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Llywodraeth Leol](#)

[The Communities, Equality and Local
Government Committee](#)

21/01/2016

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Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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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 (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies	Llafur Labour
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths	Llafur (yn dirprwyo ar ran Gwenda Thomas) Labour (substitute for Gwenda Thomas)
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
Elin Jones	Plaid Cymru (yn dirprwyo ar ran Lindsay Whittle) The Party of Wales (substitute for Lindsay Whittle)
Gwyn R. Price	Llafur Labour

Eraill yn bresennol
Others in attendance

Manon Antoniazzi	Cyfarwyddwr, Twristiaeth, Diwylliant a Chwaraeon, Llywodraeth Cymru Director, Tourism, Culture and Sport, Welsh Government
Huw Davies	Pennaeth Cyllid, Twristiaeth, Diwylliant a Chwaraeon, Llywodraeth Cymru Head of Finance, Tourism, Culture and Sport, Welsh Government
Lesley Griffiths	Aelod Cynulliad, Llafur (y Gweinidog Cymunedau a Threchu Tlodi) Assembly Member, Labour (the Minister for Communities and Tackling Poverty)
John Howells	Cyfarwyddwr Tai ac Adfywio, Llywodraeth Cymru Director of Housing and Regeneration, Welsh

Government

Jane Hutt	Aelod Cynulliad, Llafur (y Gweinidog Cyllid a Busnes y Llywodraeth) Assembly Member, Labour (the Minister for Finance and Government Business)
Amelia John	Dirprwy Gyfarwyddwr, Dyfodol Tecach, Llywodraeth Cymru Deputy Director, Fairer Futures, Welsh Government
Eleanor Marks	Is-adran Cymunedau, Dirprwy Gyfarwyddwr, Llywodraeth Cymru Communities Division, Deputy Director, Welsh Government
Jo Salway	Dirprwy Gyfarwyddwr Cyllidebu Strategol, Llywodraeth Cymru Director of Strategic Budgeting, Welsh Government
Kenneth Skates	Aelod Cynulliad, Llafur (y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth) Assembly Member, Labour (the Deputy Minister for Culture, Sport and Tourism)

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

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Sarah Beasley	Clerc Clerk
Linda Heard	Dirprwy Glerc Deputy Clerk
Claire Morris	Clerc Clerk
Sarah Sargent	Dirprwy Glerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:02.
The meeting began at 09:02.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Christine Chapman:** Good morning, everyone, and welcome to the Assembly's Communities, Equality and Local Government Committee. We've had apologies this morning from Gwenda Thomas, and John Griffiths is attending in her place. We've also had apologies from Lindsay Whittle, and I know that Elin Jones is attending in his place. I know that she's been slightly delayed, but she will be here shortly.

09:03

Craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: y Gweinidog Cymunedau a Threchgu Tlodi a'r Gweinidog Cyllid a Busnes y Llywodraeth

Scrutiny of Welsh Government Draft Budget 2016–17: the Minister for Communities and Tackling Poverty and the Minister for Finance and Government Business

[2] **Christine Chapman:** The first item on the agenda is the scrutiny of the Welsh Government draft budget for 2016–17, and we have two Ministers with us today—Jane Hutt and also Lesley Griffiths. Members will be aware that the Welsh Government published its draft budget for 2016–17 in December. This is the second round of ministerial scrutiny sessions to inform our work on the draft budget. The outcomes from this meeting—from these sessions and our deliberations—will be shared with the Finance Committee to inform that committee's scrutiny of the draft budget. So, first of all, can I give a very warm welcome to Lesley Griffiths AM, Minister for Communities and Tackling Poverty, and also to Jane Hutt AM, Minister for Finance and Government Business? I also welcome your officials, Amelia John, deputy director for fairer futures, and Jo Salway, deputy director of strategic budgeting.

[3] The way we will be handling this today—. Jane Hutt, the Minister for Finance and Government Business, is attending for the first half of the session only. Then, when the Minister leaves, Lesley will be answering questions. I will introduce her officials then, when that happens.

[4] If we can move on now to the first part of the session. This will be specifically to the Minister for finance. We've had the papers; Members will have read the papers very carefully. I just want to ask some questions on the

priority areas, Minister, that you looked at to do with inequalities—social care, Communities First and Supporting People. I wonder, Minister, could you just explain how you assess the value for money of these programmes before prioritising them in the budget?

[5] **The Minister for Finance and Government Business (Jane Hutt):** Thank you very much, Chair. You know that I've called the draft budget for 2016–17, 'Fairer, Better Wales—Investing for the Future'. I very much based that on the principles of the Well-being of Future Generations (Wales) Act 2015, which is coming into force, of course, in April. We've used the framework of the Act to help develop our plans, but they're clearly based on our priorities and our programme for government, but also, assessing, as we have delivered those programmes, the evidence and evaluations, of course, of the impact of those programmes, as well. In terms of value for money, we always look to the best available evidence on how we can use our resources most effectively. Of course, this is critical with reducing budgets, because we have had five years of cuts—8 per cent real terms and then another 4.5 per cent cut moving forward in the spending review.

[6] So, it is about reviewing evidence in line with our priorities for value for money and looking at future projections in terms of investing in the future. Of course, that means we did decide to put more money into health, but also social services, which we feel is particularly important in terms of tackling inequalities and tackling poverty, and Supporting People, of course, particularly along the preventative route, which underpins our budget.

[7] **Christine Chapman:** Okay, thank you, Minister. I know Mike Hedges wants to come in, but John first, because you have a supplementary.

[8] **John Griffiths:** Yes. Thank you, Chair. I was just going to ask a question, Minister, in terms of value for money. I think Welsh Government has been on a journey towards evaluating outputs more than inputs, as it were, and moving more towards a model of results-based accountability. Could you give the committee a flavour of where Welsh Government is on that journey in terms of showing that we do get the results that we want from strategy, policy and expenditure?

[9] **Jane Hutt:** You're absolutely right, John. It's about the outcomes; the impact of our spend, not just, as you say, the inputs, based on priorities. I think what's very important is, as I said, we evaluate our programmes to see the impacts. Of course, before a programme is devised and instigated, we

have to look at the projections of those outcomes. Very importantly, the investments we're making, not just in extra investment in the health service, but also in social services—. The intermediate care fund is one example, showing that if you do invest in social care and social services, as well as health, then you actually do reduce pressures on service delivery. There's a strong link between poor health and deprivation; those important impacts that social care has on the most disadvantaged and vulnerable people. And, of course, we know that keeps people out of hospital and supported in the community. But it's particularly important in terms of the equality impacts, as well as actually delivering a better integrated health and social care service.

[10] **Christine Chapman:** Okay, thank you. Mike.

[11] **Mike Hedges:** I think we'll take it as read that there was a substantial cut brought in by the Westminster Government, which I don't think can be overstated. The second thing is, I'm very much supportive of schemes such as Communities First and Flying Start. It used to be Welsh Government policy for programme bending in order to support the poorer communities. Is that still the case?

[12] **Jane Hutt:** I recall the 'programme bending' terminology. I think it's a useful term for making sure that our programmes are steered to have the greatest impact, particularly in the context of the scrutiny today—particularly a positive impact for protected groups and for our disadvantaged communities, and also that we are targeting those programmes effectively. Now, I think that Lesley can say more about the ways in which, for example, we've retargeted—you can call it programme bending—Communities First in order to make sure it has a more appropriate impact where we know what the evidence is. I think 'programme bending' is perhaps used by academics—I don't know whether it is anymore—but it is about making sure, with scarce resources, reducing budgets, that we do have the greatest impact on what I said in the budget should be a fairer, better Wales.

[13] **Mike Hedges:** I think we can remove the term 'programme bending' now, but programme bending in itself, the aim of it was that mainstream budgets in other areas would be used more towards helping anti-poverty. With the best will in the world, the amount of money that Lesley Griffiths, the Minister, has got to deal with Flying Start, Communities First, et cetera, is not going to solve the problem of poverty in Wales. But there's an awful lot of other money being spent by other Ministers, and whether that can be

channelled more into our poorer communities, one of which I represent.

[14] **Jane Hutt:** Yes, well I think that's where a strategic integrated impact assessment is very valuable in ensuring that we are looking at the impacts, not just in terms of the most disadvantaged groups and populations, but geographically as well. Of course, that's guided by the Welsh index of multiple deprivation, which of course steers an awful lot of our decision making. One of the things—. I will give an example. Where the communities facilities—. It's a terrible long term.

[15] **The Minister for Communities and Tackling Poverty (Lesley Griffiths):** Programme.

[16] **Jane Hutt:** It's called the community facilities programme. It had a much longer title before. It used to be available to anybody and everybody across Wales, but because of reducing resources we decided to target it. So, you can't easily get it now, I don't think, Lesley, in a leafy village somewhere in a more affluent area, because we need to target it more, particularly so that Communities First areas are going to benefit. We have done that, and that is the decision from a Welsh Labour Government that believes in a more equal Wales, but also to achieve that you have to invest and target your resources, which are reduced. You may have other examples, Lesley, but I think that was a decision probably made—

[17] **Christine Chapman:** Do you want to make a very brief comment on it, because I know this is, Minister—Lesley—an area that we will be covering in your session, and obviously we've got to—. So, perhaps it would be useful if you've got a very brief comment.

[18] **Lesley Griffiths:** Just to say what Jane was saying about the refreshed approach we've had to tackling poverty right across Government, what I've certainly done is encourage ministerial colleagues to use the Communities First infrastructure that has been built up over many years, as Communities First has been our flagship tackling poverty programme. So, we have had a refocus with Communities First to look at employability. So, you'll be aware of our Lift programme, for instance. So, again, encouraging all parts of Government to ensure that they are feeding into the Lift programme to give people opportunities for training and employment. But as you say, Chair, I will obviously expand more in the next session.

[19] **Mike Hedges:** Final question. During scrutiny of the draft budget in

2015–16, the Minister agreed to publish the budget advisory group on equality meeting minutes. Are they available on the Welsh Government website now? If not, when will they be available?

[20] **Jane Hutt:** Perhaps Amelia could—

[21] **Ms John:** I can only apologise about this. In preparation for this committee I looked at the website this week, and I could see that the minutes weren't up there. So, I asked my officials in my team, who thought they were up there. There's been a communication breakdown. They should have been there. I'm sorry. They will be up as soon as possible, and I will make sure that steps are taken to ensure that this doesn't happen again—that they're up there, and they're up there in a timely manner.

[22] **Mike Hedges:** Does 'as soon as possible' mean they'll be ready by the time we have the budget debate in the Chamber?

[23] **Ms John:** I asked for a timeline on this. Part of the communication breakdown was around translation. So, I'm asking for them to be up as soon as possible. It may be that some go up later today, but certainly I've asked for them to be up there as soon as possible.

[24] **Mike Hedges:** Sorry, can I just press this point, because I think it is really important that they are available by the time we get round to the main budget debate? Some people—at least one person: me—will want to reference them during that debate.

[25] **Lesley Griffiths:** Chair, I thought they were. I think probably because it's a finance issue—

[26] **Christine Chapman:** But, you've given us assurances that—

09:15

[27] **Lesley Griffiths:** So, we will ensure that they are ready for the debate that Mike referred to.

[28] **Mike Hedges:** Okay, thank you; that's me.

[29] **Christine Chapman:** Thank you. Peter.

[30] **Peter Black:** Thank you, Chair. The strategic integrated impact assessment, I thought, was a bit thin, but one of the issues that has arisen when scrutinising this budget is around local government and the impact of the local government settlement on a number of issues. Particularly, Welsh Women's Aid raised an issue with the Finance Committee about the way that services that they support are being commissioned by local authorities. They said that 284 women were turned away from refuge services in Wales last year because of a lack of space. So, I am just wondering why there wasn't an in-depth impact assessment of the reduction to the local government budget in the SIIA.

[31] **Jane Hutt:** It's very important that the strategic integrated impact assessment is very much about high-level spending decisions. One of the points of which you are aware—and we discussed this yesterday in the Finance Committee—is that we had such a short period of time to produce the draft budget, let alone a strategic integrated impact assessment. We only had two weeks from the time of the spending review to produce our draft budget. But, it has to be at a strategic level. It is at a strategic level. And it's clearly a responsibility across all departments for all Ministers and their officials. So, that has to be undertaken.

[32] Although over the summer—and we discussed this yesterday at Finance Committee—we did a lot of work to prepare for this budget, the only forecast we had, of course, was through the summer budget with the Chancellor making forecasts about what he was possibly going to do with protected areas and non-protected areas. If you recall, huge cuts were indicated in the summer—£37 billion in terms of non-protected areas—so we were preparing through the summer, using the framework of the Well-being of Future Generations (Wales) Act 2015. And that was taking into account the basis for the strategic integrated impact assessment.

[33] And then when it comes to the point of publication, now is the chance for us and for you to look at this in more detail, as we did yesterday through the Finance Committee. I also undertook to give a response on behalf of a number of Ministers about issues like what this would mean for third sector organisations like Welsh Women's Aid.

[34] **Peter Black:** Local authorities themselves have a duty to produce their own impact assessments. Do the Government ever gather those together and carry out an assessment to see what the pattern is on the ground, and whether or not the decisions that you take, which feed through the local

government settlement, do have those sorts of impacts?

[35] **Jane Hutt:** I think with the strategic integrated impact assessment, in developing the draft budget we're looking at our priorities, and some of those priorities will have implications for local authorities. For example, our priorities in terms of social services and, indeed, our spending on schools will have an impact on local authorities in terms of their spend profile. We, of course, want to make sure that our priorities then are delivered and clearly monitored. Their impact assessments can help us look at those, but it is their responsibility as local authorities to produce and to be held to account locally for their impact assessments.

[36] When I went around Wales in the summer on my budget tour, I met people in local authorities who work on the front line who told me what they thought the priorities were. And they were telling me in Welsh Government what they'd like to see ending up in the budgets of their local authorities. And that was very important.

[37] **Christine Chapman:** And I know yesterday, because I sit on the Finance Committee—a number of us do, actually—this was a really difficult issue for us last week taking evidence, and you did commit to look at the evidence and to see the levels of concern and uncertainty that some of these organisations are experiencing. So, I think that would be useful.

[38] **Peter Black:** I understand completely that this is a local government responsibility, and I wouldn't have it any other way, but the Government have quite rightly also ended a large number of direct grants, including the performance grant, which was around the performance agreement, so it makes it more difficult, in that respect, to effectively direct local authorities down a particular route. But, if I can rephrase the question then: in the future, will you look at these local authorities' budget impact assessments to gather intelligence about what the pattern is on the ground, which could then feed into future budget consideration?

[39] **Jane Hutt:** I've talked about my budget tour in discussions I've had. I think, with local authorities themselves, some of them have done some very good exercises in engaging the public, and very much following the same kind of lines that we have in budget setting processes. And that will result, we'll see, in the budgets that are forthcoming. I think it is their responsibility. We monitor what we say they should do, and that's not just in terms of the allocation for revenue support grant, for example, with the £21 million for

social services, because, clearly, they're delivering so many of the programmes that the Minister's responsible for, like Flying Start and Communities First. It's something that we could look at, definitely, with the Minister for Public Services.

