



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a
Chymunedau](#)

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

14/07/2016

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

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. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Gareth Bennett	UKIP Cymru
Bywgraffiad Biography	UKIP Wales
John Griffiths	Llafur
Bywgraffiad Biography	Labour
Sian Gwenllian	Plaid Cymru
Bywgraffiad Biography	The Party of Wales
Rhianon Passmore	Llafur
Bywgraffiad Biography	Labour
Jenny Rathbone	Llafur
Bywgraffiad Biography	Labour

Eraill yn bresennol
Others in attendance

Mark Drakeford	Aelod Cynulliad, Llafur (Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol)
Bywgraffiad Biography	Assembly Member, Labour (Cabinet Secretary for Finance and Local Government)
Amelia John	Dirprwy Gyfarwyddwr, Is-adran Dyfodol Tecach, Llywodraeth Cymru
	Deputy Director, Fairer Futures Division, Welsh Government
Reg Kilpatrick	Cyfarwyddwr Llywodraeth Leol, Llywodraeth Cymru
	Director for Local Government, Welsh Government

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

Sarah Beasley	Clerc
	Clerk
Owen Holzinger	Y Gwasanaeth Ymchwil
	Research Service
Sarah Sargent	Dirprwy Glerc
	Deputy Clerk

Dechreuodd y cyfarfod am 09:16.
The meeting began at 09:16.

**Cyflwyniadau, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest**

[1] **John Griffiths:** May I welcome everybody to this first formal meeting of the Equality, Local Government and Communities Committee and say how pleased I am to have been elected Chair of what I think is a very important committee? We will have a lot of significant and substantial work to undertake throughout this Assembly term and I very much look forward to working with all members of the committee in taking that work forward.

[2] We have apologies for this meeting from Janet Finch–Saunders, Bethan Jenkins and Joyce Watson—none of whom are able to attend for various reasons.

09:17

**Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol—Trafod
Blaenoriaethau Cynnar
Cabinet Secretary for Finance and Local Government—Discussion of
Early Priorities**

[3] **John Griffiths:** Our first substantive matter of scrutiny for this committee involves scrutiny of the Cabinet Secretary for Finance and Local Government, Mark Drakeford, and I'm very grateful to Mark for coming along at this early stage, together with his officials. Would you like to introduce your officials at this stage, Mark, please?

[4] **Ysgrifennydd y Cabinet dros Gyllid a Llywodraeth Leol (Mark Drakeford):** Diolch yn fawr, Gadeirydd. So, gyda fi y bore yma y mae Reg Kilpatrick, cyfarwyddwr llywodraeth leol, ac Amelia John, dirprwy gyfarwyddwr yr is-adran dyfodol tecach.

The Cabinet Secretary for Finance and Local Government (Mark Drakeford): Thank you very much, Chair. Joining me this morning are Reg Kilpatrick, director for local government, and Amelia John, the deputy director in the fairer futures division.

[5] **John Griffiths:** Diolch yn fawr. Could I initially, Cabinet Secretary, ask you to make a brief opening statement, perhaps just covering some of your early thoughts, actions and priorities for your responsibilities in this role?

[6] **Mark Drakeford:** Thank you, Chair. I'll be brief. Since I've become the Cabinet Secretary for local government and finance, events elsewhere have meant that I've spent probably a significant amount of my time on the finance side of my responsibilities, particularly those relating to European funding and working quite hard to work out the impact on our budgets of the decision on 23 June. All of that has probably taken up a larger part of my time than might otherwise have been anticipated.

[7] But I have been spending a considerable part of my time as well on the local government aspects of my responsibilities, and in particular the relatively vexed question of future arrangements for local government. As you know, the last Assembly Government made the case for reform of local government and in particular a reduction in the number of units of local government in Wales. It published a map, it tried to set an agenda and it attempted to create a momentum behind the proposals that the Government had brought forward. As everyone here will know, it was unable to secure a majority on the floor of the Assembly for those proposals, and my assessment has been that there would be no majority for that particular course of action in the fifth Assembly either. So, my approach has had to be different.

[8] The approach I have taken is to spend a lot of my time out and about. I'm meeting every chief executive and every local authority leader. I am going to meet them, rather than suggesting that they come here to the National Assembly to meet me, partly because I want that to be something of a symbol of a different relationship in which, you know, I am very keen to be seen to be engaged with them, and partly because I think you learn a lot by being in the locality where people discharge those responsibilities and meeting other people while you are there, and so on. I'm more than half way through that now, but I'm not simply meeting local authorities directly; I'm meeting them through the Welsh Local Government Association, I've met the trade unions, I'm meeting third-sector organisations that have close relationships with local authorities in their areas, and so on.

[9] My message while I'm out and about is that I am listening and learning. That's what I'm there to do. I'm not there to talk, by and large. I'm there to listen to what they have to say to me—for them to give me some ideas of how they think we might go about solving problems around which there is a wide degree of agreement. It's not hard for people to identify what the challenges are; there's a very shared sense of what those may be. Trying to create a shared response to those challenges is the more difficult task, but

it is a political task, isn't it? It is one of the key things that we as politicians try to do: to broker agreement, to create some common ground, to see whether people are prepared to commit themselves to a future in which nobody will get everything that they want, but everybody gets sufficient of what they think is important for them to commit to their common purpose.

[10] I've got the rest of those meetings still to go. If Members are interested to know about how those things are going, I'm happy to try and answer those questions. But it's been very important for me to say, every time I say anything about any emerging ideas, that I must remain as open to the thoughts of the twenty-second local authority I meet as I was to the first. I'm very keen not to give any impression to the people I've yet to meet that I am already making up my mind before I hear what they have to say. So, I must remain open-minded until all that is completed, although I think there are some common themes emerging, from what I've heard so far.

[11] **John Griffiths:** Is it right, Cabinet Secretary, that in the autumn, you would plan to make a statement on the way forward, having gone through the exercise that you've just described?

