



**Cynulliad Cenedlaethol Cymru  
Y Pwyllgor Llywodraeth Leol a Gwasanaethau  
Cyhoeddus**

**The National Assembly for Wales  
The Local Government and Public Services  
Committee**

**Dydd Mercher, 25 Ionawr 2006**

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**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

*Aelodau Cynulliad yn bresennol: Ann Jones (Cadeirydd), Sue Essex (y Gweinidog Cyllid), Michael German, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas.*

*Swyddogion yn bresennol: Frank Cuthbert, Y Tim Democratiaeth Llywodraeth Leol; Marion Davies, Cynllun Gofodol Cymru; Dr Grant Duncan, Pennaeth y Gangen Prosiectau Polisi : Abigail Hoban, Cynllun Gofodol Cymru; John Palmer, Pennaeth yr Is-adran Polisi Llywodraeth Leol; Hugh Rawlings, Cyfarwyddwr y Grŵp Llywodraeth Leol, Gwasanaethau Cyhoeddus a Diwylliant.*

*Eraill yn bresennol: Dave Brown, Pennaeth Adnoddau, Cymdeithas Llywodraeth Leol Cymru.*

*Gwasanaeth Pwyllgor: Virginia Hawkins, Clerc; Julie Owen, Dirprwy Glerc.*

*Assembly Members in attendance: Ann Jones (Chair), Sue Essex (the Finance Minister), Michael German, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas.*

*Officials in attendance: Frank Cuthbert, Local Government Democracy Team; Marion Davies, Wales Spatial Plan; Dr Grant Duncan, Head of Policy Projects Branch; Abigail Hoban, Wales Spatial Plan; John Palmer, Head of Local Government Policy Division; Hugh Rawlings, Director, Local Government, Public Services and Culture Group.*

*Others in attendance: Dave Brown, Head of Finance and Resources, Welsh Local Government Association.*

*Committee Service: Virginia Hawkins, Clerk; Julie Owen, Deputy Clerk.*

*Dechreuodd y cyfarfod am 9.32 a.m.  
The meeting began at 9.32 a.m.*

### **Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Ann Jones:** I welcome everyone to the Local Government and Public Services Committee. I ask Members, those in the public gallery and officials to switch off your mobile telephones, pagers, BlackBerrys and whatever else you have—they have to be switched off rather than left on silent, because they affect the translation equipment. We are not expecting a fire-alarm test this morning, so if there is a continuous fire alarm, please follow the ushers, who will take us out through to the assembly point. If the sound of the fire alarm is intermittent, wait for instructions.

[2] I have had apologies from Peter Law. Are there any other apologies or declarations of interest, other than those that Members have already recorded? I see that there are none, thank you.

9.33 a.m.

### **Rhagolwg ar Is-ddeddfwriaeth Legislative Forward Look**

[3] **Ann Jones:** There is one new item on the forward look; I am in the committee's hands.

[4] **Michael German:** There is only one new piece, is there not, Chair?

[5] **Ann Jones:** Yes, there is only one new piece.

[6] **David Lloyd:** There are four or five other pieces that we have previously identified for scrutiny. When are they likely to appear on this committee's timetable? That is just an item for information.

[7] **Ann Jones:** Okay, we will chase those up. It is always a question of how long is a piece of string, but we will chase them up and circulate an update of where we are for Members. So, are you happy to accept the forward work programme? I see that you are; thank you.

9.34 a.m.

### **Materion yn Codi o Flaenraglen Waith yr Undeb Ewropeaidd Issues Arising from the European Union Forward Work Programme**

[8] **Ann Jones:** This item is on issues arising from the EU forward work programme and the EU's policy and legislative priorities for 2006. The paper sets out the priorities in the EU's forward work programme, and annexes B and C indicate items that could have an impact on this committee's areas of work. Do Members want to look at anything?

[9] **Michael German:** There are two pieces of legislation that have an impact on the work of public services in Wales, which might be worth revising and keeping an eye on. The working time directive was dealt with at the last meeting of the Council of Ministers and is still very much a hot topic, particularly in Wales—we have talked about hospital doctors and retained firefighters being two of the key areas where there are concerns.

[10] I wonder whether we could revisit the working time directive. I think that what we would require, according to the protocol, would be a report from the last Council of Ministers, which the Welsh Assembly Government will give us according to the protocol; then we could have a look at the current debate on this matter. Perhaps we could ask Anna Daniel from the Assembly Parliamentary Service to prepare a note for us on where that is, currently, because it is still unresolved and is an issue that is getting even more complex from what I hear.

[11] The other is the services directive, which has not yet completed its process either. What they call the 'point of origin'—where you received your qualification—matters to a lot of public services in Wales and is an issue which, again, has been quite controversial and perhaps we could have a look at that.

[12] On the current work programme—I do not know where this should be discussed, so I am only raising it because I am not sure which committee should look at it—there is the issue of the internal market for postal services, which has an impact on the postal network in Wales. I do not know whether that is for this committee or for some other committee.

[13] **Ann Jones:** I would have thought that that comes under the social justice and regeneration portfolio.

[14] **David Lloyd:** The big danger of any committee looking at European legislation is that you can get a wide-ranging discussion that is, at the end of the day, not terribly helpful to anyone. On local government, and anything to do with public procurement, we should at least be analysing what is going on and its relevance to local government in Wales, otherwise this sort of thing will be passed in Europe and we will not have the chance to discuss it in Wales.

[15] The other directive that I want to raise is about vehicle emissions and local authority vehicles in terms of the whole sustainable development agenda—the directive on purchasing green, clean vehicles, as the City and County of Swansea has already done.

[16] **The Finance Minister (Sue Essex):** I dealt with that, under my previous portfolio of environment, planning and transport and I do not know if that is current practice. I do not remember, Dai, whether I was responsible for that as transport Minister or as environment Minister. I am just trying to be helpful, but you might need to cross check that.

[17] **Ann Jones:** That directive is about requiring public bodies to earmark a quarter of their annual procurement requirements to such vehicles, so it might be across portfolios. So, we can have a look at it.

[18] **Gwenda Thomas:** I note from the briefing that we are dealing with legislative and non-legislative programmes. Reading annex A and the paragraphs on security, can we make some representations to seek to ensure that cross-boundary issues and the reference to organised crime includes child protection and paedophilia? If possible, I would like to know that it does.

[19] **Ann Jones:** Yes, okay. We will find out in the first instance and, once we find out what the situation is, we can come back and, if necessary, we can look at it and put our views forward.

[20] **David Melding:** I fear that we will be working through the list now and saying that we need to look at everything.

[21] The proposed regulation, if that is what it is, on emergency planning would be worth looking at. I do not think that it is on a state level; it is also on a regional level, so we might be able to examine that with some profit.

[22] **Ann Jones:** Okay. We will look at all of these and see what the situation is and then revisit whether there is merit in us moving forward if necessary, as and when. Are there any other comments on the European programme? I see that there are none.

9.40 a.m.

### **Y Cynllun Gofodol The Spatial Plan**

[23] **Ann Jones:** As you know, we have been asking for quite a detailed agenda item on the spatial plan. We will be joined at the table by Grant Duncan, Abigail Hoban and Marion Davies, and we are going to have a presentation. Minister, do you want to introduce your paper first?

[24] **Sue Essex:** I will just say that I have a copy of the document here. It is my bible and I take it around with me when I can. I remind people that this was the first time that anything like this was done in Wales. The nearest that anything could come was ‘Wales: The way ahead’—which was published 1967, if my memory serves me right—which really was not comparable, as it was largely an economic driven document. Not only was it a first in terms of the style of publication but the content was trying to do something which had not been done before, and that was to put a spatial perspective on a whole range of policy areas and to integrate those in the objective of moving to a society in Wales where sustainable development underpinned Government decisions and investment decisions generally.

[25] We always knew that, if you do something for the first time, it is very much a

learning experience. In retrospect, I do not think that we would have done it much differently; I do not know what the team might think on that. We do know that many people outside of Wales have found this very interesting, either at a national or sub-national level. It is also looked at by academics as a learning document for them to use in terms of their research and bringing forward a breed of planners, in particular, with more spatial experience as the core of their education.

[26] I just wanted to put that in that wider context because, although the content matters to us—and we will be going through a lot more content—it is mainly that wider issue right across the globe, to be honest, about how we actually forward plan, particularly over a longer period of which we and many countries have not had experience. A lot of planning is relatively short-term, so looking over that longer-term, at what might be happening in the future, is very difficult to gauge in this ever-changing world. However, very importantly, this is also about looking at where Government can underpin intervention for the Government itself and for other government agencies, and where it can work with others. One of the key elements of this is working with others. Although this comes out with the National Assembly logo on it, perhaps one of the most important things that have happened over the last two years has been the working with other groups and people right across the spectrum; it has galvanised that co-ordination which is not easy to achieve. I think that people have genuinely believed that the Assembly Government and the Assembly—because it was an Assembly document—are honestly committed to a form of spatial planning so that we can make our best endeavours to achieve a quality of life and sustainability within Wales. I just wanted to refresh people's memories on the aims and on what I think have been the key issues—that may not be obvious in the presentation in terms of where we have come over the last couple of years.

[27] I know that Grant, with Marion and Abigail, is going to run through a 10-minute presentation.

[28] **Ann Jones:** Do you want to do the presentation right through and then take questions, or are you happy for Members to indicate if they have a question?

[29] **Dr Duncan:** I will go right through.

[30] **Ann Jones:** You will go right through and then come back. Okay.

[31] **Dr Duncan:** I thank you for this opportunity. I head the spatial planning unit where I work to the Minister. Abigail and Marion, who are members of the team, have been leading the development of the work across the different area bases so they will be able to help inform the discussion if there are questions on a particular area.

[32] As Sue said, the spatial plan is a long-term approach which was adopted just over a year ago, so now is a good time to stop, to reflect on where we have come from and to take advice on where we should go, as we go forward. The first year has essentially been about establishing structures and processes, agreeing ways forward, which sometimes vary in different areas of Wales, and establishing ways to look forward. I like this chart that I am showing you, because it helps me to reflect on where we are and it raises different questions in my mind at times. One question that I ponder concerns one thing that you do not see on that map, namely borders. It reflects the fact that people live their lives in complicated ways; it also brings out some of the unique challenges and opportunities that face Wales in terms of our settlement patterns, which involve a large number of relatively small settlements, which can be quite dispersed as we go into more rural areas. The spatial planning approach is about how we act together to increase our visibility on a wider scale. The other thing that it brings to my attention is the fact that Wales is surrounded on three sides by water. This was mentioned in relation to sustainable development—there are issues concerning climate change as we go

forward, and this map helps highlight the fact that a lot of our settlements are along the coastal plains, which raises questions about how we will react and adapt to that in the future.