[40] **Peter Black:** Okay; I was trying to be helpful and constructive.

[41] **Jane Hutt:** Thank you.

[42] **Peter Black:** It's up to you whether you wish to take that suggestion up, obviously. Just one other question. You've already referred to the third sector of course. During the budget process, what discussions did you have with organisations such as Disability Wales that are facing reductions in their core grants?

[43] **Jane Hutt:** Just before the Minister, Lesley, comes in on this, can I say that I have regular meetings with the third sector, as finance Minister, as do other Ministers as well? But, particularly, there are the biannual meetings. We had one in the autumn, pre the spending review, where the budget was on the agenda, but at a high level, because of course we didn't know what the spending review outcomes would be. For example, next week, I'm meeting the chief executive of the Wales Council for Voluntary Action, Ruth Marks, and we'll be looking at it again, from my perspective as finance Minister, in terms of overall impacts—opportunities, as well as threats and challenges to them.

[44] **Christine Chapman:** Minister.

[45] **Lesley Griffiths:** A great deal of work had been done with the third sector, mainly with officials, to prepare them. As you heard Jane say, back in the summer, we were looking at cuts to our budgets of up to 40 per cent, so you can imagine that a great deal of work had to be done in preparation. Fortunately, the cuts weren't that significant, although the third sector, from within my own budget, have taken one of the biggest cuts, unfortunately. Where I've tried to protect some programmes, obviously, other areas have to take bigger cuts.

[46] You mentioned Disability Wales, and I'm assuming that you're mentioning them in particular because there was quite a bit of noise around them not being successful in obtaining a grant from within the Minister for Health and Social Service's portfolio in relation to the social services

improvement grant, which they applied for and they weren't successful. Obviously, Disability Wales provide fantastic services, and I've been having some discussions with the Minister to try and find a way forward. We have now come up with a further package of funding to try and get over this hurdle. But, they will need to have a very clear delivery plan going forward to make them a much more sustainable organisation.

[47] **Peter Black:** So, there's an ongoing discussion with them about how they can be sustainable in the future.

[48] **Lesley Griffiths:** Yes, there is. As I say, they applied for a grant; they weren't successful, and I don't think that was portrayed in the way that it occurred. Certainly, the funding from within my portfolio, they were successful with, and the core funding, obviously, is carried on. But, I have had discussions with the Minister for Health and Social Services to try and find a way forward, and I think we are certainly getting there.

[49] **Christine Chapman:** Mark, you've got a supplementary on this one. Thank you, Peter.

[50] **Mark Isherwood:** Many third sector bodies providing a whole range of different front-line services, who contacted me, were either expecting a cut or have actually received, subject to final budget approval, significant cuts, despite the fact that they're saving Government and local government, or health services, money. To what extent, therefore, did you consider how these projects could actually be helping you, to use that trite phrase 'do more for less', to improve outcomes and reduce the cost to statutory services in order to achieve their shared goals?

[51] **Jane Hutt:** That was a very key point of discussion in the meetings I had on my budget tour around Wales, which included third sector organisations locally, as well as regionally and nationally, and front-line staff from local authorities and the health service as well. But we also had users of services there as well. One of the questions I asked them was: with the reducing budget, what are your priorities and what do you feel that we can do more effectively? What came over, for example, was very strong support for Supporting People as a preventative intervention. Of course, that actually benefits quite a few third-sector organisations in terms of delivering, including women's aid groups, for example.

[52] There are huge concerns that there will be cuts to Supporting People.

In fact, I'm sure that many of you would have been invited to visit. There was quite an effective campaign by agencies around Supporting People, which was very powerful when you went to visit and you saw the impact of being able to have that source of funding. But also, clearly, there was strong support in the housing field for social housing and also for the integrated health and social care intermediate care grant as well. So, they were able to point us in that direction.

[53] I want to make one more point in terms of their priorities for the third sector. There were quite a few environmental groups as well. The third sector partnership council, which Lesley leads on, has agreed to do some work on the definition of 'prevention'. The early intervention unit has done some good work on this and the third sector want to do even more to demonstrate how we can invest wisely and effectively, given the reducing budgets. So, that's something I shared with the Finance Committee yesterday.

[54] **Christine Chapman:** Gwyn.

[55] **Gwyn R. Price:** Good morning. What evidence does the Minister have that universal benefits are increasing equality between different groups of people in Wales?

[56] **Jane Hutt:** I mentioned earlier on in terms of value for money the importance of evidence. Evidence is crucial in evaluation in terms of meeting our priorities as a Welsh Government—back to a fairer and better Wales and a more equal Wales. I think if you look at the impact—and it's back to the impact, as John said earlier on—of our free breakfast scheme, which is available to all children at schools that take it up, not only now do we have, or have had through the programme, a free nutritious breakfast, but we also have free childcare from 8.15 a.m., usually, when the breakfast starts in the morning. That actually helps families and households with lower incomes and lower-to-middle incomes. This is where universal provision is so important because people are prevented from going into poverty if they can access some of these universal benefits. If it was just a means-tested breakfast, we'd be back to the free school meals delivery. But also, there is this research now that is showing the link between a healthy breakfast and performance in terms of improving health outcomes. So, I think the evidence and also the fact that it's a decision that the Welsh Government has made—that there should continue to be this universal provision—has shown it to be vindicated.

[57] Equally, on free prescriptions, I'm sure that you have spoken to people in communities who say that without a free prescription they couldn't go to work because they have chronic conditions, but now they still can work. Before we had free prescriptions, there was a very narrow band of health conditions, where you could be eligible for a free prescription. Diabetes was one, but no Government ever had the courage to say, 'We're going to extend it to other conditions.' So, we decided to deliver the free prescription programme. So, we feel that the impact and the evidence are very clear.

[58] **Gwyn R. Price:** So, are you content that redistribution of the funding is going to the people in need of that funding?

[59] **Jane Hutt:** In terms of the—

09:30

[60] **Gwyn R. Price:** There are inequalities between the young and the old and the disabled and non-disabled in certain parts of the society. I'm just wondering whether you have considered redistributing some of the funding specifically to target those problems.

[61] **Jane Hutt:** There is some targeting in terms of universal benefits. I will point to the young persons' discounted bus travel scheme, which we agreed in our budget agreement with the Welsh Liberal Democrats, and also, of course, our concessionary bus travel for older and disabled people. I think one of the things—. Again, talking to young disabled adults, they say to me that the concessionary bus pass enables them to not only just travel to perhaps a leisure centre, hopefully to work or training, but it gives them independence and freedom. So, you know, it is important that, within the universal offer, we have that targeted approach as well. And, yes, of course, that helps specific protected groups.

[62] **Christine Chapman:** Okay, there aren't any more questions for you at the moment, Minister. So, can I thank you and your officials for attending? As usual, there will be a transcript, so if you can check that to make sure that there aren't any inaccuracies. Thank you, Minister, for attending, and your officials.

[63] Now, we're going to move on to scrutiny of Lesley Griffiths, the Minister. Her officials will be joining her now at the table. We have Eleanor Marks, communities division deputy director, and also John Howells, director

of housing and regeneration. Again, welcome to you both.

[64] We're going to move on now then—. Can I just remind Members that, because this is such a big portfolio and we want to cover all the aspects as much as we can—? So, if I can remind Members that they can be very concise in their questioning, so we can make sure we cover everything that we want to. I'm going to move on now then to sustainable development. Alun, you've got some questions.

[65] **Alun Davies:** Just the one, actually. The Well-being of Future Generations (Wales) Act 2015—the Minister will be very familiar with my views on this piece of legislation. Can you perhaps explain to the committee how the enactment of this legislation has affected your budget proposals?

[66] **Lesley Griffiths:** I think we were doing some of the things that the Act will be bringing forward anyway, but, obviously, it does sort of focus your attention on certain things. So, I think we've taken account of long-term impacts. Several of the programmes in my portfolio are very long-term preventative interventions, if you think of Flying Start, for instance, and Communities First. So, we took account of long-term impacts and balanced those against short-term needs. We've continued to invest in the improvement of social housing stock, which I think is very important from a preventative point of view, if you think about the impact that poor housing has on health, for instance. Taking an integrated approach—again, we've been doing that for a long time, but, certainly, if you think about regeneration, so Vibrant and Viable Places, that very much has an integrated approach. I've worked with colleagues right across Government bringing that programme forward. Of course, if you think about Communities First, we work with communities, with people—it's really important that we involve people in our decisions.

[67] **Alun Davies:** Thank you for that. That's very illuminating. You've outlined a number of different programmes there, all of which, of course, were in train prior to the passing of this Act. So, perhaps you can outline to us what it's done to actually change something—to change your thinking, to change your programmes, and to change your decisions.

[68] **Lesley Griffiths:** I suppose the refocus of tackling poverty was the main thing I did when I came into portfolio. Obviously, that was a Bill then, and, as the Bill was going through the Assembly, it sort of reiterated the importance of doing that. But, as I said, I think we were doing most of the things that the

Act is going to bring forward anyway, when it comes into—

[69] **Alun Davies:** So, the Act hasn't fundamentally changed anything?

[70] **Lesley Griffiths:** I wouldn't say it hasn't fundamentally changed anything, but I'm saying, with my thinking in relation to the budget, I think we were doing those things anyway.

[71] **Alun Davies:** Right. So, it hasn't changed anything. Fair enough.

[72] **Christine Chapman:** Alun, before you move on to the next aspect I want to bring Peter in on a supplementary.

[73] **Peter Black:** Sorry, I need to declare an interest as a member of a local council as well, because I was a bit late. Minister, just on Communities First, as Alun's raised it, in terms of the impact of that, huge amounts of public money have gone into that programme. How have you sharpened up the evaluation of the impact of that programme, and how are you making sure that you are getting outcomes from that that can be measured?

[74] **Lesley Griffiths:** Well, since I came into post, I've increased the visits that officials do to lead delivery bodies. We've had more ordered visits, I think, and that hasn't thrown up any shocks or surprises. Evaluation and monitoring are very thorough. So, I think it's really important that we do have that evaluation, and that we make sure that we are supporting the people whom we need to support. Clearly, there are areas that have been identified for improvement, and I think we've carried those forward.

[75] **Peter Black:** Do you think of Communities First as an anti-poverty programme or a community regeneration programme?

[76] **Lesley Griffiths:** A bit of both, I suppose. It has been our flagship tackling poverty programme, but because we've refocused it over that 16 months or so—. Somebody actually said to me on a visit I did recently that they now see it as an employability programme. I quite like that because it shows that the refocus that we've had on employability is actually making a breakthrough now.

[77] **Peter Black:** I think the problem with Communities First over time is that it started off as an anti-poverty programme, but you weren't actually measuring, in those communities, the impact on poverty. I think it's always

been a community regeneration programme in the sense that you invest in communities. But if you are now saying that it is an employability programme, are you measuring how many people get employed as a result of Communities First? Is that part of the measurement of it?

[78] **Lesley Griffiths:** Yes. I mean, that's always been part of the measurement. But because we've used the infrastructure of Communities First to bring forward our Lift programme and the Communities for Work programme, I can see why people would think it's more of an employability programme. So, Lift, for instance: we are approaching our 3,000th person who has been involved with Lift, which I think is a really good achievement in such a short time. Out of those 3,000—we are not quite at 3,000 yet—500 people have now gone on to permanent employment, which is really, really encouraging. So, I think that while Communities First is in our most deprived areas, and so there is a tackling poverty element, the refocus that we've had towards employability and more healthy and wellbeing improvements in people's lives, I think, is much more of a focus. Certainly, employability is much more of a focus for me now.

[79] **Peter Black:** Okay, thanks.

[80] **Christine Chapman:** Before I move back to Alun, I've got a couple more supplementaries from Mark and then John. Mark.

[81] **Mark Isherwood:** Thanks. Well, for example, the number of people living in poverty is not monitored by the programme, and comparators such as the number accessing work—which, of course, is good news—is only valid if you measure that against areas that are not within the Communities First clusters, to see whether there has been an impact. The figure alone means little. But given that much of the anti-poverty initiatives in Wales are being delivered through other bodies—. Supporting People was mentioned earlier, for example. Many programmes are being delivered by registered social landlords and housing associations, and other programmes—work programmes from the Welsh Government initiatives. Again, it's how to break down and quantify the impact of this programme against all the other things that are happening. So, what dialogue have you been having? I heard Jane Hutt saying that she had been having a dialogue with the WCVA, but what dialogue have you been having with the WCVA, given their previous reports showing how a different way of going forward, embracing community-based organisations, a better example of community anchor and community ownership, might actually better drive community regeneration and create

those quantifiable outcomes that we want to see?

[82] **Lesley Griffiths:** Well, Communities First reports on a number of proxies for poverty, and that includes moving to employment. You're quite right, in talking about other programmes. Certainly, we have got far closer alignment now with Communities First, Flying Start and Families First—three of our major tackling poverty programmes. You mentioned Supporting People. Again, I have brought the Supporting People programme into alignment with the other three. Although people do not see Supporting People as a tackling poverty programme, clearly there is impact there.

[83] You asked about the WCVA, and certainly I've met with the WCVA and officials. I regularly meet with the WCVA. I think it is really important to look at all the other programmes that are helping towards tackling poverty. Because we've had this refocus across Government, with every single decision a Minister takes, they have to think about tackling poverty. That's part of the decision-making process now. We can't expect Communities First, which is one programme, to make a huge impact on tackling poverty on its own. It is about joining up all the other programmes. So, those discussions are ongoing. There's a significant piece of work being done now about aligning the programmes, but, obviously, that will be for a future Government to take forward.

[84] **Christine Chapman:** If I can come in on this, Minister, because we've had discussions as a committee—. As you know, this committee put together a report on poverty and inequality, and I think that one of the recommendations was that there needs to be a much more holistic view of it across Cabinet. I was just wondering how much monitoring you do with other Ministers. Can you say something about that because that was one of the things that we did come out with in our report?

[85] **Lesley Griffiths:** Yes. Well, I don't monitor other Ministers. That's not for me to do, but the First Minister has made it very clear that tackling poverty is a priority for this Government. We had something called the tackling poverty implementation board, which was senior officials. Since I came into portfolio, at every meeting we have now of the board, a Minister comes and we question that Minister and that Minister's officials about what they've been doing on tackling poverty, and I think that's really focused everybody's mind on it. I mentioned the change in decision making across Government in that every Minister, with every decision, has to take account of tackling poverty. So, there is monitoring, if you like, but that's not the

word I would use for me to discuss with other officials.

[86] **Christine Chapman:** But, if you feel that there is not enough progress within another portfolio, is it your responsibility to draw their attention to it—or the First Minister's? Obviously, all of you have different responsibilities. The First Minister has the Welsh language, for example, and he works on that. But I think it would be fair to say that this committee was concerned that there needs to be a much tighter focus on this if this is going to work.

