monitoring system.

[158] **Jocelyn Davies:** Okay; thank you. Does anyone have any questions for Ann?

[159] **Peter Black:** Yes. The projected savings are now less than they originally put in, Ann. Is that right?

[160] **Ann Jones:** I think so, yes. It was to do with energy costs and so on.

[161] **Jocelyn Davies:** It was because costs had changed—

[162] **Peter Black:** So, it was nothing foreseeable, then.

[163] **Ann Jones:** No, I think it was costs that had changed that they had accrued.

[164] **Jocelyn Davies:** Mike, do you want to tell us about your visit?

[165] **Mike Hedges:** It is a simple project. They used to have expense forms that were completed by hand, which people might recognise, but they have moved on to an e-system, because that gave them three areas of savings. The first and simplest involved rounding up the total mileage, instead of the mileage for each journey. When you think about all the travel undertaken by staff in the health service in a year, that change is bringing in hundreds of thousands of pounds of savings. The second area is that most people do the same journey over and over again, so once they have a standard total of expenses for that journey, it does not need auditing each time. They know how long the journey is, and unless there is a detour or an accident, they can continue using that standard total. Thirdly, because it is all being done electronically, fewer people are needed to move bits of paper around and type out documents. Therefore, they did not make the full amount of savings that were in their projections, they probably saved twice as much as they projected.

[166] **Peter Black:** I am astonished that auditors were letting them get away with rounding up each journey.

[167] **Mike Hedges:** You have to do that, legally, because each journey was being treated separately. I asked them that question, Peter. Legally, an employer has to pay its staff for the journeys that they make. Their system only allowed whole miles to be claimed for a journey. For example, I travel 88 miles every day. If I did 88.1 miles a day, according to their system, it would have to be rounded up to 89 miles, or the employer would be stealing off me.

[168] **Jocelyn Davies:** Okay. Paul, do you want to tell us about your visit?

[169] **Paul Davies:** The aim and objective of this project was to take convalescence beds out of the system by concentrating resources on getting people out of hospital quickly, and

also by supporting people in their own homes.

[170] They felt that the overall application was very positive and they were positive about the scheme itself. This application was made in the first tranche and they did not feel that the bid application was difficult to complete; they told me that telephone guidance was available, but it was not taken up. They felt that their only difficulty was forecasting financial data—we touched on that this morning. That was the only challenge that they faced, but they also mentioned that the panel interview process was a bit overwhelming.

[171] They did not feel that the threshold was an issue; they felt that increasing the threshold was the right thing to do, because it would provide more of a strategic approach. They have shared their best practice with other local authorities, such as Swansea and Pembrokeshire. They also felt that they had robust project monitoring and evaluation processes in place. So, they were very positive about the scheme and their experiences were positive overall.

[172] **Jocelyn Davies:** Thank you. You mentioned that they described the panel process as overwhelming; they are professional people and they still found it overwhelming. Perhaps the style of that has changed somewhat since then.

[173] **Paul Davies:** Perhaps it has, yes.

[174] **Jocelyn Davies:** Perhaps that is something that we should follow up on. Thank you. Chris, do you want to tell us about your visit?

[175] **Christine Chapman:** Yes. I was very impressed with this project. This was about a health board, local authorities and third sector bodies allowing patients to be treated at home rather than in hospital. It is still early days, but they were very positive about the application. The comments that they made were that they felt that Welsh Government officials had been very helpful in this process. On the evaluations et cetera, again, they were positive.

[176] One of the positive aspects of this is that, obviously, it used to be older patients, in the main, who were treated at home, but now younger patients are being allowed to be treated at home as well, so they are able to continue in work, whereas they had not been able to do so beforehand. Obviously, this is something that has a big impact when you think in terms of finance for the individual patient. So, again, it was very positive. I asked them how they shared best practice and they were obviously working with other areas on this, so that is positive.

[177] **Jocelyn Davies:** They have a project board that meets monthly for evaluation, so they keep a close watch on evaluation. Are there any questions for Chris on this one? Julie, you did a visit on this as well.

