

Cynulliad Cenedlaethol Cymru

Pwyllgor Llywodraeth Leol a Gwasanaethau Cyhoeddus

The National Assembly for Wales

The Local Government and Public Services Committee

Dydd Mercher, 17 Mai 2006
Wednesday, 17 May 2006

Cynnwys **Contents**

[Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau](#)
[Introduction, Apologies, Substitutions and Declarations of Interest](#)

[Adroddiad y Gweinidog](#)
[Minister's Report](#)

[Rhagolwg ar Is-ddeddfwriaeth](#)
[Secondary Legislation Forward Look](#)

[Adroddiad Ymchwil ar y Strategaethau Cymunedol](#)
[Community Strategy Research Report](#)

[Caffael gan Awdurdodau Lleol](#)
[Local Authority Procurement](#)

[Adroddiad Blynyddol y Pwyllgor i'r Cyfarfod Llawn](#)
[Committee's Annual Report to Plenary](#)

[Blaenraglen Waith Strategol y Pwyllgor](#)
[Committee's Strategic Forward Work Programme](#)

[Cymeradwyo Ymateb y Pwyllgor i Adolygiad y Comisiwn Etholiadol](#)
[Approval of the Committee's response to the Review of the Electoral Commission](#)

Is-ddeddfwriaeth—Rheoliadau Pwyllgor Safonau (Cymru)
Subordinate Legislation—The Standards Committee (Wales) Regulations

Effeithlonrwydd a Chydweithio ym Myd Llywodraeth Leol Cymru
Efficiency and Joint Working in Local Government in Wales

Trefniadau Etholiadol yng Nghymru: Cymeradwyo Adroddiad Ymgynghori'r Pwyllgor
Electoral Arrangements in Wales: Approval of the Committee's Consultation Report

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 o'r 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 Tîm Democratiaeth Llywodraeth Leol; David Fletcher, Yr Is-adran Cyllid Llywodraeth Leol; Peter Jones, Cwnsel i Wasanaeth Seneddol y Cynulliad; Laurie Pavelin, Gwerth Cymru; Stephen Phipps, Tîm Partneriaeth a Moeseg Llywodraeth Leol; Hugh Rawlings, Cyfarwyddwr y Grwp Llywodraeth Leol, Gwasanaethau Cyhoeddus a Diwylliant; Paul Skellon, Gwerth Cymru.

Eraill yn bresennol: Paul Charkiw, Cymdeithas Llywodraeth Leol Cymru; Rob Jones, Cyngor Sir Caerfyrddin; Cyng. Russell Roberts, Cymdeithas Llywodraeth Leol Cymru; Steve Thomas, Cymdeithas Llywodraeth Leol Cymru.

Gwasanaeth Pwyllgor: Virginia Hawkins, Clerc; Catherine Lewis, 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; David Fletcher, Local Government Finance Division; Peter Jones, Counsel to the Assembly Parliamentary Service; Laurie Pavelin, Value Wales; Stephen Phipps, Local Government Partnership and Ethics Team; Hugh Rawlings, Director, Local Government, Public Services and Culture Group; Paul Skellon, Value Wales.

Others in attendance: Paul Charkiw, Welsh Local Government Association; Rob Jones, Carmarthenshire County Council; Cllr Russell Roberts, Welsh Local Government Association; Steve Thomas, Welsh Local Government Association.

Committee Service: Virginia Hawkins, Clerk; Catherine Lewis, Deputy Clerk.

*Dechreuodd y cyfarfod am 9.00 a.m.
The meeting began at 9.00 a.m.*

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

[1] **Ann Jones:** Good morning. Welcome to the Local Government and Public Services Committee. I remind Members to switch off their mobile phones, BlackBerrys or any other pagers that are likely to affect the recording or the electronic equipment. I also remind Members not to speak until the light appears on the microphone; there is no need to touch the buttons on the microphone stands.

[2] At this point, I think that it would be appropriate to say a few words about a former colleague, Peter Law, who was a member of this committee. In fact, this was the only committee on which Peter ever served, both as a Cabinet member and as a very valued committee member. There will be many times when we remember Peter's contributions. We will remember how he always fought for local government and how, when he felt that he wanted to say something, he said it. That is a tribute to Peter and to the way in which we, as a committee, work within the Assembly. To recognise Peter's work, the way in which we now move on in local government will be a tribute to the way in which he, as a Minister and then as a committee member, played his part. With that tribute, we will move on. I am sure that Peter would want us to carry on with the work, fighting for local government. So, that is what we will do.

[3] We remain a committee of eight members with a vacancy; therefore, the Standing Orders are the same, in terms of a quorum and substitutes.

[4] I introduce Lara Date, who will be taking over as the committee clerk on 5 June. She is sitting in on this meeting. We welcome you, Lara, to the meeting and to the team. Because Lara is taking over, we will be losing Virginia Hawkins at the end of the month as she will be moving on to be a team clerk, if that is the right title. She is transferring to clerk the Social Justice and Regeneration Committee and the Committee on Equality of Opportunity, and she becomes a team leader. We wish you well, although we are sorry to see you go. I am sure that there will be opportunities for Members to pay their good wishes at the appropriate time.

[5] **Dr Hawkins:** Thank you.

[6] **Ann Jones:** Although it is probably more for my benefit than for anyone else's, I remind Members that a transcript of the proceedings will be produced.

[7] I have not received any apologies for absence or notification of substitutions.

9.03 a.m.

Adroddiad y Gweinidog Minister's Report

[8] **Ann Jones:** Minister, I ask you to introduce your report.

[9] **The Finance Minister (Sue Essex):** I have nothing to add to the paper.

[10] **Ann Jones:** Thank you. We will therefore take questions to the Minister on her report. Are there any questions on items 1 to 8? Mike?

[11] **Michael German:** I refer to paragraph 8 on the local authority business growth incentive scheme which notes that there are:

'concerns over the mechanisms of the calculation'.

[12] I am pleased to know that the Minister has the expert on it here today. Could you outline what the concerns are, and also what your expectation is on the number of years that this scheme will continue? As I know, part of the worries for local authorities is that scheme has a short-term life. Would you commit a long-term programme for this if it were to be curtailed?

[13] **Sue Essex:** Chair, may I just make a suggestion? It is quite a complicated tale to tell around LABGI. I am quite happy to take the second point, but having discussed this with the Chair and the clerk, we thought that maybe we could have an item on it at the next meeting then we can go into all the details. Today's agenda is very heavy. However, David has come along to answer questions.

[14] **Michael German:** It will not go away before the next meeting.

[15] **Sue Essex:** No. I am just worried about keeping to the agenda if we get into a lot of detailed questions. It is up to Members. We are happy to do it now, but if we want to concentrate fully on it—

[16] **Michael German:** I am happy to wait until the next meeting.

[17] **Ann Jones:** That is kind of you; thank you. We intend to set aside a significant amount of time for the committee to look at this.

[18] **Sue Essex:** On the second point, it was the Chancellor's scheme, and it was a new scheme. David, was the commitment for three or five years?

[19] **Mr Fletcher:** The Treasury has given a commitment of three years. The scheme is now in its second year.

[20] **Sue Essex:** I have not spoken to Gordon Brown about it, but we were pleased because it recognised the role of local authorities in economic development. What happens after the three-year period will, to some extent, depend on what Michael Lyons says about business rates. That is as much as I know. I do not think that I will get much more out of the Treasury at the moment in terms of its life until after Michael Lyons has responded, and until the Treasury has reviewed what has happened with the money and how the scheme has worked.

[21] **Ann Jones:** Therefore, we will schedule a further discussion on LABGI. Are there any further comments on points 1 to 8 of the Minister's report? I see that there are none. We will move on discuss point 9 to the end of the report.

[22] **David Lloyd:** I have a couple of points. The first is on the Wales spatial plan. I would like a little clarity with regard to recent developments. As I have said before, and I am sure that the Minister agrees, this is a fundamental blueprint for the future—I think that the Minister herself has used those words at some point. Wales is bounded on three sides by Water, and I would like to see firm mention of a link to a marine spatial plan in terms of control of our coastline and our international waters. So, in other words, that is any developments with regard to marine co-ordination. I realise that many strategies will dovetail into this, but I would like to see a marine spatial plan and the conservation and water issues emanating from that. Transport is also a key indicator, and we are all aware of the transport difficulties between north and south Wales, between valleys and within certain valleys. I would like some clarity with regard to how transport and the community strategies, which we will discuss later, dovetail into this major blueprint.

[23] I also have a question on annex A. Do you want that now?

[24] **Ann Jones:** We will take your first question, and I will come back to you on the council tax revaluation. David, is your question about the Wales spatial plan?

[25] **David Melding:** Yes.

[26] **Ann Jones:** Would you like to ask your question, and then the Minister can respond?

[27] **David Melding:** My question relates to NHS reconfiguration, which might be a significant reconfiguration. My first point, which I also made in the Chamber yesterday, is that the way in which the consultations have been rolled out is far from best practice: to suddenly hear some of the options on the radio, when there has been no real involvement, is not best practice. Some cross-party work needs to be done if we are going to look at how the NHS is reconfigured in relation to hospital services. That is very important. The planning issues are also significant. We are talking about the possibility of a super district general hospital in Whitland all of a sudden, and I do not know if that is feasible or is meant to be considered as a likely option. However, it is being talked about, and it would have massive implications for the spatial plan. I do not think that a Government can expect to get much agreement when these massive issues are launched suddenly. It is very much, 'Here are the plans to be consulted upon', rather than our being involved in forming, at a very basic level, the various options that will be in front of us.

9.10 a.m.

[28] **Sue Essex:** Dai makes a very important point about the marine spatial plan. I cannot think of anywhere in the world where it has been done, but it is very important to our plan. When we considered this aspect when we developed the plan, we were aware that legislation is going through and that it would be a bridge too far to bring it into the original spatial plan because there was complicated legislative control over the marine areas. As we roll out the spatial plan as our all-Wales document, and when we update the plan next year, we will be able to put more in around the marine aspect. We are still constrained or limited by legislative control, so we must be realistic, but there is a very strong relationship with what happens in marine and coastal areas. In a couple of areas of Wales, very important work has been done, particularly in north-west Wales in terms of the conservation value, and in south-west Wales in terms of the particular pressures around energy and the development of Milford docks and so on. As the plan rolls forward, we will pay as much attention to the issue as is sensible.

[29] On transport, Dai is right that it is a major issue. In all the regions that I have been through, it comes forward as an issue. That is the case in the Valleys, where there is a real need to improve the old traditional road network. If you go to Porth, you can see a very good example of what is happening now. Not long ago, I was in the Sirhowy valley when we opened the bridge that we had funded in that area, which is a key piece of infrastructure investment to allow Oakdale to come onstream as a revitalised employment centre. So, transport is important in those areas, but it is also important, as Dai said, for strategic connections. I am pleased to say that Andrew Davies, as the Minister responsible for transport, is one of the great enthusiasts for the spatial plan. He leads on two groups and he sits on the Cabinet sub-committee, so he is very aware of the transport framework and that the resources need to be followed through. We used Objective 1 funding quite well in the first phase, but depending on the limitations that are put on us in terms of that, transport is one of the key infrastructure areas for the next round of structural funds.

[30] On community strategies, it is absolutely right to say that the community strategy is the key document that will mirror the spatial plan. We will have that discussion later on, but there will probably be quite a different approach to the guidance for the next round of community strategies. The relationship with the spatial plan will be one of the important components of that.

[31] Regarding David Melding's point on the NHS reconfiguration, I have held discussions with my NHS colleagues around this because the spatial plan, and what we are trying to achieve with it, is an important component or something to be borne in mind when the NHS reconfiguration takes place. As an aside, I was at one of the public meetings in Pembroke Dock on the reconfiguration, and a member of the audience during the first or second question waved the spatial plan, and said how important it was. I was quite pleased about that, to think that it had reached all parts—

[32] **David Lloyd:** It was you, was it not, Mr Rawlings? [*Laughter.*]

[33] **Sue Essex:** No, no. The person in the audience was using it in a very constructive way, because he was making the point that he was not threatening the chair with this kind of heavy document. So I thought that that was good news. Where I think that the trick will be on the NHS reconfiguration is that there are health imperatives on a spatial scale, and much of the interesting discussions at that meeting were around the provision of community services, so there was a general understanding of the different spatial levels of delivery of service to which we will be moving in the future, married alongside many of the key messages in the spatial plan, which is about synergy of development. So, you get the benefit of the correlation of investment in major public sector areas with the distribution of population, both in terms of the population that is being served and also, importantly, in terms of the workforce. That is a key consideration. The evaluation that the NHS will do on all the things that are coming back will include the key elements that are contained in the spatial plan.

[34] **Michael German:** I will just add a quick point, if I may, on the point that David made. There was an important issue about the way in which these decisions are taken. Later, we will be looking at joint working in local government in Wales. There is an important paragraph in here that reflects what Peter was saying. It says that major projects need to include political timetables in the risk analysis and that, where possible, all party support should be built to ensure that long-term projects can start. Some of your colleagues may need to take that on board.

[35] **Ann Jones:** Is there anything on those items before we move on to item 11? I see that there is not. The next item is on the valuation and compilation dates for council tax. Dai and Mike want to comment on that.