[12] **Mark Drakeford:** Yes, Chair. What I said to the WLGA, when I spoke at their annual general meeting nearly two weeks ago, was this: that I am genuinely alert to the things that local authorities say to me about the corrosive effect of delay, and their feeling that a question mark has hung over their future for quite a while now, and that this has an impact on their ability to plan ahead and an effect on the lives of people who work for local authorities, who have got families and homes and futures to map for themselves. So, I'm alert to the need to try and bring that to an end.

[13] What I said to them was that, the better progress I am able to make in creating a sense of consensus, the earlier in the autumn I will be able to say something. But they have a responsibility in that, as well as me. The more they contribute to creating a sense of shared purpose, the earlier I will be able to make a statement. Ideally, I said to them, I would like to be able to say something early after we come back in September on some big building blocks of what future arrangements might be like, and then spend the rest of this calendar year in more detailed discussions with other political parties here, and with local authorities and their partners, about how the detail of all of that might work out.

[14] **John Griffiths:** Thank you very much. Over to Members for questions,

then: Sian.

[15] **Sian Gwenllian:** Diolch yn fawr iawn am ddod atom ni y bore yma. Rydych wedi sôn yn syth am ad-drefnu llywodraeth leol, felly rwy'n cymryd bod hynny'n mynd i fod yn flaenoriaeth penodol gennych chi yn y maes yma; ond, wrth gwrs, mae yna fwy i lywodraeth leol na dim ond ad-drefnu. Felly, buaswn i'n licio gwybod beth yw eich blaenoriaethau chi y tu hwnt i'r ad-drefnu. Efallai y down ni yn ôl wedyn at ad-drefnu.

Sian Gwenllian: Thank you very for coming to see us today. You have mentioned immediately the issue of reorganisation of local government, so I'm assuming that that's going to be a specific priority for you in this area; but, of course, there's more to local government than just reorganisation. So, I would like to know what your priorities are further than that. Maybe we can come back to reorganisation afterwards.

[16] **Mark Drakeford:** Wel, diolch yn fawr am y cwestiwn yna. Pan rwyf mas yn siarad â phobl yn y maes, os oes tri chwarter awr gennyf, mae pob un yn cytuno yn y funud gyntaf fod lot mwy yn y maes yma nag ad-drefnu. Byddwn yn cymryd 43 munud yn siarad am ad-drefnu ac yn dod yn ôl at y darlun arall yn y munud olaf. So, mae'n help mawr i mi gael cyfle, yn gyntaf, i siarad am bethau eraill.

Mark Drakeford: Well, thank you very much for that question. When I'm out speaking to people on the ground, if I have three quarters of an hour then everyone is agreed for the first minute that there's a great deal more to this area than reorganisation, but I do spend 43 minutes talking about reorganisation and we come back to the rest for the final minute. So, it's of great assistance to me to have this first opportunity to discuss other issues of importance.

[17] In the draft Bill that was published in the last Assembly term, reorganisation of the map of local authorities was just one aspect of a much wider Bill, and many other things in that Bill were widely welcomed by local authorities. So, as Sian has said, there is a much bigger agenda to do with local government than reforming the map. So, some of the bigger priorities for me—I'm trying to find time and space to concentrate on them—are thinking through the future funding of local government. I believe that there are some relatively immediate things we might be able to do to try and make the system we currently have a bit fairer and fitter for purpose. I've already said to my officials that I want a purposeful piece of work to be set in hand to look in applied detail at what some of the alternative schemes of local government funding might look like if we applied them in Wales. So, some

Members here will know that there's a very good report, I think, published in December, commissioned by the Scottish Government and COSLA—the Convention of Scottish Local Authorities—which rehearses the big alternatives: land value, taxation, local income tax, and so on. I don't think we need to go through that exercise again in Wales. We know what the big possibilities are, and there's quite a lot of literature now that weighs up their pros and cons. They all say that there is no single course of action that hugely outweighs any other. They've all got pluses and minuses, including a continuation of a reformed council tax regime.

[18] So, I'm keen to move on from looking at this in theory to seeing what it might look like if we did a piece of work that applied some of those possibilities to Welsh circumstances so that, during this Assembly term, we will come to a more informed, shared understanding of what those things might look like if we did them in Wales, and then to decide whether or not we think one of those possibilities has more attractions than the system we currently have. The system we currently have has got some big pluses to it: it's well known and it's effective, in the sense that 97 per cent of council tax is collected. It's hard to avoid because it's hard to hide a house. So, it's got some positive things. It has that very big downside of being regressive: that the burden of it falls more on less well-off households than better well-off households. That is a fundamental difficulty in the council tax. But it's not without its merits, and we have to weigh these others against it. That's one priority for me.

[19] A second is that we hope that, if the Wales Bill completes its way to the statute book, we as a National Assembly will have the powers in future to organise the way we conduct elections in Wales. I have long, myself, been a real critic of the way that we conduct elections and the way that that gets in the way of whole swathes of our community being able to exercise their democratic rights. So, we vote on a Thursday because it was half-day closing in 1886.

09:30

[20] We expect people to walk long and inconvenient distances to cast their vote with a pencil tied by a piece of string to a flimsy, hastily erected booth. It's no wonder that people don't get to vote, when the way we expect them to do it is so out of kilter with the way they conduct the rest of their lives. So, I am very keen that, collectively, we take as radical a look as we can at how we may be able to use the powers we will get, so that the business of how we

go about electing people becomes more consistent with the way people live their lives, and therefore, draws into participation those people who we know are least likely, currently, to be able to make their views known through the ballot box. I'm arranging a first, very blank-sheet-type seminar in the autumn, where we'll get people together who have expertise in this field to see what the possibilities are. I think that's a really exciting opportunity for us here in Wales, and it can be something the Assembly will have for the first time, and I hope we will, between us, manage to make the maximum use of the chance we will have.

