

Welsh Assembly Government response to the Rural Development Sub-Committee's report on Poverty and Deprivation in Rural Wales.

12 September 2008

The Welsh Assembly Government sets out below its responses to the Report's individual recommendations:

Recommendation 1: The Committee recommends that the Welsh Assembly Government works with the childcare sector to develop structured career paths and training to encourage recruitment and retention in the profession, taking particular account of Welsh language needs.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

It fully supports the direction of this recommendation, and has already addressed these issues in its childcare strategy "Childcare is for Children". The strategy recognises that a high quality workforce is the bedrock of high quality childcare and to that end it pledges to make available part of the Flying Start funding to support workforce development and the workforce recruitment campaign "Play Learn Grow".

"Childcare is for Children" includes a commitment to create a Workforce Development Plan for Wales, to be delivered by the Welsh Assembly Government working with the new Sector Skills Council for Care and Development. To this end, the Care Council for Wales (the Care and Development Sector Skills Council in Wales) has appointed a dedicated official to consider the development needs of the childcare workforce in Wales.

The Care Council for Wales in its role as Sector Skills Council has subsequently set-up a Wales-wide Early Years and Childcare Workforce Development Network, with cross-sector stakeholder representation at strategic level, the aim of which is to drive and support the development of a skilled and effective children's workforce in Wales. The Network is charged with delivering an Early Years and Childcare Workforce Development Plan which will ensure that the workforce has appropriate skills and knowledge to work together effectively to improve outcomes for children and to ensure the recruitment and retention of well trained staff across all sectors of the children's workforce. The plan includes the development of a common core of knowledge and skills and a qualification framework for the sector, as well as a career framework which will allow movement across the whole range of roles in work with children in all sectors. We recognise that there needs to be a particular concentration on developing Welsh language skills in this sector.

The Welsh Assembly Government agreed to carry out the public consultation of the plan on the behalf of the Care Council for Wales and formulate an

official response on the basis of the outcome. This outcome will then inform the development of an implementation strategy to take forward the actions highlighted in the plan. The strategy will be taken forward by the Care Council for Wales. This work is in recognition of the critical role which this particular workforce has to play in delivering key policy initiatives such as Flying Start and the Foundation Phase. With this in mind, part of the Flying Start funding has been dedicated to workforce development.

The 12-month long “Play Learn Grow” workforce recruitment campaign was designed to help and support the whole of the sector and to alert the public and potential workforce to the opportunities across a wide range of posts and jobs and the benefits of working within the childcare and early years sector, as well as promoting the importance of up-skilling to NVQ level 3 as a minimum qualification. The intention was to ensure that there are a sufficient number of new entrants into the workforce to ensure the effective roll-out of the Foundation Phase and Flying Start.

The “Play Learn Grow” workforce recruitment campaign finished in March 2008 and included television advertising, cinema advertising, magazine inserts and outdoor advertising on phone boxes. There were also case studies and articles in local press all over Wales. All of these were bi-lingual. A full evaluation of the campaign has been carried out, which includes feedback from stakeholders and training providers.

Financial Implications – None. The work is in hand within existing programme budgets.

Recommendation 2: The Committee urges the Welsh Assembly Government to consider the issues facing rural areas and the role of childcare in developing the rural economy when progressing the *One Wales* commitment to increase the provision of affordable childcare in the areas of greatest need.

Response : Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government fully supports the direction of this recommendation, and has already addressed this issue in its childcare strategy "Childcare is for Children". That acknowledges that childcare for parents in rural areas is likely to be less accessible.

Childminding and mobile provision is recognised as an important part of provision in these areas. Local schools may also be part of the solution, using spare capacity to provide or host childcare and out of school clubs. Part of the Community Focused Schools budget is to be used to develop new childcare clubs and holiday play schemes. The ages to be served and locations will be informed by the local sufficiency assessment required by the Childcare Act 2006.

The Childcare Act 2006 gives impetus to the Assembly's childcare strategy "Childcare is for Children", and from April 2008 places statutory duties on Local Authorities to secure sufficient childcare within their areas and to undertake regular local sufficiency assessments. These duties are deliberately cast in general terms, allowing Local Authorities to take account of the needs of their local areas in carrying out this work, irrespective of the solutions that might be put into place. Authorities in rural areas will have to take account of population composition and density and the particular needs for childcare in their areas in order to fulfil their duty to secure sufficient provision and to address any gaps in provision. It will be for the Local Authorities to take a strategic view as to the best use of resources available to meet the duty to secure sufficient childcare.

"Childcare is for Children" also highlights a number of initiatives that the Assembly Government is taking to promote childcare, including the Genesis Wales ESF projects and the Flying Start initiative. Both initiatives demonstrate partnership working at the broadest and highest level.