[87] **Lesley Griffiths:** I think there has been much more of a holistic approach. I just mentioned the tackling poverty implementation board. So, there, if I had any concerns about a Minister—. I'll give you an example. Within the education portfolio, the target around poverty and free school meals had been reached, I think, 18 months earlier than planned, so I asked the Minister whether he'd be bringing forward another target, and that's been done. So, it's a sort of two-way discussion really, rather than me monitoring. But I think there has been a much more holistic approach, and certainly discussions I've had with the Minister for Economy, Science and Transport—she has been very helpful in discussions in relation to childcare, for instance.

[88] Recently, we just had two tackling poverty summits—the one in south Wales was actually in October, but it was in north Wales just a couple of weeks ago—where we've really encouraged the private sector to come in, because I think that was a gap before. I don't think the private sector felt part of that discussion around tackling poverty. In the south Wales one, we had a very large company in south Wales that came forward and said, 'Right, we've got land where you can build a childcare facility.' So, there is that much more holistic approach now that I think this committee would like to see.

[89] **Christine Chapman:** Mark, have you finished? I'll bring John in next.

[90] **Mark Isherwood:** With previous problems with Communities First, the Wales Audit Office focused more on the corporate services, financial controls and human resource controls. Subject to those being in place, what consideration have you given, for example, to better integration of programmes with housing? For instance, in Merseyside, it's a quarter of a century since they transferred the major community regeneration role to the registered social landlords in zones. The NICE guidelines on tackling excess winter deaths, which have not been adopted in Wales, are closely linked to

housing standards and therefore tackling poverty and so on. And how, actually, you could put more money onto the coalface through better integrating co-operation, collaboration and delivery with bodies that are already working in those communities.

[91] **Lesley Griffiths:** Housing obviously has a huge role to play in relation to tackling poverty. You will have all heard me say that I've been so impressed with housing associations and RSLs and the work they do. Apart from providing a roof over somebody's head, they do incredible work with employability, with training opportunities and volunteering opportunities. I think we've made our commitment very clear and we've put a huge amount of funding into the social housing grant and the Welsh housing quality standard. I did visit last week in Rhymney, where somebody had moved into a flat, which was now of a very high quality. He was saying that the transition in his life was unbelievable. So, you're right: housing does have a huge role to play and I do think that we have made those links and we will continue to pursue those.

09:45

[92] **John Griffiths:** I just wanted to pursue a little further, Chair, the points about the change from inputs, you know, in terms of community regeneration, as Peter described it, to outputs. Obviously, it's extremely important—never more so—that the Welsh Government can be confident that the money it's putting into particular programmes does deliver the expected outcomes. So, I just wondered if you can say a little bit about how, within your department, Minister, there is this move towards results-based accountability—so, you know, it is perhaps a harder test of the production of those outcomes—and whether the programmes pass the 'but for' test, if you like. So, if you've got a particular programme, can you show cause and effect? If it wasn't for that expenditure in that area, then, you know, these particular results wouldn't have come about.

[93] Mark mentioned referencing Communities First areas to other areas. I suppose one way that could be done is to look at employment rates, I guess, and what are they in Communities First areas compared to other areas of Wales before a particular initiative or programme, and then what is the position after those programmes have run for a period of time? Is that the sort of analysis that you were doing or might do in terms of delivering outcomes?

[94] **Lesley Griffiths:** Yes. Certainly before we first brought the Lift programme forward, that sort of evaluation was done. I'll ask Eleanor to come in here because she worked on that from the beginning.

[95] **Ms Marks:** Okay, yes. The move to results-based accountability was very much to try and show the link to what could be done and get to outcomes not just outputs. It was very important, with Communities First taking the criticism from the earlier programme, that we could do that. We invested in over 1,000 hours of training to every individual working in Communities First so that they knew what they were recording and how they put that into the system, and we make sure that they do that. Clearly, there will be times when, despite all the efforts to get people closer to and into employment, there is a closure of something major in the area that impacts on those results. We can now trace those through the programme, and that is a better place to be.

[96] In terms of the baseline, the Lift programme has just had an evaluation done on it. It is clearly working with some of the most deprived areas, and it is having an impact, with very intensive working with those individuals in those areas. There are comparisons between areas outside Communities First, but we need care in looking at them because, clearly, not all poverty is in Communities First areas. The impact that the Communities First programme, the Lift programme and community work will have are in the context of many other programmes working in those areas. It is difficult to disaggregate completely the impact that those have. What we can look at more widely is the impact that the Welsh Government has on poverty in those areas.

[97] **Lesley Griffiths:** I have to say that some of the participants of the Lift programme have been incredibly far away from the workplace to begin with. Certainly, some of the people that I've met who then got into training opportunities and then permanent employment, some of them hadn't—. There was one gentleman I met who hadn't worked for 17 years prior to this, had a training opportunity and then had been very successful and got part-time employment.

[98] **John Griffiths:** I take your point about lots of Government programmes and, no doubt, many other factors as well affecting what happens in Communities First areas and those outside, but has that analysis been done in terms of employment rates, then, for example? What were they in Communities First areas compared to the rest of Wales at a point in time, and

what are they now?

[99] **Ms Marks:** The analysis shows in the economic data that we get, not specifically related to the programme. All we know is what it is in there. Disaggregating the impact that Communities First itself makes is very hard in those areas because there are other programmes there.

[100] **John Griffiths:** But you would have the bald figures, as it were.

[101] **Ms Marks:** Yes, we would.

[102] **John Griffiths:** Could they be shared with the committee, Chair?

[103] **Lesley Griffiths:** Yes, certainly.

[104] **Christine Chapman:** If you could send them, yes. Okay. Thank you. I'll move back to Alun now.

[105] **Alun Davies:** Okay. It's really difficult, though, isn't it? Because we've just seen some significant falls in unemployment, actually—in fact, in the last few days—but you cannot say to this committee the impact that Communities First has had on that or anything else.

[106] **Lesley Griffiths:** On the fall in unemployment—

[107] **Alun Davies:** On the falls in unemployment.

[108] **Lesley Griffiths:** No. We wouldn't be able to do that, would we?

[109] **Ms Marks:** No, we wouldn't, because the point of looking at outcomes is that it is about saying what we can do, but accepting that there are wider things that impact on that, that may well then—the figures could be worse, despite everything we've done, because of a particular event.

[110] **Alun Davies:** We all appreciate that. It's just that it's very difficult to hold a Government to account when the Government itself says it doesn't know the impact of some of its programmes on some absolutely key and fundamental indicators in terms of describing poverty in its wider sense. So, when you talk about outcomes and the Government talks about outcome-based policies and the rest of it, how would you characterise those outcomes? Are you seeking to ameliorate the experience and suffering of

people in poverty, or are you trying to move people out of poverty?

[111] **Ms Marks:** Both.

[112] **Lesley Griffiths:** Both, yes, absolutely. Both.

[113] **Alun Davies:** Where's the balance between the two?

[114] **Lesley Griffiths:** I don't think we have to balance it. I think you have to prove and show—and I think our evaluation does show—that you're doing both. So, for instance, I was in a discussion about in-work poverty, because we've seen a rise in in-work poverty, but I still passionately believe that the route out of poverty is through employment. Some recent evaluation and data that I've seen—I'm not sure if it was ours or outside—showed that 70 per cent of people who go into employment come out of poverty if they were in poverty to start with. And, just there, I was having a discussion with Mike Hedges and we were saying that, if somebody gets a job and they perhaps move out of a Communities First area, it's very hard then to follow that. But we know that employment and work is a route out of poverty.

[115] **Christine Chapman:** Before Alun comes back, I mean, obviously, going back to our report—and it's not just our report that said this—it does show that, being in employment, you're still in poverty. We're looking at areas such as retail, hospitality and those sorts of jobs, which are very undervalued and the pay is pretty bad. So, in some respects, we need to address this and this goes back to my question earlier on about working across other portfolios. Sorry, Alun, I just—

[116] **Lesley Griffiths:** Yes. I think it's really important that you don't take somebody out of workless poverty and put them into in-work poverty. I think, as you say, it is about not just one intervention then, it becomes much more. It is about that cross-government—. So, the living wage, for instance, it's about doing all we can to encourage the living wage. That's part of the reason why I wanted to involve the private sector so much more in tackling poverty. One company that we had in the north Wales one, he was saying that he thought he was a really good employer, but he'd never thought about providing childcare. He paid way above the living wage and provided other benefits for his staff, but he'd never provided childcare. So, it's just getting people to think about that.

[117] **Alun Davies:** I don't—. I agree. I think the Chair makes a very

important point. But it's difficult to see how poverty can be eradicated without employment playing a significant role in doing so. And my assumption is that many of the issues creating in-work poverty are actually the responsibility of the United Kingdom Government in creating poverty on an almost industrial scale through their welfare reforms.

[118] But, in terms of where the Welsh Government's interventions are, I'm surprised to hear you say that you don't have any balance or recognition of the different approaches that Government can take in terms of reducing and eradicating poverty and ameliorating the impact of poverty, because they're two quite different things, in fact. And I would've anticipated Government would understand that and have a clear understanding of the balance between those two objectives.

[119] **Lesley Griffiths:** As I say, tackling poverty isn't about one thing, is it? You're right, it is about getting a balance, but, if you're asking me for specific percentages—. I don't know if Eleanor wants to say anything further.

[120] **Ms Marks:** No. I don't think there is a specific intention to have a percentage on them. The tackling poverty delivery plan looks at closing the education attainment gap, it looks at the health issues that are impacting poverty, it looks at employability and getting people out of poverty, recognising that there is a churn of people who go into poverty and come out of it again, and concentrating some efforts on those who are in workless households and are at risk of persistent poverty. So, it is intended to do both, with the long-term aim of making a difference to people's life chances, closing that education attainment gap, looking at worklessness and looking at employability, and the quality of jobs and training going through that. Because getting somebody into employment is step 1 of a longer journey that allows them to get more skills or better qualifications to move them through from in-work poverty to something else. So it does both, and it's intended to do both.

[121] **Alun Davies:** I think we all understand that, Ms Marks, will all due respect. The point I'm making is slightly more fundamental than that, I hope. The record of the Welsh Government, historically, on tackling poverty is significantly worse than other administrations in the United Kingdom. The last time, I think, the Minister was here to discuss a poverty programme, we had a discussion about the differential that is opening now between Wales and other parts of the United Kingdom, and my concern is, in terms of the budget we're discussing here, to what extent is the Welsh Government

budgeting to reduce poverty, and to what extent is the Welsh Government budgeting to actually deal with the impact of poverty? My concern is—and in some ways, you’ve answered the question, because you haven’t answered the question, and, by failing to answer the question, what you’ve demonstrated, perhaps, is that the Government isn’t very clear on this differential, and isn’t very clear on the sort of outcomes it’s anticipating or expecting.

[122] **Lesley Griffiths:** Well, I think we have answered the question. I’m very happy to look at that further, going forward.

[123] **Alun Davies:** Because—if I could just carry on—in your paper, you say:

[124] ‘There is a strong emphasis on ensuring that the right priorities are the focus...to improve outcomes for low income families’.

[125] I don’t understand what ‘the right priorities’ are, because, when we’re discussing this, we’re discussing the right priorities in terms of dealing with the everyday impact of poverty on families—or is the right priority to actually take those families out of poverty?

[126] **Lesley Griffiths:** Well, what our focus is is increasing employability, it’s improving the skills of people, it’s supporting people into employment—because, to me, that all plays a fundamental role in taking the tackling poverty programme forward. Looking at children, you know, children are in poverty because their parents are in poverty, so, again, it’s very important that we have programmes looking at early childhood experiences—so, Flying Start, for instance, which I think has been incredibly successful—. It’s a very long-term programme, but we are now absolutely starting to see the benefits of Flying Start for children, to the point where high school headteachers are saying to me, ‘We can’t tell the difference between a Flying Start child and a child that hasn’t been through the Flying Start programme’. So, I think that’s where we have had a focus: on investing in early years, in preventative intervention. So, I do think to have that sustained attention on improving outcomes for low-income families, we are doing that the right way.

[127] **Alun Davies:** And so the outcomes are in terms of improving the opportunities for those families to work their way out of poverty.

[128] **Lesley Griffiths:** Yes.

[129] **Christine Chapman:** Okay. I think we’ve got about half an hour left,

and other Members want to come in, so I'm going to move on now, then, to Janet.

[130] **Janet Finch–Saunders:** Can I just endorse a lot of what the Member has just said? When Communities First came to Conwy, it was targeted specifically at one ward. It's had millions of pounds, and the actual community itself is not particularly convinced that the programme is working. Trying to scrutinise it is a nightmare, and I have severe concerns that the Communities First programme isn't particularly working well in Conwy and it's not monitored or scrutinised very well. So, I'd like to put that on record, and I'd like you to perhaps have a look at Conwy's Communities First programme.

[131] **Christine Chapman:** Before Janet—. Can I just check on that point, because I think there may be some difference of opinion? Are you saying that it's not monitored in Conwy?

[132] **Janet Finch–Saunders:** It comes now and again—

[133] **Christine Chapman:** Could I ask the Minister?

[134] **Lesley Griffiths:** You're asking me? Absolutely not.

[135] **Christine Chapman:** It is monitored, yes.

[136] **Lesley Griffiths:** Absolutely it's monitored.

[137] **Janet Finch–Saunders:** So, how is it monitored, Minister?

[138] **Lesley Griffiths:** Sorry?

[139] **Janet Finch–Saunders:** How is it monitored, Minister?

[140] **Lesley Griffiths:** Well, officials probably visit, I would say, at least—

[141] **Ms Marks:** At least twice a year.

[142] **Lesley Griffiths:** I was going to say: at least twice a year. It's evaluated, so I absolutely refute that. But I'm very happy—

[143] **Janet Finch–Saunders:** How is it actually scrutinised, Minister?

[144] **Lesley Griffiths:** I've just said.

[145] **Janet Finch–Saunders:** Two Ministers turn up and, what, go through the books, do they?

[146] **Lesley Griffiths:** Officials—

[147] **Christine Chapman:** Could we clarify how it's scrutinised?

[148] **Lesley Griffiths:** I will ask Eleanor to explain.

[149] **Ms Marks:** What happens with lead delivery bodies is they get at least two meetings with officials—individuals or the senior people there—and we now have a programme where people go out and look at the books and the files and look and check what has been recorded against what has been delivered. There is a programme in place to do that for every single one. I've been to Conwy and had a discussion, some time ago, myself, with them. My team have been there recently. Every quarter, the clusters are brought together to share best practice and to share what is happening in those clusters, and they are challenged at those meetings by peers and by officials. So, there is monitoring in place there.

[150] **Lesley Griffiths:** Absolutely.