[21] Finally, Chair, and thirdly, in terms of big ideas beyond the Bill, I am keen to develop a different language in the way we talk about local government. I'm not going to be using language about local government, I hope, that regards it as problem to be solved. I think local authorities discharge enormously important responsibilities day in, day out in the lives of our fellow citizens, and every local authority in Wales is good at something. Most of them are good at quite a lot of things; none of them is good at everything. And, so, for me, it's a matter of time to build on the strengths that local authorities have, to have a different relationship with them that's based on that sense of mutual recognition and respect, and I am keen that they in turn translate that into the way they think of their citizens.

[22] So, I am keen to use language that moves us on from the days in which we thought of somebody coming through the door of a local authority as a problem to be solved. I want local authorities to think of their populations as people who have strengths, who are assets, and who have a contribution to make, and where the job of our services is generally to put people back in a position where they can manage without us, rather than creating the conditions where they can't manage without continuing use of services. So, I'm sorry if that sounds like a slightly more nebulous agenda, but I think it does get at some quite fundamental things in the way we think about local government, and we try and put local government services in a place where they are better able to meet the challenges of the future.

[23] **John Griffiths:** Thank you very much. That's very useful, I think, and very informative for the committee in the scrutiny session that we're currently undergoing. Did you want to follow up on that, Sian?

[24] **Sian Gwenllian:** Diolch yn fawr. **Sian Gwenllian:** Thank you very much. I agree with you, certainly, that we need to look at reviewing the

gyngor, a'r ffordd annheg y mae hynny yn disgyn ar ein dinasyddion ni ar hyn o bryd, ac hefyd, eich pwynt chi ynglŷn ag etholiadau a sut rydym yn pleidleisio. Ac, wrth gwrs, byddwn yn dadlau ynglŷn â'r angen i gael pleidleisio cyfrannol—PR—a'r system STV. Rwy'n meddwl bod angen inni archwilio hynny i gyd. Felly, diolch i chi am hynny, ond i ddod yn ôl at yr ad-drefnu llywodraeth leol, rydych wedi sôn bod rhai themâu cyffredin yn dechrau dod i'r fei. Efallai y gallech sôn wrthym ni am ychydig o'r rheini. Hefyd, cwestiwn mwy penodol: mi fuodd yna ymgynghoriad efo rhanddeiliaid ynglŷn â'r Bil drafft, wnaeth ddim pasio yn y diwedd, felly, ond byddai'n ddiddorol gweld hynny. Rwy'n meddwl eich bod chi wedi cyhoeddi rhywbeth ddoe; nid wyf wedi cael cyfle i edrych ar hynny. Ond os allech chi sôn yn fras iawn, efallai, am rai o'r themâu oedd yn dod allan o hynny.

[25] **Mark Drakeford:** Wrth gwrs. Diolch yn fawr.

council tax, and the unfair manner in which that is distributed amongst our citizens at the moment, and also, your point about elections and how we vote. And, of course, I would argue about the need to have proportional representation and a single transferrable vote system. I think we do need to look at that. So, thank you for that, but coming back to the reorganisation of local government, you have mentioned that there are some common themes that are starting to emerge. Perhaps you could tell us about some of those. Also, a more specific question: there was a consultation with stakeholders regarding the draft Bill, which wasn't passed in the end, but it would be interesting to see that. I think you published something yesterday; I haven't had a chance to look at it. But, if you could tell us a little about that, perhaps about some of the themes in that.

Mark Drakeford: Of course. Thank you very much.

[26] I'll do it in English. In terms of the bigger picture that's emerging so far—and, Chair, just one more time to say that what I'm doing here is I am feeding back to you the things I am being told by others, rather than saying 'This is my concluded position.' But in terms of what I've heard so far, a possible way ahead might be something like this: that we could retain the 22 local authorities that we have, minus any voluntary mergers, which local authorities themselves might still want to pursue. We retain them as the democratic tier. That's the place where local authority councils are elected and that's where the citizen goes through the front door for services that local authorities provide. So, there is still a local presence that people know, recognise, and have had now for nearly 30 years. But behind the front door, we would have a new set of regional arrangements, where local authorities

pool some of their responsibilities and resources to discharge responsibilities that are currently discharged just at the local level.

[27] One of the debates that I have had with local authority colleagues is if we were to move to that more regional approach, then I think that regional approach would have to be more systematic and more mandatory than it has been in the past, because we have a lot of regional arrangements in Wales and every local authority I go to is able to point to some services that they now share with some other local authorities. But it is a very scattergun picture when you look at it: everybody is doing something different; everybody is doing it in a slightly different footprint. My discussion with them has been about, if this were to be the picture, then I think that we would have to have a more disciplined approach, and that would apply to Government as much as to local authorities. We would have to find a way of agreeing what these regional footprints are and then we would have to have a shared understanding that would be true right across Wales as to what services are going to be discharged in that way.

[28] So, the idea of regional working does not seem to be much disputed. There is the economic ambition board in north Wales, where people already act in that way. The city deal for Cardiff has 10 local authorities acting very clearly together. So, the idea of regional working is not disputed. The discussion gets a little bit more uncertain when you say to people, 'Well, we'd have to have a clearer understanding'—and as I say, a more mandatory approach. I don't think at the moment that I'm attracted to what some local authority colleagues say to me, which is, sort of, 'Well leave it up to us. Don't you worry; it'll all be fine and we'll do it for you and you needn't go any further than to just give us that sense of direction.' I'm afraid there are too many examples of where just encouragement brings people together and, at the last minute, when commitment to a joint course of action has to be made by everybody, somebody decides that it's not quite in their own particular interest to do that and the whole scheme unravels.

[29] So, there's a third strand in it, Sian, which is to do with shared services and what we might want to do there. Some people have argued, when I've been out there, for a national shared services centre for Wales—it's what the health service has. Others have argued for doing that on the regional footprint, but I do think we have to have a proper conversation as part of the big picture as to how we move more decisively towards a set of shared services.