[33] I will remind you of the aims of the spatial plan, because sometimes the word ‘plan’ drives our mindsets down a planning route. Our spatial plan is a framework for debate about sustainable futures and communities; it is about how places can and should work together. For me, the key aspects are improving collaboration to make better decision making and the horizontal and vertical integration of all our policies, those of the Welsh Assembly Government and external partners, so that we can make better decisions. There is an internal-facing aspect to this in relation to our own policies.

[34] On the content of the spatial plan, briefly, we split it into two areas. One concerns the national level, where we have different objectives across all the Government’s work, and then the different areas of Wales, which I will come back to. Over the last few years, we have been populating these area visions with more actions and getting people to act together. I will stand accused of this diagram that I am showing you now being somewhat simplistic, because I think that Government life is more complicated than that.

[35] Essentially, we are saying that we see the spatial plan fitting between national and regional work and it is about asking questions of our policy making and of others, including how you can look at the differential impacts of policies with the different needs of the communities and reflect that in the Government’s policies and those of each area. I will come back to the issue of community strategies, local development plans and how they will impact on our work.

[36] There are five national themes. Again, these all overlap, but in many ways it is the sustainable development agenda. Briefly, accessibility is about reconnecting place. Sometimes places have come up with one economic path and the economy might be somewhere different, therefore how do we make sure that there is a correct connection between them? It is about looking at the needs of communities, wider and small-area, and at how the environment, including the built environment, fits all this together. Again, it is about different needs and how they can be reflected.

[37] If you recall our spatial vision map, I would just like to pause on different aspects: one is the concept of fuzzy boundaries. While we have created six areas, we have no wish to see these crystallised into totally new structures because there are different issues, such as transport and coastal tourism, that cut across different areas. This is an initial framework to get people to act together; for example, in the Swansea bay area, we have made sure that Bridgend has been included in those discussions, because there is not a neat border between how the different authorities work together. The past year has been about making these issues become real in different areas. The other thing that you will notice is that we have annexed parts of England, recognising that—

9.50 a.m.

[38] **Michael German:** Ludlow is in England.

[39] **Ann Jones:** You are not supposed to interrupt.

[40] **Dr Duncan:** In terms of borders, it recognises that people do not necessarily recognise borders in how they live their lives. The economy of north-east Wales and north-west England in that area is almost one.

[41] So, how are we doing it? Nationally, it is about issues of policy integration, ‘Wales: A Vibrant Economy’, transport strategies, and the unfolding health agenda. It is about

ensuring that those issues engage with the spatial plan process. In the areas—I will pause on that a bit longer—it is about identifying the initial actions that people want to focus on, and how they can be done in a way appropriate to local need. On the different structures that we will have in place, we are setting up a national steering group that the Minister will chair, and that will meet for the first time early next month. Each of the Ministers of the Cabinet sub-committee has taken a lead role in the area work, and that has been good in terms of ensuring that there is a focus and drive behind the area work, and that is also supported by different officials' groups, which generate some of the issues to be discussed. However, the area work, in many ways, is about asking, 'What are the larger subjects that we can make better decisions on by working together?', 'What are the initial priorities we should be working on?' and asking questions about how they will inform and be informed by the development of things such as community strategies.

[42] We have always had a dilemma in the spatial plan, because, through the Ministers' direction, we wish it to be an inclusive process, but you cannot be inclusive by having a cast of thousands around the table and spending lots of time talking. So, to begin with we have set up these initial structures, and the core membership in each area, and this is also reflected in the national steering group. Equally, different areas are now adapting that and asking other groups to come along from the higher and further education sectors or health, according to the local wishes. However, that is the core element of the people that have been working together in these groups.

[43] There are some more details in the annex to the paper, but these are headlines, if you like, of some of the initial priority actions or issues that each area has identified. The areas have all taken slightly different approaches, which is to be expected and is healthy, but there are also some underlying common threads about sustainable accessibility, building a knowledge economy, tackling economic inactivity and tourism. In each of the areas those have been worked up into what are, essentially, project-scoping documents, in terms of what should be in and out of the study. We are now looking at taking the projects forward. There are 29 of them, and they will be reporting over the next calendar year. That will give us more information when we come to talk about refreshing the spatial plan, and it will help more work. We are concerned to ensure that projects can gather data and that the data are suitable for purpose, and that it is not just a data-gathering exercise, but that we build on what is already there, and use it to ask new questions.

[44] The other thing that we want to do more of is have wider engagements. We have far wider stakeholders that we need to engage with, so each area will have a communication strategy and, potentially, different area workshops, and I would be happy to keep you informed of those. There are many other groups, which are mentioned in one of the annexes, with which we continue to talk, but critical to the development of the spatial plan and keeping it live is engagement with the wider communities. So, perhaps I will pause there, and reflect that we have come a long way in the last year. We have a long way to go because it is a 20-year process. However, we have built on the initial steps, which means that we can take it forward now and start to deliver on some of these actions.

[45] **Ann Jones:** I apologise for coughing throughout the presentation, Grant—the air is very dry here today.

[46] **David Lloyd:** I commend the presentation and the Minister's decision to put aside quite a lot of time for this agenda item, which I have long regarded as vital. That is why I welcome the whole process.

[47] I want to try to drill down on specifics, because I have had several representations locally and regionally. While I welcome a spatial plan, as I have in the past, people out there want to have some clear idea, as it is a plan, of where we are now and where we are hoping to

get to. In other words, we need specific targets of where, say, we want to get to in our six different regions in 10, 15 and 20 years' time, and what we are trying to achieve, so that we can measure progress and scrutinise what is happening.

[48] The other overarching issue is ensuring that our vision is a vision for the future, and does not just crystallise and fossilise what is happening now, which, from many aspects in Wales, has patently not been successful. We do not want to crystallise what has always happened, in terms of east-west connections, or whatever—always going to Manchester, or always going to Bristol—we want novel, visionary thought as well. I would like to see some of that being fleshed out.

[49] On specific issues, such as regional housing action plans, I see that affordable housing and the whole housing agenda is only mentioned in one of the regions. There is a rising tide of homelessness, rough sleeping, and deaths from fuel poverty—there were 1,800 excess deaths last winter. How will those issues and the whole housing agenda be reflected regionally throughout this vision, and where are we going with affordable, good-quality housing, not just on a local authority basis, but on a regional basis? The spatial plan gives us that opportunity, although I would like to see it fleshed out more.

[50] The other main issue is transport. The spatial plan is overarching in many areas, and transport is not directly the Minister's responsibility, nor is housing, although she is the Minister responsible for this spatial plan. However, one of the big weaknesses, traditionally, in Wales is getting from North to South, or South to North. People want some visionary thoughts about how we will improve north-south transport links. The spatial plan seems to be an ideal opportunity to make some pronouncements about that, rather than just saying that it is the A55 in the North and the M4 in the South, and if you want to go from the North to the South, we will have to rely on Arriva trains.

[51] We need to get some more specific ideas on the visionary way forward regarding north-south transport links, because this is a Wales spatial plan—it is not a regional appendix to some north-west of England spatial plan. I notice that there is a sub-regional spatial strategy for the west Cheshire and north-east Wales sub-region. How does that sort of sub-spatial plan marry into the Wales spatial plan, which takes priority, if you want to phrase it like that? It is nice to have these spatial plans, but we are scrutinising the progress of the Wales spatial plan, and it is the Wales issue that is all-important in that situation.

[52] On the concept of regional capitals, like Swansea, the Swansea bay one mentions strengthening Swansea. I think that we would all agree with that—but in what way? We need specifics. We also need examples of how this spatial plan locks into other plans, such as specialised health reviews, where Swansea's role, say, as a regional centre of excellence, is potentially being undermined by health reviews. Therefore, on the one hand we have a spatial plan saying, 'Great, let us strengthen Swansea', and other plans, potentially, weakening Swansea. We have already lost paediatric neurosurgery from Swansea, which was a major centre of excellence. Potentially, adult neurosurgery is going the same way, which militates against this idea of Swansea being a regional capital. Therefore, we need to flesh out the idea of developing regional capitals, and ensure that the different plans, as you said at the start, marry together.

10.00 a.m.

[53] You mentioned the coastline at the start. Wales is almost surrounded by water, and its territorial waters stretch up to 12 miles out. There may be scope for specific mention to be made of the different regions that have a coastline in the development of a marine spatial plan. What are we doing with our coastlines and rivers? The sustainable development agenda is very strong. There are calls from a variety of sources for a marine spatial plan, or at least

for the Wales spatial plan to have a marine aspect, as there is water on three sides of Wales. I shall kick off with that, Chair. Thank you for your indulgence.

[54] **Ann Jones:** That is the first half, is it?

[55] **David Lloyd:** Yes.

[56] **Ann Jones:** Sue, do you want to start there, and then we can move on?

[57] **Sue Essex:** Yes. I know that the idea of specific targets is dear to the heart of Plaid Cymru, and I would not expect Dai to say anything else, but I can tell you that it has not dominated on our part. There are real downsides to setting targets, and those become fixations. Spreading prosperity and fairness across Wales is at the heart of this. It is raising the quality of life for everyone, but it is also reducing disparities within Wales. I am very conscious of that.

[58] In north-east Wales and north-west Wales, we can see an economic situation that has been buoyant, particularly around Deeside. The situation is still not ideal in Wrexham, and we know that we have issues of employment in the north-west. I am not going to say that north Wales is fine because it is doing well in Deeside. We have got to push that prosperity westwards. We must ensure that people in Llŷn and Anglesey are not seen as being left aside in the growth of Wales.

[59] On your second point, Dai, I absolutely agree that the vision for Wales involves starting from the base that we have now, tinkering around that and aggregating up. That is the whole point of what we are trying to do. However, it is a difficult balance to achieve. If we were to come up with a very idealistic vision that we all signed up to, a lot of practical people—including those in the private sector—would say that it was pie-in-the-sky stuff that did not recognise the realities of life. Therefore, we have to achieve a balance between raising people's aspirations and encouraging them to be creative and innovative, and being realistic about what we can achieve.

[60] In my experience, you do no-one any favours by misleading them. Therefore, we have to achieve that balance. We have not mentioned this so far, but one of the big chances now—certainly with the two thirds, and the co-operative funds—is the next round of structural funds. I was sad that we did not have a spatial plan for the first round of the structural funds. Some spatial statements were put in at the end, but it was not a driver in the way that the spatial plan will be in the second phase. That is a good vehicle for enabling us to tell people in west Wales and the Valleys that they should set their sights high and be creative; we can use the structural funds to complement that.

[61] Perhaps Grant can pick up on where we are on housing. We have a national housing strategy for Wales, but you are right that the subjects of affordability and provision of housing have come up in most areas. Sometimes, there are particular hot spots, but there is a general concern about how we would deal with this.