[36] **David Lloyd:** I am grateful for the clarification here but I would like confirmation on representations that I have had from a couple of constituents as regards improvements to their property after the valuation and how that reflected their current banding. I would like confirmation of what date the valuation would be based upon. Would it be back in 2003, along with everybody else, or would it be at the time that the constituents were revisited because of revaluation? That confusion still exists and people feel that they are being penalised for having stuck in an appeal on their rebanding, because, as part of the appeal, their estate is valued later and they feel that their consequent rebanding is based on that later valuation, when, if they had not appealed, they would have had the earlier, lower valuation. Is that a correct reading of the case?

[37] **Mr Fletcher:** I will start by rolling back a bit.

[38] **Ann Jones:** Hang on; we will take Mike's question too.

[39] **Michael German:** My question is on exactly the same issue, namely the last paragraph of the report. My only question is: is this fair? It is the same point. The sentence says that if there is an error in the list, it will only be backdated to 1 April 2005 if it is to be reduced.

[40] **David Lloyd:** So you are penalised for appealing.

[41] **Michael German:** Yes. Is that fair?

[42] **Mr Fletcher:** The premise here is that the valuation is based on prices as at 1 April 2003. The list comes into being on 1 April 2005. The valuation officer has a responsibility. If valuation officers value a property at the end of 2003, when they know the price of that property, and place it in a band, and it subsequently comes to view—perhaps from planning information going from the local authority to the Valuation Office Agency—that there has been an improvement to that property, or, as you say, it comes out during an appeal on the original banding that the owners have modified the property significantly, over and above the information that the Valuation Office Agency would have, that banding would be changed in the intervening period between December 2003 and the valuation date, which is 1 April 2005. So, the officer looks at the house and its condition and if you have made improvements before 1 April 2005 that the VOA was unaware of, the banding would be changed. Whether or not you think that that is fair, it ensures that the person will pay council tax according to the condition of the property as at 1 April 2005—[*Inaudible.*] So if they had had—

[43] **Michael German:** Or a reduction?

[44] **Mr Fletcher:** Or a reduction, whichever. If it comes back and there is an error and it is reduced, it would be reduced to the value as at 1 April 2005.

[45] **Michael German:** That is the issue for me. Is it fair not to go on the date of 2003?

[46] **Mr Fletcher:** Well, they would not be paying an increase on 2003—[*Inaudible.*]

[47] **Gwenda Thomas:** That information would come to the valuation office via supplementary information and there would not be an onus on the homeowner to notify of any improvements?

9.20 a.m.

[48] **Mr Fletcher:** What I was talking about in that particular instance was with regard to Mr Lloyd's point about people going to appeal if they felt that their current banding was too high but that it was then seen to be too low. That comes out through the work that is being done by the valuation office and further checks because of an inquiry. They may then find that information out; they may not have been aware of it if there had been a delay in the local authority supplying them with the information on the improvement.

[49] **David Lloyd:** To confirm this point, therefore, the householder is not obliged to provide an update if he or she has made improvements in the same timescale but has not appealed against the banding.

[50] **Mr Fletcher:** They have to make the information available to the local authority for planning permission and so on. The responsibility is then on the local authority to inform the valuation office rather than on the council tax payer.

[51] **Michael German:** Do we know what scale of—[*Inaudible.*]

[52] **Mr Fletcher:** I do not have any specific details, but I have talked to the chief valuer, who is reasonably happy. Obviously, there were different degrees of passing them through. We always work with the local taxation working group to try to bring this to the forefront; the quicker the information is passed from the local authority to the valuation office, the quicker the council tax lists are maintained.

[53] **Ann Jones:** Thank you. Is there anything else on the Minister's report? I see that there is not.

9.22 a.m.

Rhagolwg ar Is-ddeddfwriaeth Secondary Legislation Forward Look

[54] **Ann Jones:** Members will see the new additions in the shaded blocks. Is there anything there that Members want to identify to committee?

[55] **David Melding:** The Congestion Charging Regulations, which I am sure will be echoed around the table.

[56] **Michael German:** The Sex Discrimination (Public Authorities) (Statutory Duties) Order 2006.

[57] **Ann Jones:** Yes. There is a problem with bringing that one formally to a committee, given that it is due to go before Plenary on 6 June, which is in a fortnight's time and we do not meet before then. However, we can look at it and, if Members are happy, we can circulate it outside of committee. If there are any comments, perhaps we would need to have an informal meeting. However, we will circulate it and look at it in the usual way. Are Members happy with that? I see that you are. It will be noted that we want to look at it, and perhaps we can put our views formally at the next meeting.

[58] **Michael German:** As I understand it, Chair, this is a responsibility that falls upon the Welsh Assembly Government and the Assembly Parliamentary Service, so it is about trying to keep our own house in order. I do not know whether the House Committee has to look at it; that must be another issue for it, presumably.

[59] **Ann Jones:** I think the Committee on Equality of Opportunity is looking at this. Gwenda, can you help us out? Is the Committee on Equality of Opportunity considering the Sex Discrimination (Public Authorities) (Statutory Duties) Order 2006 at present?

[60] **Gwenda Thomas:** Yes. It is looking at a wider picture, which includes the pay gap and various equality issues. I was engrossed in reading this; I have not come across this piece of legislation.

[61] **Michael German:** This reflects upon our activities. This ought to go through Gwenda's committee, the House Committee or something before we have a feel for it. I am sure Gwenda would like to add some things.

[62] **Ann Jones:** I am being told that we are reliant on officials for notifying us to put it into the Schedule and this is the first time that we have been notified of this. However, as I said, the option is there for us to circulate this outside of committee and, if there are any comments, we will find a mechanism for feeding them in.

[63] **Sue Essex:** Mike has raised a valid point about where some of these might go. We need to pick up on those cross-cutting issues.

[64] **Gwenda Thomas:** I am thinking about the job evaluation exercise that is currently being conducted in local authorities. This would have a bearing on that process. However, I have not seen a link to it until this paper was produced today.

[65] **Michael German:** We really ought to ask officials to hold back from bringing it to Plenary until such time as the relevant committees of the National Assembly have had a chance to look at it. It bears entirely on the work that Gwenda is doing. Will it shake the world if it is put back a month?

[66] **Ann Jones:** I believe that it comes under Standing Order No. 26, and therefore it is not required to come before committees. It comes from the UK Government, so we can only accept or reject this proposal. However, we will pick up the points that you have made, Mike; the Minister has already alluded to the fact that we will pick this up and see where it needs to go, and find the mechanism by which we can do that.

[67] **Michael German:** There will be no getting away from it now.

[68] **Ann Jones:** Okay. Is there anything else on the secondary legislation? I see that there is not, that is fine.

9.26 a.m.

Adroddiad Ymchwil ar y Strategaethau Cymunedol Community Strategy Research Report

[69] **Ann Jones:** Minister, will you outline the paper for us?

[70] **Sue Essex:** I want to share a personal point of view about how important community strategies are. All Members will be aware that we went through a major exercise of reducing plan requirements for local authorities. One of the key reasons why I was happy to do that was because community strategies were in place. I see them as important documents, in terms of laying the basis for partnership within the authority and without, but also by giving a clear and integrated vision of where the local authority is going. We have discussed that in relation to the spatial plan.

[71] The first round of community strategies were reasonable; there were variations in quality across Wales, but they were reasonable in the light of it being the first time that local authorities had done them. In view of the importance, as I said, that we give them, we wanted to commission a piece of research work that would do some of the things that we do not have the time to do, namely visit authorities, produce proper questionnaires and see where we have reached. It has been an interactive piece of research, my officials have been involved with the team and I have seen this as it goes along.

[72] We have produced another report that pulls out the main issues that came from the report, in association with our views. I have views that have come from visiting all local authorities and seeing a lot of these documents, bearing in mind that we are several years on now. We are talking about 2006; we have to prepare guidance for local authorities that—in the current jargon—is fit for purpose over the next few years. We are in a very different ball game to the one of even a few years ago. The world is so dynamic that we now have local authorities discussing partnerships that go way beyond their administrative borders. So, the duty to collaborate is a major issue, as is the regional groupings. The way that we could look to integrate local authorities and other agencies across service areas is also a major issue.

[73] That is where we are in our thinking. The guidance will be crucial in supporting local authorities to make this important step-change for the next round of community strategies. Hugh is here; I do not know if he wants to add anything to that.

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

[75] **Ann Jones:** We will go around the table.

9.30 a.m.

[76] **David Lloyd:** I commend the work that was done on this research. As the Minister outlined, community strategies are extremely important. There are some themes here that we have discussed before, which do not seem to be going away. The background now involves the Beecham review, which is looking at regionalism and better co-ordination of services between different public bodies, and also raising the issue of local public service boards and so on. How does this connect up with Beecham and any other reviews that will be carried out? In terms of the earlier discussion on the spatial plan, it is not clear to me how everything will work as one coherent whole. As the Minister said, the plan rationalisation idea means that we are meant to be having fewer plans, not more.

[77] Certain themes will not go away and I will concentrate on just one, the duty to co-operate, in that some local stakeholders are reluctant to become involved in partnerships. We have all known that for many years, from our different backgrounds. It obviously still holds true that various important stakeholders, who should be getting involved in all sorts of community strategies, for a variety of reasons, do not do so. Sometimes, those reasons may be budgetary or due to time constraints or the bureaucracy and paperwork involved. There are a whole variety of issues. How are we going to harden up, or flesh out, that duty to co-operate when, patently, local authorities over the years have found it difficult to get everyone on board who needs to be on board?

[78] **Michael German:** On that same point—the duty to co-operate—the Scottish experience of going down the legislative route and requiring public agencies to co-operate in community strategies is included in the document. However, does the root of the problem lie a little deeper than that? If you read the paragraph that is before us on the duty to co-operate, it says that most of the resources that are allocated to community strategy partnerships have come from local authorities. Those who fund the process of getting together and the way in which the system operates are often seen to be in the driving seat; therefore, it cannot be seen as a real partnership. Is there a funding issue here? It is almost a question of sticks and carrots. It may be that there needs to be some priming with money from other public services in order for others to see that they have a stake in being stakeholders; otherwise it looks to them as if they are under the direction and control of the local authority alone.

[79] Does the Minister have any views on whether we should proceed down the Scottish route? It is not a very strong piece of legislation in Scotland; it just says that they are required to co-operate. I do not know whether it has made a difference. Do we know whether the requirement to co-operate means that you have to attend meetings or that you have to be a wilful and pleasant attendee of those meetings with something pleasant to contribute? In a sense, it is that second part that is important. If you are going to have a proper community strategy, you need to have the co-operation of all partners. Perhaps the funding route is the most appropriate way of requiring people to contribute to this process; it would make it much clearer to people that they are joint stakeholders.

[80] **Ann Jones:** Shall we just deal with those two points first and then move on?

[81] **Sue Essex:** I think that the spatial plan will be easier because there will be area frameworks in place and that will set the context for the community strategies next time around. The Beecham report will be crucial to this; as you read in my report, we are expecting it to come out in July. That report will pick up some of the key issues that have been identified and it will pick them up across the public service. Two different levels of involvement come out from the questions. I have looked at some of the community strategies and talked to the local authorities and, in some areas, it has worked well in involving what I call local stakeholders. There has been a huge degree of enthusiasm that has been carried through, which has clearly manifested that it has mobilised that degree of involvement. In others, that has not happened, or has not been sustained, and that raises an interesting question as to why that happens.

[82] In terms of voluntary groups, you cannot force people to get involved, but some of the thoughts on an approach that uses neighbourhoods or areas, as well as cross-sector, say, if you have a mental health voluntary organisation that wants to get involved, from my experience, mean that you are more likely to get buy-in from people, because they have a kind of local geography that they can identify with. In the second round, we will be looking to local authorities to consider where the gaps have been, what their experience has been, and how they can plug those gaps.

[83] The second point you talked about is really about the public-sector players and others, and that, too, will be a core area for Beecham to look at, as it goes into the considerations of the Public Services Board. There may be a role for funding, as Mike says, to put something in the pot, but it has to be a bit more sophisticated than that to get that buy-in, and, probably, Beecham will be looking at a more structured framework, or the possibilities for a more structured framework, to get that kind of buy-in and that integration.

[84] I am really not sure about Scotland's mandatory approach, but I would be interested to know Members' opinion of that. I would much prefer this to be an automatically natural process in which people get involved and feel a part of it. We have used the need to collaborate in education legislation, and I have been strong about certain areas, such as civil contingencies, where it is absolutely clear that there has to be cross-border collaboration. I am not ruling it out, but you have to be careful, because you also have to have the cultural buy-in, the real willingness to part of the team, and that often requires quite fundamental reorganisation—not organisational and structural, but rather structural reorganisation about how a team is working, how those responsibilities are defined, and how that is recognised back at the ranch. In that way, if you are coming in from a local health board, say, your time spent working in that team is structured in back within your parent organisation. Those are the kinds of tricky things that need to be done. I speak from a lot of personal experience of being close to these kinds of arrangements, and these are the things that have to be really clear right at the beginning in order to make them work and be sustained. That is where the complication lies. But, the incentives are quite strong, and they are around the better product that comes out at the end.

[85] **Michael German:** It would be useful for us to know whether the Scottish experience has worked. I do not know if there has been any evaluation of it, or whether it is possible to have one.