[30] A final big-picture discussion, which I'd be very interested in Members using here, as the committee goes on in its work, is that, if we're to have a democratic tier at the level of 22, where quite a lot of what those 22 do now is in a regional arrangement, how does the citizen have a clear line of sight in all of that? If I am a resident of Porthmadog, how do I know where a decision about something that's important to me is being made? How do I know where to go to have some influence over it? So, that democratic answerability, I think, is another big theme in it.

[31] Very briefly, in terms of the responses to the draft Bill, which were published yesterday—a lot of very rich material there, a lot of strong support for some of the things that were in the Bill: the general power of competence and use of performance regime between Welsh Government and local authorities, the strengthening of the role of local councillors as community leaders and so on. Plenty of support for those sorts of things. Much, much more mixed views on the map, of course, and a mixture of views as to whether the Bill was too prescriptive in some of the ways in which it said local authorities should go about some of the things we were asking them to do, and a bit of a call for Welsh Government to be clear about its objectives, but then to leave the 'how'—so, clear about the 'what' and leaving the 'how' freer in the hands of local authorities to decide what works best for them in their particular circumstances.

[32] **John Griffiths:** Okay. Diolch yn fawr, Cabinet Secretary. Okay, Sian. Rhianon.

[33] **Rhianon Passmore:** Thank you, Chair. Firstly, I'd like to welcome the approach that the Cabinet Secretary is taking and the very positive moves that I think are coming out of this already at this early stage. In terms of the reform or the review of the finance system, you've mentioned one of those as your priorities under that portfolio that you've just discussed. In terms of the future finance panel and the recommendations of the independent commission on local government finance, is there anything there that you would feel that you are going to move forward with? Obviously, you talked about the taxation and the reform of council tax: is there going to be formal review of that from your perspective at this moment in time?

[34] **Mark Drakeford:** Thank you, Rhianon. Well, the future of finance panel was due to meet this side of the summer, and I've asked them to hold off until the autumn to have their next meeting, while I just think through how I can best use the expertise that is around that table. As I say, I'm a bit allergic

to them and me spending a lot of time ploughing our way through ground that I think has already been very well set out in reports that we can draw on. So, as I say, the advantages and disadvantages of different forms of local financial regimes, I think, are well enough known for us not to feel we've got to just do all that again.

[35] Therefore, I am keen to move into the next phase of all of this, and thinking through whether the future finance panel is the best place to get some advice on how, if, for example, we wanted to see how a local income tax regime for Wales—what would it actually look like? What would we need to do? What would be the practical tasks we would have to discharge? What would be the differential impact of that sort of regime in different parts of Wales? How would we move to equalise, as we would inevitably need to do, the different tax takes there would be in such a regime? I'm sorry, I'm just keen to get on with those sorts of practical things, and I'm keen to do it for land value taxation as well. I'm keen to do it for a reformed, revised council tax regime of the sort we have now, so that, by the time we get further down this Assembly term, we will be able to share and debate not just the abstract merits of these different ways of doing things, but what their impact would be if we were to apply them here in Wales. So, that's my ambition there, and the future finance panel, or some version of it, certainly will be critical to that.

[36] I've seen the Tony Travers report that the WLGA commissioned. I'm hoping to meet Professor Travers, maybe even next week, depending on his availability and so on. I think there are some very strong recommendations in that report. I certainly want to talk to the WLGA about them. I think there are some potentially problematic recommendations. It recommends, for example, 100 per cent retention of non-domestic rates by each local authority. I'm just looking around the table to see whether there's anybody here from the five out of the 22 local authorities that would benefit from that, rather than the 17 that would lose as a result of it. So, I'm very glad of the report. I think it's a very useful contribution. I'm looking forward to meeting the author and discussing it. I think we will need to take a nuanced response to its recommendations.

09:45

[37] **Rhianon Passmore:** Thank you.

[38] **John Griffiths:** Okay, Rhianon.

[39] **Rhianon Passmore:** Yes, that's fine.

[40] **John Griffiths:** Jenny.

[41] **Jenny Rathbone:** Just going back to the way we deliver public services, we've now got the Well-being of Future Generations (Wales) Act 2015, and I just wondered where the role of public service boards fits into all this. I appreciate it's hugely complicated around whether we're going to have regional partnerships. Are public service boards potentially one of the ways in which we're going to get people to deliver things together?

[42] **Mark Drakeford:** Thank you, Jenny. That's a very important question. I hadn't mentioned public service boards, and it is certainly true to say, Chair, that, when you start talking about a regional level, there are a whole range of different ways in which you could organise the governance of that. Now, some public service boards in Wales have already decided to act jointly. So, in the Cwm Taf area, they have one board. So, it is one possibility, to do it that way, but there are other models as well. When I said earlier, Chair, that my ambition would be—and it is just an ambition at the moment—that I could come early in the new term with a statement to the Assembly about some of the sort of bigger building blocks, and then spend the rest of the year talking in detail, if one of the building blocks were to be this new regional arrangement, then the detailed discussion would be about, 'So, how do we now arrange all of that?' First of all, we would need to agree on the map, but then we would need to agree on what are the underpinnings of it. Are these joint committees, are these statutory things, are they local public services boards re-engineered to discharge that responsibility? Once again, as in the sort of complex lives we lead, all of these things will have things to be said for them, and all of them will have downsides as well. But a detailed conversation, as I say, inside the Assembly with other parties and through the committee and then with stakeholders outside—that's what I'd want the rest of the year to be about: weighing up the best model.

[43] **Jenny Rathbone:** Okay, I'll come back to that in a minute. I just want to pick up on the report by the auditor general, 'A Picture of Public Services 2015', which was published at the end of last year, which said very clearly that, obviously, there are three options for local authorities: either they can do less—and in some cases they've stopped doing certain things—or they can be more efficient in the way they deliver services, or they can do things differently. What the report says is that there's an awful lot further to go in

terms of doing things differently in the light of the fact that there's continuing high demand for services and there is not more money. So, I just wondered how leisurely we can be about the way we're going to do things differently in the light of the fact that, obviously, there is no more money, and Brexit has obviously made that even more complicated. How urgent do you think it is that the auditor general's report indicates that some local authorities might even go bust?