[62] On transport, there is a national framework for Wales. In developing the plan and looking at data—and it is about being honest—we found that some of the data showed patterns of connections and movement that no-one around this table might have put on a map. That is the way that life is. There are connections that you would not necessarily expect. Again, we have to achieve a balance. I understand what you said about the north-south element; many politicians and people in Government structures do this north-south journey all the time. It is clearly inadequate, and my colleagues who use the train, such as Ann, will add to that. So, we have to deal with that, but we also have to deal with the reality of transport connections, which in many cases are east-west, but not exclusively so. When we looked at

central Wales and that coastal belt, we could see the volume of traffic that is going in a north-south direction, but it is along that coastal belt rather than going to north-east Wales and across.

[63] The Cabinet sub-committee that we formed, on which Andrew, Jane Davidson and Carwyn sit, includes all the people who lead the regional groups. That committee is very useful in terms of dovetailing some of those key areas. In fact, Edwina came to the sub-committee a couple of weeks ago to discuss housing.

[64] When you talked about west Cheshire, what we did not mention is the specific sub-regional efforts on the Heads of the Valleys. The investment in that top end of the Valleys—and I think that this answers your point about not looking at the present but looking to the future—has been used as a basis for us to see what we can do for the future.

[65] On west Cheshire, we will still progress with the plan, but, again, you have to be realistic about the situation up there. When I talk to people, it is clear how people live their lives. There is so much fluidity that the boundary is not visible in the way in which it is in south Wales with the bridge. I have seen relationships across health provision when I have met the health boards. People, unfortunately, go shopping in Chester, even though I try to discourage them. So, those things are there. It is not that we are going to accept that and lie down and die and say, ‘Well, it is just the west Cheshire situation’. We have to work together on that and be cognisant of it. They have to listen to what we have to say as well. Again, we would not be doing anyone in north-east Wales or north Wales any favours if we did not work together and understand that.

[66] On the regional capitals, Marion leads on the south-west one in Swansea. I think that there is a huge investment in Swansea going on. SA21 is one of the most dynamically changing areas in Wales. However, it must serve the wider area. That does not mean to say that we are not thinking about what happens to the people whom Gwenda represents or those further west in Carmarthenshire. I do not think that being a regional capital would guarantee—and I have no involvement in health services so I do not want anyone to misunderstand this—that every single service stays within that area. That could be the same for Cardiff, Bangor, Caernarfon, and Wrexham, or wherever. There will be health decisions and decisions on other areas of provision that are taken on health grounds for very particular reasons. I do not think that it would be fair for me, as the Minister leading on the spatial plan, to be dictatorial on any of those and say, ‘You must have every single service of health provision here’. That is not the nature of the game. We do not know enough about that and those are particular decisions.

[67] We are trying to make the connections, and I would hope that the spatial plan has an impact on health in terms of us saying, ‘Whatever your decision, you need to think about those impacts and connections’. I think that this has impacted on health in this way, in that it has made people think more geographically about that provision and the complementarity of service provision. There will be many cases where provision is not where some people might want it to be. Services will not all go to regional capitals, but it is about how they can complement an area and how they think of the people that they serve. So, those connections of accessibility and service interrelationships come together.

10.10 a.m.

[68] Your last point about the coastline is important. As Grant said, the coastline and the marine environment are important to us. What I know about the environmental value of Cardigan bay and the north-west is still fairly limited, but I know that it is very precious. It is sustainability writ large. We must try to manage our coastal areas and the marine environment in such a way that we can allow them to provide a whole range of services, for example,

recreation, which is important economically, and will be increasingly so. We are all aware of the issues around the energy debate, whether you are looking at using tidal waters or wind power. We also know, as Grant said, that, unfortunately, there will be some important changes over time as a result of climate change. There are question marks around what that will mean for our coastal areas.

[69] The marine legislation will come through. However, we are thinking long and hard and are working with groups such as WWF and others to look at whether there is a spatial planning component that we could move forward in a coastal area. It became clear to me when we looked at the dredging and the technical advisory note, that we do not see many of the pressures on our marine environment, but they exist. That is one of the exciting areas for the future. It is difficult, because of the different kinds of responsibilities. Nevertheless, it is very important for Wales. Marion or Grant may want to come in on that.

[70] **Ms Hoban:** To comment on housing, the approach in those areas mirrors the approach taken by the Assembly, that is, trying to bring together housing and planning professionals to look at these issues together rather than it being either a planning or a housing issue. That runs alongside some of the progress that has been made in the review of TAN 2 on affordable housing and the Assembly's affordable housing toolkit, which looks at the delivery aspects of things.

[71] There has been more focus on housing in the central area in relation to rural affordable housing needs. They are using an existing network, called the rural affordable housing network, to gain a better understanding of needs across the region, including housing needs and market areas that straddle the local authority boundaries. They are, therefore, taking a collaborative approach to that. They are also bringing in representatives from housing associations and the Home Builders Federation to get a handle on some of the key delivery constraints and how people in the area can work together to address that delivery. That approach is being mirrored in the north-west. They are looking at a better understanding of where the affordable housing hot spots are and are trying to pin down the delivery needs, and then feed that information back to the Assembly.

[72] Representatives from the Social Justice and Regeneration Department came to some of the area groups to talk to them about the draft toolkit, and there has been interesting discussion and debate about the mechanisms that already exist to deliver affordable housing, and that has been taken back and considered by that department in that context.

[73] **Ms Davies:** With regard to the work that is being done in the Swansea bay area, one of the key actions that was identified by the Swansea bay group was the need to look at the role and functions of the key settlements throughout the Swansea bay area, that is, Carmarthenshire, Swansea, Neath Port Talbot and the western area of Bridgend. Bridgend County Borough Council has chosen to come to the Swansea bay area group meetings as well as being a key part of the south-east area. That group will work to identify the key settlements throughout that spatial area, identify the functions of the settlements and the interrelationships between them, and look at what needs to be developed and built upon to realise the potential of those key settlements and to build on the networks. This will recognise the potential that Swansea has and what is happening there in development terms at the moment. The thinking that emerges from that work will be used to guide future investment, particularly in relation to future structural funds. The work is being done collaboratively; all local authorities are a key part of the group. It is led by the WDA in south-west Wales, which is present in that region, with all the local authorities as members of the group, as well as other key stakeholders, such as the environment, voluntary and equality sectors and so on. So, everyone has an input to shape the work and to have a far more collaborative approach in how we look at the vision for the future and how it will be achieved. Perhaps what has been done before is that local authorities have looked at things very much within their boundaries in terms of how their

development is proceeding.

[74] **Dr Duncan:** Can I perhaps pick up on the matter of regional capitals, or regional centres, and perhaps widen it a little? There are a couple of things that we should bear in mind, such as future demographics—what the population may look like. Part of the thinking behind the spatial plan is to look towards the future population and ask where younger people will go. Part of that says, and some of the evidence seems to show, that they will want to go to vibrant centres or, typically, centres that have good higher and further education institutions. The question is one of how you attract those people and retain them. Equally, however, as someone said earlier, we must recognise that some of our regional centres, on a larger scale, are actually quite small. Swansea has a population of around 200,000, and Cardiff has 350,000 to 380,000, depending on the area that you choose. The issue is also a matter of strengthening regional centres, part of which can be done by getting the whole area to work together so that it can be perceived to be a larger centre. For example, Neath Port Talbot has been developing by consulting on a Valleys strategy, and part of the theme of that reflects the spatial plan, but it is about reconnection. Similarly, in Cardiff, it is a matter of how we can connect Cardiff to the Valleys communities in a good two-way flow. I am trying to avoid using the phrase ‘critical mass’, because I am not sure whether it necessarily has a definition, but it is a matter of trying to increase overall population, visibility and dynamism behind an area. That is something that is also behind regional centres.

[75] **Ann Jones:** Dai, did you want to come back?

[76] **David Lloyd:** No, I will come back later. I am conscious of being seen to be hogging the debate.

[77] **Ann Jones:** Right. In that case, Mike is next.

[78] **Michael German:** This is a very impressive piece of work and, whatever else people might say about it, I know that it is Sue’s particular baby and her specialism, and it shines through as an example of new thinking, which I commend.

[79] My first point arises from a point that Sue just made, because there is a philosophical problem here. If you have, as you are trying to achieve, the creation of regions, sub-regions or whatever we call them, which are trying to find the route for themselves to increase prosperity, better quality of life and so forth, in a sense, that means that we are promoting—and I would absolutely support this view—regional diversity and making areas find the solutions that suits them, as well as giving them differences between one region and another. Now, something in what you said earlier was that we are trying to improve the quality of life for all, which has a sort of levelling effect, matching each one with the other. Perhaps you would just like to comment on that issue to start with, because it flavours the whole process, and I see this as a way of increasing diversity in Wales and prosperity through diversity, which is laudable.

[80] I leap from that immediately to the question of the city region. Call it whatever you like, but ‘city region’ is suitable because it is a European term that we use often. All of the responses so far bar one, and even that hints at it, from the paper, show that infrastructure is crucial, which means road, rail, integrated transport and so on. As Grant was attempting to say, it is not always two-way traffic; it is often one-way traffic. However, we are looking at how people live, work, live their social lives and exercise their retail opportunities—where they go to shop and so forth—and all the evidence now shows that Bridgend is an interesting example. People there will go in both directions to Swansea and to Cardiff; it depends on what they are buying. However, work patterns are the same, as half of the people living in Caerphilly work in Cardiff. There is a city region developing, whether we like it or not.

10.20 a.m.

[81] If we believe that to be the case, presumably, we need to support measures that support certain things happening in certain places, in order to promote that city region as people use it. Ideally, of course, you do not want people to be living where all that activity takes place, which lays this firmly at the door of integrated transport and improving the infrastructure.

[82] In the last round of structural funding, we were given a clear line from the European Commission that it would not look upon infrastructure as a fundable activity. I detect from the commission that there is a change of heart in this matter and I hope that that would feed through as a priority, given that it comes through each of these for funding for the future. Perhaps the Minister would like to comment on that.

[83] I want to ask a couple of process questions about the way in which this drives funding forwards. The Minister talks in the paper about this influencing funding in all departments. That is fine; I am pleased that it will do so, but perhaps you could tell us how that will happen, because the whole of our structure of funding goes in departmental budgets, which Sue, with her finance hat on, then adjusts accordingly. Someone has to be the adjudicator. This is not necessarily a finance role, because it is a policy role. How does that happen in Government and does this Cabinet sub-committee meet often enough to reconcile what will inevitably be different pressures from different Ministers?

[84] I notice from paragraph 8 of your report that two are already in post doing the regional co-ordination work. Where are these two located and to whom do they report? What is their reporting line, because, if they are influencing, they also need to be reporting in a wide variety of ways.