[86] **Sue Essex:** It is ‘too soon to say’, as the song says, because some strong words have been said in Scotland. We have a much closer relationship with local government, and the voluntary route is moving apace. It is not 100 per cent in terms of giving the answers, but it has moved on enormously. In Scotland, the Government has reached a conclusion about this working. I am in close touch with my colleagues in Scotland, and I am sure that you are, too, Mike, and I will want to see how this develops. However, I think that it is very early days, and I am not sure that we will get the answers from this to guide us in our response to Beecham. It would be nice, and I am sure that they will give us what they think, but we will all make our responses to Beecham in view of what we think possible in Wales.

[87] **Ann Jones:** Gwenda, did you have something to say on the point the Minister was making, or is it a separate point?

[88] **Gwenda Thomas:** It is on the duty to co-operate.

[89] **Ann Jones:** Do you want to come in now, then?

[90] **Gwenda Thomas:** I am sure that we all agree that it is crucial to consider the child’s perspective as well. There can be little doubt, considering the evidence produced in ‘Keeping us Safe’, that children would be better protected and safeguarded if there was better co-operation and joint working. I feel that we should highlight the importance of considering the child’s perspective in any future debate on the issue.

9.40 a.m.

[91] **Sue Essex:** I am glad that Gwenda has drawn attention to this, because there are certain key areas where we know that this collaboration agenda must work; there is no question that that includes social care, and it is certainly around children and the whole issue of vulnerable children. If there is any area where you think that you might need to move to an absolute mandatory arrangement to spell out the duty to co-operate, it is in this area, because we have had some terrible past failures—fortunately, not too many—in Wales. We cannot be complacent around this issue, so I am glad that Gwenda has mentioned that.

[92] Whatever comes out of the Beecham report, we need to test it in terms of service delivery areas. One key area is this whole area of children and the multiplicity of agencies that are involved. That would be a very useful piece of work that we could think about. As I say, that might be one area where the duty to co-operate has to be at the fore.

[93] **David Melding:** I will press the Minister further. What she has said is quite revealing. We are getting a sense of the direction of policy. The danger of the cultural approach is, basically, inertia. You said that the incentive for them to co-operate is that they will produce a better product, but I am not sure that that is a firm enough incentive to get people moving. That relies on an awful lot of goodwill and things coming together from all sorts of individuals and agencies. I will press the Minister as to whether a pilot scheme of a local public service board in Wales would now be appropriate. There is, clearly, some interest among local authorities. Again, indicating where the Minister is inclined to go, the note under local public service boards raises the issue, and then you are straight into barriers:

[94] ‘These include the vires of such bodies, the power of local authorities and others to delegate functions to them, their accountability in relation to public funds, including when public bodies pool budgets to undertake specific actions identified in community strategies’.

[95] That is just saying ‘no way, José’, is it not? Are you surprised that we have so many barriers given that you have something as dull and total as that in your ministerial note?

[96] **Sue Essex:** Sorry, we are reporting on community strategy research, so this is not what has gone here—

[97] **David Melding:** You signed this off though, did you not?

[98] **Sue Essex:** Yes; I am reporting on what the research is showing. I am not saying that this is my view. I am responding on what is here. I am saying that there are some fair points on the duty to co-operate. On the public service board, I cannot pre-empt what Jeremy Beecham sets, but we know that this is one of the issues that is floating around. It is not new, in many ways; we have had public service boards in the public sector before. I am thinking of joint-boards on parks, and those that existed around transport and so forth. We have to recognise that there are issues of accountability around them. Unless you recognise that, you will not address it properly and there will be problems. So, I think that that is what it is saying. It may be a little more negative than you want to see but, at the end of the day, we have to decide, post-Beecham, whether we want to go forward, and the pilot idea is one option. It is difficult to put a pilot in place for something like this. It may be a real possibility in certain areas within Wales. If so, and if it is going to deliver, I do not have an ideological objection to it, but we have to make sure that it works and that issues of accountability are factored in and thought-out in the first place. I do not have an ideological problem with that. If it delivers the goods and is a modern version, that is fine, but let us go in with our eyes open about what it means and let us look back at some of the models seen in the past.

[99] In terms of what you said about minimising the cultural issues, I said that, in my experience, cultural issues relating to how people work and how they relate to one another—the soft issues—are often not addressed, but are crucial. Unless people are working within the right culture of collaboration, it will not work. So, you can look at structural things, you can look at funding arrangements and at legal requirements, wherever possible, but you have to ensure that the people who are doing this buy into that and feel its value, not only in terms of the product but for themselves. One of the interesting things that came out of some earlier research that I undertook was that those who were engaged in collaborative work all noted that they derived personal benefit from it in that it extended their job and their skills. They were prepared to go the extra mile because of their experience. So, I am not saying that cultural issues are the be all and end all, but they need to be understood and put in alongside those other key structural issues.

[100] Your point about the drivers for collaboration was fair. There will be a range of drivers, and we have to be honest enough to look at all of them. This will include funding. Many of the drivers for collaborative working—and the WLGA will be honest enough to admit this—relate to the resource agenda. They need to collaborate in order to have sufficient resources to work in the way that they want to in the future. No-one has hidden that; it is one of the key drivers for collaboration. However, it is also about getting a better product. We have spent a lot of time in this committee talking about performance indicators and their value, and those are now in place and will be drivers. If scrutiny is working in local government, those who are on scrutiny committees also need to pursue that agenda. This is where we are hoping to get. We need to realise that there are some dangers and pitfalls around this, and we need to address those.

[101] **Ann Jones:** Would you like to come back on that, David?

[102] **David Melding:** That was my hard-cop question; now I will ask my soft-cop question.

[103] It is important to note that the skills that people need to work in this fashion do not appear by magic and are not inherent. We need to see more work in this area so that we equip people with the wherewithal, because it is often a new concept for people and one that they are not so sure of. The barriers then become larger if they lack confidence. To promote partnership working, we need to develop and seek to improve that skills base.

[104] **Sue Essex:** I agree. I am pleased to say that the work of Public Service Management Wales, which is the organisation to which we have given the responsibility for that training, is coming on apace. It is organising a major summer school in Bangor—which has been oversubscribed—across the sectors to ensure that people develop those skills. I suggested to the Chair that the committee might like a presentation from that organisation.

[105] There are two things that have to be done to break through these barriers. Accountability has to be addressed. This is fundamental, because, if you are employed by an organisation, you need to know the parameters within which you work. If you work for a local authority, you are employed by that local authority. However, you may be in a collaborative situation where you might be part of a team that is making a decision regarding whether funding will move away from that local authority, or you may be committing your local authority to do something. You have to have absolute clearance in order to do that. Therefore, that accountability line is crucial.

[106] The second relates to culture and training. This is what PSMW is there to do. You are right, David, that not everyone has those skills. The networking and the co-operative arrangement does not come easily to everyone, because they may have come from a background that has not required them to do that. In my experience, not everyone can do it. So, PSMW is dealing with that. When I did that research, I said that, for those people who were engaging well, they find that a very important plus for their personal development, and that is the kind of thinking that we must get through in the public sector.

9.50 a.m.

[107] **Catherine Thomas:** Through the community strategy and through this report, is there enough information emerging with regard to the different programmes, initiatives and policies that operate within a local authority boundary? There is often a lack of information and understanding of how different initiatives and programmes work alongside another, which is something to which Dai referred earlier. Sometimes, there is replication of the work that is undertaken. I am aware of a number of initiatives within Carmarthenshire that are working very well, but the separate initiatives do not necessarily know about one another. Sometimes, you could get far more out of those different groups if they were not working in silos. Is there enough of a mapping exercise being undertaken in relation to what is going on, and also linking that to funding? Some organisations or programmes are very successful in the funding that they secure, but others are not. Some can be hampered in relation to how they want to progress because of a lack of funding, but they certainly warrant it. Sometimes, I do not feel that there is enough understanding of where the funding is going, and it is not sufficiently strategic in where is going, and that we could get more out of the funding if it was placed more appropriately.

[108] With regard to engaging with individuals, I tend to see the same people involved in many groups, and it is the same people who pop up around many committee tables. They are people who have many skills and expertise, but the challenge is how we engage and bring in new faces, with the whole range of different skills that they could offer.

[109] **Sue Essex:** Catherine has hit on one of the endless questions that we have about participation, in terms of who gets involved and who does not. Sometimes, it is about the accessibility of information, because it may well be in language that we would struggle to understand as Assembly Members. Across the board, the public sector—and that includes us—needs to think constantly about the language that it uses, because it is quite forbidding and impenetrable at times and it switches people off, and then they do not get involved.

[110] On your point about ensuring across the piece that everyone gets involved, Carmarthenshire in particular has done quite a good job in that it has reached out to all the different sectors. I know that Christine Chapman was at Llanelli last week—I do not know if you were there, Catherine—and she felt that those partnerships that had been set up were still quite vibrant and alive. We have also used an area basis. Looking at neighbourhoods is, in my experience, is a very good way of bringing people across the piece together, because they can have a common association around a locality. Some of the experiments or pilots schemes that are going on in England are around the whole issue of neighbourhood planning and developing partnerships. So, there are things that you can do around locality where you can get a common purpose and reach out to people and get them involved.

[111] In terms of equity of funding or whether the money is going to the right place, when it comes to community strategies the local authority has to keep an overview of where it is going. If there is a particular community or group that is missing out, the onus is on the local authority to be more interventionist. That has always been the case from my experience. There are certain areas where their make-up makes them more likely to respond, but they may not necessarily be the areas with the greatest need. That is where the public sector must get closely involved, because sometimes the reasons for lack of participation are a lack of confidence, knowledge or skills. It is what Communities First has been doing largely during its first years, namely increasing the skills base within local communities so that they can have that responsiveness with the public sector and with other sectors. It will be interesting when we put this guidance through. It is an important point that if we are not careful the guidance is going to be huge. There are so many things that you want to say but you still want to give local authorities a fair degree of freedom. You do not want to be over-prescriptive but we need to build in these points that you made about participation and equity within communities, so that certain groups and areas do not miss out.

[112] **Gwenda Thomas:** On the reference to local authorities, it is important that the co-operation within and between local authorities can be shown to be effective. This committee, perhaps, should seek to monitor the work of the social services advisory agency, which is charged with bringing together policy and policy development in social services. Is local government getting its own house in order? I know that there is very good practice and good development within local authorities and that must be the same between other public services, for example in the police and the fire service, for example. Do we have any evidence to show that organisations are leading by example?

[113] **Sue Essex:** This is another example of something that has just been put in place. It is perhaps up to the Chair to think about this, perhaps with her colleague on the Health and Social Services Committee. Boundaries, whether they are geographical, service boundaries or geographical in terms of local communities, are the most difficult things to overcome because they produce boundary thinking. We have to have them for administrative purposes but they are a real difficulty in practice. Where we are moving on in local government—and there are some good examples in your neck of woods—is from the top. Following local government reorganisation, there was a view at the top of local authorities that they were going to do everything and were going to stamp their character and identity on it. That was the prevailing mood post local government reorganisation—although not for every local authority. I am pleased to say that that is not the prevailing mood now and it is crucial that, at the top of all local authorities, that mood of co-operation is established, because it provides the context for all the staff that they employ. That mood is not just for local authorities; it needs to come from the rest of the public sector. We must be good at recognising where people have done that work and find ways within the system to recognise and value that work. It would not work like that at present. So, those are some of the areas that we have to address. The community strategy provides the bedrock for that. That is what it should do. It is the bedrock for those public sector employees and other employees who want to get involved to see the way that they need to go and that doing that would be recognised and respected. It is not just an add-on; it is mainstream.

[114] **Ann Jones:** If committee members agree, we could write to the Health and Social Services Committee and ask it to look at the social services agency and at whether there is any joint working that we could do, in particular on the community strategy. Do Members think that that is worth doing? I think that it is worth trying to get the cross-cutting theme going there.

[115] **Gwenda Thomas:** I think that it would be helpful. The agency is there to seek to ensure that local authorities work with each other, without its becoming a duty, and perhaps we could pick up some good indicators from that.

[116] **David Melding:** In the report, it says that only four local authorities were fully effective in tackling sustainable development issues and that is obviously an area that needs to be looked at and which needs more attention.

[117] **Sue Essex:** It was something that was a weakness in most of them.

[118] **Ann Jones:** Okay. We will return to it as it progresses. Are there any other questions on this? I see that there are not. I thank the Minister for introducing this paper. Thank you very much.

10.00 a.m.

**Caffael gan Awdurdodau Lleol
Local Authority Procurement**

[119] **Ann Jones:** I ask the colleagues from Value Wales, Laurie Pavelin and Paul Skellon, to join us at the table, along with Rob Jones from Carmarthenshire County Council. Welcome to the Local Government and Public Services Committee. Minister, please introduce your report first.

[120] **Sue Essex:** Thank you, Chair. Value Wales is a key driver organisation and agent for securing some of the efficiency improvements that we want to see across the public sector. It was very much drawn from the work that was done on procurement, and people will know that Paul has been involved with that for many years. However, it is more than procurement; it is about, and will be about, looking at capital projects and a whole range of things that will, hopefully, drive changes within the public sector. It is fair to say that we were ahead of the game in setting up the organisation, both from the Assembly's point of view, but also from local authorities' point of view. Procurement has been spearheading many of the efficiency gains that are being achieved. So, Paul and Laurie, who are leading on Value Wales, are here and I am also very pleased to see Rob Jones from Carmarthenshire here. Carmarthenshire has had a very strong record for many years in terms of procurement. If you looked in the early days at the number of procurement staff, there was Carmarthenshire and then there was the rest, so it is in a good position to give us some practical information about what has been done and what could still happen in terms of local authorities.