[44] **Mark Drakeford:** Well, there is an urgency in the system. There's no doubt about that. One of the reasons why we have a shared sense of that problem is that local authorities are fairly alert to the pressures that they know they are facing, and I have to be very frank with them, when I meet them, that even though I'm very keen for the different sort of conversation with them, I bring no bag of gold with me in which the answer to their problems can be, 'Give us more money'. Because the Assembly will have less money every single year of this Assembly term and it's inevitable that local authorities will have to shoulder their share of that burden. I don't think I would detect, from the discussions I've had so far, any sense of complacency about the future. There is a lot of anxiety about the future. There is a lot of concern about the future, and there's a shared sense that we've got to do something together to make them more resilient. In one sense, Chair, if you stood back: why? Why are we doing it all? What's the whole reform of local government about? Well, for me, it's about trying to grow more resilience into the system. That regional way of working, if that is to be the way ahead, offers more resilience in terms of service and doing things differently, but it also offers some financial resilience as well in doing things more efficiently. So, I don't think there's any sense of sitting back. We have to get on with doing lots of these things, but I do, at the same time, have to—. I am very keen to be true to what I said to local authorities, you know, several weeks ago, that I would listen to everybody before coming to a conclusion. Although that's hard for some people who want to know the answer, I'm keen to give them the answer as soon as possible, but only when everybody's had a fair chance to make that contribution.

[45] **Jenny Rathbone:** Where do voluntary mergers sit in this? I appreciate your commitment to want to listen to everybody before you come to a conclusion, but where local authorities themselves have decided that they could benefit from merging with an adjacent authority, do you think that still stands? Obviously, some of it was offered up at a time when it looked like there would be some direction coming from the Welsh Government.

[46] **Mark Drakeford:** Look, some local authorities undoubtedly feel a bit bruised by the way that voluntary mergers were offered up and then none of them were taken forward. So, I'm asked that question routinely: you know, 'Is it worth us thinking about this again, or has the Welsh Government turned its back on that way of doing things?' My answer is that if we were to decide that the 22 were to remain in place as the democratic tier, then, for me, that does not rule out at all local authorities who come to their own conclusion that voluntary mergers would be in their interest and the interests of their local population, that I would not be very willing to listen to those proposals, and, where we agree that those proposals were in the interest of those local populations, not simply to be neutral but actually to do what we could to be helpful in bringing those voluntary mergers about. I think the difference is that, last time, the Welsh Government called for proposals. So, the impetus came from here and people responded to it. What I'm saying is that, if the impetus comes from local authorities in future, I'm certainly not going to say, 'You can't do that'. In fact, I'm quite happy to say that if, by their own assessment, a merger is the right thing to do, then I'm very happy to get behind it with them rather than just simply sit back and see what happens.

[47] **Jenny Rathbone:** Okay. Obviously, the Williams report highlighted huge differences in efficiencies: you know, comparing road repairs in Powys versus road repairs in Ceredigion, there were really marked differences. What work needs to be done now in terms of ensuring that all local authorities are competent and capable of delivering their responsibilities? We had three local authorities in the last Assembly term where it was discovered that the chief executives appeared to be writing their own pay cheques, without councillors seeming to be aware that there clearly needed to be very strict Chinese walls on how that was arrived at.

[48] **Mark Drakeford:** To be honest, Chair, I think there's a mixture of things in that question. At one end of the spectrum you have real failure, where things that should never happen anywhere have happened. For those sorts of things, you need a regime—an inspection regime and an oversight regime—that enables those things to be spotted and enables those things to be put right. It's not a matter, I think, then of simply allowing the local authority itself to act. There needs to be a regime beyond the local authority that puts failure right. In the middle there's a different set of issues, which are to do with different priorities and performances, because I think what you'll find is that if one local authority is better at something than the one next door, it's probably because it has put a different priority on that, and the one next door is better than the other one on something else. Now, you

know, to what extent is it right for us to determine the priorities of Ceredigion County Council? So, I'm in a slightly different position there. We need a transparent reporting regime. We need to make sure that local people understand what is happening, and then local people make their democratic choices when they come to the ballot box.

[49] I'm maybe a bit more attracted to some of the things that I am told by local authorities—that the Welsh Government should be clearer about our expectations, that there should be some things we say to them, 'These are what you must deliver', and then have a less direct managing regime about the way that they get to that end. Where do you cut that? It's a spectrum, isn't it? And where you decide the line is drawn is a matter we will need to think through and debate. But I'm probably slightly more to the end of the spectrum of feeling that local authorities have democratic mandates of their own, that they must be allowed to discharge them and that the major check and balance in the system is not the Welsh Government breathing down their neck—it's their answerability to their local populations for what they do and do not do well.

[50] **Jenny Rathbone:** That's pretty difficult for the citizens to understand, though. If you think about the budget that local authorities publish, it's not easy to read for the general citizen. So, how do we—? One of the challenges is to encourage more people to want to get involved in their local government. How can we—? You know, we face local elections next year. How are we going to encourage more people to want to get involved? Last time, there were one or two wards where nobody wanted to be a representative.

[51] **John Griffiths:** Can I just say, Cabinet Secretary, that in as much as it's possible, if you could give a brief answer to that because I'm very keen, given the constraints of time, to move on to items around equality and the Well-being of Future Generations (Wales) Act 2015?

[52] **Mark Drakeford:** It's a very important question. It's well-rehearsed in the draft Bill. It's taken up in the responses that we published yesterday. Maybe one way in which we encourage more people to get involved is for those people who do get involved to feel that they are being given that extra responsibility to do the things that they think will make a difference in their communities.

[53] **John Griffiths:** Thank you very much for that. I'm going to move on at

this stage to those matters of equality and future generations, and I think Sian, you would like to begin as far as equality issues are concerned?