The ESF Genesis Wales project will now run into its fourth year, until the end of 2008, and offers additional affordable and accessible childcare, freeing parents to enter training and employment. Local Authority partners have sought to tailor their Genesis Wales delivery to the local context, in particular in terms of filling gaps in provision and addressing the issues faced by their potential target groups. Some local projects seek to address specific barriers and issues to re-entering the labour market. In rural areas addressing attitudes and access to transport has emerged as a key theme. The overall aim of the Genesis Wales projects is to remove barriers to finding employment and, as a result, to improve economic activity and decrease child poverty in disadvantaged areas of Wales.

The 'Flying Start' programme is targeted at the 0-3 age group within the most deprived communities in Wales, recognising the evidence that children within areas of multiple deprivation suffer additional effects of disadvantage and that support in the early years of a child's life can significantly influence positive outcomes in the medium and long term. The main elements of the programme are access to health visitors with low caseloads, language and play schemes, parenting course and of course, free high quality childcare for two year olds.

Flying Start is delivered in rural areas in a number of counties. For example, Anglesey, Ceredigion, Gwynedd and Carmarthenshire deliver Flying Start services, in part or in full, adapted to suit the needs of their rural Flying Start catchments areas. All report similar challenges around ensuring large enough numbers to sustain childcare centres, locating suitable sites to deliver childcare, difficulties recruiting and retaining childcare staff and health visitors, as well as access to transport to take both the parents and children to the childcare settings and the language and play and parenting classes. However, Local Authorities have been inventive in addressing these challenges, for example, using the available capital funds to purchase a Flying

Start bus to increase accessibility and potentially to build new settings in these areas.

Financial Implications

None. Any additional costs will be drawn from existing programme budgets.

Recommendation 3: The Committee believes that there is a need for a robust economic strategy in Wales which seeks to develop a more varied economy in rural Wales. The Committee therefore recommends that the Welsh Assembly Government provides targeted resources, including business support, to create a more varied rural economy beyond the current base.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Department for Economy and Transport (DE&T) is already radically changing the way that the Welsh Assembly Government supports businesses in Wales. In April 2008 the Deputy First Minister announced the new Single Investment Fund. The new fund brings together all business grants under one roof as part of a new integrated package of financial and specialist support.

We also aim to have in place up to 200 Assembly Government customer relationship managers acting as the sole points of contact for businesses seeking support. This underpins our aim to deliver a more customer focused approach to business support.

The rural economy should also benefit from the £150m investment fund for small and medium sized businesses we are seeking to set up under the European Investment Bank's 'JEREMIE' initiative.

Other policies which are not DE&T led are in place like the Farming Connect service, which has helped over 7,000 farmers since its launch has been extended to include an improved range of 'value added' services. One difference is the emphasis on meeting the needs of the whole of Wales – including businesses in rural areas.

Through Value Wales the Assembly Government is working with public sector organisations across Wales to improve procurement practices and make public procurement opportunities more accessible to companies, particularly Small & Medium Enterprises, thereby maximising the potential to deliver economic benefit from public sector expenditure, and deliver greater value for money.

Financial Implications

None. Any additional costs will be drawn from existing programme budgets.

Recommendation 4: The Committee recommends that as part of the Financial Inclusion Strategy the Assembly Government recognises the importance of the voluntary sector, particularly the Citizens' Advice Bureau, and local authorities in encouraging benefit take-up and ensures that both sectors are adequately resourced to continue providing these essential services.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government's proposed Financial Inclusion Strategy features income maximisation, which includes increased benefit take-up, as one of its key themes. Attention will be paid to the ways in which we can help people maximise the uptake of the benefits they are entitled to. This will mean an integrated approach to ensure that everyone takes up the benefits to which they are entitled – requiring robust referral systems and a real will to change current processes and improve links between agencies.

The third sector will prove crucial to this, particularly given its role in the delivery of advice services. We are working with a range of partners, and third sector providers are crucial to this as some – such as credit unions and Citizens Advice Bureaux - already play an important role in providing a range of affordable credit products and advice. A Welsh Financial Inclusion Steering Group has also been established to oversee the development and implementation of the Strategy, with half the members, selected via the public appointments process representative of the third sector.

The Welsh Assembly Government is already working with local authorities and the third sector providing £1million per annum for the three years 2008-2011 to support local authorities in their efforts to increase take-up of Council Tax Benefit and Housing Benefit. Grants have already been paid to local authorities for 2008-09 and they are being encouraged to work with relevant organisations within their local areas, such as Citizens Advice Bureaux, Age Concern and Help the Aged, to make sure that as many people as possible are reached and helped to claim the benefits that are available to them.