[85] My final question relates to the border issue for south-east Wales. I think that something like 50 per cent of the region that covers Chepstow and Caldicot, if it is Newport East and Monmouth, works in Bristol and, as you know, people are using their Assembly free buses to go to Cribbs Causeway. So, the free bus to Bristol indicates to me that there is a fairly big sub-regional connection with Bristol, which has a different level of critical mass—to use your phrase—to what we have available, because it is so much bigger and has so much more to offer. There may be some sense in looking at the pull issues into south-east Wales, across the bridge and, to an extent, into Gloucestershire, but predominantly into Bristol. Has that crossed the minds of the people who are working on this programme so far?

[86] **Ann Jones:** Minister, are you going to start off on this?

[87] **Sue Essex:** On the philosophies, I think that there is a tension for Government between respecting and dealing with the wish for consistency and the wish to be different, which is the strategic, local issue that is there for us all the time. We have an overall view in Wales that we want to raise income levels and, I unashamedly say, quality of life. The people of Wales understand that quality of life is about access to medical services and a green environment; it is not just about income. Having a fair chance very much underpins what people in Wales believe in. So, we have that overarching aim. I strongly believe that—and this is not just a Welsh issue; it is a global issue—in the course of doing this, we do not have to sacrifice our distinctiveness and identity in things that make people feel attached to their locality or, in Wales, attached to the language and cultural issues. So, we need to get that balance right, by having those areas in the way that we do.

[88] To take the north Wales example again, there was an argument that you should not have north east and north west, and that it should all be north Wales. There are many good links right across north Wales and people are working together very well up there. There are

the transport connections and so on. However, I still think that there are sufficient issues of distinctiveness and identity, not just about the things that we need to be concerned about, but about the character of the area and the way that people feel. We need to keep those two areas different.

[89] I visit both areas and I think that that division is still valid. They will come together over many things and there will be many common factors, but, having sat through both discussions, I know that they were quite different in the way that they approached historical issues, and in their concentration and focus on where they wanted to go. Obviously, the marine environment is very important to the north-west. It is important in the north-east, but not to anywhere near the same extent; it is more about the links across the border there, and we are very aware of that. As these charts come along, you will see that there are many common things around affordability. How that is dealt with may be different, and different areas of priority are obviously coming out. It is our intention to deal with that, to recognise it, but deal with it in the way that you say.

[90] On city regions, if you can remember that European 'map', which showed the visible difference between concentration and dispersal—certainly on the economic activity—you will know that what it really showed was that we do not have a city region in Wales. We have nothing like the kinds of regions that appear in Europe. What we have is a south Wales metropolitan region, which is dominated by Cardiff and Swansea, but which also includes Newport and places like Merthyr and so on, which have a role to play, as Grant said. The way to deal with this, therefore, is to try to get these areas to complement each other, while recognising that they have historical distinctions and will act in very different ways in the future. Nevertheless, economically, we must be able to present that—certainly to investors, and if we are talking in European terms—as one co-ordinated region, albeit that we have distinguished between the south-east and the south-west. I think that we can do that, but we must recognise—and this follows your point about Bristol—that we do not have the big conurbations that they have in England. We are nowhere near to having the huge cross-national links that they have in Holland, Belgium and so on, which are tremendously economic pulling powers. My view, therefore, is that you do not necessarily have to replicate to have that economic strength. We need to play to the strengths that we have in Wales, because we will never be a lower Rhine area. That is the way it is. We need to deal with that.

[91] On issues of transport, we have the south-east Wales trunk road agency up and working, but personally I had always wanted a public transport authority for the south. That gives it an identity and integration. We are moving to integration, but it gives it a common identity that people respond to. However, a lot of good work is being done on the transport side and the franchise helps. It is not the be all and end all, but the franchise helps. We will get the money by 1 April and the powers under the Transport Act 2000, so there is an opportunity in the future to change.

[92] On the finance, it helps that I am Finance Minister, because we have the spending review coming up, when Gordon Brown announces it. We have ways of testing development, and we know that the spatial plan will be used to underpin the way in which structural fund allocations are made. So, we have ways of making it work. There will always be issues with regard to investment for reasons that may not strictly conform; there may be local reasons why that must happen. However, the spatial plan is seen as one of the key documents now, along with 'Wales: A Better Country'. It has been set within that, so that is being mainstreamed through the department. The ASPBs coming through also gives us another chance to do that. I will get Grant to answer that further.

10.30 a.m.

[93] On south-east Wales, I have the proud badge that I have never been to Cribbs

Causeway. I can remember—this goes back 20 or 25 years—when Cribbs Causeway was first discussed. You can see what major out-of-town shopping centres do in terms of pulling trade. I do not know—Marion might know better than I would about this—but there would not be a Cribbs Causeway now, even under the English planning guidance. Would that be fair to say?

[94] **Ms Davies:** Yes, that sort of thinking has been and gone, really. People can see the results of it.

[95] **Michael German:** However, it is there.

[96] **Sue Essex:** You are right that it is there, and it has a big pull on people, as does Bristol; we have to be open and honest and recognise that people, especially in the Chepstow and east Gwent areas, go there. However, with the investment in Newport, and Newport Unlimited and what is going on there, many of those people, if they had comparable jobs this side of the bridge, would no doubt prefer to work here. There are a lot of downsides to the Bristol area in terms of huge problems with congestion, huge issues around house prices and what is happening in the city. We must recognise that it has those pulls and strengths, and I intend to go over with Grant and the team and see colleagues all along—

[97] **Michael German:** To Cribbs Causeway?

[98] **Sue Essex:** You have my guarantee that it will not be Cribbs Causeway. I intend to see what is going on there. We cannot replicate it and neither should we; we have to try to get a Welsh solution. A lot of our response will be around the real economic regeneration in Newport and south-east Wales.

[99] **Ann Jones:** Can you answer on the posts, very quickly, Grant?

[100] **Dr Duncan:** On the posts, they report jointly to both me and to the Welsh Development Agency regional directors. Future posts will be the same.

[101] **Michael German:** Do you know where they are?

[102] **Dr Duncan:** One is based in Newtown, the other in Treforest. Three others will be appointed; one will be based in Penllergaer and two in north Wales, probably in St Asaph and/or Bangor.

[103] **Ann Jones:** I have Catherine, Gwenda and David to speak in that order and then, if there is time, I want five minutes as an ordinary committee member, not as Chair, but we will see how time goes.

[104] **Catherine Thomas:** I am particularly interested in looking at how the plan will ensure that resources are strategically invested, so that you will avoid either overinvestment in one area or underinvestment in another. Maybe linked to that is what Sue mentioned about the structural funds. It concerns me that, within so many areas, or in single wards, you can see a huge amount of wealth and investment and, just a few hundred yards in the other direction, individuals who are not particularly affluent. Cardiff bay is a good example of this. In my own constituency I have a ward where there has been enormous investment, which is greatly welcomed.

[105] However, my concern is that we narrow that gap in terms of the haves and the have-nots, and ensure that there is investment in communities that are well established and not just in the development of new communities. This should be done for many reasons—social reasons, for example, so that people integrate, and so that there is not friction between communities. That is an enormous challenge. How do you see the plan addressing those

concerns and measuring the outcomes of such an overarching partnership? In and of itself, that is an enormous challenge. What measures will be brought in to indicate success?

[106] To touch quickly on what has been said about out-of-town developments, what engagement is there, at this stage, with local authorities? I am thinking of some towns in Wales where there has been a lot of out-of-town development and investment, and even though there is to be development and regeneration in town centres, the timing is sometimes a bit out of sync. My fear is that, because the investment has begun in out-of-town areas, by the time we reach the town centre, that town centre could have suffered badly with businesses moving out because people are gravitating to out-of-town shopping centres. How are you hoping to address these issues?

[107] Finally, on the membership that you referred to, what are you doing to engage with younger and older people? Both groups often feel that their voices are not heard and that they do not have an opportunity to contribute. I would think that their voices are absolutely crucial. Could you also elaborate on that?

[108] **Sue Essex:** Mike mentioned resources. On structural funds, I did not pick up on this point of infrastructure, but I can remember arguing with the Commission that, in Wales, we needed more money to be put into infrastructure, but we could not get it. Next time, as I understand it, we will have the freedom to do that. I hope that the structural funds will deliver on that strategic infrastructure, whether it is roads, electronics, communications or public transport investment.

[109] Catherine's question about where resources go is interesting. We do not know enough about why resources end up in one area and not in others. I hope that there is a rationale to a lot of it. We know that we need to concentrate on employment activity. I am clear in my mind that you cannot pepper-pot economic investment around and expect that to work—I say that from years of experience of working in the Valleys. You have to get geographical concentrations, but you have to ensure that the jobs are accessible to people and that has not always happened. You have to look at where you are going to put central resources, whether medical, economic or entertainment opportunities, and ensure that a whole group of people are not left out by your doing so. I hope that the spatial plan is helping to make people think about where your connections are, what group of people you want to serve on this and make positive provision by including them.

[110] In a local sense, we have a lot of geographically focused policies. Communities First is the most obvious one, which is a purely geographic definition once the issues of poverty and multi-deprivation are accounted for. However, you are right to suggest that we do not understand enough about why some geographical areas are seen as poor and are locked into that and why some are not. We need to do some interesting work, which includes going to Salford to see how they disaggregate budgets, to try to see how you can get greater participation from people involved in that. That is an area that we could usefully look at a great deal more, but it will focus on complementarity and look at the overarching aspect of equality to eradicate those distinctions. As long as we keep that objective, it will focus our minds on trying to get the answers.

[111] Your point on outcomes is, again, very interesting because we will have the standard indicators of outcomes, but we have to bear down and be more focused on where we can get new kinds of indicators of outcomes, particularly in those areas of inequality. Also, the regional groups might want to come up with looking at what they want to get themselves that will appertain to their areas.

[112] On out-of-town shopping centres, the planning guidance here has been tightened up—that was one of the first things that I did—but you have historical permissions and there

has been that historical growth. Let us face it, many people find out-of-town shopping a very convenient way of shopping because it is car-related. At the same time, they want their town centres to be nice and interesting and they do not want them to decline. We have to say to people that sometimes they cannot have both, because they are connected. Only a certain amount of investment will go in terms of consumer spending. If you divert too much away from the town centre, there is not the investment to go ahead. I talk about Government investment, but, perhaps, the most crucial area is to face the reality that private investment will be critical to giving Wales a sustainable economy in the future. I do not think that people have realised that. Local authorities need to do this and they can use their community strategies, as well as their local development plans, to understand that, if you want interesting areas within town centres, there have to be difficult choices. I think that people do want that, because town centres tend to be more vital and diverse. Out-of-town shopping centres lock up at 6 p.m. or 7 p.m. and they do not have that same sort of dimension of activity. However, we still have some of those historical things coming through.

10.40 a.m.