[54] **Sian Gwenllian:** Diolch. Rydym i gyd yn ymwybodol o'r agweddau dinistriol sydd yn digwydd yn sgil y refferendwm, a'r twf anffodus iawn mewn troseddau casineb ac achosion o hiliaeth yn cael eu hadrodd. Rydym wedi sôn am hyn o'r blaen yn y Siambr, rwy'n gwybod, ond pa gamau ymarferol y medrwch chi fod yn eu cymryd rwan? Rwy'n meddwl bod hwn yn ofnadwy o bwysig—ein bod ni'n tacllo hwn yn syth a bod yn gryf iawn yn ei gylch o.

Sian Gwenllian: Thank you. We're all very aware of the destructive attitudes that have come about following the referendum, and the very unfortunate growth in hate crime and issues relating to race being reported. We have mentioned this previously in the Chamber, I know, but what practical steps do you think you could take now? I think it is terribly important for us to tackle this immediately and to be very strong in that regard.

[55] **Mark Drakeford:** Rwy'n cytuno yn llwyr. Mae beth rydym wedi ei weld ar ôl y refferendwm yn bwysig, rydym yn beco amdanyn nhw ac mae'n bwysig i ni wneud pethau nawr ac yn syth i ddweud wrth bobl sy'n byw yn y cymunedau hynny nad ydym yn fodlon o gwbl i weld y pethau sydd wedi digwydd yn mynd ymlaen yma yng Nghymru. So, o ran cyfrifoldebau yn y maes yma, rydym yn rhannu y cyfrifoldebau gyda Carl Sargeant, y Gweinidog dros gymunedau. Mae e wedi gwneud lot o bethau yn barod; mae lot o'r pethau ymarferol yn ei ddwylo e. Mae wedi cwrdd â'r Wales Race Forum, mae e wedi ysgrifennu mas i aelodau y *race forum*, y *faith communities forum* ac yn y blaen. Mae'r Prif Weinidog wedi bod mas—mae e wedi bod yn Abertawe ac yn Llanelli; mae wedi cwrdd â phobl. Mae'r Prif Weinidog wedi bod yn glir hefyd am safbwynt y

Mark Drakeford: I agree entirely with your comments. What we've seen after the referendum are very concerning issues, and it's important that we do things now, immediately, so that we can tell people living in our communities that these things that have happened are not acceptable, and we don't want to see them happening here in Wales. So, in terms of the responsibilities on this issue, we share responsibilities with Carl Sargeant, the Minister for communities. He has taken a number of steps already; there are a number of practical things that sit within his portfolio. He has met with the Wales Race Forum, and he's written to the members of the race forum, the faith communities forum and so on. The First Minister has been out an about—he's been in Llanelli and in Swansea, and he's met with people. The First Minister has been very clear

Llywodraeth yma yng Nghymru.

on the Government's stance on this issue here in Wales.

10:00

[56] Ar ochr fy nghyfrifoldebau i, rwyf i wedi cwrdd â'r WLGA bythefnos yn ôl, ac yn y cyfarfod blynyddol, roedd lot o sôn am beth mae pobl leol wedi'i weld a beth rŷm ni'n gallu'i wneud gyda'n gilydd. Rwyf i wedi cwrdd â'r Muslim Council of Wales yr wythnos diwethaf. Cwrddais i hefyd â grŵp o bobl sy'n dod at ei gilydd yn y maes anabledd, ac, wrth gwrs, roedden nhw'n fy atgoffa nad yw *hate crime* yn rhywbeth newydd; maen nhw wedi wynebu pethau yn y gorffennol yn y maes hwn, ac roedd lot o syniadau ganddyn nhw i'n helpu ni hefyd.

In terms of my responsibilities, I have met with the WLGA a fortnight ago, and in the annual meeting, there was a great deal of discussion surrounding what local people have seen and what we can do together to tackle this issue. I've met with the Muslim Council of Wales just last week. I also met with a group of people representing disabled people, and they reminded me that hate crime isn't a new thing; they have faced issues such as this in the past, and they had many ideas that could assist us also.

[57] Ar un lefel, rwy'n meddwl bod y pethau rŷm ni'n eu dweud—pob un ohonom ni fel Aelodau'r Cynulliad—yn bwysig dros ben i'r bobl sy'n wynebu pethau fel hyn yn eu bywydau nhw. Pan maen nhw'n ein clywed ni'n dweud pethau eraill, mae hynny yn cael effaith arnyn nhw—effaith positif.

On one level, I think the things that we say—each and every one of us as Assembly Members—are very important to those people who are facing these issues in their daily lives. When they hear us saying supportive words, that can have an impact upon them—a very positive impact.

[58] Ar ochr ymarferol, mae lot o bethau sydd ddim yn nwylo'r Llywodraeth ond yn nwylo awdurdodau lleol a phobl yn y trydydd sector. Roeddwn i jest yn meddwl, os yw pobl eisiau trafod hwn y bore yma, rwyf wedi dod â rhywbeth ymarferol y daeth y *Muslim council* i mewn ataf i. Maen nhw wedi

On a practical basis, there are a number of things that aren't within our powers as a Government, but are with local government and the third sector. I was just wondering, if people want to discuss this this morning, I've brought with me something very practical that the Muslim council brought to me.

creu ffurflenni newydd gyda Heddlu De Cymru jest i helpu pobl i roi adborth yn ôl. Maen nhw'n gallu rhoi'r adborth yn ôl i'r heddlu, neu'n syth at y *Muslim council* os ydyn nhw'n teimlo'n well i'w wneud e yn y ffordd yna. Mae'r *Muslim council* yn rhoi'r wybodaeth ymlaen at yr heddlu. Dyna un neges arall rwy'n meddwl sy'n bwysig i ddweud wrth bobl: pan mae pethau fel hyn yn digwydd, mae'n bwysig dros ben iddyn nhw reportio pobl a phethau i mewn i'r system er mwyn i ni gael casglu'r wybodaeth a gwybod mwy am y broblem a gallu gwneud mwy i ddatrys y broblem hefyd.