The Welsh Assembly Government is also supporting Citizens Advice Cymru's *Better Advice, Better Health* initiative with £715k being made available in financial year 2008-09. Housing advice services currently receive funding of over £710k to Shelter Cymru from the Legal Services Commission and an Assembly Government provision of approximately £760k.

One Wales commits the Welsh Assembly Government to “embed and implement in full the strategy relating to the support and co-ordination of advice services in Wales, so that comprehensive benefit advice is available in all local authority areas”. The Welsh Assembly Government and Legal

Service Commission are both committed to the joint commissioning, funding and monitoring of advice services to maximise the impact of available resources and minimise duplication as funding to date has proved disparate. In line with *Making Legal Rights a Reality in Wales*, existing advice provision across Wales is being reviewed. Work to identify the gaps in advice provision has begun and while there will not be a discussion on the principles of *Making Legal Rights a Reality in Wales* the views of the third sector on the current landscape of provision will be sought. Future funding for advice providers will be made with this in mind.

As regards rurality, the Financial Inclusion Strategy will be all-Wales in its scope but it is recognised that there will be a need to disaggregate need according to specific issues/constituencies. Consideration will be given to including the needs of those living in rural areas through the public consultation on the Strategy.

Financial Implications - Costs in relation to the Council Tax Benefit and Housing Benefit take-up grants will be met from existing programme budgets. The Welsh Assembly Government is also supporting Citizens Advice Cymru's *Better Advice, Better Health* initiative and Housing advice services currently receive funding to Shelter Cymru from the Legal Services Commission and an Assembly Government provision.

Wales has benefited from funding for face-to-face debt advice from the Department for Business, Enterprise and Regulatory Reform: Citizens Advice Cymru was awarded £3.15m over financial years 2005-08 to fund debt advice workers. Appointments are to continue to 2011.

Any consideration of further investment will be made in the context of *Making Legal Rights a Reality in Wales* and the *Financial Inclusion Strategy for Wales*.

Recommendation 5: The Committee welcomes the free bus pass scheme for older people but is concerned that older people in rural areas are not able to take sufficient advantage of this scheme. The Committee therefore urges the Welsh Assembly Government to broaden the free bus pass scheme to allow concessionary travel for older people on other forms of transport, such as trains and community transport, where adequate bus provision is not available.

Response: Reject

The Welsh Assembly Government rejects this recommendation.

The Deputy First Minister announced on 12 May the decision to extend the concessionary fares rail pilot scheme to the Cambrian Coast railway in the winter, and all year on the Welsh section of the Wrexham - Bidston line. It will also continue on the Conwy Valley line for a further year, and on the Heart of

Wales line, with free travel limited between October to April. The pilot scheme is being run for a trial period in defined areas. A full evaluation of the pilot will be undertaken. Any decision to extend or continue the scheme will not be made until the outcome of the evaluation which is expected in spring 2009.

The Welsh Assembly Government is also funding community transport operators to test a range of initiatives as part of our plans for concessionary travel for severely disabled people on community transport. We are currently taking forward evaluations of the concessionary fare pilots for both severely disabled people and 16-18 year olds. The Government will need to consider very carefully the outcome of these evaluations before making any decision about extending the schemes across Wales.

Financial implications

The evaluation of the pilot schemes will include an estimate of the cost for extending the initiatives across Wales.

Recommendation 6: The Committee also urges the Welsh Assembly Government to encourage and support the development of community transport schemes that meet the needs of those living in rural areas.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

Our One Wales programme includes a commitment to support more investment in community transport. The Welsh Assembly Government provides Local Transport Services Grant (LTSG) to local authorities to help them boost the number and range of subsidised buses. At least 10% of LTSG allocations should be spent on community transport schemes. We also provide funding to community transport operators to test a range of initiatives as part of our pilot for concessionary travel for severely disabled people on community transport.

More generally, we have recently consulted on plans to relax the regulatory regime for Section 19 and 22 permits that will allow community transport operators to play a greater role in providing local transport services. The Welsh Assembly Government also provides core funding for the Community Transport Association (CTA) Cymru that represents the community transport sector to help them work with local authorities and others to develop community transport in Wales.

Financial implications

None. Future funding for community transport will be found within the Department for Economy and Transport (DE&T) Main Expenditure Group (MEG).

Recommendation 7: The Committee acknowledges the transport difficulties faced by young people in rural areas and recommends that the Assembly Government assesses the potential of rolling out free transport for children and young people across Wales, as already piloted in Wales.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

We are currently taking forward evaluations of the concessionary fare pilots for both 16-18 year olds and severely disabled people. This work includes identifying the possible cost if the scheme were extended to a wider range of ages. The Welsh Assembly Government will need to consider very carefully the outcome of these evaluations before making any decision about extending the schemes across Wales.