[113] Your last point was about reaching out to different groups. Now that we have gone through this first phase of developing how we might, over the course of the summer months, have a programme of leafleting, meetings, getting out to people, we find that when people do know about it, there are a lot of people who are interested. It is about their places and about the future of their place and people are interested in that. They want to get involved. Would that be fair?

[114] **Dr Duncan:** That would be entirely fair. When we were consulting on developing the spatial plan with different workshops we went to representative groups, but, equally, it has always been a concern that we need to do more with younger and older people, or, indeed, the general, wider hard-to-reach groups. That is also where some of the voluntary organisations have good potential to help us through. I was talking to the Wales Council for Voluntary Action the other day, when a representative from MIND asked whether mental health related to spatial planning. The answer was 'yes', because communities are affected in terms of their health. Therefore, we are very conscious to do that.

[115] Just to comment on potential in terms of outcomes, we have also started discussions recently with the office of the chief social sciences research—I forget the exact acronym. Scientists have tried to look at some of these issues about inequalities and how and which indices are truly meaningful. We can, perhaps, update you as that goes on.

[116] **David Melding:** I have one general point and one specific point. The general point follows on a little from what Catherine has said. Unless this is all going to be a fairly descriptive rationalisation of what was going to happen in any case, the process does need to create a vision, outcomes and measures as to how we move towards those outcomes. I realise that you do not want to set prescriptive targets to be met and to do that early on and all the rest of it. I think that the best outcomes that are likely to develop are those that are considered and not rushed into immediately. I am not saying 'Where are the outcomes now?', but we have to be reassured that that will be a robust part of the process. In a 20-year plan, there will be stages when it will be possible to see a measurable effect on rural housing, affordable housing, or whatever particular example you want to take. That is my general point.

[117] My specific point is this: what sort of planning and scientific advice has been taken on how we will be coping in this period or starting to prepare for coping strategies to manage global warming? I am convinced that we will be facing measurable effects for global warming within 20 years and that they are likely to accelerate in the period immediately after. The western Antarctic ice sheet is melting. I think that that is incontrovertible. That will raise sea levels and we are talking about by how much. The most reasonable estimate at present—

these are not the worst-case scenarios, but what are now thought by the scientific community to be probable—is a raise of between 1m and 6m in 20-50 years. In other words, it will happen quickly. Perhaps what surprises scientists, as the data become stronger, is the rapidity of the process. If these changes happened in a 100-year or 200-year cycle, there would be a lot of time to prepare for them. However, we will have to start to look at some of our coastal communities to assess their viability in that sort of timescale. I do not want to be alarmist; a 1m rise would probably have relatively little impact on current urban settlements. These are things that have to be looked at.

[118] There will also be a clear effect on other strategies, such as offshore windfarms, on which I tend to have a slightly different view to others in my party, as I think that wind power needs to be looked at carefully and encouraged. It will also affect tidal power, as a rise in sea level could have a dramatic effect on any planning and infrastructure development. I would just like to have an idea of how the Government's scientific advice is being fed into the process. Are we now starting to say that we will have to manage global warming and that it has to be part of a 20-year spatial plan?

[119] **Sue Essex:** We have taken climate change seriously. I remember that Sir John Houghton came and gave us a very gloomy presentation—not gloomy because he wanted to be so, but because he thought that those were the facts. It has been put in here. This is where the coastal marine strategy is very important, if we move along that path. The important thing to say about a change in sea levels, in relation to some of these, is that they will have a differential impact. There will not be a uniform impact. When you look at the plans of potential change in sea levels, there are striking differences in the UK in terms of what it will mean.

[120] The flood work that the Environment Agency has undertaken is an indication of the instability of the climate and the changing nature of levels in our seas and rivers. A practical example that I was given, when I was the Minister with responsibility for planning, concerned the north Wales Conwy coast at Tywyn. Flooding there is forcing a substantial change of thinking in terms of the settlement pattern. So that work is going on. We always have to be cognisant that a lot of the stuff that is coming through emphasises the rapidity with which change will happen. The work that is being done on this is largely in Carwyn's area of responsibility and perhaps we can get you a note on that, Chair, for you to pass on.

[121] Without being too alarmist, I think that people are locked into understanding the physical changes, scary as they are, but I think that there will also be important social aspects to the changes across the globe. Certain areas of the globe will become difficult to live in and what that will mean for the movement of people is something that we are not so good at understanding. From our perspective, we also need to look at that and understand what those pressures will mean, and that can come sooner rather than later, I think.

[122] **Gwenda Thomas:** Minister, I think that your vision, enthusiasm and knowledge are to be commended and I really feel that this matter is in safe hands. I am glad to have been present for your presentation today. The last item for today is Beecham's review of local service delivery in Wales and the WLGA has produced a paper that we will consider in the presence of some of its officials. The paper refers to the work on plan reduction and how that has been appreciated by local government. It talks about the need to have a clear understanding across the Welsh public sector of the primacy of community planning, linked, in turn, to the spatial plan. How important do you think that it is for Beecham's review to be fully aware of the excellent work done on spatial planning and the effect that it should have on service delivery?

10.50 a.m.

[123] **Sue Essex:** That is a very good point, Gwenda. We have had some really useful points come from the committee, which we can follow up. I have not stressed that point to Jeremy Beecham, although I have had a few discussions with him, but there will be a chance, when he comes to the committee, to make that point. We need to ensure that he has had a copy of the spatial plan and that he understands what we are doing. One of the most important changes that has taken place in the last few years has been the change of attitude in local government. A few years ago, it would be fair to say that it was quite suspicious about regional activity. I think that I can guess why, but it was very worried about it. It has completely changed now, both through the spatial plan and through 'Making the Connections'. It has come up with regional groupings around 'Making the Connections'. That is not easy for politicians—they are elected to their own patch, but they have to work together across the boundaries and it may mean that some things go across the boundary out of your area, and that development goes there. So, it is a challenging agenda—

[124] **David Lloyd:** That is the strength of list AMs.

[125] **Sue Essex:** Is that what it is? I wondered why you were all there. It is a shame that they do not match up to our spatial plan boundaries, then.

[126] The issue is that local government has changed, and realises that people, as Grant said, do not live their lives within administrative boundaries. That is important. We have administrative boundaries for a purpose, but they are not the be-all and end-all for the people that are out there. The recognition of that by local authorities, and the understanding that if they collaborate and work together, they will act better and deliver better for their communities, has been one of the most important changes for us, and Beecham will take that premise further. You are absolutely right—although the boundaries are not coincidental, he needs to understand what we are trying to achieve in this, because, as Catherine said—and other people alluded to this—this is about reducing inequalities for people and giving everyone opportunities. So it is not just about service delivery—it is about what services can give to people in terms of their life expectations and their life hope. It is fairly philosophical, but nevertheless people understand that. That is what comes back—they can articulate their expectations for them and their family, and I think that the spatial plan tries to capture some of those expectations, hopefully not in too abstract a way, because if it is too abstract you lose connections with people. We must translate it into real things.

[127] One of the pleasing things is that people have understood this very well, and one of the best compliments we had was that someone said that he had picked up the document and read it all the way through. It was the first document that he had received from Government that he could pick up and understand what we were trying to achieve, and that is important.

[128] Chair, did you have something you wanted to say?

[129] **Ann Jones:** Most of my points have been covered.

[130] **Sue Essex:** Go on, Chair.

[131] **Ann Jones:** It was only to pick up on the points that you mentioned in terms of the desire to have a north Wales group, rather than a north-west Wales versus a north-east Wales group, because that is how people saw it. I am glad to say that the 'versus' has been taken out, and we can now see north Wales as almost the circles where we overlap. I recognise what Dai says about north-south transport links, and going back south-north is as bad, but it is about the footfall of where we take those transport links, and they definitely are east-west and west-east, because it is about where the major jobs are, and where most people go to do their shopping. We are trying to persuade them, but unfortunately there is an out-of-town shopping centre in Broughton, which is just in Flintshire, and we are trying to persuade them to go to

Wrexham. To get them to do other than use their bus passes to Chester, which is the same way, we need to provide those transport links so that it is as easy for them to get to those areas in Wales as it is to go over the border to Chester to do their shopping. Had we gone for a total north Wales region to start with, we would still be at the drawing board of arguing who would have the priority, because the people who live right on the border, or east of the border, have no affinity, other than the fact that they are in Wales, with people down the Llŷn Peninsula. Yet, when you get them together, you find that they can move together quite easily.

[132] It has been a useful exchange of experiences as well, in terms of taking it forward. North Wales has seen the benefits of the Wales spatial plan, as the overarching plan, and the template that goes down, and then everyone takes their pieces out of it. It is like doing a jigsaw—someone does the sky, someone does the sea, and someone does the boat on the sea. It is about who does what there, but it is about skills for those jobs. It has made north Wales realise that we cannot keep looking at one area, and that we must consider the needs of other people. This has met with positive responses across north Wales from people who perhaps in the past would not have engaged as positively as that. Therefore, I am pleased with the progress. However, we need to keep it as a living document, and consider how we keep moving it forward as a living document, so that it just does not prop up the proverbial piano leg.

[133] **Sue Essex:** That is an interesting point, because we are trying to do something differently. The community strategies for local authorities will also be crucial. There is a link across the planning and local development plans, but the community strategy is the comparable document, and they have to match this. We have to think innovatively, because it will have to be meaningful. Although it is a 20-year strategy, it will have to keep up to date, and we have talked about a living document. As to how we do this, I have never seen anything that has been done in this way. All the plans that we have considered—the Dutch plan, and so on—are revised every five years. We have not seen something like this—I do not know whether the team has. We are thinking about how we could do that, so that it gives a kind of forward certainty, which you need in planning—certainly for the private sector. You have to keep some kind of stability there, but nevertheless there are changes with changes in our knowledge and in the way that people live their lives.

[134] Therefore, that will be a challenge to us, but where there is a will there is a way, and we will come up with that. We do not want this to be—and it was never designed to be—one of those planning documents that is done and then left on the shelf and is just moved higher up the shelf because no-one ever bothers to read it or use it or even revisit it to see whether it is still relevant. If it is to be a document that underpins structural funds and other funding, that will help to ensure its relevance, because people will have to use it and the area statements all the time, in order to make decisions.

[135] **Ann Jones:** Thank you, Minister. I was conscious, Dai, that you perhaps wanted to come back on some of the issues. I am happy to extend this item by five minutes or so to allow you, and anyone else who wants to, to come back.

[136] **David Lloyd:** I had just two quick things. One is future scrutiny by this committee. I take it that this will be an agenda item at some point in the future—next year, or whenever?

[137] **Sue Essex:** Whenever. I said that we would come back at regular intervals to keep you updated, because things are happening all the time.

[138] **David Lloyd:** Fine. The other point was to confirm the statutory nature of the spatial plan vis-à-vis local authorities, particularly in terms of what has been said about it driving funding, presumably not just European funding, but also Government funding, for local authorities and to confirm its importance as a statutory living document, as well.