[121] **Ann Jones:** Thank you very much. As I said, we welcome Rob to the committee. We have a paper before us and in my notes it states that Carmarthenshire County Council is considered to be an exemplar of good practice in many areas.

[122] **Mr R. Jones:** We are going to find out today, I hope.

[123] **Ann Jones:** So having introduced you with that now, I will ask you to speak to your paper, if you will, and we will then take Members' comments and questions.

[124] **Mr R. Jones:** Thank you very much. I have given a very brief background in the paper as to how we were following local government reorganisation, what the catalysts for change were, what we have done and the future. The background was that, following local government reorganisation, the procurement function was somewhat fragmented and we had, dare I say it, a silo mentality in a number of departments. The corporate procurement unit had three or four staff at the time and had a very traditional role and limited influence in the traditional areas of office supplies, energy and so on. The catalyst for change as far as Carmarthenshire was concerned was the Better Value Wales review, which was when I first met Mr Skellon. I sat on a number of committees and focus groups, and I believe that local authority views and aspirations were taken on board. Immediately following that, we undertook a strategic review of procurement in the authority under the Wales programme for improvement. It was undertaken under the Best Value regime, whereby we went through the four Cs—consult, compete and so on. There were three stages, with the Wales Audit Office sitting with us, and, as part of the review, in the early stages, we had a procurement fitness check which was undertaken by the Improvement and Development Agency at the time. That was critical in engaging senior members and officers in the authority. The idea behind the fitness check is that experts come in and take a strategic view of your procurement function and activity, just to see how they fit in with and contribute to the corporate aims and objectives of the authority and, if they do not, they see how they could be set up and improved to do that.

[125] We undertook an honest review, which was critical. You have to be honest with yourself as an organisation, and I believe that everyone was. We consulted with all our partners and stakeholders—the neighbouring local authorities, the police and fire services, together with the voluntary sector, the chambers of commerce, trade unions and the public. We must have done something right, because the Audit Commission said that we had excellent prospects for improvement. That was based on our improvement plan and, as part of the final stage of the exercise, we benchmarked our recommendations with those of Better Value Wales and found that they were very much aligned.

[126] To take us on to the second part, which is what we have done, the authority has invested in staff. We doubled the size of the corporate procurement unit. A lot of the finance for that came out of efficiencies gained or savings obtained from better procurement activity. We then translated our improvement plan into our first procurement strategy. We are now in our second procurement strategy, and you can see from the bullet points what key challenges we felt were in front of us for the period 2005-10.

[127] Part of the reason why we seem to have done reasonably well is that we had some reasonably quick wins. Following the review, we went down the route of practically constructing excellence by appointing a property and engineering design partner. We are now in the third year of that appointment and are probably spending a couple of million pounds a year. The quick win for us was that we kicked off a couple of major projects and, instead of having to wait six months to get a design partner on board, we could go, ‘Right, we are going to do this with our design partner; let us get the expertise necessary, and we do not have to go through a procurement exercise for it’, and the project was up and running. If we save six months by not having to undertake a complicated EC-level tendering exercise, the efficiencies gained and the fact that we will not be paying the inflated construction costs that we are at the moment will focus everyone’s minds.

[128] We have worked with Paul and his team on the value-for-money and efficiency classification system that the public sector is now using. We implemented it as best we could, and, as I said, it has been just three years—from 2003 to 2006—since we identified about £1.4 million in efficiencies by using the classification system. That is not on all activity, just the activity that we have undertaken and the things that we have done. Obviously, there is some way to go.

[129] We feel that training has been extremely important in raising awareness. As I said, in the unit for which I am responsible, we have eight staff members; four of us are professionally qualified and three are in training. That is a critical positive. One of the focuses in Carmarthen has been local regeneration, and we have kicked off the procurement surgery initiative that I mentioned. It seems to have gone down extremely well, with the local small and medium-sized enterprise base and with the Carmarthen Chamber of Commerce, which was extremely supportive.

10.10 a.m.

[130] The purpose of the surgery is to invite small and medium-sized enterprises in, for them to spend 20 minutes or half an hour finding out about this. We tell them how Carmarthenshire council buys and how we are set up and then we pass on details of the officers who we feel might have an interest in that product or service. We talk about the procedures that we have to work to, documentation and the sorts of things that we ask for in tender documents.

[131] Another avenue for our small and medium-sized enterprise base is that a lot of them do not supply the product or service that we go out to tender for and on which we spend hundreds of thousands of pounds; a lot of their products and services are for niche markets. Sometimes, it is not a case of whether they are able to tender, but whether they are aware of who we have as a prime or first-tier contractor, whether that is a food distributor or a building contractor. That is how we will be looking in the future. The direct involvement of the authority is just as much a case of asking whether these companies can fit into the local supply chain and whether they have a place as second-tier or third-tier suppliers. I have a particular personal interest, for some reason, in construction and constructing excellence. We speak to a number of organisations, from steel fabricators to glass suppliers, whom we see as fitting into our supply chain, but not necessarily on a one-to-one or face-to-face basis.

[132] We have a sustainable procurement strategy. We feel that we are very strong in that. It is quite a difficult balancing act and the reality is that most local authorities still have short-term budgets. We are moving towards taking account of whole-life costs during a tender evaluation; we need to roll that out. However, it is a case of winning hearts and minds internally as much as anything else. If we are going to build a building and the authority wants to build sustainability into it, the fact that we have a fixed budget over a limited period may affect how much we can do from a sustainability point of view. I am sure that there is a way to get through that and I know that, at the top of the organisation, we are considering it.

[133] As I have mentioned, we are working with our food suppliers through a local food procurement initiative on the healthy eating agenda. We have increased the amount of fresh meat that we buy by 70 per cent at the expense of more processed food. From a practical point of view, we are working with our first-tier suppliers on that basis. A colleague and I are meeting representatives of Organic Centre Wales next week, with our first-tier fruit and vegetable supplier, to see whether there is anything that we can do on organic produce. I believe that we are meeting an organic carrot grower.

[134] It is all very well to have the grand plans and the strategies, but we are trying to translate that into practical operational activity. Some people might say that we face a challenge from EC directives on the free movement of goods and so on, but I think that it is just a case of acknowledging that the rules are there. In addition, we do not want to be awarding business to local suppliers just because they are local; we want to award business to them because they have won the race. Our role is to make them aware and to help them. We cannot pay a premium in terms of money or anything else, and so our role is to try to get smarter, working with colleagues in other authorities and Value Wales. We are going down that road, being mindful of the constant need to balance.

[135] On the future, we believe that Value Wales has a critical role to play. Our relationship has been positive to date. As an authority, we are using the all-Wales frameworks that are in place, and we feel that we are contributing to the efficiencies agenda. However, we feel that the recording of efficiencies has its place, and it cannot become the main focus; it cannot become an industry. That is the message from the top of our organisation.

[136] There are major challenges for the function, which we can and must contribute to. We will do that, again, with Value Wales and with colleagues. One thing that I would like to say is that we, in Carmarthenshire, are going down the constructing excellence route, and I believe that we need to get the funding bodies and external audit perhaps to actually go with us on it. It is innovative; when we have these external audits of construction and design projects, our plan is that we will not be showing the lowest tender. We will say, 'That contractor had that job because, based on a number of PIs, he was the best contractor for that particular job; his outturn cost was close to target cost, his health and safety record is excellent, and the client survey was excellent'. Those are the sorts of areas that we will consider, and I just hope that those things are addressed externally.

[137] We feel that our procurement strategy is practical, consistent and aligned to the national agenda through 'Making the Connections'. The procurement function, I believe, is experienced in collaboration, and we, as an organisation, work with other local authorities, the fire service, the police, the local trust and colleges. The procurement function is probably sorted, to a certain extent, but there are other areas within local authorities that do not have the experience that we have had, because of the Better Value Wales initiative and the fact that many of us have looked critically at our procurement function.

[138] We will continue to work with the WLGA and 'Making the Connections', and critical to the future success of any local authority is to review its function, if it has not already done so—and that includes a fitness check—to develop a practical strategy, and to ensure the continuing high-level support of senior members and senior officers, which can only be achieved by providing a good, sensible service. Try to get some big, quick wins if you can, as a procurement function, invest in training, and do not automatically say 'no' to anything; there are opportunities out there. We will continue to work with colleagues inside and outside the organisation.

[139] So, thank you for this opportunity. This has been my version of Carmarthenshire County Council; some others may have a different view, but I am happy to try to answer any questions that you may have.

[140] **Ann Jones:** Thank you, Rob, for your comprehensive report. I am sure that those councils that are looking to improve their procurement can read the verbatim Record of this session and perhaps take some tips from Carmarthenshire. Members have some questions. Dai, you are first.

[141] **David Lloyd:** I commend that particularly detailed overview of all things Carmarthenshire. Thank you very much, Rob. I have one question for Carmarthenshire, and a couple of questions for the rest of Wales, as it were, in terms of Value Wales.

[142] As regards your procurement and local food strategy at Carmarthenshire, your success does not appear to be replicated at the moment all over Wales in terms of procuring locally and ensuring that locally sourced, best-value, fresh foods come to our schools and hospitals. That is not universal at the moment. Can you clarify why you are successful? Can you also give any measures of that success in terms of the boost to the local economy from all these local procurement initiatives for foods, from having local farmers sprouting up everywhere producing organic this, that and the other—or is it too early to say? In particular, you alluded to your having an increased staff in the procurement unit, and, presumably, with that goes increased expertise in dealing with various EU directives, which are sometimes seen to present particular difficulties to local procurement.

10.20 a.m.

[143] Could you just enlarge on that point? So, you can think about that for a couple of minutes now while I ask a question to Value Wales, then you can come back first. Is that all right, Chair? I am sorry to take over the chairing temporarily.

[144] **Ann Jones:** No, you carry on.

[145] **David Lloyd:** In the last meeting of the Local Government and Public Services Committee, we had a presentation from two other local authorities, namely the City and County of Swansea and Denbighshire County Council, on the EU green fuels directive and the need for greater collaboration as regards all those local authority vehicles using nice sustainable fuels—nicer than they are now, anyway—such as liquefied petroleum gas, biodiesels and so forth. It seemed as though there did not seem to be an automatic mechanism. It seemed as though Swansea council, in particular, was just going out on its own and trying to forge its own links with other authorities in bulk-buying LPG for its 800-fleet vehicle force. How involved are you in those sorts of issues, because you do mention commercial vehicles here somewhere, as regards what falls under your remit?

[146] In addition, paragraph 16 of the Minister's brief about local authority engagement states that most local authorities are 'quite well engaged'. We would like a little more clarity and hardness to any statistics.

[147] Carmarthenshire County Council is a shining example, but others are not up to it. Whose fault is that? What does 'quite well engaged' mean? How do you propose to improve matters, as Value Wales? As I said, during the presentations that we had in the last committee meeting about the EU green fuels directive, those two local authorities seemed to be crying out for assistance in knowing how to collaborate for the best value of procurement for these green fuels.

[148] **Ann Jones:** Rob, do you want to take your part first?

[149] **Mr R. Jones:** I will, if I can remember the questions. *[Laughter.]*

[150] I think that the reason why we have had success is based on our being open and transparent. This procurement surgery initiative has helped. I am sure that you have heard of Elin Cullen, who is our head of facilities; it was her local nutrition strategy. Our local food procurement strategy was very much aligned to Elin's nutritional strategy. I think that it was a case of just being able to talk to the industry out there.

[151] We are in a rural part of Wales. As regards our food contracts, we have endeavoured to put our first-tier contractor to bed, through a contract, and then work with that contractor-distributor, local growers, Organic Centre Wales and the chamber of commerce to identify the products that Elin may want to use in school meals and just to work with them to see whether there is any way that they can supply us.

[152] We have looked at our tender documentation to see whether we can break down our groupings of establishments. Obviously, ours is quite a rural area, so we group contracts for meat and fruit and vegetables, for example, geographically so that we have smaller schools and larger schools. Elin has to ensure that she provides a consistency of service and a consistency of meal. The bottom line is that we can go down that line so far, but we have to maintain the service, so we allow people to bid on group level. If they are not successful or if they are a specialist supplier of particular cheeses or eggs, we will work with them and our prime contractor to establish whether there is a basis for trading, because we will have put the competition to bed. So, we are just working with the small providers. If their product is what Elin needs or wants, if the quality is there and the price is reasonable, we would plan on taking that forwards.

[153] As regards the unit itself, we went from four to eight officers. I have two colleagues who work in different areas of procurement. One of my colleagues is responsible for our local food strategy and for sustainability. My colleague works with Elin Cullen and her staff to take these things forwards. It is a case of being open and willing to change and look at what we are doing. I do not think that it is a miracle; it is just something that we have developed with some positive, outward-looking people.

[154] We do not officially monitor the impact on the local economy as yet, but we do hope to do that.

[155] **Ann Jones:** Thank you. Who is answering the second part of the question?