[59] **Sian Gwenllian:** lawn. I droi at faes arall, sef cynrychiolaeth deg yn y broses o wneud penderfyniadau, rydych chi'n ymwybodol, mae'n debyg, ein bod ni'n symud yn ôl yn hytrach nag yn symud ymlaen. Yn sicr, yn ôl adolygiad gan y Comisiwn Cydraddoldeb a Hawliau Dynol, mae yna sawl agwedd i hyn o ran grwpiau gwahanol ddim yn cael eu cynrychioli. Ond, yn sicr, o ran y balans dynion a merched, rydym ni'n symud yn ôl. Mae'r Cynulliad, efallai, yn esiampl wych lle nad yw hynny'n digwydd, ond mae hynny oherwydd bod yna fecanwaith penodol mewn lle gan grwpiau gwleidyddol er mwyn cyrraedd at y sefyllfa yna. Rwy'n ymwybodol bod fy ngrŵp i angen edrych ar y mecanwaith rydym ni'n ei ddefnyddio. Felly, rwyf i jest am wybod ychydig am eich syniadau chi ynglŷn â hynny a sut rydym ni'n

They've created new forms along with South Wales Police just to help people to give feedback. They can give that feedback to the police, or directly to the Muslim council if they feel more comfortable doing it in that way. The Muslim council will then pass that information on to the police. That's another important message that we emphasise: when these things do happen, it is extremely important that they report things into the system, so that we can gather the evidence and know more about what's happening and respond to resolve those problems.

Sian Gwenllian: Right. Can I turn, then, to another area, which is fair representation in decision making? You are aware, I'm sure, that we are moving backwards, if anything, rather than moving forwards in this regard. Certainly, if we look at the review of the Equality and Human Rights Commission, there are many aspects of this issue in relation to different groups perhaps not being represented. But, certainly, in relation to the gender balance, we are regressing. The Assembly, perhaps, is an excellent example of where that doesn't happen, but that's because there is a specific mechanism in place to make sure we get to that position. I know that my political group needs to look at the mechanism we use. So, I'd just like to know a little bit about your ideas in relation to that and how we're going

mynd i newid y sefyllfa yma. Mae to change this situation. One feels
rhywun yn teimlo—rwyf i wedi bod yn that—I've been fighting for this issue
cwffio dros y materion hyn ers 40 for 40 years and we seem to be
mlynedd, ac rydym ni'n mynd yn ôl. regressing if anything. What are we
Wedyn, beth ydym yn mynd i'w going to do?
wneud?

[60] **Mark Drakeford:** Diolch yn **Mark Drakeford:** Thank you for that
fawr, Sian, am y cwestiwn. Mae'n question, Sian. It is a complex area,
gymhleth ond mae'n bwysig hefyd. but it's also extremely important.

[61] Some of the evidence, Chair, is contradictory; it doesn't all point in the
one direction. We keep figures, as a Welsh Government, on female
representation on advisory boards that we have in Wales, for example, and
the balance there. We had 32 per cent of members of advisory boards who
were women on 1 April 2012 and that had risen to 45 per cent by 1 April this
year. Female representation on executive boards was 35 per cent on 1 April
2012, and was 44 per cent in January 2016. So, in some places, we are
making progress and in other places, we're not doing as well as we would
like.

[62] We have some very practical things we're trying to do. In the health
field, when I was health Minister, I felt we'd made some reasonable strides in
relation to gender balance. I was able to appoint four women as chief
executives of health boards and trusts and four women as chairs of trusts
and local health boards. That was a considerable increase and improvement
on the position before, but we were very poor in bringing forward people of
other races to fill places on our boards. There's an experiment, which has
just concluded, where we appointed up to 20 people who made applications
in the past and hadn't been successful to shadow boards, to be attached to
members of boards. One or two of them came and sat in on some meetings
that I had with chairs of boards so they could see how that part of the system
worked—all designed to try and put them in a better position to make
successful applications the next time vacancies came around. People
graduated, as it was called, from that programme in March of this year and
we're busy looking to see whether that will have made a difference to those
individuals' ability to get to the position we are very keen to see them at.

[63] The Welsh Government issued a call for evidence on increasing the
representation of women and other under-represented on public sector
boards in the autumn of last year. I might ask Amelia, who is closer to the

detail, if that's alright, Chair, just to say something about where that has got to.

[64] **Ms John:** We had wide engagement with that and we were very pleased with that. A summary report was published in January of this year with all sorts of diversity of views. We're in the process of drawing up advice for the Cabinet Secretary to take forward in terms of options on strengthening our approach to greater diversification on boards and in other decision-making roles as well.

[65] **John Griffiths:** Thank you very much. I want to move us on in the remaining time we have to the Well-being of Future Generations (Wales) Act 2015, which obviously is a very important and potentially far-reaching piece of legislation, which I know many organisations have a very keen interest in and have great hopes for. I wonder if you could say a little bit, Cabinet Secretary, about where we are at the moment. Obviously, there are considerable challenges in making the Act effective and implementing it in a way that will produce the change that it's designed to achieve. I just wonder if you could give us any early thoughts on how that will be achieved, how joining up across Welsh Government responsibilities will take place and perhaps whether you've had any early discussions with the commissioner, particularly regarding support for public bodies in meeting their obligations under the Act.

[66] **Mark Drakeford:** Thank you, Chair. Well, where are we on the well-being of future generations Act? Well, maybe I'll quote the commissioner because I know that she describes it, when she's doing her public work on it, as: 'We're on a journey'. We're at the start of the journey, really, on the implementation of the Act. I think it's a journey that's going to take us all some time to accomplish. I haven't met the commissioner formally as yet. I know her, of course, from other jobs that she has done in the past, including jobs within the Welsh Government, and I'm due to have a first formal meeting with her this month. I'm looking forward to the meeting because it will be an opportunity, I hope, for her to tell me some of the things that she will have been learning from the extensive set of engagements that she's been involved in.