[139] **Sue Essex:** That is why I was keen to give it Assembly approval; it is in as 'Assembly approval', which helps to raise its status. Therefore, it is not just our document; it is the Assembly's document.

[140] **Ann Jones:** Does anyone else wish to comment? This is your last chance. I see that you do not. I thank you all for coming along—Grant, Abigail and Marion—and answering questions.

*Gohiriwyd y cyfarfod rhwng 10.59 a.m. a 11.22 a.m.  
The meeting adjourned between 10.59 a.m. and 11.22 a.m.*

[141] **Ann Jones:** Welcome back to the Local Government and Public Services Committee. I remind Members and anyone in the public gallery to switch off their mobile phones, pagers and BlackBerrys.

11.23 a.m.

### **Rheoliadau Awdurdodau Lleol (Rheolau Sefydlog) (Cymru) 2006 The Local Authorities (Standing Orders) (Wales) Regulations 2006**

[142] **Ann Jones:** The committee asked to look at this piece of subordinate legislation. No amendments or issues have been raised with me. Do Members have any points for clarification? I see that they do not. We will move on to the next item.

[143] **Mr Cuthbert:** Oh right, I can go then.

[144] **David Lloyd:** You have played a pivotal role again, Frank. [*Laughter.*]

[145] **Ann Jones:** Sorry. Thank you for joining us, Frank.

11.24 a.m.

### **Adolygiad Beecham o Ddarparu Gwasanaethau Lleol yng Nghymru Beecham Review of Local Service Delivery in Wales**

[146] **Ann Jones:** The Minister has produced a paper for the committee, which I will ask her to introduce in a minute. We also have a paper from the Welsh Local Government Association. I am delighted to welcome Dave Brown, who is the head of finance and resources. He will speak to that paper. I apologise that Members did not receive the paper until late, but it was only Friday when the WLGA discussed the response.

[147] Members know that Sir Jeremy Beecham is coming to the next committee meeting on 9 February. He has indicated that he wants to receive some feedback in evidence from us as well. So, it is not just a matter of asking what he is up to and what the themes are. We need to work today through the issues that we may want to identify or speak to Sir Jeremy Beecham about. We could even ask him about what he thinks or where he thinks his inquiry is going. Minister, do you want to introduce your paper first, and then I will ask Members to come in?

[148] **Sue Essex:** I have a couple of things to say to set the whole thing in context. I think that the Beecham review came out of detailed discussions that we were having with local government at the time. I want to compliment the WLGA and local government leaders—and this follows on from our previous item really—who are taking a creative attitude towards changes for the future. We all know that changes can be quite scary and sometimes

threatening, but that is the reality of life; everything changes. I think that the Beecham review is set within the context of people being supportive of planned change and the whole thesis of greater joint working and collaboration. It is important to say that. That is the context of the Beecham review and, I think, the WLGA paper.

[149] Slightly contrary to that, I wish to emphasise that this is about public services, because, again, we deal largely with local government in this committee, and it is such an important aspect of our discussions; it takes a huge element of the budget and it is obviously the big player within Wales, alongside the Assembly. However, the public services agenda that we are covering includes the national health service and other agencies. So, the challenge for Sir Jeremy Beecham and his colleagues is to give that focus across the piece. I suppose that nowhere is that more identified than in the area of social care, where the health sector and local government clearly come together.

[150] I think that is all I need to say. I do not know whether Hugh or anyone else wants to say anything.

[151] **Mr Rawlings:** No.

[152] **Ann Jones:** I ask Dave Brown to briefly introduce his paper, and then we will move on to questions and a discussion on what we intend to say to Sir Jeremy Beecham when he attends the next meeting.

[153] **Mr Brown:** I will not cover all the ground that is presented here, but I will highlight two or three things. We have welcomed the opportunity that the Beecham review gives us to give a thoughtful and creative response to the challenges facing the Welsh public sector. We have a lot to be proud of in local government. In looking at the evidence and making comparisons between England and Wales, there is a lot that Welsh local councils are doing right. For example, the relative achievements of pupils in schools are far higher in Wales than in England. The rate of waste recycling rather than disposal is rising to a higher level in Wales than almost anywhere else in Europe.

[154] However, this is not a time for complacency. In considering the challenges that the Beecham review presents, we are conscious that Welsh local government should not just be a passive deliverer of reactive services, but a community leader. We have had some success in recent years in terms of developing local partnerships and community strategies. The policy agreement arrangement that we have with the Assembly whereby we jointly agree on the priorities and measure how well they are achieved—and an element of local council funding is linked to that—has been successful, but we are also conscious that we need to move on from this. There is an element of sharpening up that can and should be done.

11.30 a.m.

[155] In looking at the arrangements in England, including, for example, the local area agreement public service boards, we have an opportunity in Wales not to fund bureaucracies, but to fund directly the needs of local people, the communities that the councils serve, and the people who pay for those services. I think that we can foresee a future where there will be a much greater degree of collaboration both in terms of planning and in terms of funding of services for local people.

[156] My final point relates to the 'Making the Connections' agenda, which is clearly integral to the work that Sir Jeremy Beecham is looking at. We have strong evidence that local councils in Wales are achieving efficiency gains that are considerably greater than the targets that are set. That is fine in the short term, but we know that we have to move on from that in the long term and think about more ways of working collaboratively so that we can not

only consolidate the savings that are already being made, but increase the potential for future savings and the future benefits that come to local communities as a result. Having made a successful start in terms of efficiency gains, now is the time to bring other aspects of the 'Making the Connections' agenda to the fore, particularly the element of putting the citizen at the centre. Here, we need to work with other parts of the Welsh public sector, particularly the health service, to make sure that we look at services from the perspective of the people who need them and who benefit from them rather than from any inherited organisational structure.

[157] **Ann Jones:** Thank you very much for that, Dave. I would like to try to tease out some of the issues for the first part of this item, and we will then try to pull together responses. The clerk will then prepare a paper for us and we will see what questions come out ready for Sir Jeremy. Can we, therefore, tease out some of the issues that we are not sure of?

[158] **David Melding:** Until recently, I served on the Health and Social Services Committee, and you will know that the experience of social services has been rather unsatisfactory in terms of the reports by the Audit Commission and the inspectorate—the joint reviews. The baseline that that established was that we need to improve quite dramatically, and improvements are now starting to work through the system. In your paper, you talk about a larger role for local authorities in terms of health, and you mention in particular public health, the responsibility for which did at one time sit with local authorities. In terms of the joint working that you are now doing with local health boards, how far would you pursue this particular principle? In some European countries, most primary and community healthcare is delivered by councils, or at least they are the democratic overseers of those services. They also have, in effect, a joint care approach, where there is no distinction organisationally between health and social care. Is that the sort of model that you think might emerge in time? I think that local health boards will come under some considerable scrutiny at some point; I am not convinced that it is a robust model. However, is there a possible development there, and what effect would it have? How would you reassure people, were you to move in that direction, that the services would be delivered robustly, or would a joint care model be more robust than just having part of care, say, social care, which is arguably the more challenging aspect to deliver as you are dealing with such vulnerable groups? Do you think that thought is being given to this in any coherent way at the moment in local government circles?

[159] The second point, which kind of led me to ask the first question, is that, at the minute, partnership working, obviously, is being encouraged so that, even though different agencies deliver parts of care, in this case, they are co-operating more, pooling budgets and planning jointly and so on. However, it still seems that we need an awful lot of incentives and bells and whistles to get people to work like that, and the bureaucratic barriers remain fairly daunting sometimes. For example, you mentioned in this paper that perhaps there needs to be a more contractual approach, and compared these agreements with public-private partnerships, which do have a contractual basis. Perhaps that is why they are more effective and robust. Is that what we need if we are still going to have different agencies delivering different parts of the service, or, as I said in my first question, would you rather see one agency delivering all care?

[160] Finally, with regard to remarks on improving scrutiny, you say that, broadly speaking, the executive changes that have, in effect, delivered a Cabinet style in local government have bedded down, but there is perhaps room to improve the scrutiny function. I find this an interesting point. What implications does that have? Some local authorities probably suffer because of their size, and many members have a scrutiny function, but the focus is perhaps not narrow enough to give them the power to hold the executive to account as there are too many of them, they are part-time, and they cannot develop specialities. Would a more professional approach with fewer councillors, or perhaps even fully-paid councillors, be better? What sort of improvements will improve the scrutiny element of local government, because there is definite division at all levels of government between the executive function

and the scrutiny or legislative function? Do you have any radical ideas in that regard?

[161] **Ann Jones:** I will take a couple first, and then we will come back, and then I will allow you back in. We will just have a couple of questions first.

[162] **Gwenda Thomas:** I do not know whether there is telepathy between me and David this morning, but I would certainly like to take some of his points further. I would simply like to ask whether you are satisfied that there is adequate emphasis on social care. Are you satisfied that there is adequate consideration of a child's perspective, particularly the vulnerable child? That does touch, David, on what you were aiming to get answers on. In addition, on the reference to the social service improvement agency, I was intrigued to read about the design of the agency. Do you agree with what I see as one of the purposes of the agency perhaps, which is to facilitate joint working, joint planning, and pooled budgets, and do you anticipate the rolling out of the proposals for that agency?

[163] This next point is for the Minister. I am reading the list of meetings that have taken place, and I do not know whether it is an exclusive list, but it would be a pity to lose the opportunity to meet children and young people's groups, particularly Funky Dragon. I would like to see some consultation with children and young people, if possible.

[164] **Ann Jones:** Okay, we will take that set of questions. Dave, do you want to answer first, and then I will return to the Minister?

[165] **Mr Brown:** Okay. Starting with the point on scrutiny and the comparisons between the effectiveness of the new arrangements on the executive and the scrutiny-function side, I think that you are absolutely right. The new arrangements have speeded up decision-making and improved accountability because it is now clearer who is deciding what and when it is decided.

11.40 a.m.

[166] When it comes to scrutiny, for a variety of reasons, the new arrangements have taken a little longer to bed in, and there is evidence now to show that the scrutiny function in local government is beginning to improve. It would improve more, and faster, if the members involved were better supported and better prepared to do their job. One way of achieving that would be to focus the preparedness and the support that is available on a smaller number of people, and it may be that one of the things that the Beecham review wants to comment on is the number of councillors in Wales. What we have also seen since the last local government election is a significant reduction in the average age of members in Wales. A lot of people from different backgrounds came to local government afresh and brought with them a new way of thinking about things. That has improved things considerably, but because we are only a year and a bit into the new local government political cycle, it would be unreasonable to expect much in the way of concrete results. However, from attending scrutiny meetings and supporting members associated with scrutiny, we certainly get the impression that the situation is improving considerably. However, we would be very interested in looking at a more professional definition of the role of the member, and scrutiny in particular.