10:00

[151] **Janet Finch–Saunders:** Okay, so, on that one, can I just come back to you then? Can you tell me how you monitor that? How do you engage and consult, then, with those it's supposed to be helping? How do you bring in those people who it's technically targeted to help? It's all done behind; it doesn't actually—. Your monitoring or any scrutiny doesn't go on with the people who, potentially, are affected, and it should be supporting. Can you tell me how you do that?

[152] **Ms Marks:** A combination of looking at the outcomes in the area and making sure that the lead delivery body delivers against its community involvement plan, which is set out to ensure that they do engage with the community so that the community does have a say on it. And I know that the recent community involvement plans have just come in. We're just going through those, and there will be challenge back to see whether they're

working properly or not.

[153] **Christine Chapman:** If it would help, we have got a session with the Minister next week specifically on the poverty initiatives, so maybe that's something we can—

[154] **Lesley Griffiths:** Could I also say, Chair, that, obviously, the Member is raising one particular ward? If you would like to write to me, we can give you, obviously, a very detailed response.

[155] **Janet Finch–Saunders:** Over the years I've been an AM, I've asked lots of questions—

[156] **Lesley Griffiths:** I don't think you've asked me, so, if you want to write to me, I'd be very happy to look and you will get a detailed response.

[157] **Janet Finch–Saunders:** Okay, I will.

[158] **Christine Chapman:** Sorry, Janet; I'll bring Mike in very briefly and then I'll come back to you then for your substantive question.

[159] **Mike Hedges:** As the Minister's aware of the success of Communities First schemes in the east side of Swansea, because you've visited there, and we've seen the tremendous success of Flying Start working with the schools with support from Communities First, producing outstanding education results at Cefn Hengoed school, which managed to get 'excellent' in every single area when it was inspected, does the Minister agree that this is an example of Communities First, Flying Start and the education service working well?

[160] **Lesley Griffiths:** Yes, absolutely, and I would be the first to say you're not going to have consistency across all 52 clusters, and I'm not going to say that it is perfect in every cluster. I'm not going to say that. What I am saying is: the Member raised one particular ward. She's never raised it with me before. If she wants to write to me—. However—

[161] **Christine Chapman:** Well, the Member—

[162] **Lesley Griffiths:** However, again, when I came into portfolio, I was not happy with what was coming out of Communities First, and that's one of the reasons why we've had the refocus and why we've had the focus on

employability, for instance. We have outcomes, so I can say to you ‘11,000’; I’m not saying this is the number, but ‘11,000 people have moved into employment opportunities or training opportunities’. I can say that 5,500 people have got a healthier lifestyle because they’re eating fruit and veg. We can give those figures, but, of course, there is inconsistency across the 52 clusters, and I wouldn’t pretend there was anything other. But we do have the examples that Mike’s just raised and I have been there. And it is really important that all the programmes—the preventative and the early intervention programmes and the tackling poverty programmes—work together in the way that Mike said.

[163] **Christine Chapman:** Okay.

[164] **Janet Finch–Saunders:** Right, moving on—.

[165] **Christine Chapman:** Janet.

[166] **Janet Finch–Saunders:** Minister, can you expand on your comments about the proposed additional £2.2 million in-year allocation for homelessness and why this allocation does not appear to be within the draft budget for 2016–17?

[167] **Lesley Griffiths:** For the next year—for 2016–17—I’m making £3 million available to local authorities, and that comprises, I think it’s £0.8 million, from my homelessness prevention budget, and then there’s an additional £2.2 million of funding from across the whole portfolio. I think the £2.2 million is a budget funding pressure, so that’s why it probably doesn’t appear in the budget line.

[168] **Bethan Jenkins:** Sorry, I just wanted to understand what you mean by that, ‘it’s a budget funding pressure’, so that normal people can understand when they’re watching—

[169] **Lesley Griffiths:** Sorry, that comes from across my portfolio.

[170] **Bethan Jenkins:** Right.

[171] **Lesley Griffiths:** I think experience shows us that the budget take-up across the whole portfolio is such that I’ve made this decision, because it’s enabled me to provide additional support, if you like.

[172] **Janet Finch–Saunders:** What assessment has the Minister made of the impact that any reduction in the baseline funding for homelessness will have on services for homeless people?

[173] **Lesley Griffiths:** That's obviously had very careful consideration. I did bring forward the timing of the grants application process for the budget because of the lateness of the UK Government's CSR. Officials undertook a very detailed assessment of all the applications, and the findings did indicate that the budget reduction can be managed without affecting front-line services.

[174] **Janet Finch–Saunders:** Right. And what assessment has the Minister made of the likelihood of any reductions in homelessness allocations disproportionately affecting particular groups, for example, people with mental health problems? Can I just say, Minister, that that's a big issue for me in my constituency.

[175] **Lesley Griffiths:** Yes, I think it's a big issue everywhere. It is a relatively small budget reduction, so I think it won't have any adverse impact on particular groups. But you're quite right to raise mental health issues. I visited the Bus project on Monday night in Cardiff. I don't know if colleagues are aware of it; it's a bus that goes and parks outside the museum, five evenings a week, and homeless people can go for advice, for clothes, for food, et cetera. But it certainly hit home for me that many of the people who are using that bus had mental health issues.

[176] But I think the fact that we've been able to protect the Supporting People programme, for instance, which is one of the programmes that fund this bus—. I took the decision to protect that budget. When I came into portfolio, you will remember that the Supporting People programme had had a significant cut, due to pressures on the budget of that department, as formed then. There was a great deal of work that needed to be done within the Supporting People programme to tighten up on its outcomes, for instance, and on its data. They promised to do that, and, in return, I promised to do all I could to protect the budget, and I've done that. And I think that will help people with mental health issues. The Supporting People programme—I'm sure we've all visited projects, and you will see that many of the service users have mental health issues, and we absolutely accept that, but I think, by protecting the budget, we are helping that particular group that you mentioned.

[177] **Janet Finch-Saunders:** I suppose the difficulty for me is, when homelessness is on the increase, if, as a Government, you can't actually protect the very most vulnerable, why you would look to impose any reductions on a budget at a time when our homeless people are facing severe challenges.

[178] **Lesley Griffiths:** The Member says that homelessness is on the increase; I don't agree with that statement. I would have loved to give Supporting People a huge rise in their budget, but, unfortunately, because of the cut to our budget, I can't do that.

[179] **Christine Chapman:** Okay, Janet? Bethan, you've got a supplementary.

[180] **Bethan Jenkins:** Rwyf i jest yn moyn pigo lan ar y ffaith eich bod chi wedi dweud mewn ateb i Janet Finch-Saunders eich bod chi ddim yn credu y bydd e'n cael—[*Torri ar draws.*] O, sori. Jest yn pigo lan ar y pwynt wnaethoch chi wrth Janet Finch-Saunders nad ydych yn credu byddai unrhyw fath o doriad yn cael impact ar y bobl oedd yn ddigartref. I mi, yn eistedd yma, mae angen imi gael mwy o gadarnhad gennych chi fel Gweinidog y byddwch yn asesu, lawr y lein, sut fydd y toriadau yma yn effeithio ar y bobl sydd yn derbyn gwasanaethau gennych chi. Er enghraifft, rydym yn siarad am bethau lleol—yn Abertawe, rwy'n mynd i weld cynlluniau gan eglwysi gwahanol, sydd yn dweud eu bod nhw'n gorfod helpu pobl sydd yn ddigartref gyda phroblemau iechyd meddwl, am nad oes yna ddigon o adnoddau statudol ar gael yn yr ardal benodol honno. Ac felly, byddwn i eisiau deall yn iawn sut ydych chi'n mynd i fynd ati, mewn chwe mis, mewn blwyddyn, i weld sut mae'r

Bethan Jenkins: I just want to pick up on the fact that you said in an answer to Janet Finch-Saunders that you didn't believe that—[*Interruption.*] Sorry. I just want to pick up on the fact that you told Janet Finch-Saunders that you didn't believe that any kind of cut would have an impact on the people who are homeless. For me, sitting here, I do need to have more confirmation from you as Minister that you will assess, down the line, how these cuts will affect those people who receive services from you. For example, we are talking about local issues—in Swansea, I go to see schemes run by different churches, who say that they have to help people who are homeless with mental health issues, because there are insufficient statutory resources available in that specific area. And so, I would want to understand fully how you are going to go about it, in six months, in a year, to see how this impact is being felt by people.

impact yma yn effeithio ar bobl.

[181] **Lesley Griffiths:** I think you're absolutely right that we do have voluntary organisations—. For instance, on Monday, with the bus, it's the Supporting People, it's the floating support funding and the Salvation Army; it works out of Tŷ Gobaith, which you're probably aware of, in Cardiff. So, what I've asked officials to do, and local authorities, is to develop much closer working links between Supporting People, within the homelessness prevention programme. Other programmes, such as Communities First, have a role to play also, and Families First. So, I have asked for that piece of work to be done, so that we can monitor that.

[182] **Bethan Jenkins:** Will we get to see that in any—. Will we, as Members, get to see that work?

[183] **Lesley Griffiths:** Yes, I'm sure. We've just started that work now, so we'll see the first evaluation phase in six months, and then, obviously, it will be a matter for the new Government to bring forward. But I'm sure you could.

[184] I'm also doing a piece of work around housing and health with the Minister for Health and Social Services; we've just kick-started that, and I'm sure people living with mental health issues will come into that also. But, as I say, by protecting the Supporting People budget—to me, that was the most important thing I could do. Having visited so many of the projects, and particularly, with people with mental health issues, who are who I was specifically asked about, the support given to them is so important. It prevents them from going into hospital and it saves the health service so much funding. When I was health Minister, I was always asking the housing Minister to give me funding towards that and now that I'm on the other side, I will continue to do that also. The Supporting People programme is my most expensive programme and the fact that I've been able to protect that budget, I'm very pleased about, as are the sector.

[185] **Christine Chapman:** Okay, thank you. Mark.

[186] **Mark Isherwood:** I just wanted to ask, it appears that the budget for homelessness action is down £4.9 million on the 2015–16 supplementary budget, but the allocation for community facilities is up by £4.95 million, compared with the supplementary budget, which seems to be a similar figure and, therefore, perhaps a transfer. Why have you reprioritised in that way?

[187] **Lesley Griffiths:** No. I think that the £4.9 million is not a reprioritisation. John, was that the one-off funding that we had in relation to the Housing (Wales) Act 2014, before I came into portfolio?

[188] **Mr Howells:** That is transitional funding for the housing Act implementation—revenue funding.

[189] **Mark Isherwood:** For what implementation?

[190] **Mr Howells:** Housing Act implementation in relation to preventing homelessness. It was in place for 2015–16.

[191] **Lesley Griffiths:** It was a one-off.

[192] **Mark Isherwood:** It was a one-off. The impact is that this year, there's that much less than there was last year to achieve the same goals, and yet, another budget within your portfolio has gone up by a comparable amount in the communities and tackling poverty action area.

[193] **Mr Howells:** It's a coincidence that it's the same amount.

[194] **Lesley Griffiths:** It's not a reprioritisation.

[195] **Mark Isherwood:** Although it should be helping similar—

[196] **Peter Black:** Is one capital and one revenue?

[197] **Lesley Griffiths:** I was going to say—. Are you looking at the CFP? Is that the capital funding that you're looking at?

[198] **Mark Isherwood:** Yes.

[199] **Lesley Griffiths:** It's different funding, so it's not a reprioritisation.

[200] **Christine Chapman:** If I can move on now to Elin.

[201] **Elin Jones:** Weinidog, rydych **Elin Jones:** Minister, you have already eisoes wedi cyfeirio tipyn at y rhaglen referred to the Supporting People Cefnogi Pobl ac rydych hefyd wedi programme and you've also referred cyfeirio at y dystiolaeth sydd yn to the evidence that appears to show

dangos bod yna sgil–effeithiau positif o ran iechyd sydd yn deillio o'r rhaglen yna. Mae'r dystiolaeth, rwy'n credu, yn dangos yn eich papur chi fod yna leihau yn y nifer o bobl sydd yn mynd i weld eu meddygon teulu a'u hunedau brys, ac y mae honno'n dystiolaeth gychwynnol addawol iawn. Beth rwyf eisiau ei ddeall, felly, yw: os ydych yn credu bod hynny'n rhywbeth pwysig fel *outcome* o'r rhaglen yma, ac rwy'n credu eich bod chi, yna sut ydych wedyn yn cyfeirio'r rhaglen yn y flwyddyn nesaf, ar ôl gwarchod y gyllideb, i gynyddu'r gwaith yna o leihau'r pwysau ar y sector iechyd yn benodol ac integreiddio'r gwaith yma rhwng Cefnogi Pobl ac iechyd mewn ffordd hyd yn oed mwy trylwyr na beth sy'n digwydd ar hyn o bryd?

that there are positive side-effects in relation to health that come from that programme. The evidence, I think, shows in your paper that there has been a reduction in the number of people visiting GPs and emergency units, and that's very promising initial evidence. What I'd like to understand, therefore, is: if you think that that is something important as an outcome of this programme, and I think you do, how therefore do you direct that programme in the next year, after protecting the budget, to make sure that that work increases in relation to reducing the pressure on the health sector specifically and integrating this work between Supporting People and health in a more thorough way than is happening now?

[202] **Lesley Griffiths:** I think that was part of the work that I gave them when I first came into portfolio—that they had to develop much closer links between the programme and health and care services. It's really important that we develop those links. So, going forward, as I say, they were given some targets to work for. We've got the regional committees that look at Supporting People and they've been told that collaboration between themselves and health has to be improved. I think, sometimes, funding pressures focus the mind and because they'd had such a significant cut the previous term, which, I have to say, they managed very well—it didn't have an adverse effect on front-line services—they have been looking at how they could align much more. But, certainly, in protecting their budget this year—they've had a cash-flat settlement and I'd say that's the most popular I've ever been as a Minister—they were really, really pleased with the outcome of that, and I think they are very keen themselves now to continue the work that they've started.

[203] **Elin Jones:** It's nice to be a popular Minister, I'm sure. [*Laughter.*]

[204] **Lesley Griffiths:** It's the first time.

[205] **Elin Jones:** Just on that issue in terms of the work that's happening regionally, you say, how convinced are you that this work is happening consistently throughout the various regions of Wales?

[206] **Lesley Griffiths:** If I'm honest, I'm not. I don't think it is consistent and those are the discussions that I've been having over the past year. I think it is improving. I've met with them and I'm due to meet them again before the end of term. There has been improvement, but some are better than others, which we always get, don't we, across regions? But I do want to see much more consistency. But, I think there have certainly been issues.

10:15

[207] **Christine Chapman:** Okay, thank you. We've got about a quarter of an hour left because Ken Skates, the Minister, will be coming in at quarter to, and I do want to have a very short break. We are getting short of time, but I want to make sure that all Members who want to ask a question will be able to. Remember this is information that we need, or any concerns you have, which we need to put into our letter regarding the draft budget. So, I will take Members, but can I emphasise, if you can just sort of make the questions very concise? Obviously, I'll be looking at Members who haven't really had much of an opportunity to speak today. So, Bethan, I think you had a question.