[156] **Mr Skellon:** I will answer the questions on the fleet and the engagement, if I may. In terms of the fleet, I will go back one step. The biggest part of the Welsh public sector's savings target of £120 million, which is to be achieved by 2008 under 'Making the Connections', will come from collaborative procurement, as has been the case so far and as will continue. A consultation document will be ready to go out by the end of this month, which will be called 'A Sourcing Plan for Wales'. That looks at all of the main commodity areas, and at who, potentially, could lead—whether individual local authorities, Value Wales, or NHS trusts—for the wider part of the Welsh public sector, perhaps even on an all-Wales cross-sectoral basis. So, we are beginning to develop that in consultation with all our procurement colleagues.

[157] We have already identified that the fleet is one of those areas. We have already established a team to look at that, and the team is well on the way to drawing up a specification to go out to tender. That will be an all-Wales collaborative contract open to any part of the Welsh public sector. As in everything that we do, we factor sustainability in, so we are looking at how green we can possibly make these vehicles. However, at the end of the day, it is for each individual local authority to consider. Value Wales does not buy anything; we facilitate contracts and work with others for them to buy. They have that procurement decision, but we will make sure that we embed sustainability into everything that we do.

[158] In terms of engagement, by the very nature of our role in Value Wales, we will never be satisfied. We are a catalyst, and we try to make things happen more quickly and in a more co-ordinated and strategic way than would otherwise be the case. So, until we get 100 per cent collaboration almost immediately in every area in which there should be collaboration, we will not be happy. Our role is to make that happen.

[159] The public sector as a whole and local government is getting there; week-by-week, there is more collaboration. I would describe the extent to which it is not—in just a handful of local authorities—as a little disappointing. However, I blame myself and Value Wales, because we have an incredibly powerful message to sell, which is that there are tens and tens of millions of pounds' worth of savings to be had while, at the same time, advancing sustainability—whether it is green or jobs. There are thousands of jobs to be had if, as Rob said, we can get small and medium-sized enterprises and local, smaller suppliers competing more effectively to give us better value for money and more jobs, given the local multiplier and so on. So, we have an incredibly powerful message. We are facilitating all of that, but we still have one or two authorities that are not yet fully with us despite all of our efforts. I regard that as our problem. We have yet to persuade one or two to engage more fully, and we are busy doing that. As I said, I do not blame anyone else; I blame us. No-one can argue with our message. It is as powerful and attractive a message as it is possible to have—savings and sustainability.

[160] **Mr Pavelin:** I would like to add a couple of points. Each local authority will have existing contracting arrangements, and we are trying to put in place contracts across the public sector in Wales. It is only when they come to the end of their contractual arrangements that many of them are switching to the collaborative contracts.

10.30 a.m.

[161] In addition, we are not thinking of this in a Welsh scenario. We are now looking very seriously at introducing something called 'e-procurement'. We have done some initial studies of projects. Through that mechanism, our intention is to make available to the whole of the Welsh public sector, should it wish to join in on an e-basis, the collaborative contracts—not only the Value Wales one, but also individual local authority ones. They can then start to look and find contracts that they may be able to link into. One figure that has been given to the Enterprise, Innovation and Networks Committee is that increasing procurement in Wales by 1 per cent should create something in the order of 2,000 jobs. So, to the extent that we can source locally, it has a direct employment effect.

[162] **Catherine Thomas:** As the Member for Llanelli, I am delighted that Carmarthenshire is represented here today, and I can certainly vouch for the quality of the carrots, Rob—they are delicious. My questions are directed to Rob and Value Wales. To begin with Paul and Laurie, you have touched on the fact that you are engaging quite well with local authorities, but that some authorities are still not engaged to the extent that you had hoped. Can you expand and flesh out what you plan to do to try to secure more engagement with those authorities?

[163] Looking through the papers that you have submitted, I see that, in paragraph 9, you refer to collaborative projects that are also under way, and you cite postal services. Can you give some more information on that?

[164] Rob, I was very glad to hear of the work that has been done with SMEs, but could you expand on any particular SMEs that you would like to engage with that you have not, as yet? What work is being done in the more rural parts of Carmarthenshire to engage with smaller businesses?

[165] With regard to the local food strategy, of which I am very much aware, and the wonderful work that is being done in Carmarthenshire, is there any evaluation of the impact of healthy eating within the county because of that?

[166] In relation to the drive to seek efficiencies, are you aware of any scenarios that have arisen in which some local businesses have perhaps been undermined because of their seeking efficiencies? In addition—and this is an issue that follows on from a meeting that I attended last night in my constituency, Llanelli, with sub-post offices—I want to ask about the recent decision by Carmarthenshire County Council to discontinue the payment of the council tax through the sub-post offices, for a saving of £40,000. I would be interested to have some more information from Value Wales on the plans for postal services, and whether it is part of a wider plan that you have, and whether it is replicated in other local authorities.

[167] **Mr Skellon:** On engagement, we are continuing with our communication strategy, which we have had under way since we have existed—the last three years—and which consists of a number of things. For example, we have regional networking events. We had one a couple of days ago in south-east Wales, and we are having another in south-west Wales next week, and in north Wales two weeks after. So, we have a number of regional Welsh public sector networking events. In addition, we have local government networking events, at which the local government procurement community comes together regularly from south-east, south-west and north Wales. The next event is next month, so we have an awful lot of engagement at practitioner level.

[168] In terms of communications, we have a quarterly newsletter, *Cytgord*, which we send to all our stakeholders, including Assembly Members, chief executive officers and finance directors of local authorities, and so on. We also have a more detailed monthly newsletter that goes out at practitioner level, and so on. We work very closely with the WLGA on bringing everyone up to speed. We encourage the procurement fitness checks, which Rob mentioned earlier, and nearly half of local authorities have voluntarily chosen to have the checks. So, we have a whole range of things to enhance engagement and to spread the message on what we can do and deliver and, with the sourcing plan, which I mentioned earlier, we will hopefully get the entire Welsh public sector agreeing and signing up to it. We can then really start to move ahead.

[169] Postal services have been deregulated, which means that the Post Office will be subject to serious competition in the longer term. On our side, we are considering how that should fit into the sourcing plan. We shall see, but one option might be to work with the Office of Government Commerce in the Treasury in England, which has a very large team of hundreds of people. One of the areas that it is examining is postal services. We might decide to just tap into that rather than do our own thing in Wales, because we do not have the resources that it has. So, that is what we are considering at present.

[170] **Catherine Thomas:** What is the timescale for that?

[171] **Mr Skellon:** That will be dealt with by this autumn.

[172] On the knock-on effect on local post offices, I am not sure, but it should not have that much effect. In the longer run, the extent to which the Post Office loses custom to other suppliers cannot be helpful to local post offices. However, I would still expect the Post Office to maintain the vast majority of the business for a considerable time, if not forever. I could be wrong, but I do not expect to see a dramatic break-up of the Post Office. I do not know whether you have any local insights into that, Rob.

[173] **Mr R. Jones:** Not at the moment. To go back to your question on which small and medium-sized businesses we would like to engage with, we would like to engage with all SMEs, even companies that are bigger or smaller than SMEs—although I do not know whether you can get companies that are smaller than SMEs. The way in which we have developed the practice is not just to hold surgeries in Carmarthen and Llanelli but to hold them around the county, for example in Whitland and St Clears. We have made the effort to go to the smaller areas. We advertise in the local press and on Carmarthenshire radio. We have recently started to hold more targeted surgeries. For example, we recently went out to tender for mechanical and electrical servicing. Prior to the procurement exercise being held, a surgery was advertised specifically to deal with mechanical and electrical providers. We went out to tender on an open basis and I think that we had more than 40 bids, so one measure of success would be the amount of interest in the tender exercise. We have also held joint surgery-type events with other local authorities in Pembrokeshire, and we are planning to hold a joint one with the local trust. Our social care department and the local trust work quite closely together anyway but it is a case of our taking a cold look at the success of the initiative. We have held nearly 40 events and we have spoken to over 400 businesses. We have to now sit back and say, ‘Okay, what are the measures for success? We have a number of areas. How successful has it been and do we need to change it?’. I hope that it evolves. They have been so well received by the chamber and by SMEs generally, we could not contemplate not doing it; we just have to develop and possibly change it and make it more targeted.

[174] On healthy eating and evaluating the success of it, we have a pretty good uptake of school meals in Carmarthenshire. We were a case study in ‘Food for Thought’. I would not want to say anything that I could not back up but I can certainly speak to Elin Cullen when I get back and I am sure that we can answer that more formally then, if that is okay.

[175] On sub-post offices, I heard about this over the last couple of days. It is an example of the conflicting pressures between trying to do the best you can for your local market and your local supply base and the identification of efficiencies. It is not going to be easy; there are issues and this is a very real issue. Again, if you want an in-depth response to that, I can speak to the people involved and get back to you, if that is acceptable.

10.40 a.m.

[176] **Michael German:** I would like to address the last questions to the issue of commercial vehicles and specialist vehicles. Paul indicated that plant was an important part of the work it is doing at the moment. The cost of a dustcart, an ambulance or a fire engine never ceases to surprise me; in some cases, we are talking about £250,000 and these are very substantial pieces of equipment, which are not usually purchased for very long periods. We are not talking about a lifespan of 10, 15 or 20 years, but a much shorter period. It has been put to me by the industry that the problem with the existing contractual regime within Wales is that people look at the front end and ask, ‘What would it cost to procure this vehicle or lease it?’ rather than also looking at the other end of it, which is what happens at the end of life and end of lease. There is already a major export market for these end-of-lease, end-of-life vehicles, but these are not being exported from Wales. Ambulances and dustcarts are being exported to the developing and developed world, where the end-of-lease retail value to the contractor is much higher than the current contractual regime that local authorities and other public services get. The initial contract says that they usually have to be returned to the leaser, who will dispose of them at whatever rate they can get on the open market, without looking to find the most profitable route for disposing of

them. Have you done any work on this end-of-contract, end-of-lease life, and, if not, will you be returning to it? As I said, it has been put to me by the industry that we are talking about tens of millions of pounds of savings per annum in Wales alone given the procurement of these specialist vehicles. It may also be useful to know the value each year of these specialist vehicles and how much is spent each year on dustcarts, ambulances, fire engines and specialist vehicles of that sort.

[177] My second question relates entirely to the healthy eating project in Carmarthenshire. I chair the project in Monmouthshire and, although we are a year or two behind what Carmarthen has been doing, we have a first-stage procurement in place for food. However, it is about the engagement of local food producers with the marketplace to get them geared up for the contracts, and that requires a much longer timescale. I do not know what assistance Carmarthenshire has had, but we are certainly looking at the former WDA food division, which is now in Carwyn Jones's portfolio, to provide us with support for generating the primary producers that are very small scale and do not necessarily fit into contracts. We have had to look outside Monmouthshire to procure our meat. It is not that the meat does not come from Monmouthshire originally, but we have to source it from those who can butcher it effectively from outside Monmouthshire, because there is not a supplier in Monmouthshire, although it is a farming community and somewhere you would expect to find it. I wonder how these problems have been overcome in Carmarthenshire.

[178] **Mr Skellon:** First, on specialised vehicles, you have given a classic example of poor procurement against proper procurement. Poor procurement is taking the upfront cost, namely how much it costs to do something and buy something. What we are about is value for money, which is whole-life costing all the way through, and including the disposal of the asset. So, that is a very good example of what we are about and what we are seeking to do with the fleet procurement in looking at these areas. You asked for detailed figures, but I would have to get back to you on the detailed figures on the expenditure for both across the Welsh public sector. We certainly have some information on that, which is forming the basis of the fleet-procurement group that is looking at that issue. If you like, and if that is the procedure, I could write to the committee with the information that we have.

[179] **Ann Jones:** If you write to the committee, we will circulate that.

[180] **Mr Skellon:** I would be happy to do so.

[181] **Mr Pavelin:** I just pick up on one point that the members who you have been talking to might find less attractive, which is an example that we picked up recently from Scotland, where, by getting a number of local authorities to co-operate, it was possible to reduce the number of specialist vehicles held. I think that five local authorities worked together, and instead of each of them having a spare dustcart, which was needed in case of breakdown and the like, by co-operating and sharing fleet availability, they reduced the number of vehicles that they bought.

[182] These are the sorts of areas that we want to investigate as we mobilise other parts of Value Wales, looking at the strategic partnerships. So, in virtually everything that we do, there is an element of procurement, but getting people to think about what can be achieved by working together as a group can often realise savings.

[183] **Ann Jones:** What about healthy eating in Carmarthenshire? I think that it was about local suppliers, was it not?

[184] **Mr R. Jones:** There are four areas here, one, which I have banged on about a bit, is the surgery initiative. It has been going for 15 to 16 months now, so it tends to be a well-known forum. That has taken us a while to establish. It is also down to the officers in my unit—two in particular—and to our school-meal service officers, who have not exactly been quiet about what we are trying to do. They have got out there and spoken at all sorts of events. We attend the Chamber of Commerce breakfast meetings, where we discuss these issues with local suppliers. Some of that is enjoyable and some of that is not as enjoyable, but the breakfast is usually okay.

[185] We also use our first-tier suppliers—our contractors. We have a similar scenario to yours in Monmouthshire. Our fresh-meat supplier is based in the county; our dried-goods groceries supplier is not, but it is in both our interests, including the contractor from outside the authority, which is convinced that it is in its interest to engage with us, to look actively at sourcing locally, or to look to source sensibly and cost-effectively locally. So, it is a combination of things, and it does not happen overnight. The supply base out there is generally suspicious of us in public sector anyway, so, it is a matter of education, and about us working together with our economic development unit on that. We all have economic development units, and they have a role to play as well. It is in the longer term; it is not a quick fix.