Financial implications

When it is produced later this year, the evaluation of the pilots will include an estimate of the possible cost of extending these pilot schemes permanently throughout Wales.

Recommendation 8: That the Welsh Assembly Government develops stronger planning guidance to enable the development of affordable housing in rural areas and to assist local planning authorities to make more land available for affordable housing in rural areas.

Response : Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government is currently consulting on a number of new planning policy proposals that build upon our existing policies to provide more affordable housing in rural areas. These include extending the essential dwellings concept for rural workers in various enterprises not just farming and forestry and allowing an additional dwelling on a farm complex to assist farm succession or for a part- time farm worker. These dwellings will be defined as affordable housing as set out in TAN 2 “Planning and Affordable Housing”. In addition all new general market housing will need to provide resources to help deliver affordable housing. Housing plots within or adjacent to small housing clusters in the countryside should be limited to people in need of affordable housing and who work in the local community. Details are provided in the consultation paper “Planning policy changes to support sustainable

development in rural areas: meeting housing needs” which issued on 7 July 2008 for comment by 10 October 2008.

Other related initiatives include the establishment of a Rural Housing Development Scheme which will provide funding to expand the network of Rural Enabler posts across Wales. The Rural Enablers work with local communities to facilitate the release of rural exception sites so that affordable homes can be built for local people. £450,000 will be available for Rural Housing Development through a local Enablers scheme. A partnership with Community Housing Cymru and the Welsh Local Government Association has been established to fund and support the expanded network which will provide a comprehensive resource across Wales.

The proposed consultation on a revised Homebuy product aims to encourage the provision of more affordable homes in rural areas. Depending on the ratio of house price to income, a shared equity arrangement can provide for a homeowner to have a mortgage of up to 50% of the purchase price of the property, with the Housing Association retaining the balance as an equity share in the property. This may result in making the property more affordable for the householder.

The Assembly Government also announced further funding to support Land for People who advise on Community Land Trusts. These can be provided on rural exception sites and would be an alternative to the more usual housing association development. A handbook is shortly to be published.

Financial Implications

None. Any additional costs will be drawn from existing programme budgets.

Recommendation 9: Whilst the Committee welcomes the Welsh Assembly Government's consultation on housing in rural areas¹, it is concerned as to the lack of urgency at which the shortage of affordable housing in Wales is currently being addressed. In the context of the above consultation, the Committee urges the Welsh Assembly Government to:

- **develop key worker schemes in rural areas**
- **encourage increased use of shared equity schemes**
- **make efforts to break down the barriers to enable local people to buy homes in their local areas.**
- **increase the supply of affordable housing beyond the 6,500 homes committed to within the *One Wales* document.**

Response: Accept with some amendments

The following amendment would need to be made: **the shortage of affordable housing in Wales is being addressed with every urgency and a number of initiatives are underway, both across Wales and including those particularly targeted at rural areas**, such as the Rural Housing Development scheme which provides funding to expand the already successful set of pilot 'Rural Enabler' posts into a comprehensive resource across Wales.

Key Workers

Although 'key workers' in England usually encompasses police officers, fire fighters, teachers and nurses, in Wales most of these professionals can find homes that are within reach of their income levels. The Welsh Assembly Government is concerned about ensuring that other key workers including classroom assistants, care workers and backroom support workers for the uniformed services are also helped to buy their first home. The criteria of 'key workers' in this context will feature in our consultation on revisions to the Homebuy policy.

Shared Equity Schemes

The Review of Low Cost Home Ownership Policies in Wales (2006) carried out by Michael Jones of Cambridge University highlighted a number of weaknesses in the operation of the Homebuy shared equity scheme and suggested a number of policy areas for consideration. In response, a *Review of the Homebuy Scheme in Wales* was announced by the then Minister for Social Justice and Regeneration and published in April 2007.

In light of this, no specific allocations for the DIY Homebuy scheme were issued for the 2008-2009, 2009-2010 Social Housing Grant Programme,

¹ Welsh Assembly Government [Planning Policy Changes to Support Sustainable Development in Rural Areas - Meeting Housing Needs](#), July 2008

although all new and existing housing developed by housing associations with SHG can be offered on Homebuy terms to qualifying applicants.