[208] **Bethan Jenkins:** A allaf ofyn jest un cwestiwn clou achos rwy'n gwybod eich bod chi'n dod mewn yr wythnos nesaf ynglŷn â'r gwaith ar gynhwysiant ariannol, a datgan diddordeb gan fy mod i'n gweithio gyda chi ar hynny? Ond, yr unig gwestiwn sydd gyda fi o ran y gyllideb yw: a ydych chi wedi cymryd mewn i ystyriaeth, o ran y gyllideb, beth fydddech chi'n cymryd i'w wario ar unrhyw fath o gynlluniau neu brosiectau newydd a fydd yn dod o'r strategaeth newydd a sut bydd hynny wedyn yn cael ei adlewyrchu mewn unrhyw gyllideb yn y dyfodol?

Bethan Jenkins: I'll just ask one brief question, because I know that you're returning next week to talk about the work on financial inclusion, and I state an interest because I have been working with you on that work. But, the only question that I have in terms of the budget is: have you taken into account, in terms of the budget, what you would spend on any kind of new schemes or projects stemming from the new strategy and how will that then be reflected in any budget in the future?

[209] **Lesley Griffiths:** Obviously, we are working on the new strategy and, as you say, you've been working with us. We're going to publish the final strategy before the end of March. There'll then be a delivery plan, which obviously will be for the new Government. But, I know it's going to be all the same people working on it, even if there are different Ministers—the same people will be working on it. There will be a delivery plan and, obviously, if we have to look at funding, we will have to look within the budget.

[210] Within the financial inclusion area, if you think about our funding for advice services, for credit unions, for DAF as well—the discretionary assistance fund—there is that funding there. So, we would have to look if there was any specific funding that was needed going forward.

[211] **Bethan Jenkins:** So, it would be for a future budget then, any implementation of the new, refreshed strategy.

[212] **Lesley Griffiths:** The refreshed strategy will be published at the end of March. The delivery plan will be later in 2016. So, we would have to look for funding within those pots of money.

[213] **Bethan Jenkins:** Okay. I'll just move on quickly in terms of the voluntary sector then. I know that there's been issues with the WCVA saying that there's a move towards procurement and project funding over grants. There's concern there about that. How are you seeking to ensure that budget reductions to infrastructure bodies are distributed fairly, with those criticisms in mind?

[214] **Lesley Griffiths:** I don't think it would have any impact on procurement. I think, however much money you've got, you can procure. But, again, we've been having discussions with the WCVA. That has been raised. But, I don't think it'll have any impact. I don't know if you can think of anything.

[215] **Ms Marks:** We will always do—whether it's grant or procurement—what is right to get that particular service done and for value for money. The amount of money will not impact the decision.

[216] **Lesley Griffiths:** I know they probably prefer grants to procurement, but we have the procurement policy and that's how we'll go forward.

[217] **Bethan Jenkins:** Okay, thanks.

[218] **Christine Chapman:** Okay, thank you. I'm going to take Mark, then John, then Mike, then Peter. So, Mark, any questions?

[219] **Mark Isherwood:** Yes. I'll jump to housing. I would be grateful to have a question next week on credit union funding.

[220] **Christine Chapman:** You can ask whatever you want to.

[221] **Mark Isherwood:** But, housing. You will be aware that a series of reports have indicated that we need to be building a lot more. Professor Holmans's report for Welsh Government, I believe, said 12,000; 5,000 of which need to be in the social sector. We've had the Bevan report saying 14,000 to 15,000; CIH saying 14,000 to 15,000; a report commissioned by the Welsh Government at the end of the last Assembly saying 14,000. So, how will the spending allocations in the draft budget help deliver those levels, which would require a doubling of house building in Wales?

[222] **Lesley Griffiths:** I've got allocations across my housing-supply programmes. I've got several. I've got the social housing grant; I've got the housing finance grant; I've got Help to Buy—Wales. It's really important that we support affordable housing, market housing and social housing. So, we've got £21.7 million of social housing grant made available that will deliver up to 250 additional homes. I think that's a really important contribution to the number of houses that are required. It's always challenging to meet housing need. But, I do think we work very closely in collaboration with developers, with Community Housing Cymru. I think we're doing all we can with the funding we've got at our disposal to ensure that we are delivering homes for people in Wales.

[223] **Mark Isherwood:** Have the full Barnettised consequentials related to housing in England been allocated to housing in your budget?

[224] **Mr Howells:** The budget in England is over a five-year period. We've only announced a one-year budget, so there will be significant additional announcements that we would hope to make in years two to five.

[225] **Mark Isherwood:** But, for this year's budget, that's the full allocation. I know you don't have to ring-fence, but has it effectively been ring-fenced?

[226] **Mr Howells:** The Welsh Government hasn't allocated all of its capital funding for 2016–17 yet.

[227] **Mark Isherwood:** Right. Good answer. [*Laughter.*] Looking at Help to Buy, will the allocation of funding for phase 2 in 2016–17 be increased, noting your statement that the scheme's total investment is expected to reach £284 million? Or, are you talking there about money leveraged in?

[228] **Lesley Griffiths:** No. We are coming towards the end of phase 1. I have announced phase 2. Phase 2 won't start until phase 1 is nearing the end, so that means probably the summer of this year. But it means that the investment the scheme makes in individual loans is likely to run to 2020–21. That's based on the outturn of phase 1. So, the take-up scheduled for 2016–17 is modelled as 10 per cent of the total fund. So, additional funding allocations for 2016–17 are unlikely, but we've got the allocation of £26 million for 2016–17, and that's aligned to what's required to move from phase 1 to phase 2.

[229] **Mark Isherwood:** So, when you say £284 million expected investment from phase 2, are you talking about Welsh Government investment or total investment, including that put in by the sector separately?

[230] **Mr Howells:** That's Welsh Government funding.

[231] **Lesley Griffiths:** That's Welsh Government up to 2021.

[232] **Mark Isherwood:** Just Welsh Government. Have you already agreed with the treasury the repayable loan mechanism to fund that?

[233] **Mr Howells:** With the Jane Hutt treasury.

[234] **Lesley Griffiths:** With the Jane Hutt treasury, yes. [*Laughter.*]

[235] **Mark Isherwood:** The Jane Hutt treasury—

[236] **Mr Howell:** Treasury requires it to be paid back. This is loan finance over a 25-year period.

[237] **Mark Isherwood:** Therefore, they have to—. It's 25? It was 10 for phase 1, I think, at one point.

[238] **John Howells:** It's always been 25.

[239] **Mark Isherwood:** I was misinformed.

[240] **John Howells:** There are complicated, long-term payback arrangements to the Treasury.

[241] **Mark Isherwood:** So, there has to be an agreement between the two treasuries to facilitate that. Has that been put in place?

[242] **John Howells:** Not completely. Not for the £284 million, no.

[243] **Mark Isherwood:** Okay, thank you.

[244] **Christine Chapman:** Mark, I'm going to have to move on to another Member because we are running really short of time, and I know that some Members are waiting. Sorry, Mark. John first, then Mike, and then Peter.

[245] **John Griffiths:** Diolch yn fawr, Gadeirydd. In terms of the independent living revenue action, next year compared to this year sees three budget lines merged. But it's also subject to a 10 per cent cut in funding. I wonder if you could tell the committee, Minister, how you will seek to ensure that disabled people and their families do not suffer as a result of that cut to the budget, and also how you will monitor and evaluate the impact in those terms and generally. Finally, in terms of tenant participation, how will that continue, and hopefully strengthen, given this budget reduction?

[246] **Lesley Griffiths:** Well, in deploying the budget, I am protecting front-line services. So, while the independent living budget has had to absorb a reduction, the allocation of funding to care and repair agencies, for instance, will be the same as for the current year. The agencies will obviously play a key role in the enhanced adaptation system, which I'm going to be making an announcement on before the end of term in relation to that. We've also had an additional £4 million of capital funding in this area, so the agencies will be able to use that funding to improve facilities for people obviously to be able to stay in their own homes. I've also allocated some funding for 2016-17 to have an independent evaluation, because I think it is really important that we know what the enhanced system is going to do. We are preparing the tender for that at the moment, and that will ensure that we have the data and the reporting requirements that we will need to ensure that it is having the effect that we want.

[247] Supporting tenants: that's always been a priority, I think, for the Welsh Government. We fund three organisations: the Tenant Participation Advisory Service, Welsh Tenants and Tai Pawb. I've also supported a tenant advisory panel. Again, I think it's really important that we get the tenants' views. That supports our regulation of RSLs going forward. I have had to reduce the core funding, but I am assured—they've told me that they can continue with the work that they're doing. It's only going to get worse, and I think that's the message we've been giving to organisations such as this—and that they do need to look at how they can do more for less, or merge for instance. So, that's one of the recommendations that they're looking at.

[248] **Christine Chapman:** Okay, thank you. Mike.

[249] **Mike Hedges:** Can I go over regeneration? I have a view—I don't know whether it's one the Minister agrees with—that you are better off with regeneration capital money to spend a lot in fewer areas than to share it out evenly. I'll still be shouting for Swansea East and everybody else will be shouting for their own area as well. But, for more bang for your bucks, does the Minister agree that you get better outcomes if you spend much more money in fewer areas rather than trying to spread it out evenly so that everybody gets a bit?

[250] **Lesley Griffiths:** I think, generally, yes. Our flagship programme is Vibrant and Viable Places. That was concentrated in 11 local authority areas, and then each local authority did get some funding through different things or through the Vibrant and Viable Places tackling poverty programme. Some areas got some funding. Certainly, having visited many VVP projects over the last 16 months, I think I would certainly agree with that.

[251] **Christine Chapman:** Thank you. Peter.

[252] **Peter Black:** On the regeneration agenda, Minister, can you give us an update on what's happened to the capital money left over from the regeneration investment fund for Wales, which I think is in your budget?

[253] **Lesley Griffiths:** Yes. There will be an announcement very soon.

[254] **Peter Black:** Okay. Is that available to you to spend?

[255] **Lesley Griffiths:** The funding—yes.

[256] **Christine Chapman:** Okay, thank you. Mark, because we've got a little bit of time, did you want come back to any other questions, because I did stop you then?

[257] **Mark Isherwood:** Yes, I would be grateful if I could just particularly focus on rural housing enablers, which I believe still have a key role to play. There is no apparent budget allocation for rural housing enablers. So, are you still going to be funding them? If not, what assessment of the impact of your decision on delivery of affordable housing and on the Welsh language have you taken regarding this?

[258] **Lesley Griffiths:** Yes, I have made an in-principle commitment to fund them. I think it's £100,000 for 2016-17. It's not just Welsh Government that funds them—there are partners as well; there are county councils and RSLs—so I'm just waiting for them to come back to me, but I've certainly committed in principle to fund them.

[259] **Mark Isherwood:** And, to facilitate effective use of that budget, how are you addressing the concerns identified in the report a couple of years ago on rural housing enablers and the barriers that they face in delivering for local communities and assessing local need?

[260] **Lesley Griffiths:** Well, we've always invited applications for our housing enabler funding from all rural authorities. I know we often have housing issues that can impact on the use of the Welsh language locally, but I think the enablers have helped to overcome those issues. Nothing's been raised specifically with me on that.

[261] **Mr Howells:** We've had some encouraging evidence over the last couple of years about using loan finance in rural areas to get small housing sites moving, and we are exploring whether we could do more of that.

[262] **Mark Isherwood:** I think it's where RHEs have encountered barriers in communities where there is need but there has been resistance from elements of the community, including in some cases members of community councils, to developing, 'These social houses here', which, of course, it's not. It's meeting the needs of people from and in that community, but empowering the enablers to perhaps fast-track through that process to establish what the real needs are without facing those barriers.

[263] **Lesley Griffiths:** That's more of a planning issue, but I'm very happy if you want me to specifically raise that with Carl Sargeant. I'm very happy to do that. That hasn't been raised with me. Has it been raised with officials?

[264] **Mr Howells:** Not recently. It's a continuing challenge in lots of communities that not everybody agrees that more housing is a good idea.

[265] **Mark Isherwood:** Well, it's not a planning issue. The rural housing enablers were originally established to work with community councils to carry out local affordable housing needs assessment in identified communities and then to deliver with their partners a means of achieving that. In many instances—certainly in north Wales—as I've encountered, in that process, they've encountered barriers. That's before they've got to planning because they've had to go through that process rather than being empowered to go directly to identify that need themselves.

10:30

[266] **Mr Howells:** These are tricky local issues.

[267] **Mark Isherwood:** They're tricky, but they've been going on for years and years, with rural housing enablers poached into England. Flintshire, for example, lost their rural housing enabler into England. Even the most successful—and there have been some very successful schemes—particularly the early established schemes in the west, have encountered these problems, and it's been going on since inception, despite the great work they're doing.

[268] **Lesley Griffiths:** I think it shows that it's right that the rural housing enablers continue.

[269] **Mark Isherwood:** And need to be empowered.

[270] **Christine Chapman:** I know that Peter had a very quick question at the end. So, Peter.

[271] **Peter Black:** Just in terms of the provision in the draft budget for the cost of subordinate legislation, particularly in relation to the Renting Homes (Wales) Bill, is that provided for there? How much have you allocated to that particular Bill, or Act as it now is?

[272] **Lesley Griffiths:** It is an Act now, yes, after Monday. Because we've got

such a light touch, I think, going forward for the first year or so, I don't think that there are any costs that are going to be incurred. I haven't given any specific funding in relation to secondary legislation.

[273] **Mr Howells:** We're still supporting local authorities on housing Act implementation.

[274] **Lesley Griffiths:** Yes, I was going to say that, on the renting homes Act, there isn't anything specific over the next year. I think we'll need to look at that in the next year.

[275] **Peter Black:** Is the registration authority established, or is that going to cost money?

[276] **Mr Howells:** We have to do that.

[277] **Lesley Griffiths:** We have to do that, in the first year.

[278] **Mr Howells:** We have to do the—

[279] **Peter Black:** So, there is still work to do in terms of the secondary legislation and the budget.

[280] **Mr Howells:** A significant amount.

[281] **Lesley Griffiths:** I think, from talking to my team on Monday at the sealing of the Bill into an Act, there are 21 pieces of secondary legislation, so it's a significant amount of work.

[282] **Peter Black:** I think that's why I asked the question. Okay, thanks.

[283] **Christine Chapman:** Okay, Peter?

[284] **Peter Black:** Yes.

[285] **Christine Chapman:** Okay. There aren't any more questions, Minister, so can I thank you for attending, with your officials? As usual, there will be a transcript, so can have a look to check that there are no inaccuracies? Thank you for attending.

[286] On that note, we'll take a short break now, and we start back at 10.45

a.m. Thank you.