[186] **Ann Jones:** I have Gwenda and David down to speak, and then we will probably be coming to the end of the session.

[187] **Gwenda Thomas:** I am interested in this operational procurement policy, and I see that, according to this paper, nine local authorities have completed a fitness check for this. I am particularly interested in the reference there to apprenticeships. How are you seeking to ensure equality of opportunity for, I assume, the young people on that programme?

[188] **Mr Skellon:** That reference relates to the fact that we were the first in the UK to have a school-leaver procurement apprenticeship scheme. I should explain that procurement has traditionally not been a career that people think about at school, or even at university, and what happens—I am certainly an example of this—is that one comes into procurement later on in one's career by accident rather than by design. So, we deliberately sought to produce an apprenticeship scheme in north Wales and a north Wales NHS trust volunteered to lead it. We funded it and supported it, and we started it off as a pilot scheme, with five apprentices. We are nine months into the first year and, of those five, three are left; such is the nature of school leavers. All three happen to be female, if that was part of your question about diversity.

[189] **Gwenda Thomas:** And ethnic minorities.

10.50 a.m.

[190] **Mr Skellon:** That is important, because, traditionally, procurement purchasing suppliers have tended to be male, but that is changing. It is interesting to see that, of the five, the three who remain—coincidence or not—are all female. I met them during their training, a few weeks ago, at the Centre for Alternative Technology on a sustainable development training course. I am sure that everyone has been there, but that was my first time and I found it a fantastic place with fantastic people.

[191] It is great to see that we are starting to get the agenda. Our challenge is getting young people in schools to begin to think of procurement as a challenging, exciting and meaningful career, which it is, because, as I have said before, there are potentially huge savings to be had through procurement while advancing the sustainable development agenda and including valuing diversity and so on. In my view, it is an attractive profession, but selling it has been a problem in the past, and that is one of the ways in which we are going around it.

[192] We also have a whole raft of other possibilities: we have a programme of one to two-day training courses; courses up to, and including, first degree level; and a graduate diploma at the University of Glamorgan. We are also now in the third year of the Masters degree cohort. In fact, I have just completed my dissertation and I will just say that it was hard work. Incidentally, as a point of interest, my dissertation was on this subject because I find it so important. It was about how we engage with small and more local suppliers to get them to be competitive and to compete more effectively for our contracts across Wales, and, in turn, getting better value for money, more jobs and sustainability at the same time. We are doing an awful lot on training and development, and I think that the apprenticeship scheme is exciting. As I said, we are the first in the UK to pilot it.

[193] **Gwenda Thomas:** That is quite a welcome response. A few years ago, the Commission for Racial Equality launched a procurement document—I cannot remember what it was called, but it was launched quite publicly. Do you feel that you can reach young black and ethnic minority people with this apprenticeship scheme?

[194] **Mr Skellon:** Yes, we can. We were party to that document and we contributed to it. Within the procurement arm of Value Wales, we have one from that background who is training to be a procurement professional. Going back to the gender issue, in terms of Value Wales, we have a roughly 50:50 split. It is an unhappy coincidence that the three in front of you now happen to be male, but that is not typical of Value Wales and certainly not typical of the procurement unit within the Assembly.

[195] **Mr R. Jones:** I would add that of the eight of us working in corporate procurement in Carmarthenshire, we have a 50:50 split.

[196] **Mr Pavelin:** We have a 50:50 split right across the arms of Value Wales.

[197] **David Melding:** I would like to go back to a point that Dai Lloyd made, because I do not think that it was answered, on paragraph 16 on local authority engagement with Value Wales. It says that most local authorities are 'quite well engaged' with Value Wales. If that were a school report, I think that it would have the whiff of a C+ about it—I do not think that I am being too unkind. You have brought your star pupil along and he has done very well. However, to complete the report, as it were, will you give us a list of some of the miscreant authorities that are lingering in the naughty corner?

[198] **Sue Essex:** We do not do that. Members of this committee know that I am not into the naming-and-shaming game. What we do know is that a couple of local authorities do not have procurement-trained staff at the moment. To my mind, that is the most important issue. This is a bit like a Monty Python sketch. There is another important issue, and I go back to the point about the ethos of an authority coming through from the top. That is important, but if you do not have professionals in post, you are not going to be able to do the job. It has taken time for local authorities to get them because they are thin on the ground. I have gone around evangelising, directing local authorities' attention to the efficiency gains that we want to see. Procurement is the easy winner, although it is not the only winner, and we give them all the support that they need. People like Rob have been good at trying to push best practice around Wales.

[199] Come this time next year—I will not be here then, in which case, if by next March we have not made progress in all the authorities, then something will be wrong. However, I am fairly confident that, between now and then, we can make sure that everyone has bought into the agenda, for no other reason than it makes sense. I do not think that any local authority can be outside of that.

[200] As I said, when I first came to look at doing this, we had a dearth of professionals, and that gap was one of our first priorities. I am pleased to hear what Paul said about the apprenticeship scheme, because I did not quite realise that, and it is making sure that there is a good spread of people. I know that everyone wants to work for Carmarthenshire, but you cannot have everyone there, because there is important work to be done elsewhere. It is a matter of ensuring that there is a spread of people and that there is collaborative ability in certain specialisms in procurement, because there are very specialist areas, as you said. I think that I will leave it there, but when I go evangelising, I will say that the committee is paying great attention to this.

[201] **Ann Jones:** David, you wanted to come back.

[202] **David Melding:** I think that the Minister hinted that if some of them have not improved in a year or so, they may be under a little more pressure and public scrutiny. Ultimately, I am just pleased that the Audit Commission does not have your kind streak, so there will be some account at some point.

[203] **Sue Essex:** It is not kindness; it is realism, to be honest. As you know, it is about the supply of professionals in many areas. However, when I say that the committee is interested, I will add that that hard cop, David Melding, has his teeth champing at the bit on this one.

[204] **Ann Jones:** I think that we have had a fairly good session, and, believe it or not, we have spent almost an hour on this item. It is right that we have done that, as it is good to air it. I know that David is looking to get an A* or an A+ out of this.

[205] **Michael German:** He always was a swot. [*Laughter.*]

[206] **Ann Jones:** Yes, but I think that it is important. I thank Rob for sharing his experiences with us. I am sure that those authorities that you are trying to find, David, having looked at the verbatim report of this meeting, may suddenly pull their socks up. I always had 'could do better' at the bottom of my school reports.

[207] **Sue Essex:** And look where you got to.

[208] **Ann Jones:** Yes, exactly, so, eventually, ‘could do better’ starts to play on your mind and you then go on to do better. We will return to this issue as it is important, in the ‘Making the Connections’ agenda, that, as David rightly said, scrutinise, and if, in 12 months’ time, there are still some who perhaps have not done better, then we need to be looking at sending that message out that only from good procurement can good public services come, which is what we are all about. Thank you all again for coming. You will return, I am sure, with even better stories to tell us.

*Gohiriwyd y cyfarfod rhwng 10.58 a.m. a 11.17 a.m.
The meeting adjourned between 10.58 a.m. and 11.17 a.m.*

**Adroddiad Blynyddol y Pwyllgor i’r Cyfarfod Llawn
Committee’s Annual Report to Plenary**

[209] **Ann Jones:** If Members have switched on their mobile phones or BlackBerrys during the break, will you ensure that they are switched off again?

[210] The committee’s annual report to Plenary must be laid every year under Standing Order No. 9.9. Are Members content that that is the report that is laid? I see that you are.

11.17 a.m.

**Blaenraglen Waith Strategol y Pwyllgor
Committee’s Strategic Forward Work Programme**

[211] **Ann Jones:** Again, Standing Order No. 9.9 asks us to put forward a proposal for strategic forward work. Do Members have any comments on that? We have tried to take in all Members’ comments about what they would like to discuss. Are Members happy with the forward work programme? I see that you are.

11.18 a.m.

**Cymeradwyo Ymateb y Pwyllgor i Adolygiad y Comisiwn Etholiadol
Approval of the Committee’s Response to the Review of the Electoral Commission**

[212] **Ann Jones:** This response was circulated to Members. Unfortunately, because we cancelled our last meeting, the review has not had a chance to come to committee. However, Members were asked whether there were any points that they wanted to raise. No points were submitted to the clerk and, therefore, from that, I took it that the committee would not want to respond formally and that Members would have given their own views to the consultation. The closing date for responses was yesterday, but we were going to beg indulgence. However, I take it that the committee is happy that there is no formal view, and that Members have put their own views in. Thank you.

11.19 a.m.

**Is-ddeddfwriaeth—Rheoliadau Pwyllgor Safonau (Cymru)
Subordinate Legislation—The Standards Committee (Wales) Regulations**

[213] **Ann Jones:** The subordinate legislation was identified, and there have been some points of clarification, as well as an issue that is raised for discussion by Members. We are joined at the table by Peter Jones, who will help us through this item. Gwenda, you had some points that you wanted to raise on the Standards Committee (Wales) Regulations. Are you content, or do you want to put them on record?

11.20 a.m.

[214] **Gwenda Thomas:** In terms of point 3(ii) of paper 8a, I think that it should refer to sub-committees. That was the subject of my point of clarification, and not committees. Those were my thoughts regarding the regulations.

[215] **Ann Jones:** Okay. Thank you. Mike, you have an issue with this piece of subordinate legislation.

[216] **Michael German:** Yes. The legislation, effectively, gives unitary authorities a veto over which community council members, who have been nominated by community councils in the area, should be members of the standards committee. I wanted to know from the Minister what the logic was behind expressing that veto. If there is logic in having a member of the community council serving this purpose, and that this should be someone with a degree of independence from the operation of the unitary authority, it strikes me as strange that the unitary authority should have the right to determine who should be chosen, rather than having the representative role of the community council. I would be grateful for an explanation on that matter. I wish to come back following the Minister's response.

[217] **Sue Essex:** Steve Phipps is leading on this, and I will ask him to respond. I do not think that it was an issue of veto; it is an issue of having the power, through the legislation, to make that decision. I am with Mike regarding the aspiration that whomever the community council has put forward should be chosen—although, to be realistic, in most cases, more than one name will go forward, in which case it is difficult. I will ask Steve to comment, because I accord with the spirit of what you are saying, Mike, namely that the person chosen by the community council should be on the committee. However, there is a problem with the legislation in that the power to make that decision rests with the unitary authority, as I understand it from Steve. We would need to look at guidance to try to achieve what I think you are hinting at.

[218] **Ann Jones:** Before I bring Steve in, Gwenda wants to come in.

[219] **Gwenda Thomas:** The first point of clarification that I raised is on this matter. The first bullet point under 'Background' states:

'a county borough council shall have the final decision on the appointment of community committee members'.

[220] Does that refer to the nomination or the appointment? I think that it is slightly ambiguous and we need to clarify that, as well as Mike's point.

[221] **Ann Jones:** Steve, do you want to try to help us through this?

[222] **Mr Phipps:** Essentially, it is a question of practicalities. Our starting position is that, as it is a county council committee, it is for the county to make the final decision on appointments to it. The 2001 regulations were lacking in this regard because this was not clarified, and we are told that there have been instances of disagreement between community councils as to who their representative on the standards committee should be. We have tried to clarify, through this amendment, that, in those circumstances, it would be for the county to take the final decision. However, in seeking to appoint a community council member to the committee, the county will need to consult with community and town councils and any community associations in its area. Where there is consensus from those councils as to the nomination for the appointment, we would anticipate that the county would abide by that and we would be looking to reinforce that in guidance.

[223] **Michael German:** You said that this is a practical arrangement. It strikes me that, if the regulations required the community councils to submit a single nomination, they would surely have to provide you with a single name, collaborate, and agree on whose name that would be.

[224] **Mr Rawlings:** Theoretically, I think that that would be true but, if you were going to do that, you would then have to provide extensive machinery for enabling all the relevant community councils to vote on, ballot, and select who their nominee would be. In practice, this regulation is about recognising the fact that, normally, several names come forward. Someone has to make the decision as to who it will be. Given that we are talking about a county council making an appointment to one of its own committees, the proposition is that it should be the county council that has to choose where you have more than one name. If a single name comes forward, the county council would appoint that person.

[225] **Michael German:** I understand the point that you are making but you could, for example, have a county council, given a number of names, that might want to choose a sympathetic community councillor to work on a standards issue. I do not think that that is the purpose of the legislation. The purpose is to try to get a degree of independence of thinking. That is why, presumably, community councillors are involved in this in the first place.

[226] You seemed to intimate that a huge amount of machinery is needed for community councillors to agree with each other. If they are required to agree, that is a matter for them. I do not see it costing a great deal of money for them to do it. They know that they have to do it.

[227] **Mr Rawlings:** I think that the answer is that, if you place a duty on them, you have to find some way of enforcing it. If they do not, or cannot, agree, what happens then?

[228] **Michael German:** Presumably, they cannot make a nomination and therefore they are in breach of the legislation.

[229] **Mr Rawlings:** That goes to the point that Mrs Thomas raised, which is whether there is any choice for the unitary authority in terms of having a community councillor on the standards committee at all. If you look at proposed regulation 5, you will see that it says that the membership of the standards committee shall include at least one community council member. In other words, there will be one, but the question is who is it to be?

[230] **Michael German:** It says that there will be at least one such member.