[67] I was thinking, when Jenny asked me the questions earlier, that one of the things I know the commissioner did last week was to meet with public services boards, the network of public services boards in Wales, and to have a concentrated session with them on ways that public services boards can

make a difference. I'm quite sure that she will come with some ideas of the support that we will need to be able to provide them in discharging those responsibilities. She had a meeting earlier in the month with a group of experts to help her think through the future trends report that she will need to produce, and then she met last week, again thinking of Jenny's point, with the Auditor General for Wales and with senior staff here to look at the overlapping responsibilities between the audit responsibilities that the auditor general has in relation to the Act and the reporting that the commissioner will want to undertake. So, I feel very confident that she has grasped her job very actively. She's been discussing with other commissioners as well, and, in a sense, I think that is a bit of a model. One of the things I'm very keen to say to Cabinet colleagues and others is that the worst thing in the world that would happen would be that the Act begins to be thought of as my responsibility, because, once that happens, then the real impact of the Act, you know, we've lost it really, because the Act must be everybody's responsibility. It must be the responsibility of every Minister and it must be the responsibility of every civil servant who is providing advice to Ministers to see the proposals that they are bringing forward through the lens that the Act produces. So, I have an overall responsibility to make sure that that is happening, but if it gets hived off as the responsibility of the commissioner and the responsibility of the Cabinet Secretary, then the impact of the Act as we will want to see it will not deliver. So, that's why I think she's been right to make sure that she's out talking to all the other commissioners, and other people, about how they make their contribution, and my job is to try and do the same sort of thing inside Government.

[68] **John Griffiths:** Would you then, Cabinet Secretary, be taking any specific steps to try and ensure that there is necessary co-ordination between the Well-being of Future Generations (Wales) Act 2015, the Planning (Wales) Act 2015 and the Environment (Wales) Act 2016, for example, in terms of the action plans, the policy statements, the indicators that will be involved in those various pieces of legislation?

[69] **Mark Drakeford:** I think that's very important for us to try and accomplish on this journey—that those indicators, those ways of measuring the success of other pieces of legislation, have to be seen through the lens of the future generations Act. There's a tension here, Chair, which I'm sure people here will be very familiar with. I tried for quite a while, during the passage of the abortive Public Health (Wales) Bill at the end of the last Assembly, to argue in front of the health committee that the future generations Act, with a healthier Wales as one of its top seven goals, was a

sufficient guarantee that decisions that would be made in the future would take into account the health impact of those decisions. But I didn't convince the committee in the end, and the Bill that failed on the floor of the Assembly on the final day had a commitment to introduce health impact assessments as part of what we do. That will be the nineteenth impact assessment that we are committed to carrying out. We have 18 already statutory and non-statutory impact assessments that are carried out within Government, and that would have been another one.

[70] So, the tension is between lots of people agreeing that we need a more coherent, co-ordinated single sort of lens in which we see everything that we do through the future generations Act, but a greater reluctance to give up their particular impact assessment. So, 'It's fine for the others, but not for mine.' And that's a bit of, 'How do we marry up the planning Act, the environment Act, the Social Services and Well-being (Wales) Act 2014?' That's the struggle, I think.

[71] **John Griffiths:** Thank you for that. Rhianon.

[72] **Rhiannon Passmore:** You've almost captured this: the main challenges of implementing the Act—how would you encapsulate them?

[73] **Mark Drakeford:** I think part of the challenges are making sure what it doesn't become, so it doesn't become simply a tick-box exercise in which some civil servant somewhere has to write a paragraph that says, 'And all of this is inconsistent with the Well-being of Future Generations (Wales) Act 2015.' I think it's a challenge to make sure that it doesn't become an end in itself—that we think that the Act is the focus. It's not; it's what it does to everything else that we do that makes the difference. And, in the end, I think it's a culture shift that the Act has to achieve, and that's sometimes the hardest thing of all, isn't it? If it just achieves a change in a set of procedures, we'll have got a little way down the track, but what we have to try and achieve is a different cast of mind, in which people test the decisions that they make today not just on their immediate impact in the here and now, but what that will do to the range of opportunities and chances of people who come after us. And that's why the Act is such a radical Act; that's why it's been mentioned in places like the United Nations as a groundbreaking piece of legislation. But, the delivering on it, in that culture shift, will be a journey, quite certainly.

[74] **John Griffiths:** Okay. Well, thank you very much for that, Cabinet

Secretary, and thanks for coming along today, and thank you to your officials as well. I think it's been a very useful initial exercise in hearing from you and asking some questions, and, obviously, we'll be returning to many of these matters in the autumn. Thank you very much.

[75] **Mark Drakeford:** Thank you very much.

[76] **John Griffiths:** Diolch yn fawr.

10:15

**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.*

*accordance with Standing Order
17.42.*

Cynigiwyd y cynnig.

Motion moved.

[77] **John Griffiths:** In accordance with Standing Order 17.42, the committee is now invited to resolve to exclude the public for the remainder of the meeting for consideration of the evidence given by the Cabinet Secretary, and also for consideration of the committee's early business and forward work programme. Are Members content? They are. Thank you very much. We will move into—

[78] **Gareth Bennett:** Sorry, Chair, just out of interest, what's the actual reason for the exclusion of the public and the press?

[79] **John Griffiths:** These are matters that the committee, I think, from the nodding of agreement to move into private session, feel are best discussed in private session, so that they're not a matter of public record. But, if you have a different view—

[80] **Gareth Bennett:** I don't have a different view. I just wondered what the specific reason was. Is there likely to be confidential staffing matters and things?

[81] **John Griffiths:** It just allows for more open discussion. Are you content with that?

[82] **Gareth Bennett:** Yes, I'm fine, thanks.

[83] **John Griffiths:** Okay. Thanks very much. We'll move into private session.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10:16.

The public part of the meeting ended at 10:16.