*Gohiriwyd y cyfarfod rhwng 10:32 a 10:45.
The meeting adjourned between 10:32 and 10:45.*

**Craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2016–17: y
Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Scrutiny of Welsh Government Draft Budget 2016–17: the Deputy
Minister for Culture, Sport and Tourism**

[287] **Christine Chapman:** Okay. We're going to make a start now, then. So, can I welcome you all back? This is the last of our scrutiny sessions on the Welsh Government's budget for 2016–17. Can I give a very warm welcome to the Deputy Minister for Culture, Sport and Tourism, Ken Skates AM? Welcome, Minister, and your officials. Can I ask you to introduce your officials for the record, please?

[288] **The Deputy Minister for Culture, Sport and Tourism (Kenneth Skates):** Sure. Would you like to introduce yourselves, actually?

[289] **Mr Davies:** Huw Davies, head of finance for tourism, culture and sport.

[290] **Christine Chapman:** Okay, thank you.

[291] **Ms Antoniazzi:** And I'm Manon Antoniazzi, director of tourism, heritage and sport.

[292] **Christine Chapman:** Okay. Welcome to you all. As you know, Minister, you've sent a paper, which Members will have read very carefully. So, we will go straight into questions. I just wanted to ask you whether you could provide some examples of how the Welsh Government's overarching priorities, which, again, you mention in your paper, have shaped allocations within your portfolio.

[293] **Kenneth Skates:** Thank you, Chair. And thanks for the opportunity to be able to join you today to discuss the budget. In terms of priorities, culture, sport and tourism offer enormous benefits to a nation not just in terms of the health impact, education and economic impact, but also in terms of unifying people, bringing people together for mutual benefit, uniting people and enriching our sense of belonging.

[294] In terms of the Welsh Government's priorities, if we take each one in order, with education first of all, of course, we know that, in terms of library access, education attainment can be significantly boosted. So, getting more young people to access resources in libraries is essential. I think that the Every Child a Library Member scheme has been proven to be especially effective in that regard. In addition, I think it's essential that young people in particular, through their education, are able to access excellent museums. National Museum Wales, as well as local museums, do a superb job in educating young people. Also, the arts play a major role in improving education attainment. They also play a major role in giving young people confidence, and, again, a sense of identity. That's very important as they develop as individuals alongside their peers. So, investing in the arts and making sure that the arts are open to all is incredibly important.

[295] In terms of economy and tackling poverty, I'm particularly pleased with the progress of the Fusion project, which appears to be an obvious project, bringing together, uniting and fusing together those organs of cultural activity with the delivery mechanisms of social cohesion, so, bringing together Communities First areas and cultural institutions. But what we've found is an exceptional degree of willingness on both sides to come together. And the pilot project has proven to be very successful, but I'm very keen, now, that we roll out the pilot project to more Communities First cluster areas and, therefore, more pioneer areas. So, I'm looking at extending the Fusion programme—

[296] **Christine Chapman:** Just on that point, because we did have—you probably won't have had time to look at or listen to the evidence—just before you came in, we did have quite a long discussion on the poverty element. This is an area that is cross-cutting, but we did put to the Minister whether there was enough emphasis across the Cabinet, across portfolios, on poverty. You've started to address it. Do you feel that there's enough priority in your part of the portfolio?

[297] **Kenneth Skates:** Certainly. Without a doubt, in terms of the remit letters that were issued this year to the national sponsored bodies, tackling poverty was the key priority. I think there is, and the Fusion programme has proven that. As I say, it's in the first year, but it's certainly proven that, when we work together across society, we can improve the outcomes for people. What's interesting is, if we look at participation figures in cultural activities, we've seen actually quite a marked increase in those groups who,

traditionally, have been furthest away from accessing cultural institutions—not opportunities. So, there is evidence there that we are winning, but this is a long-term project and objective. But the results so far are very positive, and that's why I want to make sure that we extend the Fusion programme to as many as a dozen pioneer areas in the next financial year.

[298] In terms of health, there are a huge number of activities that take place, cross-Government, as well, where I work closely with the Minister for health. We know that sport and physical activity can challenge obesity and mental illness, and also prevent mental illness and physical illness. So, working together with colleagues in health is absolutely essential, and we've seen quite significant increases in the number of people, both adults and young people, who are increasing their participation in sport and physical activity in recent years.

[299] **Christine Chapman:** Thank you. Before I move on to Gwyn, I've got a supplementary from John, and then I'll move on to Gwyn.

[300] **John Griffiths:** I was only going to ask quickly, Chair—. It's very encouraging to hear what you have to say about the results from the Fusion programme, Minister, and I just wonder whether there's anything at this stage you could share with the committee in terms of the results to date.

[301] **Kenneth Skates:** If we look at some of the pioneer areas, close to my home, in Wrexham, we've seen a significant number of local cultural institutions forge direct links with Communities First cluster managers. We've seen Cadw sites engage directly with Communities First managers as well. So, we are seeing an increase in participation and activity amongst those groups who, as I say, were traditionally furthest away from accessing them. We are seeing a significant increase in activity there.

[302] In terms of the Every Child a Library Member scheme, we've also seen a significant rise, not just amongst those young people who traditionally may not have accessed library services, but also their parents are accessing, in many cases, for the first time, library services. So, the ECALM programme hasn't just been beneficial for young people, it's been beneficial for parents as well.

[303] Perhaps I should provide an update on the Fusion programme if that would help.

[304] **Christine Chapman:** If you would, yes; that would be very useful. Okay, thank you, Minister. Gwyn.

[305] **Gwyn R. Price:** Good morning, everybody.

[306] **Kenneth Skates:** Morning, Gwyn.

[307] **Gwyn R. Price:** Could you give an explanation as to why the revenue budget within your portfolio has been reduced by a greater proportion than the revenue budget in the economy, science and transport department as a whole?

[308] **Kenneth Skates:** What's happened with my budget is that, when you factor in the change to the Welsh Books Council budget, the reduction is something in the region of 5.8 per cent, broadly similar to the overall reduction of 5.1 per cent across EST. However, there are various elements of the portfolio that are able to generate additional income. So, for example, with a projected increase in income from Cadw next year of £800,000, that then brings the overall net budget reduction down to about the same level as the EST overall budget reduction as well. So, they are broadly similar.

[309] **Gwyn R. Price:** So, whilst you are obviously disappointed—because it says it's 5.8 per cent in your portfolio, where it's 4.1 per cent in the EST portfolio—

[310] **Kenneth Skates:** I think it's fair to say none of us would wish to make any reductions whatsoever. So, any reduction in budget is disappointing, but we have to manage what we have been dealt. And, the fact of the matter is that we've had a budget reduction across Welsh Government of £1.4 billion in recent years, at a time when there are ever-increasing demands on our services.

[311] **Gwyn R. Price:** Thank you.

[312] **Christine Chapman:** Are there any other questions?

[313] **Gwyn R. Price:** No.

[314] **Christine Chapman:** Okay. Bethan.

[315] **Bethan Jenkins:** Roeddwn i jest **Bethan Jenkins:** I just wanted to focus

isie canolbwyntio yn benodol ar— specifically on—sorry. I just wanted sori. Roeddwn i jest eisiau to focus specifically on cuts to the canolbwyntio yn benodol ar doriadau arts in Wales, and I think it's i'r celfyddydau yng Nghymru, ac important to state on the record that ar y record fod y celfyddydau nid yn the arts don't just help that particular unig yn helpu'r sector hwnnw, ond yn sectors of society. In that regard, helpu ar draws pob sector o how do you believe that you will gymdeithas. Yn hynny o beth, sut achieve the aim of making Wales a ydych chi'n credu y byddwch chi'n creatively active nation in Europe— cyrraedd y nod o greu Cymru that long-term aim—if there are weithgar yn greadigol yn Ewrop—y more cuts to this specific budget, nod hirdymor hwnnw—os oes yna despite the fact that the arts council, fwy o doriadau penodol i'r gyllideb of course, is appointed to make the yma, er bod y cyngor celfyddydau, majority of cuts in this area? wrth gwrs, yn cael ei benodi i wneud rhelyw y toriadau yn y maes yma?

[316] **Kenneth Skates:** I'd like to thank the Member for this question, because it's absolutely essential that we do become the most creatively active nation in Europe, I think. If we look at the overall budget from across Welsh Government for the arts, when you factor in the extra £2 million for the arts and education programme, actually spending on the arts in Wales has been incredibly favourable vis-à-vis spending on the arts elsewhere in the UK. The reduction to the arts in Wales from the Welsh Government has been far less than the reduction to the arts across the border from the UK Government.

[317] However, we do recognise that there is also a need to make sure that there is sustainability embedded within the arts community. What I think is particularly impressive concerning the RFOs is that their income has been increased. The amount of income generated by the RFOs, the revenue-funded organisations, has increased by 15 per cent—more than 15 per cent, in fact—over the last two years. So, actually, that has more than compensated for any reduction that's come as a result of central funding reductions. So, the actual increase—there is a net increase in the amount of money that's been generated for the revenue-funded organisations.

[318] And it's not just about the amount of money that is specifically allocated from Welsh Government. In order to become the most creative and active nation in Europe we have to have more people engaging with and

participating in the arts. The more people we get engaging with and participating in the arts, the more investors we get, and therefore a greater degree of investment in the arts. So, when we look at the increase in income generated by revenue-funded organisations of more than 15 per cent over two years, we see a correlation with the number of people—an increase in the number of people who are participating. If we go back to 2011, something in the region of 27.4 per cent of adults were active in the arts. Today that figure is 37 per cent, so there's been a significant increase in the number of people who are participating actively in the arts, performing and so forth. If we look at those who are accessing the arts, again there has been a significant increase, and it's now way in excess of 70 per cent. Even when you take out cinema as a participation factor it's still way in excess of 70 per cent. So, actually we're seeing an increase in the number of people who are both active and accessing the arts, and as a consequence of that we're seeing an increase in the amount of investment in the arts, but without Government funding as the core investment, that would not be achieved, in my view. It's absolutely essential that Government continues to provide that core funding for the arts council in order to make sure that we can then lever in additional investment by people.

[319] But there's also a role here, a greater role, for, for example the Creative Europe desk, for philanthropists and fundraisers and crowdfunding. We know, based on the trend, that the amount of money that's going to be invested via crowdfunding portals will rise dramatically towards 2020, and I'm really keen to make sure that the arts in Wales and indeed sport and the whole of the culture and sport sector benefit from that increase in crowdfunding opportunities. That's why I'll be meeting with some of the big trusts and foundations next month from London. That's why we're engaging cultural organisations in meetings and discussions on how best to exploit the opportunities that European Union membership offers—so that the core funding from Welsh Government is used not just as the basis of the only funding available, but as an enabler to lever in additional resources.

[320] **Christine Chapman:** I know, Bethan, that you've got a supplementary.

[321] **Bethan Jenkins:** Rwy'n gwybod bod amser yn brin, ond rwyf jest isie dod nôl yn glou. Rwy'n gweld bod yna waith wedi cael ei wneud yn y sector, ac nid wyf yn tynnu i ffwrdd o hynny, ond un consýrn sydd yn dod o

Bethan Jenkins: I know that time is short, but I just wanted to come back on that briefly. I see that work has been done in the sector, and I don't want to detract from that, but one of the concerns that come from local

grwpiau lleol, yn sicr, yw'r ffaith bod toriadau i awdurdodau lleol yn effeithio ar sut maen nhw'n gweithredu. Byddwn i eisiau gwybod sut ydych chi'n siarad â'r Gweinidog hynny, Leighton Andrews, er mwyn sicrhau nad yw'r impact ar grwpiau lleol yn cael effaith lle nad ydynt yn gallu rhoi perfformiadau ymlaen, fel nad yw pobl yn gallu cael mynediad at y gwasanaethau hynny.

groups, certainly, is the fact that cuts to local authorities have an effect on how they operate. I would like to know how you speak to the Minister, Leighton Andrews, to ensure that the impact on local groups doesn't have an effect where they're no longer able to put on performances, so that people cannot access those particular services.

11:00

[322] **Kenneth Skates:** This actually also impacts on some of the major revenue-funded organisations as well—some of the big organisations rely on local authority funding as well as on arts council funding, as well as some of the local community groups, too. I've worked very closely with Leighton Andrews, the Minister for local government, in this regard. I think it's worth stating that one of the most damaging occurrences that we've been able to avoid in Wales, but which we've seen elsewhere, is the rapid reduction in local authority funding alongside sudden cuts and dramatic cuts in core funding for the arts council. For example, in England, that sudden and dramatic cut to the Arts Council England budget after the previous comprehensive spending review, allied with sudden and dramatic cuts to local government funding, generated a perfect storm where local authorities pulled the plug on arts and cultural organisations at the same time as Arts Council England was placed in a very, very difficult position. We've been able to avoid that in Wales because we've been able to work with local government and with the Arts Council of Wales in gradual reductions that can be accommodated through an increase in investment via increased participation rates. But I've worked with the Minister for local government since being appointed to this position on a number of projects, including the asset transfer toolkit. I've met on regular occasions with the chief leisure officers as well within local government to be able to assess what sort of impact budget reductions would have on cultural and leisure services.

[323] It was absolutely critical that the reduction to the local government budget was not as significant as had originally been thought. That reduction to the local government budget does now mean that many councils are reviewing their plans for cultural services, and I think that's very welcome; I

think we will see, as a result of the settlement being better than was thought, many organisations and community groups across Wales given a sustainable future and opportunities that they otherwise wouldn't have had.

[324] **Christine Chapman:** Okay, thank you. Elin.

[325] **Elin Jones:** Ddirprwy Weinidog, jest yn fyr, mae'r cyngor celfyddydau, wrth gwrs, yn gwybod beth yw eu dyraniad cyllideb ddrafft nhw yn debygol o fod, ond nid yw'r cwmnïau a'r sefydliadau sydd yn cael eu hariannu o'r cyngor celfyddydau yn gwybod beth i'w ddisgwyl o ran eu cyllideb nhw i'r flwyddyn nesaf, ac o bosibl ddim yn mynd i wybod tan ar ôl i'r gyllideb derfynol gael ei phasio ar yr wythfed neu beth bynnag o fis Mawrth. Mae hynny'n anarferol o hwyr, ac yn anodd o hwyr iddyn nhw. A oes yna unrhyw fodd ydych chi'n credu y gallai cyngor celfyddydau fod yn rhoi dyraniad neu wybodaeth amodol i'r cwmnïau a'r sefydliadau hynny cyn penderfyniad terfynol y lle yma ar beth efallai y gallai'r cyrff yma fod yn cynllunio ar ei gyfer? Achos nid yw clywed am eich dyraniad ariannol ychydig wythnosau cyn cychwyn ar y gyllideb honno yn arfer da iawn, byddwn i'n ei ddweud.