In the light of the above and with the slump in the housing market in mind, the approach to Homebuy is currently being considered by officials. The Minister for Environment, Sustainability and Housing as requested a consultation paper for the autumn once these ideas have been developed further. When finalised she will be considering proposals for change that are put forward and considering funding levels for Homebuy. The Welsh Assembly Government has recognised the need for additional investment in affordable housing and Social Housing Grant was increased over the four year period of the current administration by £30m to reflect the priority we have given to Housing.

Breaking down barriers

The Welsh Assembly announced the establishment of a Rural Housing Development Scheme which will provide funding to expand the network of Rural Enabler posts across Wales. The Rural Enablers work with local communities to facilitate the release of rural exception sites so that affordable homes can be built for local people. The proposed consultation on Homebuy will encourage the provision of more affordable homes in rural areas. Depending on the ratio of house price to income; a shared equity arrangement can provide for a homeowner to have a mortgage on up to 50% of the property; with the Housing Association retaining the balance as an equity share in the property. This may result in making the property more affordable for the householder.

The Welsh Assembly also announced further funding to support Land for People who advise on and support Community Land Trusts which can be provided on rural exception sites. These would be an alternative the more usual housing association development.

Increase supply of affordable Housing

The commitment to provide an extra 6,500 homes over four years is a minimum figure and the Assembly Government aims to provide more than that if possible. However, the credit crunch and slowdown in the housing market may impact on the delivery of homes through the private sector. A number of initiatives are underway to increase the supply of affordable housing and these include:

Social Housing Grant

The Welsh Assembly has secured an increase in the Social Housing Grant budget to £107.4 m in 2008/9 and for each of the next two years. This compares with a figure of £59.4m in 2004/2005. This funding will be used to help housing associations to develop new affordable housing, principally for rent, although under the tenure neutral policy the prospective tenant and any

future tenants of the homes provided can be offered to the opportunity to purchase the property with the assistance of an equity loan under the Homebuy scheme.

Making best use of the Planning System

The Assembly Government has also been looking to the planning system and the private sector to deliver extra affordable homes needed, in addition to the traditional role played by housing associations.

The research commissioned by the Welsh Assembly from Sheffield University clearly indicates that emphasis needs to be placed on improving local authorities' delivery of affordable housing.

Practice guidance for local authorities on the drafting and application of affordable housing clauses in section 106 agreements was launched in July 2008.

Affordable Housing Delivery Statements

The Assembly Government is currently consulting on draft guidance for local authorities to produce Affordable Housing Delivery Statements. These statements will be critical to the achievement of the commitments contained in *One Wales*. The guidance will require clear targets for delivery of affordable housing to be set out and a workable strategy for their achievement. The AHDSs will also need to consider the types and amount of different needs to be met, including the social rented, intermediate and open-market housing sectors to enable households to select a tenure that best meets their particular housing needs.

AHDSs are an interim single purpose measure which will provide an essential transitional link between the current (but sometimes out of date) development plans, housing strategies, and future Local Development Plans, most of which will not reach adoption until 2011 or later. They will ensure that the revised national affordable housing planning policies are implemented locally in a more timely way, helping to ensure that more affordable housing is delivered in the short term.

The Welsh Assembly has also provided financial incentives through the use of Social Housing Management Grant to authorities to assist them with the implementation of the plans.

Publicly owned land

The Welsh Assembly wants to see publicly-owned land released more easily for the development of affordable housing. The Assembly Government Land Protocol, which the First Minister announced at the end of the last administration, moved the commitment forward and a multi-departmental

working group now meets regularly to consider how to maximize the potential from surplus sites and land being brought forward for development by the Department for Economy and Transport.

The Right to Buy

The Right to Buy and the Right to Acquire have resulted in a significant reduction (of over 45%) in the amount of social housing for rent in Wales. This has bitten particularly hard in some rural areas and that is one of the reasons why a commitment has been given to seek legislative competence to enable to the suspension of the Right to Buy in areas of housing pressure.

Grants for First Time Buyers

Good progress is being made into fulfilling the *One Wales* commitment to provide grants for first time buyers. A pilot scheme which is currently underway will provide grants of up to £5,000 for first time buyers in declared renewal areas where the house price to income ratio is above the national average for Wales. The grant would be for improvements to energy efficiency. The Assembly Government has allocated £500,000 to support these grants for 2008-2009.

Regulatory and operational framework for Registered Social Landlords

Sue Essex was commissioned by the Welsh Assembly to head a Task & Finish Group to review the regulatory and operational framework for Registered Social Landlords and assess how it could be improved in order to facilitate the delivery of the '*One Wales*' goals for affordable and sustainable homes. The final report has now been received and is being considered.

Financial Implications –

Any additional costs will be drawn from existing programme budgets or in the case of developing policy will be the subject of separate specific reports.