[231] **Mr Rawlings:** Indeed. If you got to the position where there was no consensus among all the community councils in the area, there would not be a standards committee, because they would not have put forward a name. If they put forward a single name, the authority would appoint that person, or, if they would not put forward a single name, the authority would choose from the list of names with which it was presented.

[232] **Michael German:** I understand the point that you are making, but I do not understand why a requirement on community councils is the same as a requirement on unitary authorities. It is not a requirement that is enforceable. I remain unconvinced but I am looking to my colleagues to see whether they feel that it is—

[233] **Ann Jones:** I am just wondering, Minister, whether you would like to respond to the three points that Gwenda raised and the point that Mike raised, on paper 8a.

[234] **Sue Essex:** Yes. Steve, would you like to respond?

[235] **Mr Phipps:** Yes. On Gwenda's point, Hugh has already said that, where a standards committee is exercising functions in relation to community councils, it must have at least one community councillor member.

[236] **Gwenda Thomas:** My concern was about the quorum. If we have a quorum of two members, we could then have a stalemate position, which could clog up the workings. I wonder whether it is ever wise to have a quorum of two members.

11.30 a.m.

[237] **Mr Phipps:** We did look at this, and in consultation, we had various permutations put to us. In that situation, the chair, who would be independent of the authority, would have a casting vote. Under the regulations, a standards committee can have between five and nine members. We wanted to try to give as much flexibility as was sensible in terms of the size of the sub-committees, and we arrived at the figure of three members. However, to deal with a situation where, perhaps, one member is taken ill at short notice, we decided that a quorum of two was appropriate so that that sub-committee could continue business at short notice.

[238] **Gwenda Thomas:** So, the chair would be one of the two?

[239] **Mr Phipps:** Yes, and the chair would have a casting vote.

[240] **Gwenda Thomas:** The other question was on the independent member. I understand that there are regulations to cover that.

[241] **Mr Phipps:** Yes, there are. If an independent member was elected, or co-opted to be a member of the authority, then they would not be able to remain as an independent member of the standards committee.

[242] **David Melding:** I am sure that I am getting slightly paranoid, and that the Minister will be able to alleviate my distress, but the regulation does not specify that the county council has to take one of the nominations; it could choose a completely different community councillor. That would, presumably, be addressed in the guidance, would it not? That would be a perverse decision if it had a list of five but chose a sixth after consultation.

[243] **Mr Phipps:** Yes.

[244] **David Melding:** Then I am fairly happy with the regulations.

[245] **Michael German:** I will reserve my position.

[246] **Ann Jones:** You will reserve your position?

[247] **Michael German:** Yes.

[248] **David Lloyd:** I do not want to rehearse the argument again, but Mike's point is about nominations, and the regulation is about local authority appointments. Can we not assuage Mike's concern by adding the stipulation that community councils are free to nominate whomever they choose and work together to put forward a nomination? However, as you said, it is a local authority committee, so it is the local authority that appoints, but, within that, community councils would have got together to agree on the nomination. It is the difference between the nomination and the appointment. I am sorry to sound like an anorak about this, but I think that that is what needs to be clarified. As long as that is clarified, I would be happy to let it go, as long as the guidance states the difference between the nomination and the appointment.

[249] **Mr Phipps:** The consultation would be to seek nominations and hopefully to build some consensus around those nominations. However, this provision seeks to clarify what is happening now in that the county council ultimately has to appoint someone.

[250] **David Lloyd:** To one of its own committees.

[251] **Ann Jones:** Mike is reserving his position, which we understand, but is the committee happy to accept the regulations as they stand? We will note your reservation, Mike.

[252] **David Melding:** Subject to the guidance. I understand that it is not possible to put everything into the regulations.

[253] **Ann Jones:** Our report to the Business Committee will be based on the clarifications and the verbatim Record. Is everyone happy with that? I see that you are.

11.33 a.m.

Effeithlonrwydd a Chydweithio ym Myd Llywodraeth Leol Cymru Efficiency and Joint Working in Local Government in Wales

[254] **Ann Jones:** I ask our colleagues from the WLGA to join us at the table. I welcome Steve Thomas, Councillor Russell Roberts and Paul Charkiw. Steve, can you present your report in the usual fashion, in about five minutes, if possible?

[255] **Mr Thomas:** I wonder if Russell could start.

[256] **Ann Jones:** You can have ten minutes, Russell; I have to tell Steve that he has five minutes.

[257] **Mr Roberts:** Since the introduction of 'Making the Connections' in September 2004, it is fair to say that it has been a pretty challenging time for local government, and it has been a pretty challenging agenda, which has called for a very different mindset within local government as individual authorities. There are hundreds of examples of very good collaborative working within local government, though I do not speak for the wider public sector. However, I think that it is fair to say that the mindset of local authorities as individual authorities was to look at the efficiency agenda, the Wales programme for improvement, on an individual authority basis, rather on a collaborative basis. One of the most challenging things has been to change that mindset as far as local government and the WLGA are concerned. We have moved a long way down that road. We made slow progress at first, but the momentum is now building considerably in terms of collaborative working on a much more formal basis. We commissioned the KPMG report, which you will have seen. We are progressing that agenda, together with the 'Making the Connections' agenda, and we decided as an organisation that we needed to look for collaborative working on a regional basis to deliver the 'Making the Connections' agenda.

With that in mind, we have set up four regional partnership boards. I am sure that Steve will give you more information about that. Each of those boards is up and running and they are working extremely well together. We have agendas within the boards in terms of particular projects and areas of collaborative working that we are dealing with, for example, joint working over waste management, and out-of-county placements. Each of the boards is progressing those agendas. Within that, we needed to have additional capacity to support the boards and we are actively recruiting partnership coordinators for each of the boards.

[258] So, the agenda is moving on at a considerable pace. It has not been an easy agenda; collaborative working is not particularly easy—it is one of the most difficult things that we have to do within local government. Each of the four boards that we have set up is looking at our own house in terms of local government, but with a view in the near future of bringing on board the other public service bodies within Wales. However, at the moment, the boards are primarily looking at local government. So, with those quite optimistic points, I will hand over to Steve who will give a little more detail about some of the things that I have mentioned, and I am sure that he will have things to say himself—he usually does.

[259] **Mr Thomas:** To build on some of the points that Councillor Roberts raised, last week I went to London for a meeting with 50 English chief executives, and I admit that I was of the view that England was massively advanced on this issue, in terms of Sir Peter Gershon's agenda and some of the work that was going on. After an hour of listening to the discussion, I found that we in Wales are probably slightly more advanced than England is in terms of some of our thinking, not least, as Russell pointed out, around the regional agenda, but also in terms of the commitment across the 22 authorities in Wales. It is a very difficult thing for sovereign bodies to pool their sovereignty and come together to share resources, expertise and many of the big issues that local government faces. For example, Russell mentioned the issue of looked-after children, which is now costing £106 million across Wales. Clearly, major savings could be made if we could undertake collaborative procurement on that and regional commissioning in terms of outcome placements. We have a unit in the association that is getting together a national database, which will be the foundation for doing that into the future. That, in itself, is a key area.

11.40 a.m.

[260] There is also a range of different levels of collaboration. There is collaboration between authorities on a one-on-one basis and collaboration in terms of sub-regional clusters and there is regional and national collaboration. Much of this will occur at the sub-regional level, I suspect, particularly in terms of waste management. We know, for example, that Cardiff and Newport are working together to try to tackle some of the waste management issues that they have, not least of all the problems with landfill sites. Many other authorities in Wales are thinking broadly the same, and there is a bid to the 'Making the Connections' fund from all the authorities in south-west Wales to get procurement expertise into the waste management arena. On the back of that, you will see different levels and different matrices of working across Wales.

[261] The four regional partnerships are up and running. They include all the chief executives, all the leaders of the authorities around Wales, and Assembly officials. In some areas they also include other members of the public sector. The general view initially, however, with the regional partnership boards, is that local government needs to put its own house in order first, but that they could expand into a much wider realm in terms of the possibility of joint working across the public sector in Wales.

[262] Another thing that we want to tackle in terms of joint working is putting some capacity on the ground. Russell has already mentioned the regional co-ordinators that we are putting in place. They will be tasked to deliver projects. This is about delivery. All the regional partnerships have a maximum of three to four projects that they are tasked to deliver. We are also looking to ensure that there is not duplication across the regional partnerships. For example, the south-east Wales partnership, known as Connecting South East Wales, will lead on back-of-office services. They will then spread that expertise across the other regional partnerships. Some of the other regional partnerships are looking to lead in other areas. For example, the south-west partnership is looking to lead on waste and the north Wales partnership is making a very strong bid in terms of revenues and financial services. So, we are looking to get mutual learning from the regional partnerships and for them to ensure that we do not duplicate.

[263] The other thing that the regional partnerships have the potential to do is develop in a way that can deal with other large issues in Wales. One of the things that we have started to talk about is the delivery of strategic projects under the structural funds. Can we get agreement at a leadership and chief executive level on the nature of strategic projects that could emerge with regard to the structural funds? There is already an indication from north Wales that it is interested in putting in an expression of interest on the single, non-emergency number. We had a meeting with all 22 authorities the other day and I have no doubt that we will now submit an all-Wales expression of interest on that. That has been facilitated by the fact that we have regional partnerships in place. It is much easier to do business on the basis of dealing with four partnerships rather than always having to deal with the 22 bodies.

[264] Paul will no doubt touch upon how we are measuring some of the efficiency savings that are emerging. I do not know whether the committee has seen the survey of joint working across authorities that we undertook last year, which shows that something like 1,000 joint arrangements are already in place. We want to accelerate that and take joint working and regional collaboration to a new level. Some issues emerged from that. I—and I think that some of our members—have some discomfort about how the citizen fits into this approach. There is a danger that we become somewhat aloof from citizen preoccupations. There is also the question of local authorities coming together and perhaps pooling contracts and the capacity of the private sector in Wales to win some of the stuff that we put out. For example, there is something like £70 million-worth of fleet management out there. If that was pooled as one contract, I doubt that there is a company in Wales that could deal with it. There are issues anyway in terms of pooling these things in that we are caught sometimes by the European state aid regulations.

[265] The other issues that emerge are cultural. Russell is right; there are some members who feel very comfortable with this approach and there are members who are very uncomfortable with it. Some members are not that keen about talking to their ward members or their neighbouring ward members and, not least of all, their neighbouring authority. So there is that loss of sovereignty and loss of control, but we hope that we can bring as many members as possible into the process. One of the things that south-east Wales is talking about is a sub-structure to the regional partnership that will look at specific issues. There is also some discussion among the regional partnerships about dedicating themselves to certain tasks and I know, again, quoting south-east Wales, that the next meeting will be dedicated to a very full discussion on waste management. The following meeting will be dedicated to a discussion on large-scale voluntary transfers of stock, and already some of the authorities, including Russell's Rhondda Cynon Taf, and Swansea and Torfaen, are looking to ballot on their transfers of stock on the same day and are already sharing some legal expertise around that.

[266] It is difficult to describe the scale of change and the scale of cultural change that has occurred in Welsh local government since June 2004. Quite frankly, and I have said this to members of this committee before, you could not mention the word 'regional' in the Welsh Local Government Association prior to June 2004—it was just not possible. As Sue indicates, more than your head would have been chopped off; other parts would have gone as well. There has been a complete mind shift on the way forward. The key measure of success, however, will be whether this delivers the goods. I gave evidence this morning on the police restructuring, and this approach, which is a slower approach than a forced restructuring, and which is based on collaboration and joint working, probably has more chance as a model of working as opposed to a model that forces things together and hopes that everything will come out in the wash. My own view—setting aside whenever the next reorganisation of local government is—is that the key issue now is to keep our eye very firmly on the public services delivery issues that the public very much cares about, particularly the clean, green and safe agenda, and this will be a way to ensure that authorities are in the vanguard of some of those changes in Wales. It will be interesting to know how the Assembly will relate eventually to the regional partnerships—we have had requests from some Assembly Members to sit on the regional partnerships and we will certainly consider that. In broader terms, we need to keep these discussions going because 'Making the Connections' is the key Assembly programme with regard to strategic direction, and it is one that local government has very much embraced.

[267] **Ann Jones:** Thank you for that, and thank you, Russell, for your contribution.

[268] **David Melding:** First, I commend the report. It is very candid and it cannot make you feel very comfortable, which is a good thing, frankly. You say that, since 2004, there has been at least an acceptance of the need to look at this agenda. It is clear to me that the barriers that exist are very deep-rooted and cultural, and while there is a range of good operational practice that you can quote, the problem, as the report says, is that there is very little strategically in terms of what can it really deliver, and that is the ultimate test. It is interesting that you used the word 'sovereignty' twice. I almost think that it has the air of the religious wars of the seventeenth century about it when people come out with the word 'sovereignty' and say that we have to be careful with it and it may limit what we can do. That we get that in local government and other areas is a point to be noted.

[269] If we look at the strategic level and the out-of-area placements of vulnerable children, the project between the Welsh Assembly Government and the WLGA has now been going on for a little while. On the face of it, that strikes me as exactly the sort of area that we need to be looking at, and it is not just the expense of these inappropriate placements, which can be out of country, let alone out of area, that is an issue; the outcomes are usually very poor for those children being looked after.

11.50 a.m.

[270] It is that quality service that is essential for the vulnerable child, though there is also an issue about efficiency or spending large sums of money. That is really to cover the fact that there has not been effective planning or anticipation of what we will need. So, that is a good example of where there is no question as to whether we need it, because we do need it. It is really a matter of how it is delivered.