Elin Jones: Deputy Minister, just briefly, the arts council of course know what their draft budget allocation is likely to be, but the companies and establishments that are funded by the arts council don't know what to expect in terms of their budget for next year, and possibly they won't know until after the final budget has been passed on the eighth, or whatever will be, of March. That's unusually late, and it makes things difficult for them. Is there any way that you believe that the arts council could give an allocation or initial information to those companies before the final decision is made here on perhaps what they might expect so that they could plan ahead? Because hearing about your financial allocation a few weeks before the beginning of that budget is not very good practice, I would say.

[326] **Christine Chapman:** Minister.

[327] **Kenneth Skates:** The lateness of the comprehensive spending review has made it very difficult for everybody, but I think, in fairness to the arts council, they do exceptional work in this regard, and I know that they are speaking with revenue-funded organisations and other organisations to ensure that they're in a more comfortable position than perhaps would have been imagined.

[328] **Christine Chapman:** Okay. Elin.

[329] **Elin Jones:** Is it possible for you as a Government to allow the arts council to make conditional budget allocation information available to the companies in advance of the final budget vote here? Otherwise, they will not have heard anything from the arts council regarding their budget.

[330] **Kenneth Skates:** On their actual settlement.

[331] **Mr Davies:** It's a decision for the Government, I guess, but, clearly, we would have to make it clear that it was a provisional allocation based on the fact that the Arts Council of Wales's final budget allocation would be as is set out in the draft budget, so it would have to come with that caveat. But I guess if that was done, it would clearly be helpful to the bodies concerned.

[332] **Kenneth Skates:** I'm happy to take that on and do that.

[333] **Christine Chapman:** I just wonder, because I think Elin's question is about possible redundancies and whether there should be redundancies. I think that is a possibility, isn't it?

[334] **Elin Jones:** Well, it's for the national bodies and the other organisations to be able to start planning for their next financial year. And, at the moment, it looks as if they will only have two weeks to do that properly, whereas the Welsh arts council know, of course, what their allocation is likely to be. Within that, the arts council makes decisions and the decisions they make could be very varied on individual bodies. So, they won't know until it's almost too late. We all accept that the timetable is beyond the control of this place. But, just to manage that appropriately is within the control of the Government, in this sense.

[335] **Kenneth Skates:** I think Elin Jones makes a very valid point and it's certainly something we are doing.

[336] **Christine Chapman:** Okay, thank you. Obviously, there's a huge uncertainty for those people. Okay, thank you, Deputy Minister. John.

[337] **John Griffiths:** I've took what you've said so far, Minister, highlighting the importance of finding additional funding for culture and the arts. Obviously, anything that can be levered in outwith the public purse is very valuable. So, in that context, Arts & Business Cymru are a significant

organisation. I wonder, Minister, whether you're in a position to tell the committee whether you've done any analysis of the value for money that Arts & Business Cymru are able to offer. In other words, to what extent can they multiply the funding given to them by Welsh Government by accessing business money and ensuring that that finds its way into the arts and culture in Wales?

[338] **Kenneth Skates:** The arts council have conducted a review of Arts & Business Cymru, and that was carried out in the summer. A report was delivered in the autumn. That report is commercially sensitive so it's not a public document. But, the report contains two aspects: one is an analysis of Arts & Business Cymru's services and another is a summary of the services that have been requested by the arts organisations and the sector itself. And, as a result of that review, the arts council is now looking to publish a prospectus that sets out the services that it wishes to see procured in order to help arts organisations and businesses capitalise on available resources. So, there's no actual specific allocation for Arts & Business Cymru. The grant that it's receiving this year forms part of a two-year grant that was agreed jointly by arts council and Welsh Government.

[339] So, going forward the arts council will be, as I say, publishing a prospectus that sets out the business development services that it wishes to procure, based on what the sector itself wishes to see delivered. Now, in doing this, the arts council will make a clear demarcation between the activities of Arts & Business Cymru, those that are owned by Arts & Business Cymru and other services that it wishes to procure, so that there is no duplication and there's no cross-cutting across what Arts & Business Cymru already do—some of which is either self-financing or is delivered through the organisation's own funds.

[340] I know that you, John, are a strong believer in what Arts & Business Cymru have been able to do for the arts sector and the culture sector in Wales. There are no guarantees; but, Arts & Business Cymru is being encouraged to bid for the contract for the work that the arts council wishes to procure. Meanwhile, I think the Arts Council of Wales may be willing to assist Arts & Business Cymru with some interim transition funding to reach the point where they're able to bid for that work without the necessary loss of any jobs.

[341] **John Griffiths:** On a different matter, Minister, in terms of the European-Union-created culture fund, are you considering or have you

considered creating a culture fund within your resources to enable better access of those moneys for arts and culture in Wales?

[342] **Kenneth Skates:** Yes, I am. The idea would be, if you like, some sort of a match-funded challenge fund, a culture fund that would be used to match moneys from Europe. At this moment in time, what we're doing is embarking on a number of seminars, engaging the sector. The first was held in north Wales and it attracted 60 organisations, which was more than I was expecting, I'm pleased to say. There'll be another event in Swansea in the near future.

[343] I think it's recognised that we could do more with our membership of the European Union in terms of leveraging in money from the Creative Europe desk and also using the opportunities that INTERREG and Erasmus+ offer. So, I've asked officials in charge of the Creative Europe desk to engage very closely with the arts council and the sector as a whole in looking at how we can better exploit the funding that is on offer from the European Union. But, at this moment in time, ahead of setting up any challenge fund, I think we first need to engage the sector so that the sector itself is aware of what the opportunities are.

[344] **Christine Chapman:** Okay, thank you. Janet.

[345] **Janet Finch-Saunders:** Could you comment, Minister, on the decline in visitor numbers to local libraries? How do you feel that can be reversed, given the reduction in allocations to museums, archives and library services?

[346] **Kenneth Skates:** Thanks, Janet. There has been a decline of about 3.9 per cent in actual visits to libraries, but I think we need to put this in context. There are still almost 14 million visits to public libraries in Wales each year. That's something equivalent to filling the Millennium Stadium 183 times. Alongside the reduction in actual visits, there has been a sizeable number of people who are now accessing, in a virtual sense, library services. In fact, there is something in the region of 3 million virtual visits.

[347] If we look at the trend across Wales and England, in terms of attendance at libraries, what we see is an incredible success story in Wales, I think it's fair to say. First of all, if we look at the comparison between England and Wales in terms of library visits per 1,000 population, if we go back to 2010–2011, we'll see that in England there were 5,060 visits per 1,000 population, compared to Wales's 4,936. Since then, it has switched.

The number in England has fallen to 4,136, whereas in Wales there has been a much smaller reduction, and there are now far more visits per 1,000 population in Wales. In total, it's 4,411, so we've bucked the trend. In terms of total revenue—and one must think that this is a factor in Wales's relative success—back in 2010–11, £18,244 was spent per 1,000 population in England on library services, compared to £17,300 in Wales. Now, that spending in Wales is far exceeding England: in England, it is £14,555; in Wales, it is £15,695—significantly more. In terms of total book issues per 1,000 population, again, in England it was 4,885, compared to Wales's 4,615 in 2010–11. Today in England it's 3,015, compared to 3,609 in Wales. These are figures that were produced independently by the Chartered Institute of Public Finance and Accountancy.

[348] So, actually, the story in Wales is something that we can be very proud of. We are now ahead of England in terms of books borrowed, in terms of money spent, and in terms of library visits. We've seen a considerable increase in the amount of virtual visits to library services. Just reflecting back again on the Every Child a Library Member scheme, that's been a remarkable success. I'm pleased that, this year, we will see it operating in every single local authority in Wales.

[349] **Christine Chapman:** Can I just, before I bring Janet back in—? Going back to my earlier question, Minister, about the poverty element, you are talking about a virtual library, et cetera, and people doing it on the virtual libraries. I mean, is there an issue there for people in poorer communities? Are you accommodating poorer communities within those figures?

[350] **Kenneth Skates:** Yes. Again, through the Fusion programme, there is that direct contact now between libraries and Communities First cluster areas, but also rural areas as well, working with some of the Big Lottery distributors. I know that, in the coming year, there will be activities that are specifically relevant to rural areas where there is digital exclusion and where there is rural poverty, so that we can introduce more people to the opportunity to get digitally literate. At the moment, the digital literacy figures for Wales show, I think, that about 15 per cent of people are not literate. We would expect and hope to see that figure fall as a consequence of the ECALM programme and various other initiatives to get more people engaged in digital literacy. There is, of course, the Superfast Cymru programme, which has put Wales ahead of pretty much anywhere in Europe right now in terms of connectivity potential. So, as we reach the end of Superfast Cymru, I would expect more and more premises to be connected to virtual library services.

11:15

[351] **Christine Chapman:** Okay, thank you. I'll bring Janet in. I know Peter has a supplementary and then Alun.

[352] **Janet Finch–Saunders:** Minister, you'll be aware that I raised over the Christmas period concerns, in response to an FOI that we received, about tens of thousands of pounds in library fines. Some authorities are better at collecting them than others. How do you work with local authorities to ensure that they have a fairly robust approach to that, so that that money can go back in and be reinvested into libraries and may even help to prevent some closures?

[353] **Kenneth Skates:** Absolutely, I think that's a fair comment. It is for local democracy, I guess, and local authorities themselves to operate the fines system. But, I think the Member is right that any money that is generated through fines should be reinvested in those local library services to make them more secure and more sustainable.

[354] **Janet Finch–Saunders:** What about those authorities where the collection rate is appalling? There was one with £70,000 owing. Those are significant figures.

[355] **Kenneth Skates:** Yes, absolutely, and we do have officials within the museums, archives and libraries division who can offer advice and guidance and, certainly, I'll be steering officials to that area of concern that the Member has raised.

[356] **Janet Finch–Saunders:** Okay, thank you, and my final question is whether the museums, archives and library services' capital budget includes an allocation for the community learning libraries programme.

[357] **Kenneth Skates:** Yes, it does. And, again, I think this has been a great success too. We've now seen something in the region of a third of Wales's public libraries either renovated, modernised, co-located or transformed as a result of this capital funding scheme. In the current financial year, I think there are seven libraries that have been transformed, co-located or modernised. Next year, there will be at least £1 million available when we factor in the specimen grants that are within that budget and I'll take stock of the position and consider the best use of the available capital funding.

But, it would increase it to a maximum of just over £1.8 million potentially, which would be a sizeable sum compared to recent years. So, yes, there is that money there and I think it's proven to be an incredibly successful programme. So, I wish to see it continue.

[358] **Janet Finch–Saunders:** Thank you.

[359] **Christine Chapman:** Peter.

[360] **Peter Black:** Yes, just in terms of libraries, it's easy to measure footfall in libraries and you can also measure what happens to the buildings. I've had some correspondence with you about Neath Port Talbot County Borough Council in terms of their basic library service. I'm just wondering in terms of the statutory obligation on local authorities, are you monitoring the things like the spend on books, the opening hours and stuff like that, which I think may be more fundamental to whether an authority is delivering a statutory service, even with the various community libraries that are now opening because of budget savings?

[361] **Kenneth Skates:** Absolutely, we are. And, with regard to those community libraries that are not run by the local authority, we've issued the guidance and I have to say that's been accepted very well by local authorities. It's fair to say my officials are incredibly busy monitoring what's happening right across Wales at the moment, in particular with Neath Port Talbot, right now. But, it is essential that we look at opening hours, not just footfall, but also the opportunity to access library services outside of traditional working hours and we are doing that. We're monitoring and giving guidance based on what the statutory responsibilities are.

[362] **Peter Black:** And at what stage does a local authority cease to deliver its statutory obligations?

[363] **Kenneth Skates:** There are a number of factors that could lead to a local authority ceasing to meet the statutory responsibilities, and then there would be the ultimate sanction available, which would be for Welsh Government to then take over responsibility for those libraries. We've not reached that point with any local authority as of yet.

[364] **Peter Black:** Okay.

[365] **Kenneth Skates:** But, it's something that I would certainly consider.

[366] **Christine Chapman:** Bethan.

[367] **Bethan Jenkins:** Sorry, Minister, what do you say on the point that, in Neath Port Talbot, for example, they're consulting to close or to transfer a given library even though they've had one of those grants that you mentioned earlier to update said library? It doesn't make sense to me. If it was a dilapidated building, if people were not having the follow through and going in and accessing the library, I could understand. But, I would just want to understand further how you see that as Minister, and how you get value for money from the grants that you give.

[368] **Kenneth Skates:** Indeed, but they're not alone actually in looking at transferring out library services or actual libraries that have been transformed using this particular capital funding stream. They're not alone because I'm aware in other local authorities that there's consideration being given to trusts taking over some libraries that have been transformed. I think what's important, above all, is that regardless of whether Welsh Government funding is being used or not that that library is retained where and when possible, and it might be run by a trust, it might be run by a local authority, but, as long as it's open to the public and it's a first-class service, I think people will be content. How it's run and by whom is significant and it's important that the statutory responsibilities are met. Regardless of who it is that's actually operating it, the local authority retains responsibility for the statutory functions and the responsibilities. So, even if it was transferred out to trust, the local authority would still be responsible.

[369] **Christine Chapman:** Okay. We've got just about 20 minutes left. Alun's is next and I want to make sure that Members who haven't come in yet will get the opportunity. So, Alun, first.

[370] **Alun Davies:** Dim ond un **Alun Davies:** Just one question from me, Minister. I want to ask you what kind of assessments you've made of the impact of reductions in funding on the national museum and the national library. How are you and your department and officials collaborating with the museum and library to help them and support them in raising additional income?

ychwanegol?

[371] **Kenneth Skates:** I'm pleased to say that we have very regular discussions, both at ministerial level and official level, with the national museum and the national library. The past 12 months, I have to say, have delivered some really exciting initiatives that will come to fruition this year as a result of discussions that have taken place and also as a result of us encouraging national sponsored bodies to work more closely together in partnership. So, perhaps it's an opportune moment to say that I've invited Baroness Randerson to lead a review of heritage services in Wales, so that we create a stronger, unified identity for the Welsh heritage sector and that we improve the commercial performance of heritage sites and museums and so forth.

[372] The national museum has done sterling work this year in preparing for 2016, the Year of Adventure. I'm very pleased that, next week, I'll be going to the launch of—I've got it here, actually, and I would encourage Members to go—the Treasures exhibition. In the current financial year, we were able to offer a significant capital sum to the national museum to be able to develop a unique space within the Cathays park museum for blockbuster exhibitions, and the first will be the Treasures exhibition, drawing together exhibits from around the world, including Indiana Jones's hat and whip and crystal skull. The idea being that it not only—

[373] **Christine Chapman:** So, Harrison Ford isn't coming.

[374] **Kenneth Skates:** He may well do, we'll see. What would be great is if we could get the fifth Indiana Jones film shot within the museum.