Recommendation 10: The Committee recommends that the Post Office Development Fund includes the provision of free ATM services in rural areas as part of the range of services Post Offices provide.

Response : Reject

The Welsh Assembly Government rejects this recommendation.

The Welsh Assembly Government on 6 August 2008, announced a 12 week consultation on proposals for the scope and eligibility criteria for the new Post Office Development Fund (PODF). The consultation ends on 30 October. The intention is that the fund will support business proposals that subpostmasters/subpostmistresses themselves say would make a difference to the viability of their business. ATMs could come within the intended scope of the fund but we do not wish to pre-empt the result of the consultation or be prescriptive about exactly what the fund will pay for.

In terms of free ATM services, work is already in hand. Following the March 2005 Treasury Committee report on ATM charging, the Treasury invited the Chair of the Treasury Select Committee, John McFall MP, to chair a Working Group on ATMs to take forward work on key issues. The Working Group, which included banks, independent ATM operators and consumer groups, published its report on 13th December 2006.

The Working Group announced an agreement to provide around 600 new free cash machines across 1,707 target low-income areas that it identified as lacking convenient access to these machines, based on the 25% most deprived areas in the UK. To achieve this, a market-based financial incentive—known as a “financial inclusion premium”—was introduced, to encourage ATM operators to place or retain free ATMs in deprived areas with a low expected volume of transactions. The Working Group also agreed to implement improvements to the transparency of charging ATMs in changing both on-screen information and external signage. A joint announcement on progress was released on 10 June by Ms Ussher, and John McFall, stating that over one million people are benefiting from 419 new non-charging cash machines installed in low-income areas throughout the UK in the last 18 months.

Of the 198 areas in Wales identified as requiring the ATMs, the needs of 69 have been met and installation to benefit an additional 50 has been scheduled. It should also be noted that the needs of more than one community might be met with the installation of a single ATM, depending on how the communities lie in relation to each other (a single ATM at the interstices of two communities would meet the needs of both, depending on their size). The Minister for Social Justice and Local Government has recently written to the Economic Secretary to the Treasury, Kitty Ussher MP, expressing concern about how the areas in Wales were selected, and mapping resources have been devised to support the Welsh Assembly Government's case. Welsh Assembly Government officials are now to liaise

with counterparts in HM Treasury and LINK to ensure that the needs of Wales continue to be acknowledged.

The LINK website retains information on the remaining target areas and allows suggestions as to where within the local community it is best to locate an ATM. The Minister for Social Justice and Local Government is to now write to all AMs informing them of this opportunity and urging them to use their influence to direct community representatives to visit the relevant page of the LINK website at www.link.co.uk/atm/access_to_cash.

Furthermore, the Bank of Ireland is working with Post Office Ltd to install 4000 such ATMs across the network. Ms Ussher has confirmed that the two separate programmes will be complementary and avoid duplication.

Financial Implications – Any costs for the PODF will be drawn from existing programme budgets.

Recommendation 11: The Welsh Assembly Government ensures that the forthcoming Rural Health Plan will look at the flexible delivery of services for those individuals and communities who are located far from mainstream health provision.

Response : Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government welcomes the material that the report provides in this area and will ensure that these issues are addressed in the Rural Health Plan.

Financial Implications

We cannot at this point comment as the report has yet to be concluded.

Recommendation 12: The Committee recognises the disadvantages caused by lack of broadband provision and recommends that the Welsh Assembly Government brings forward proposals to remove any barriers to its provision in rural areas as a matter of urgency.

Response : Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government recognises that widespread access to affordable, secure broadband is important to businesses and citizens across Wales. It is important that the telecommunications infrastructure in Wales is able to meet this challenge and thus able to help build a thriving and prosperous Welsh economy. To this end, the Welsh Assembly Government is, and has been for some time, working with the telecommunications industry and the communications regulator, Ofcom to share information on

communications infrastructure issues, understand barriers to investment, including regulatory and economic issues, and inform future policy making in this area.

On 9th April 2008 the Welsh Assembly Government also announced a Wales-wide procurement to seek a telecommunications provider or consortium to address remaining broadband notspots. This will provide a co-ordinated approach to identifying, prioritising and dealing with these difficulties where feasible to do so.

Financial Implications

None. The procurement referred to above has already been allocated funding from existing programme budgets.

Recommendation 13: The Committee recommends that the Welsh Assembly Government encourages the development of social enterprises as means of providing community-owned facilities in rural areas.

Response: Accept.

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government is committed to implementing the findings of the Quirk review in Wales which looked at Community Asset Transfer. We recognise that optimising the use of public assets is not the primary objective of Asset Transfer– the over-riding goal is community empowerment.