[167] Turning to social services, our social services joint reviews were a mixed bag. Some showed very good practice indeed, and some councils, about which concerns were expressed in the first round, have really turned things around. That is all to the good, but there is no room for complacency here. In terms of the opportunities for structural collaboration between people who have an interest in the provision of health and social care, if you look at the toughest times there are in Wales, such as the meningitis and the E.coli outbreaks, you will see that what has happened in practice is that these agencies have worked together effectively, and they have done their level best to provide the reassurance and support that local

communities need. The question is whether that kind of informal, voluntary co-ordination is the best way of doing things, or whether there is a case for that kind of collaboration to be built into all levels of decision-making if more of the two functions were combined. It is important to remember that the Beecham review is about the whole of the Welsh public service and not confined to Welsh local government. However, we would certainly be interested, as local councils, in looking at ways to share more formally in the decisions that are made about care for everyone, rather than driving what must sometimes seem to the people who use the service as an arbitrary distinction between what is health, what is ill-health and what is social care.

[168] The social services improvement agency will be a key to driving up standards in social services, and also in improving collaboration between local councils. I will give you a specific example that the agency is already starting to look at. Welsh children who are troubled and damaged individuals are rising in number, and they get sent hundreds of miles away into other communities and cultures to get their care, which not only, some would argue, propounds their alienation, but also takes up a large amount of resources in terms of paying private profit-making providers to care for them. It also takes up an enormous amount of social workers' time, who have to spend hours on trains visiting these young people. That time and money could be better spent investing in early interventions for children whose needs have not reached these critical levels, to keep them in their families, in their communities and in Wales. The social services improvement agency is looking at ways of developing local, focused provision in order to support both children who have the most serious and expensive needs and those who are having difficulties at the moment, but who, if those difficulties could be managed, could stay with their parents and families, and then we would not have the kind of catastrophic social effects that we sometimes see.

[169] **Ann Jones:** I call the Minister to speak on the consultation, which was the point that Gwenda raised about young people and older people.

[170] **Sue Essex:** I am sorry; I am not sure whether that is exclusive. I know that he has had a couple of discussions that are not there. We will take that through and ensure that there is awareness of that. Obviously, I appreciate that there are lots of groups that want to meet with him, but we have three people on that team, Dr Gill Morgan and Adrian Webb are on it as well. Perhaps, between them, they can ensure that they do it.

[171] **Ann Jones:** When Sir Jeremy Beecham comes to our next meeting, we could ask as a committee for that point to be raised. I am going to move on. Dai and Catherine will ask the next set of questions, but if we could come to the end of the questions by about midday, it would give us the rest of the time to focus on our response. If we were to have fairly brief questions and responses, that would be helpful.

[172] **David Lloyd:** Thank you for those kind words of advice, Chair.

[173] **Ann Lloyd:** Which you are going to ignore, I know. [*Laughter.*]

[174] **David Lloyd:** First of all, I commend the Welsh Local Government Association on its focused and detailed response to the questions that the Beecham review is asking. It puts the case very neatly, so I will not dwell too much on that. I will expand for a minute or so on process for this committee.

[175] The Beecham review is very much, as Dave Brown said, part of the 'Making the Connections'/'Delivering the Connections' scenario in terms of better partnership working, working together, regional working and all those planning scenarios. The Lyons review is ongoing in England as well, and we have plan rationalisations, performance management initiatives and stuff, all of which are generally working together. In the brief from Sir Jeremy

Beecham, we have various emerging themes about how Wales is a small country but its governing system is complex, with 22 local authorities and 22 local health boards.

[176] In terms of how this committee will respond, I take it that we will respond in roughly the same way as the WLGA. There are seven questions there. Will we present the committee review? Yes, fine. Presumably, as individual political parties, we will be presenting views through the review in another forum, as it were. The only points that I would make that I think are integral to this are that this is not just about local government, to which the Minister alluded. It is particularly about health services and the interaction of, as I mentioned earlier, various professional reviews in the health service that seem to be just within the NHS, particularly in specialised medical reviews of specialised medical tertiary services.

11.50 a.m.

[177] Those are regional centres of excellence just happening within the health service without recourse to anything else that is happening around them. On question three, and the balance between access and specialty, no-one is arguing that you should have a big, grand hospital doing everything in every town, but, having said that, you cannot just have regional centres of excellence covering Wales from Bristol. That is not acceptable either. That sort of conundrum has to be tackled somewhere here. In other words, within this Beecham review of public services, the various reviews happening within the health service—I also take on board social services and the joint review point has already been made—tend to happen just within the health service, seemingly without overlap with other aspects of public services. That is the one fundamental point that I would make, otherwise I would happily get involved with the process of answering the various questions along the excellent lines that the WLGA has already set us. I am sure that, as a committee, we could respond along similar lines and enlarge upon them when Sir Jeremy Beecham attends the committee.

[178] **Ann Jones:** Fine. You are first on my list for the processing.

[179] **Catherine Thomas:** My main point has already been touched on in relation to partnership working and the challenges that that inevitably presents, whether it is different public bodies working together or departments in a local authority, for example, working together. You often see them working in silos and not thinking across the piece. How do we meet that challenge?

[180] Again, looking at the response from the WLGA, it states that organisational boundaries can be resilient and protective, there is a need for a change in culture in various areas, a change in thinking and, again, if we are serious about putting the citizen at the centre, this is crucial—it has to be addressed and the challenge must be met. I am thinking of partnership working between a local authority and a local health board. That is fundamental. I am also thinking of situations of which I am aware because of a lack of dialogue and proper communication—maybe an individual who has serious social care needs, but lives in an area where those needs are met by two local authorities. I have sat in a number of case conferences where you cannot get everyone in the room; I have never seen so many people sitting around a table. It is so complicated. How do we meet these challenges so that the citizen is at the centre and so that that citizen's needs are met? Situations that, perhaps, have been unnecessarily overcomplicated, can work efficiently and effectively if we have genuine partnership working and try to rid some partnerships of the tensions that exist. Partnership is key, but it is not an easy matter to resolve and move forward with.

[181] **Ann Jones:** Before I ask you to respond, Dave, have you got any questions on the WLGA's paper, Mike?

[182] **Michael German:** I will try to be as concise as I can.

[183] **Ann Jones:** No, that is okay; we have time.

[184] **Michael German:** Paragraph 6 of your report talks about the duty of collaboration and you use as an example the Civil Contingencies Act 2004. Could you tell me how you think a statutory requirement on local authorities to collaborate might work? It is alright for the Civil Contingencies Act 2004, where there is a specific job to deal with a major civil problem—a very specific issue to deal with—but would you see your duty of collaboration framed in statutory powers telling you that you had to collaborate over a certain list of areas? Is that how you might see it working? Perhaps you could expand on that.

[185] On paragraph 24, on funding, if you are going to collaborate—and I do not want to say that you have dodged the issue—I am sure that you recognise tensions, so perhaps you could play out those tensions a little more for us. Given that you now want a statutory requirement on local authorities to collaborate, if they collaborate, will they have to spend money and, if so, how does that happen? You have identified that there are tensions and so on, but perhaps you could tell us, in your view, given that there has been a predilection in favour of unhypothecated funding for local government, how that might work.

[186] In paragraph 46 of your paper, you say that we have not done enough to give comparators for Welsh people on how local government is doing. You talk about a new performance measurement framework and how we might do that. Could you give us one or two examples of what sort of measurement you think that we should be taking for those comparators? My interest goes back a long way; we have a formula based upon historic spend which is based upon historic criteria when, if we are to look forward, we need to look at performance. Do you think that, eventually, we might see a relationship between performance and comparators touching upon funding?

[187] Finally, on paragraph 58 of your paper, you talk about the greater speed of delivery and being compelled to do things more by the Welsh Assembly Government—it is quite unique for local government to say that more compulsion from Government is needed. I presume that this is supported by all local government in Wales and that you have all of their support for this process. I note that you talk of regional waste solutions. Is that one of the ways in which you would like to be compelled by the Minister here, to saying ‘You should build a waste site somewhere in your region, and these four local authorities should deal with their waste together’? If that is the case, I would be so pleased to hear it.

[188] **Ann Jones:** Dave, answer what you want to answer and just be careful. *[Laughter.]* That is what I say. I am sure that the Minister will come back in afterwards with some comments.

[189] **Michael German:** The Minister would like the power of compulsion, I am sure.

[190] **Mr Brown:** Thank you for your advice. *[Laughter.]*

[191] There are a number of common threads in the points that you have picked up. When it comes to your points, in particular, and also the point on partnership and barriers to partnership, where we have to start, and where we have tried to start, in our response to the Beecham review is by being honest and saying when things have not worked as well as they could have done in the past. In my past professional life, I have been in case conferences about vulnerable children where there have been half a dozen people from half a dozen different agencies all of whom are supposed to be there in the best interest of the child and yet, frankly, they seem to be there representing their own organisations. That sort of approach does not work and it needs to become a thing of the past. The reason why we have been frank about barriers that there are to collaborative working is that that is the first stage in

overcoming them. These are not barriers that are raised exclusively by Welsh local government, there is an element of protection—I am not going to use the ‘c’ word—in the way that they approach their work. [*Laughter.*] We, like them, have to say it and, if we do, that is a useful point when it comes to moving on.

[192] The point about compulsion is also about being honest. The evidence that we gave to the Beecham review was starting a debate and perhaps we have been provocative in that sense. This is far from saying that we do not have the bottle to do this; what we are saying is that the Welsh public sector faces some tremendous challenges. People’s expectations are rightly rising and the demand for services, because of demographic changes, is also rising.

12.00 p.m.

[193] Across the UK public sector, over the next five to 10 years, there will be relatively few resources to deliver services. This all means that the challenge of leadership in the public sector is greater than it has ever been. Leadership is not something that is exclusive to any particular body—it is something that we, in Welsh councils, believe needs to be shared across the Welsh public sector. That means that, as well as self starting, we will also look to the elected Assembly Government for strategic direction. We hope that we can use the statutory partnership arrangements that are set out in the Government of Wales Act 1998 so that we can agree on the essence and thrust of that strategic direction, but we all have to work together on that. It is about somebody standing out in front, waving the torch. That is what we mean by the elements of compulsion that we have referred to.

[194] The final point was about hypothecation. We, in the WLGA, are signatories to the grant protocol, which says that, as far as is possible and desirable, resources should be allocated to local councils on an unhypothecated basis. However, there are some good reasons why there should be specific grants in some circumstances. One reason is in order to use the funding as a way of changing behaviour. We think that it is quite a good idea to have the civil contingencies money funded as a specific grant, not to individual councils, but to groups of councils, in order to foster a spirit of collaboration and joint working between them. We believe that once we have firmly established those elements of joint working, greater collaboration and joint working will follow naturally, without the need for an increase in the element of hypothecation. It is about creating beacon projects that show that joint working works and is in the best interests of Wales. I think that that is the kind of leadership that the councils of Wales would want to follow.