[178] **Julie Morgan:** Yes, this was more complicated and I had to have it all explained to me before we could start going into questions. It was setting up the Welsh analytic prescribing support unit, WAPSU. The invest-to-save money was used over a three-year project, and the aim was to change the prescribing habits of the nation, thereby improving the health of the nation as well as saving money. They were very successful. They had £352,000 of investment and they forecast that £4.68 million would be saved, but in fact it was £5.83 million. They said that they did change prescribing habits, and it was about not only prescribing less, but also prescribing more appropriately and looking at the lengths of times that drugs were prescribed for. It was interesting and I was impressed by it; apart from my initial reaction of not understanding why I was going, it was a very positive visit. They found the 'dragons' den' a bit daunting, but their main concern, which I raised with the Minister, was that there was nobody clinical on the board who understood what they were talking

about. As with me, they had to explain quite a lot about what they were doing. There is such a wide range of people applying, I do not know how valid that point is, but that is a point that was raised.

[179] The other point is that they thought there could be a longer lead-in because it takes some time to set up the staff and the project, and the ball starts rolling right from the beginning, in terms of the money. So, they felt that some money was lost there. I think that they were helped by the fact that this was something that they had wanted to do for some time, but had not been able to get the money from the Government to do it. When the invest-to-save bids came up, they went straight into that. It was a real opportunity for them. They had very good communication. They kept mentioning a Mr Russell Pope who, I think, is a Government official with whom they have had a lot of communication. They said in any case that they are in communication with the Welsh Government at least once a week, so they are in a very close relationship. They did wonder if it would be much more difficult with organisations that are not in such close proximity.

[180] They have good evaluation systems set up. In order to achieve what they had to do, they had to share good practice, so they had seminars where they worked with all the health boards and selected GPs—they could not cover all the general practices in Wales. They sent out surveys, and were having a 70% response. They presented a poster at conferences on this scheme, and I came away thinking that they could do with a lot more money to do more of this, because it was so positive. They have applied again for a patient access scheme, and that application went in last week.

[181] **Jocelyn Davies:** Are there any questions for Julie on that? That could very well be a project that is rolled out in future.

[182] **Julie Morgan:** I hope so. Funding of WAPSU by the Welsh Government is continuing.

[183] **Ieuan Wyn Jones:** Mae gennyf **Ieuan Wyn Jones:** I have a visit next week. I was not able to carry out the visit that I was supposed to go on before Christmas, so that has been postponed until next week.
ymweliad yr wythnos nesaf. Nid oeddwn yn gallu gwneud yr ymweliad yr oeddwn i fod ei wneud cyn y Nadolig. Felly, mae wedi cael ei ohirio tan yr wythnos nesaf.

[184] **Jocelyn Davies:** Yes. We were not able to make the visit that we had intended, either, and Peter has already explained that his was not possible. However, I think that we have had a very good flavour of things. Did you want to say something here?

[185] **Mr Price:** Some of you have submitted written notes, and we would like to publish those. Please could you double-check them before they are published? That would be great.

10.15 a.m.

Papurau i'w Nodi Papers to Note

[186] **Jocelyn Davies:** We will consider the papers to note before we move into private session. You will see that we have information on the financial scrutiny of legislation. So, we have a paper on the medical costs for asbestos diseases, which is a Member-proposed Bill introduced by Mick Antoniw. We also have a paper on the financial implications of the Human Transplantation (Wales) Bill, the correspondence that has been referred to several times already this morning from the Minister for Local Government and Communities to us

about the regional collaboration fund, and we have the minutes of the previous meeting. Are there any points to be raised regarding those papers, or shall we just note them?

[187] **Ieuan Wyn Jones:** Sylwaf ein bod yn cael y rhain i'w nodi yn unig. Yn y gorffennol, a ydym wedi cael gwybodaeth ynglŷn â chost sefydlu'r corff amgylcheddol newydd, os oedd honno'n rhan o ddeddfwriaeth? Os oedd, a ydym wedi derbyn unrhyw wybodaeth am hynny gan fod cwestiynau bellach yn cael eu codi yn ei chylch?

Ieuan Wyn Jones: I note that we have received these for notification only. In the past, have we received information about the cost of establishing the new environmental body, if that was part of legislation? If so, have we received any information on that given that questions are now being raised in relation to it?

[188] **Jocelyn Davies:** Well, in fact, it is one of the things raised with us in correspondence from the Chair of the Environment and Sustainability Committee, who wrote to us following the budget round. That is one of the things that we will discuss when we go into private session. However, yes, questions are being raised about that and it is certainly something that we are being asked to pursue. So, perhaps we can raise that later. Can we note all of these papers? I see that you are happy to do so.

10.17 a.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42(vi) i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod
Motion under Standing Order No. 17.42(vi) to Resolve to Exclude the Public
from the Meeting**

[189] **Jocelyn Davies:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).

[190] I see that Members are content. Thank you.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.17 a.m.
The public part of the meeting ended at 10.17 a.m.*