The Welsh Assembly Government is committed to empowering communities, as has been seen through the Communities First Programme, and encouraging asset transfer and supporting community owned facilities is a major part of how we can achieve this.

The Development Trusts Association Wales (DTA) is undertaking a feasibility study to look at how we could implement an asset transfer programme in Wales. This work will be completed in September and DTA will be reporting back on a number of areas. They will be making recommendations on the training required for both the third sector and public sector in terms of identifying assets, transferring and managing them. They will be identifying good practice and lessons learned from when asset transfer has not been successful. And they will look at what indicators we could have in place and how we can measure our progress in terms of an asset transfer programme.

Financial Implications - The intention is to assess DTA's recommendations in the autumn and then examine whether a Community Asset Transfer Fund can be created which can be used by organisations to access grants which can be used to make assets fit for purpose. We will want to examine whether

the fund should offer grants, loans or a combination; how it relates to commercial lenders and to other partners such as the Big Lottery Fund.

Recommendation 14: The Committee recommends that the Welsh Assembly Government's *One Wales* commitment to review existing anti-poverty programmes includes an evaluation of their progress and impact on the lives of people and communities in rural Wales.

Response: Reject

The Welsh Assembly Government rejects this recommendation.

The Welsh Assembly Government has already undertaken research and analysis, for example, as part of the work on the Spatial Plan, the development of the Wales Index of Multiple Deprivation and through the Wales Rural Observatory. The Office of the Chief Social Research Officer is also progressing a number of projects that will provide data to support this recommendation – see response to recommendation 22.

Financial Implications:

None. The costs of are already met from within existing Departmental Running Costs (DRC) provision and/or existing programme budgets.

Recommendation 15: The Committee would like to receive an annual report on the progress of the Welsh Assembly Government's anti-poverty initiatives in rural Wales.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government is content to provide annual evidence to the Committee of its anti-poverty initiatives in rural Wales

Financial Implications

None. Any additional costs will be drawn from existing programme budgets.

Recommendation 16: The Committee notes that the Commission for Rural Communities in England has a statutory function to monitor and report the effectiveness of policies in England in meeting rural needs². The Committee recommends that the Welsh Assembly Government works with the Commission for Rural Communities in England to learn from effective rural proofing practice elsewhere. The Committee also recommends that the Welsh Assembly Government considers the need for legislation to ensure that policies in Wales are rural proofed.

Response: Reject

The Welsh Assembly Government rejects this recommendation.

The Welsh Assembly Government already has a rural proofing mechanism provided by the Rural Policy Unit within the Department for Rural Affairs. This Unit is delivering a robust rural proofing support and advice service to other policy and programme officials to help them understand the particular rural issues relevant to their area of work. With regard to legislation, rural proofing is a mandatory part of the Policy Gateway process which means that all key policies and programmes have to be formally assessed against issues of rurality as part of their development.

Financial Implications

None. The costs of delivering rural proofing are already met from within existing DRC provision and/or existing programme budgets.

Recommendation 17: The Committee would like to see increased transparency and monitoring of the Welsh Assembly Government's rural proofing processes by an external evaluation. The Committee recommends that the Minister for Rural Affairs reports annually to the Committee on the Welsh Assembly Government's rural proofing process. The Wales Rural Observatory should play a role in evaluating the rural proofing process.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government already intends to produce an annual report on rural proofing activity and this report will be made available to the Committee as a matter of course. There is no objection to the proposal that our activities should be evaluated but detailed consideration needs to be given to the suitability of the Wales Rural Observatory to undertake that function.

² The *Natural Environment and Rural Communities Act 2006* states that one of the statutory functions of the Commission for Rural Communities is "monitoring, and making reports about, the way in which relevant persons' policies are developed, adopted and implemented (by rural proofing or otherwise) and the extent to which those policies are meeting rural needs".

Financial Implications

None. The costs are already met from within existing DRC provision and/or existing programme budgets.

Recommendation 18: The Committee would like to see the Welsh Assembly Government facilitating greater discussion between local authorities, agencies and the voluntary sector in order to develop innovative approaches to address the problems of rural areas. The Committee would support the idea of an annual event aimed at encouraging discussion and sharing of best practice.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government already utilises a range of fora to work with local authorities, agencies and the third sector both individually and jointly, including the Spatial Plan Area groups and the Local Service Boards. However, we are committed to being open and inclusive and it is agreed that an annual event bringing together policy leads and practitioners could assist with the formulation of new approaches and the sharing of good practice. It has been agreed that officials in the Department for Rural Affairs will work with officials leading on the Spatial Plan to arrange an event during 2009 whilst continuing to use the existing fora.

Financial Implications

None. The costs are already met from within existing DRC provision and/or existing programme budgets.