[195] **Sue Essex:** I will just echo the point that Catherine and David made about people-focused services. Public services are there for people, they are not there to keep councils going. Catherine and David gave graphic examples of where that point has been lost. ‘Making the Connections’ emphasises that focus and it is very much at the fore of Jeremy Beecham’s thinking.

[196] On Mike’s idea that the formula allocation should be dealt with on performance, our formula allocation is based on need. I agree that we measure that need using historic data, although it does not go back into the annals of time. Dave will know that I have been pretty vociferous with him and his colleagues in terms of trying to find better ways of measuring need. I would not like to see the allocation dished out on performance—that would be dire—and in some ways that is why we give the performance incentive grant on top of the revenue support grant. There are more interesting things around incentives, and the local area agreements and so on are ways of trying to get strategic alignment and agreement. I think that there are interesting ideas out there, but I would hate anyone to walk away from this room thinking that the formula should not be based on need; how we measure need in terms of spend is the area that we are constantly getting involved in.

[197] The word leadership can be interpreted in different ways—some of the best leaders are quite quiet people who nevertheless show great determination and give support to colleagues when they need it. Leadership is often about support rather than who can shout the loudest, and as politicians we need to understand that at times.

[198] In terms of there being more areas of compulsion, I have always made it clear while I am here, that if that is what local government thinks would help it to deliver in those difficult partnership arrangements, then that is what we will do. That is as long as we have an understanding that that is why we are doing it, and that we are not putting compulsion in just because we think that the National Assembly is better than local government—it is not; both sets are delivered through the ballot box. If that helps to bring budgets together and bring people to work together, then we will look at what we can do. I hope that most of it could be done through partnership because people see that there are lots of benefits to joint working and collaboration.

[199] Catherine is right to point out that partnership can be difficult, however, because if you have a partnership of many partners, and one partner is not performing or not fully engaged, we cannot let that disrupt the whole process. There are many examples, unfortunately, where that happens. We are concerned about performance and delivery, and we just cannot stand back and say ‘Oh well, never mind’, because that is when the public gets understandably frustrated. It is those kinds of occasions that we need to address. We need to see how we can get sustainable partnerships that do not always revolve around interested and enthusiastic people—a partnership should be able to sustain personality changes. Partnerships often flounder because you can get one or two people who work wonderfully well together, but when the personnel changes suddenly or something happens, things can start to look very flaky.

[200] I agree with colleagues that there are some very honest things in here. I think that that is tremendous, because if we are honest with each other, and if the press and the public accept that we are doing it in this honest and constructive way for change, then all sorts of possibilities can emerge from this debate that, even today, we cannot quite visualise. There will be many opportunities to provide new services and new ways of doing things that meet Dai’s point about looking to the future and where we might go.

[201] **Ann Jones:** Thank you for that. For roughly 10 minutes or quarter an hour, we will now look at the process of how this committee will take forward and handle the meeting with Jeremy Beecham, and how we will present our evidence to him. In particular, there are two questions in the paper that Sir Jeremy Beecham’s team have said that they would like the committee’s view on. That is the role of political leaders in scrutiny at a local and national level of the quality and efficiency of services, and engaging with the public on changes in the local service delivery infrastructure. Those are the two specific areas that he would like the committee’s views on. Then it is a matter of whether we go through the paper question by question, as the WLGA have done very comprehensively in its document, and how we play that. Dai, you can be the one to lead us on this.

[202] **David Lloyd:** My suggestion is made in view of time and other constraints, and the need for the committee to agree, basically. We have done policy reviews including, as alluded to in the WLGA’s report, a local government review into management structures, cabinets and the whole scrutiny system. As I recall, although as I get older the old memory starts fading a bit, as part of that review we impinged on the whole issue of how to engage the public when it came to the rationalisation of services. So, in terms of answering those two questions, I would use the work that this committee has already done in that comprehensive review, and tease out the relevant parts, because that has already been agreed on an all-party basis. It was a very fair review into the scrutiny role and the need to provide additional support for non-cabinet members and all the rest of it, so I think that work has already been

done by this committee. I think that that would basically take care of those two questions from Sir Jeremy Beecham on the committee's part, and that would be my suggestion.

[203] As regards the seven questions, unless we have something specific to say that we can agree upon, I would be tempted just to stick to those two bullet points. Sir Jeremy Beecham's review is taking comprehensive evidence from a range of bodies that are also answering those seven questions, including the political parties, and we do not have the time to try to tease out some answers that we can all agree upon, frankly. So that is my suggestion.

12.10 p.m.

[204] **Michael German:** I am a little unclear. I understand that, where we have a policy from this committee, we present it to Sir Jeremy Beecham. However, when we call people to give evidence to us for scrutiny purposes, we are asking them the questions—they are not asking us the questions. I cannot see much purpose in anyone coming and asking us questions because they will get different political answers, as you might expect. That is not the process that we are supposed to engage in.

[205] We should perhaps provide him with copies of the documents that we have, so that he knows about the background of the work that this committee has already undertaken, and whether there is evidence around certain areas that we can touch on. I would want to ask him some of the questions that I have asked Dave; I found the response that Dave gave me this morning invigorating. I may have challenged him in a particularly interesting way, but I know that he is used to responding to me. However, there are issues about the barriers to collaboration, and I want to ask Sir Jeremy Beecham how he is responding to those issues. That seems to be part of the role that we should play. Perhaps it would be useful for us to have a series of questions that we might put together and then divvy them up by meeting earlier, as we have done in the past, off the record, as it were.

[206] **Ann Jones:** That was my view. However, the two questions that he has posed, as Dai mentioned, are covered in the reviews that we have done. He has indicated that it will be almost a two-way process. Therefore, we have to be aware that he may throw some issues back at us, and we must be prepared for that. I take your point, Mike, that there are issues to ask about. There are a few questions that I would not mind throwing in as a sort of precursor in terms of 'have you thought about this, and have you thought about the other?'

[207] Dai is also right that there are other processes in which those seven or eight questions will be asked more comprehensively, as they have been of the WLGA. I do not think that we would get agreement around the table—and, probably, neither should we, if we are all doing our jobs properly. Therefore, I am in the committee's hands. Certainly, we wanted to tease out from Sir Jeremy Beecham what was the evidence based on his emerging themes, and we would want to have that discussion, and we can get together a set of questions. Virginia will pull the discussion together, and look at it, and we will use what has been said around the table.

[208] **Michael German:** And meet a little earlier?

[209] **Ann Jones:** Yes, we will probably have a pre-meeting half an hour before the next formal meeting to look at who will take what. Is that all right—are Members happy with that? I think that it is a good way forward. I see that Members are happy to do that.

[210] Therefore, I thank Dave for coming to the table.

[211] **David Melding:** I do not think that we have finished.

[212] **Ann Jones:** I am sorry, David, I thought that we had.

[213] **David Melding:** I want to return to the scrutiny issue. I have hinted at my views that smaller councils, and more specialised councillors, possibly fully remunerated, should be considered. However, there is an issue about how the health service is developed and scrutinised locally. One approach, as I put it to Mr Brown, would be to have a single care agency, which could rest with local government, and then you do not have a division between social care and healthcare. I suspect that that would be too big a jump at present. However, there could be more of a scrutiny role for local government over the development of local health services. At present, that is, effectively, done by community health councils. They are organisations that I respect, but they are pretty weak compared to health bureaucracies. You could see this almost as a development of something akin to police authorities—I know that they are going out of vogue at the minute. They do not have an executive authority over policing, but, if used fully, they could be quite powerful scrutiny bodies. Perhaps something analogous to that could be developed.

[214] In looking at how services are reconfigured, the public needs to be involved much earlier in the process. You need to do that through the use of questionnaires and all sorts of other ways, through focus groups and present users of services. People need to be convinced that some rigour has been exercised in examining these policies. One way would be through a process involving a local health authority operating a bit like police authorities do. I say this as a suggestion. I have thought quite a lot over the years about how to make the NHS more democratic. There is no doubt that most of the scrutiny is done at this level, which is far too removed from local delivery. If people are not taken through why things need to be changed and developed, they will not sign up to it.

[215] There are some pretty powerful imperatives operating in relation to the safety of services and with regard to whether they can be delivered effectively across many areas or whether concentrated regional provision is necessary. The scrutiny function of local government over certain health functions needs to be looked at, in addition to strengthening the area with regard to health inequalities and wellbeing strategies. You could go further and locate the public health function back in local councils without too much difficulty in my view. That would give a certain capacity and a certain independence and grit to the system, because at the moment there is an awful lot of power with the bureaucracies. Inevitably, that can lead to less-than-efficient delivery of services. It is a danger.

[216] **Mr Palmer:** I want to pick up on that point. There is a lot of telepathy going on this morning, because there is legislation on the stocks for strengthening the scrutiny. In the first instance, the Police and Justice Bill contains some guidance on strengthening the role of local government scrutiny on community safety and formalising it. In the past, there has been an informal approach, so it will strengthen that. My understanding is that the White Paper on local government that will come from the Office of the Deputy Prime Minister in June will contain some proposals on health scrutiny in the same way.

[217] To return to Dave's point about looking at the role of members and the scrutiny function, there is some joint research in hand between the Assembly and WLGA on those questions. We will also be looking at community safety and health.

[218] **Ann Jones:** Are Members agreeable to widening the scrutiny functions as David described? We can add that as a section if Members are happy.

[219] **Gwenda Thomas:** On what David said about community health councils, I wonder how much is known about the reviews of community health councils. I certainly did not know about them until I was asked to sit on one this year. There is an Assembly Member in one category, local government in another, an independent person in another, and the chief

executive of another CHC to facilitate this work. I wonder what we get out of that process as part of the scrutiny. Perhaps we can take a more in-depth look at the effectiveness of the scrutiny of CHCs.

[220] **Ann Jones:** Shall we include those points in what we are going to try to draw out from the discussion? Are Members happy with that? I see that they are.

[221] Thank you all for coming. Thanks to Dave for coming in and for producing the paper.

12.20 p.m.

[222] I just wish to update committee members on one matter. We went to the House of Lords and met Baroness Gale, Lord Roberts and Lord Livsey to give them our report on the Election Administration Bill and the amendments, which were received fairly well. The Lords will look at whether they can support them and put them through at the appropriate time. So, it was worthwhile going there and following that informal route as well as the formal one. We will watch the Bill going through with interest.

[223] The minutes of the last meeting, which I think everyone is happy with, are included as a paper to note. Thank you. I will see you in a fortnight's time.

*Daeth y cyfarfod i ben am 12.21 p.m.  
The meeting ended at 12.21 p.m.*