[375] But the idea is that we place the national museum right at the forefront of what Wales can offer in the Year of Adventure, and that the national museum is able to, in turn, generate additional sums in income, not just from the exhibition, but also in terms of the retail opportunities that it would bring through increased footfall. So, through the discussions we've had, through the plans that are now being implemented and delivered, I'm confident that the museum is in a very strong position. Also, in working together with other national sponsored bodies and with Cadw as well, I think the museum and the library are in a good place right now. The library and the museum, it's fair to say, have been excellent in leveraging in support from trusts and foundations as well. I know that that work is ongoing and they'll continue to take advantage of every opportunity that comes.

[376] **Christine Chapman:** Okay. Alun.

[377] **Alun Davies:** I'm happy.

[378] **Christine Chapman:** Okay. Bethan.

[379] **Bethan Jenkins:** I just wanted to clarify whether that is a new announcement you're making with regard to Baroness Randerson, or whether it's something I've missed. The second question I have is, obviously, I welcome the work that the national museum does in everything across Wales, but I think you've painted quite a rosy picture that doesn't really reflect some of the realities on the ground with regard to issues there regarding staff terms and conditions and the issues around weekend pay rates. I'd like to hear some thoughts on that, because if there's going to be additional cuts to the budget, how does that then reflect the reality of the situation whereby they still haven't come to an agreement with the trade union, PCS, and Edwina Hart has had to intervene on many occasions? So, I would just like to hear more about that and how additional budget reductions will affect that work, ongoing.

[380] **Kenneth Skates:** In terms of what the public will see and experience at the National Museum Wales, the museum is in an incredibly strong position, both in terms of what's happening at Cathays and the redevelopment of St Fagans. I do accept, however, that there are challenges that are still ongoing in terms of employment relations. This is a matter primarily for the national museum, but our officials are helping as well in that regard. I think what's crucial is that the museum is able to reach a position of sustainability, and that requires Welsh Government support in exploiting commercial potential as well. That's precisely what we're doing now.

[381] **Christine Chapman:** Thank you. Peter.

[382] **Peter Black:** Yes, thank you, Chair. Minister, you've already referred to the extra income for Cadw—I think you said £800,000. What happens if that income isn't realised?

[383] **Kenneth Skates:** Well, we're confident that that additional income will be realised. Members may be aware that we recently opened, for example, very exclusive apartments at Harlech castle, which will lever in additional income for the first time. There will be admission price increases at 20

staffed monuments from April. Now, in the past, when there were small increases there were dire warnings from some that it would lead to a fall in visitor figures. Actually, the opposite happened, so we're confident that it will occur again. Indeed, Cadw officials have been able to increase the projected income in this current year based on increased visitor figures of 5 per cent. We're confident that, as we attract more people next year, we will also see a corresponding increase in income generated, and £800,000 I think is an accurate projection of what's going to be generated.

[384] I think it's fair to say that some of the Cadw sites until recently have been incredibly competitive—too competitive, you might say—to visit. It's less expensive to get into some of our greatest castles than it is to buy a couple of coffees, and I think a small increase in admission prices will go a long way to making sure that our greatest historic assets are sustainable. So, I'm confident that we will see that increase of £800,000 in the next financial year. Some 1.3 million people visit Cadw staffed sites every year, so a small increase in admission prices, and an increase in the amount of people who are purchasing retail items and purchasing these sorts of things—coffees—within Cadw sites will, I think, deliver the £800,000. If it didn't transpire that £800,000 was achieved, then there would have to be adjustments within the Cadw budget, and those adjustments may come from, for example, marketing. But we have every confidence that it will be achieved. Indeed, we're investing £100,000 in improving the visitor offer in putting on more events and activities to bring in more visitors. We've seen a huge amount of European money invested in some of the Cadw sites, and in the heritage tourism partnerships that have driven up visitor numbers as well. So, we've got every confidence in Cadw delivering the increase in visitor numbers and the increase in income generated.

[385] **Peter Black:** I'm sure the coffee shops in the Cadw sites will be local businesses rather than international coffee chains.

[386] **Kenneth Skates:** Indeed.

[387] **Peter Black:** Other brands are available.

[388] **Kenneth Skates:** Indeed.

[389] **Peter Black:** Presumably, Minister, there will be a commensurate increase in the marketing budget to generate this income as well within Cadw, or will that be contained within the overall income?

[390] **Kenneth Skates:** The marketing budget will be contained within the Cadw budget, but I think it's fair to say that the marketing of Wales this year is actually significantly helping Cadw sites attract more visitors. Branding 2016 the Year of Adventure delivers quite a focus for our built and natural environment, and 2017, the Year of Legends, will do so likewise. So, actually, in terms of the advertising equivalent, we've had hundreds of thousands if not millions of pounds generated in the first few weeks of 2016 as a consequence of branding Wales 2016 the Year of Adventure. Much of the focus has been on our built environment, and therefore it's very difficult to differentiate what we spend in terms of marketing for Cadw from what we generate as a consequence of advertising equivalent.

[391] **Peter Black:** Okay. In contrast, the budget for the royal commission has been cut by 10.6 per cent in cash terms. What assessment have you made of the impact of that on that very useful and valuable institution?

[392] **Kenneth Skates:** Indeed, yes. It's been reduced by £181,000, but as a consequence of the royal commission moving into the national library. So, there will be a considerable saving in accommodation costs. The accommodation costs for the royal commission are something in the region, normally, of £133,000. So, in moving into the national library, we expect savings across that estate of something in the region of £100,000. Other savings are planned in terms of increasing the sale of specialist publications, which will generate additional income, but, also, reductions in travel and subsistence costs as well.

11:30

[393] **Peter Black:** Will they benefit from being co-located with the national library in terms of actual sale of products, et cetera?

[394] **Kenneth Skates:** Oh yes, there's a wonderful shop in the national library, which they'll be able to now utilise.

[395] **Peter Black:** Whereas they're tucked away in an old building at the moment.

[396] **Kenneth Skates:** Indeed, yes. It's down below and it's not the most attractive building. Whereas being in the national library will give them an opportunity.

[397] **Elin Jones:** It's a pretty attractive building—the national library.

[398] **Kenneth Skates:** The national library is.

[399] **Peter Black:** I think Ken was refereeing to the royal commission's building—

[400] **Kenneth Skates:** The royal commission building—. The national library is a magnificent building.

[401] **Peter Black:** [*Inaudible.*] It certainly would not be of interest to Cadw, I think, no.

[402] Finally, Minister, what changes will Cadw have to make to be able to implement the historic environment Bill's provisions?

[403] **Kenneth Skates:** There are modest commitments in terms of the cost of the provisions of the Bill and most of those are going to be met by Welsh Government. Within the Cadw budget, those costs can be absolved simply by restructuring some of the funding programmes. We're able to accommodate all of the costs of the Bill.

[404] **Peter Black:** Okay, thank you.

[405] **Christine Chapman:** Okay, thank you. We've got 10 minutes, so I'll come back to Mark, but Elin, I think, needs to come in next. We've got literally 10 minutes now before the Minister has to leave. So, I will come back to Mark.

[406] **Elin Jones:** Un cwestiwn, felly, ar y gyllideb ar gyhoeddi a'r cyngor llyfrau. Fe allai'r pum munud nesaf yma fod wedi bod yn wahanol iawn heb eich cyhoeddiad chi ddoe eich bod yn mynd i ychwanegu £374,000 i'r llinell gyllideb ar gyhoeddi. Rwy'n gwerthfawrogi hynny'n fawr iawn. Ond efallai y gallwch chi ateb y cwestiwn ynglŷn â pha un a ydy'r arian yma, y £374,000, yn

Elin Jones: Just one question, therefore, on the publishing budget and the books council. This next five minutes could have been very different without your announcement yesterday that you do intend to put £374,000 into the budget line for publishing. I welcome that very much. But perhaps you can just answer the question of whether this £374,000 is in addition to your

ychwanegol i'ch cyllideb chi ynteu a budget, or whether it comes at the
ydy ar draul unrhyw agwedd arall o'r expense of any other area of the
gyllideb rydych yn gyfrifol amdani. budget you are responsible for.

[407] **Kenneth Skates:** No, this is from the wider EST budget, I'm pleased to say. It may be worth my mentioning as well that we are allocating, in the current financial year, an additional £184,000 to the Welsh Books Council in capital to be able to upgrade their IT system and also to ensure that essential work is carried out to the distribution centre in Aberystwyth.

[408] **Christine Chapman:** So, this is in addition to—

[409] **Kenneth Skates:** That's in the current financial year.

[410] **Christine Chapman:** Okay. Sorry.

[411] **Elin Jones:** I can ask no more, then.

[412] **Christine Chapman:** Right, okay, that was very welcome yesterday
Okay, thank you. Mark.

[413] **Mark Isherwood:** Your statement yesterday or your response to questions yesterday largely neutralised the need for these particular questions. I think your decision did reflect a cross-party concern and, clearly, the concerns expressed by the sector, very loudly, itself. I think all of us were copied in on letters not only received directly to the committee, but copies written to you as well by authors, poets and others across Wales. They did make the point very strongly that the health of a nation can be measured by its commitment to its writers and those who seek to platform artistic talent with passion and skill, I think, as one of the letters to you said. But they also highlighted the proposals, looking at other institutions working in literature and the promotion of Welsh culture and which have been in receipt of much gentler cuts. Why, therefore, wasn't that factored in when the original proposals were made, which created such concern, leading to the need to make the announcement you did yesterday?

[414] **Kenneth Skates:** The lateness of the CSR was a factor. Also, as a consequence of discussions that took place, consideration was given to the impact on jobs. It quickly became apparent that a reduction as proposed would have significant and immediate consequences for the 1,000-plus people employed in the publishing sector, and that there would be a

significant impact on the number of books published within Wales. So, I was very keen to make sure that we addressed that at the earliest opportunity. I'm pleased that there has also been a 5 per cent increase in the number of books sold through the Welsh Books Council. That's to be welcomed, I think, by the entire publishing sector across Wales, but I want to see more people writing. And, for that reason, we've been able to offer the Welsh Books Council a pretty significant sum to embark on a national writing competition for young people this year. It being the centenary of Roald Dahl, I think there's a golden opportunity for us to engage more young people in creative writing, and so we've been able to work, I'm pleased to say, with the Welsh Books Council in developing a competition that will be open to young people. And, even better, the winners will have their work published. I think it's great that we are in a position where we can inspire more people to write, particularly young people, and I very much hope that those authors and publishers who did the right thing in lobbying—I think they were absolutely right—now will also work with schools and go into schools, as many of them already do, and help to inspire young people to write and to take part in what I hope to be the biggest young persons' writing competition this year.

[415] **Christine Chapman:** Minister, the £374,000, welcome as it is, are you able to tell us where that has come from in the wider budget, in the EST—?

[416] **Mr Davies:** Those discussions are still happening as to the precise—

[417] **Kenneth Skates:** It's going to come from the wider EST budget.

[418] **Christine Chapman:** Okay. Thank you. We are running short, but Mike, I think, has got questions now.

[419] **Mike Hedges:** I've got two questions. The £5 million capital loan scheme was very welcome. Is it going to be recycled in the same way that invest-to-save is?

[420] **Kenneth Skates:** Yes, the aim is that it's recycled. It's a pilot scheme, so we'll carry out an evaluation of it, but the aim is that it's a recyclable loan scheme, yes.

[421] **Mike Hedges:** And, very welcome as the money is from the Welsh Government, it's only a very small part of the money coming into sport. I, for one, am very hopeful that we'll still get Premiership division money next year, apart from the television deal. Has anybody done any evaluation or

calculation of the total amount of money coming from different bodies within Wales to sports organisations? As somebody who spends an inordinate amount of my time writing supportive letters for sports clubs to a whole range of different organisations, has anybody actually put anything together as to exactly how much you're getting in?

[422] **Kenneth Skates:** We're getting there with the figures. I mean, it is incredible; the amount that we allocate to Sport Wales is a relatively small part of the entire ecosystem of sport and physical activity within Wales. For example, we know that something in the region of £153 million a year is spent by local authorities on sport and leisure services. There's been a sizable increase in investment by some of the national governing bodies themselves in activities, especially within schools: for example, the Welsh Rugby Union's school-club hub programme, which has been remarkably successful in increasing the number of girls and ethnic minority students participating in rugby. That's been extended across Wales; I think the ambition is to extend that to 80 schools in Wales. We've seen remarkable success achieved through Welsh Gymnastics and the social enterprise model, and I think the increase in membership numbers through Welsh Gymnastics now sees something in the region of 19,000 young people regularly participating in gymnastics. Equally, the Welsh Football Trust has committed huge sums of money and resources to increasing the number of young people participating in football, and also disabled people, and older people as well through programmes such as Walking Football.

[423] It's very difficult, therefore, to be able to provide an exact precise sum for the entire amount of investment into sport and physical activity, because we'd also need to factor in the money spent by individuals in terms of gym membership. But I too hope that in the coming years we will see a sizable sum come to Wales as a consequence of the deal for the Premiership league.

[424] **Mike Hedges:** Sorry, I wasn't expecting all of that. And I'd better mention the England and Wales Cricket Board, which you didn't mention, because I'll get shouted at by some of my friends if I don't. But I think there is big money coming in from three or four of the bigger sports areas that spend a lot of money on rugby grounds; the England and Wales Cricket Board give a tremendous amount of support for local cricket clubs and coaching within the area; the Premiership league money should hopefully help improve stadia, and you and I have had long discussions about 3G and 4G pitches and their benefits. So, really, without going into individual expenditure or the amount of money coming from small organisations, the big three sports in

terms of income and sports lottery money would probably capture 90 per cent of the non-individual money.

[425] **Kenneth Skates:** I would expect that. Also, you know, we have talked on numerous occasions about the 3G pitches. We now have Hockey Wales with the Welsh Rugby Union and the Welsh Football Association developing 100 new sites—that's fantastic investment—right across Wales. Work has taken place in identifying spatially where we need to see a new generation of sports facilities developed. We have seen roll-out of inexpensive or free sports activities through the likes of parkrun and ParkLives develop over recent years. We have seen the rise of street games as well, and informal sports. So, actually, it's very difficult to be able to identify the precise amount of investment because many of the activities as well are free.

[426] **Christine Chapman:** Okay. Thank you, Minister. I know you have got a train to catch, so we are going to have to draw this session to a close. I know there were further questions, but, obviously, time is against us, so apologies for those. So, can I thank you for attending, and also Manon and Huw? I think it's been a very good session. We will send you a transcript, as usual, so that you can check it for any inaccuracies, so thank you for attending.

[427] **Kenneth Skates:** Thank you.

11:41

Papurau i'w Nodi Papers to Note

[428] **Christine Chapman:** Could I just invite the committee—? There's a paper to note from the Welsh Language Commissioner, following the 10 December meeting.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod

Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cynnig:

Motion:

bod y pwyllgor yn penderfynu that the committee resolves to

*gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi). accordance with Standing Order
17.42(vi).*

*Cynigiwyd y cynnig.
Motion moved.*

[429] **Christine Chapman:** Can I now invite the committee to move into private session for the remainder of this meeting? Okay? Yes?

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:41.
The public part of the meeting ended at 11:41.*