Recommendation 19: The Committee urgently requests that the Welsh Assembly Government provides a definition of what is meant by the term “deep rural areas”, as used in the *One Wales* document, and how this will influence policy development.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The commitment on ‘deep rural areas’ is being taken forward by the Minister for Rural Affairs. A 3-stage approach has been agreed which has been designed to give rigour to the concept, give a transparent and defensible method for selecting areas, take account of the different types of “deep rural”; and help identify the particular needs of deep rural areas by comparing data for an area with the services available. It will also facilitate close working with local authorities, third sector and other key stakeholders to identify needs and possible solutions.

Stage 1 was an all-Wales statistical exercise at the Lower Super Output Area (LSOA) level to classify Wales according to how long it would take to drive to the centre of the nearest 'large town'. For the purposes of the exercise 'large town' was taken to mean one of at least 10,000 people. The results of this Stage are shown in the attached map.

Stage 2 is currently underway and is taking this work to the local level to verify the information gathered to date and develop it through both quantitative and qualitative means and will include consideration of the transport infrastructure. This will be achieved through undertaking 4 local studies across Wales. The exact methodology is being developed and officials will be working closely with the relevant local authorities, third sector partners and local stakeholders on this. The exact areas that will be covered by the studies have yet to be finalised but it is currently proposed, subject to discussions with local stakeholders that they look at the western Llyn Peninsula, Meirionnydd, the Powys/England border, and the North Pembrokeshire/North Carmarthenshire border. Initial discussions on Stage 2 with key partners will take place in early September with the area studies taking place during the Autumn.

The precise nature of Stage 3 will be determined by the results from Stage 2 but will include a detailed analysis of the findings of Stage 2 to identify common issues, dissemination of the findings to stakeholders across Wales for wider discussion.

Clearly, the degree to which this work might influence policy development cannot be determined until Stage 3 has been completed.

Financial Implications

None at this stage. The costs of undertaking the work described above are already met from within existing DRC provision and/or existing programme budgets. Costs that may arise from addressing issues identified as a result of the work will be a matter for consideration by the Department(s) with responsibility for the specific area concerned.

Recommendation 20: Whilst the Committee welcomes the contribution of the *Welsh Index of Multiple Deprivation* in identifying concentrations of deprivation, it urges the Assembly Government to consider additional evidence in its formulation of anti-poverty policies, such as the work of the Wales Rural Observatory.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

The Welsh Assembly Government is happy to consider all evidence and new ways of thinking in tackling poverty. As stated in response to Recommendation 22, the Office of the Chief Social Research Officer is progressing a number of projects that will provide useful data, there has also been considerable work undertaken as part of the Spatial Plan process and

by the Wales Rural Observatory and the Statistical Directorate also has relevant data.

Financial Implications:

None. The costs are already met from within existing DRC provision and/or existing programme budgets.

Recommendation 21: The Committee strongly urges the Minister for Social Justice and Local Government to explore with the Welsh Local Government Association Rural Forum how issues of rurality could be better reflected in the Local Government Settlement.

Response: Accept

The Welsh Assembly Government accepts this recommendation.

It is important that the local government settlement fully reflects the drivers of local government expenditure. The Welsh Assembly Government will be discussing with the Welsh Local Government Association how best the views of its Rural Forum can be considered in the work programme of the Distribution Sub Group (DSG). The DSG is already committed to reviewing the rurality indicators currently deployed in the funding formulae.

Financial Implications – None. Changes to the funding formula create a pattern of winners and losers across the 22 unitary authorities.

Recommendation 22: The Committee recommends that the Welsh Assembly Government should undertake the necessary research to plan the long term provision of future services. This should include analysis of demographic and socio-economic trends to help understand how rural communities are changing and the services that they will require in the future.

Response: Reject

The Welsh Assembly Government rejects this recommendation.

The Welsh Assembly Government has already undertaken research and analysis, for example, as part of the work on the Spatial Plan, the development of the Wales Index of Multiple Deprivation and through the Wales Rural Observatory. The Office of the Chief Social Research Officer is also progressing a number of projects that will provide data to support this recommendation, including:-

- proposals for a new national citizens survey that, if approved by Cabinet in September 2008, will provide data on a range of issues

including demand for and satisfaction with public services that can be analysed for rural and non-rural areas

- a review of existing research and data sources on demographic change in Wales, including the prevalence and movements of key groups such as minority ethnic communities, economic in-migrants, those who are retired, long distance movers from outside Wales and young families. A decision will then be made as to the scope for any primary research needed during 2009/10.

Financial Implications:

None. The costs of are already met from within existing DRC provision and/or existing programme budgets.