[271] To end on a more positive note, I do not know whether councillor Roberts can give us any further information on the lead that his authority has been taking in the region on encouraging the recruitment of foster carers. I think that there was an advertising campaign, which made the news on BBC radio because it was so innovative. That, again, seemed to address issues not only of recruitment, but also of the problems that you can get of foster carers being poached and all the rest of it, and the perverse incentives to go to another authority and pinch some of theirs, because it has already trained them up. It is obviously not an effective way at all to run a service. So, if there is any information as to how that can be done, I would be interested to see it.

[272] My own view is that if there has not been any progress in a couple of years, there would have to be some pretty fundamental scrutiny of why that has not occurred. However, I was quite encouraged when I read this, because it is not always that some of the major issues that have to be faced are set out in the first paragraph of a report. You deserve credit for commissioning something as candid as this, but there is still a long way to go. The 1994 White Paper mentioned regional working, and said that it was absolutely necessary for this form of local government. I realise that people will have views about that reorganisation, but it has been on the agenda for an awfully long time.

[273] **Ann Jones:** I will try to take Members' comments individually, and see how we are for time. If we start to move on a bit, I will have to try to group you together. Can you respond to David, Steve or councillor Roberts?

[274] **Mr Roberts:** Briefly, on the question that David raised on the out-of-area placements, the answer is 'yes'. My authority, like most others in Wales, has difficulties in that area. This year's budget for out-of-area placements is something like £4 million, which is likely to be overspent, incidentally. So, we recognised some time ago that it was an area that needed a great deal of attention. We have put processes in place, and you mentioned the recruitment of foster carers, but we are also actively seeking co-operation with our neighbouring authorities on that. The last thing that we want to enter into in local government is a competition for foster carers and social workers, given all the other issues that could be raised around that. We are pursuing it very actively as an authority, but also in co-operation with our neighbouring authorities. To date, we are having some success in that.

[275] **Mr Thomas:** I was heavily involved in the formation of the unitary authorities from 1991 to 1996, and that deal was sold partly on the idea that there would be lots of joint arrangements and collaborative working, and that the smaller authorities, in particular, would seek to buy or purchase services from some of the larger authorities. On 2 April 1996, it seemed that a diktat was issued around Wales that basically said, 'These must be member-driven, in-house service providers'. That seemed to contradict a lot of the arguments that had been at the forefront of the reorganisation process.

[276] The argument has come back around, and there are some issues. Taking your example of sovereignty, there are real issues around that. One thing that I know that the Beecham review has been looking at is the question of joint posts across the public sector, and perhaps between authorities. That is a great idea, but I am not quite certain whether we have the governance models to do it as yet. We need to start thinking about the fact that, last year, we lost something like eight directors of education in Wales over a short time. The question is whether you can take stock and ask whether you need a director of education for both Abercwmawt county borough council and Lower Abercwmawt county borough council, or whether one person can do the job.

[277] If you can say that, you can then get into a situation where you put an appropriate governance model, with proper accountability, to Members and ensure at the same time that the officers do not play the authorities off against each other. There are some issues there that need to be examined, particularly from the legal point of view.

[278] I have been heartened by some of the outcomes that have emerged from the first round of joint reviews of social services, which have been classic examples of authorities working together. For the first time, the authorities have come together to pool experience of those joint reviews and there is now a discussion about sharing link officers. There are 22 link officers who are the actual doers with regard to the joint reviews. They do a lot of the work and gather the information. There is talk about sharing them across the 22 authorities, particularly those who have been through the first round. Again, there is slowish progress, but, from small groundings, I think that we are starting to see some radical things happening.

[279] **Michael German:** I share David's view that this is a useful and straight-talking document. The heart of it is in pages 32 to 35, where you lay out the barriers and the responses. If we had just the barriers, I think that we would probably have all just said, 'That is fine and that is what is happening'.

[280] I would be grateful for your view on this, but I see the two crucial sections as being the cultural issues on page 32 and the political issues on page 34. It seems to me that they are the two major constraints that you are facing. You then look at the responses, which are given in both sections, and I think that you could usefully divide them into two categories. There are those responses that are mindset-type responses, where you have to win over people's hearts and minds, and there are those responses that say that the Welsh Assembly Government should put some money in. That would not be unexpected as a response from the Welsh Local Government Association, but you might like to confirm whether that is the case and whether you are asking for extra money or a re-jigging of the money that the Welsh Assembly Government should put in to the initiatives, as you have described them in the responses.

[281] The crucial thing is the political response—we actually discussed this in an earlier debate on the health service. Major projects need to include political timetables and risk analysis and, where possible, all-party support should be built in to ensure that longer term projects can actually start. That is not quite within the mindset of the political life of Wales yet. How does the WLGA suggest that you, in the driving seat, might change the political mindset to achieve that clear goal? If you can overcome that political problem, maybe you will change that mindset and the culture, and the mindsets elsewhere, which may prove difficult.

[282] **Mr Thomas:** From our point of view, the regional response has been part of the response to your question, with regard to ensuring that there is an intimate discussion at a regional level between the chief executives and leaders of councils on how we go forward on joint working and collaboration. The crucial question, and I think that you touched on it, is, ‘Does that translate into reality when you go back to the ranch?’. We had a saying in the WLGA about the warm feeling in Llandrindod Wells. You can sit 22 leaders in the room and generate a warm feeling, but does it then translate into reality when you go back to the ranch? The answer is that it is variable. I have said very publicly that some authorities were very much up for this, but I think that one or two authorities may be playing at it. We are trying to use the regional fora to expose that as much as anything else. We want to ensure, if people are signing up to commitments on projects, that those projects are deliverable, feasible and that they show some real efficiency outcomes.

[283] I think that the cultural change process will be slowish; it always is, as you do not achieve cultural change overnight. There are elections in 2008, and we have had a range of new councillors come in, particularly in terms of the leadership of Welsh local government. I think that there were 15 new leaders in June 2004 and that, in itself, has signified some real sea change in terms of attitudes and the dialogue that we have with you as an Assembly, which I think is far more mature now than it ever was.

[284] I think that you are right that it is a slow process. However, we, as the WLGA, are also constantly talking to the management teams, councils and cabinets of individual authorities to promote these ideas. There is a hearts-and-minds argument out there and we just have to keep at it.

12.00 p.m.

[285] As to whether it will bring about the level of changes in the time available, we are expecting this to be about a five-year window of opportunity, frankly. You, as a central Government, will not come to us and say that we have forever and a day to sort this out. We are thinking about a five-year window of opportunity, and I am fairly optimistic that we will do it.

[286] **Michael German:** How will Sue Essex’s money help?

[287] **Mr Thomas:** Sue Essex’s money has already helped.

[288] **Michael German:** But you are asking for more. [*Laughter.*]

[289] **Mr Thomas:** We always ask for more, and if we did not, you would think that we had gone mad. The Assembly Government has to think in terms of that 'Making the Connections' fund. I think that you made a great start with that fund, but £3 million, in the grand scheme of things, is not a lot of money. I think that you had £11 million-worth of bids to the fund, and that is a great success in many respects: that fund is oversubscribed, which shows that there are £11 million-worth of initiatives out there. Some may be variable, and some may not have reached the bar. You need to think about how you resource efficiency and joint working. I do not think, however, that this is just one of those traditional we-need-more-resources types of argument. This is about the more effective use of existing resources, and about using what we have in a much smarter way than currently.

[290] **Gwenda Thomas:** The report is very encouraging, and we need to commend the role of the WLGA in bringing it all together. On specific points, in paper 9, rather than the report, there is a reference to the Social Services Improvement Agency, and that has a lot to commend it as well. However, how compatible is that, given that it has three regional posts, whereas we have four regional boards? Should we be looking at that? Perhaps coterminosity between the two would push the agenda forwards in a simpler and more coherent way.

[291] Paragraph 14 refers to south-east Wales and to 10 directors of social services having formed a regional collaborative as part of the Association of Directors of Social Services, and it identified key projects, one of which is out-of-county placements. It then goes on to say that the directors of education are looking at education advisory services. Now, we are not setting up barriers there, are we? I would think that, regionally, social services and education need to collaborate from the word go, and cannot look at issues in separation. I know that it is early days, especially for out-of-county placements, but education and social services will have joint responsibility for the welfare of the children affected on a 24-hour basis. It is important to get that right rather than have any barriers in the regional concept. I am sure that that can be developed, but how can we develop a meaningful way of measuring outcome, especially for looked-after children?

[292] **Mr Thomas:** Shock announcement—the association of directors of education and the Association of Directors of Social Services have met twice in the last two months.

[293] **Gwenda Thomas:** Good.

[294] **Mr Thomas:** A range of discussions is now going on between the senior directors of education and social services across Wales, and they are looking at some of the issues that we have talked about, not least the special educational needs dimension of looked-after children. Many children with special educational needs are looked-after children, in effect. So, there is clearly some joining up to be done there.

[295] In terms of the regional collaboratives, I think that the report is slightly out of date. There is not just the south-east regional collaborative, as other regional collaboratives are emerging under other directors of social services in particular. However, education consortia are already in place, which are trying to link up with some of the social services dimensions. The Association of Directors of Social Services is breaking away, or rather, a change is going on in terms of the management of the ADSS across England and Wales, so that ADSS Cymru will now be firmly established. It is looking to work within the Welsh environment primarily, because we are dealing with a different system, in terms of children in particular, regarding how we deal with the Children's Act 2004 in Wales. I do not know whether Russell wants to mention ESIS, in terms of what you have done on education improvement. Again, there is quite a lot of work being done on that front.

[296] **Mr Roberts:** ESIS is a good example of where collaborative working is active at present. It has come over to us from the old Mid Glamorgan days, and it is to do with education improvement. Merthyr, Rhondda Cynon Taf, Bridgend and Caerphilly councils are all collaborating and operating with the same administration, from the same building, on education improvement, in all those areas. It is an excellent example, and an example of where it is possible, and relatively easy, for other authorities to become a part of that collaborative working, which is already in place, and already successful. Discussions have taken place with other authorities—with limited success at present—but we hope that they will see the benefits of that partnership and want to join it.

[297] **Gwenda Thomas:** On the specific point about the outcomes, I assume that they will still be measured locally, on a local authority basis, and how we link the improvements, which will obviously happen through collaboration, with local outcomes will be considered.

[298] **Mr Thomas:** Paul may want to respond in terms of measuring efficiencies.

[299] **Mr Charkiw:** There are a few aspects to that. Referring back to the current process, there is a firm place for local authorities to highlight issues, and report on progress in terms of achieving improved outcomes, through the Wales programme for improvement. That provides an existing methodology, for example, for identifying these key areas and looking for the gains and improvements that will be made over a period of time.

[300] The other point that I wanted to mention is about how you get a handle on the gains that have been produced through joint working and the efficiencies that are being produced. I suppose that, with that, I need to place a marker that we are not looking at joint working for the sake of it—it must be for specific reasons. The two that immediately come to mind relate to generating efficiency gains and service improvement.

[301] Therefore, with that as a backdrop, we have instigated a project in line with the guidance issued by the Assembly last December—the Wales programme for improvement guidance—which outlined the requirement for local authorities to identify efficiency gains made and their plans for achieving efficiency gains in the future. The key issue there is that the Wales programme for improvement process leads towards that report being produced in the October improvement planning arrangements. However, as a joint project between the association and the Assembly, we are undertaking a survey of local authorities, to get a handle on the forecast efficiency gains.

[302] Over the next month or so, we will survey and visit local authorities to get a key idea of how we are progressing in terms of starting to address the £600 million efficiency target outlined in 'Making the Connections' by 2010, albeit over the five-year programme. The structure of the survey will be based on a consistent methodology, using the themes that are being used to measure progress across the public sector in Wales. Therefore, it considers issues such as smarter procurement, process improvement, shared services, and improving the productive time of staff. It is quite a large project, but it is key in terms of getting a handle on the sorts of efficiencies that local authorities—as a sector in its own right, and as individual organisations—are achieving, and how they are progressing against this challenging agenda.

[303] **David Lloyd:** I also commend the report; it is challenging in aspects. I apologise to Steve for missing his latest excellent presentation as a result of my constituents in Swansea turning up half an hour late, but there we go.

[304] Most issues have been covered, but I have a few questions. On joint working—and Paul touched on joint working not being a good thing for its own sake—we need to ensure that it takes place meaningfully, that there is leadership of any joint working between authorities, and that, say, the WLGA gets involved in ensuring that there is some leadership drive, over and above the efficiency drive, to ensure that things that are meant to happen do happen. I just wanted you to flesh out that point.

12.10 p.m.

[305] I wish to follow on from previous points on regional planning. There are three specific areas, not just in terms of what needs to happen now, but what needs to happen as future needs increase. The first area is waste management and how authorities and the WLGA would facilitate an urgent need to co-ordinate regional issues as regards waste management so that we do not have perpetual arguments about where a landfill site or an incinerator will be located and that we have a coherent urgent response.

[306] Reference to the issue of children with special educational and physical need who are accommodated out of county has already been made. The numbers of such children are going to increase because a large percentage of premature babies are surviving now. So, many more children with special needs are surviving, and that issue will become bigger. We will no longer have relatively isolated examples of children having to be treated, managed or educated out of county, which is expensive; that will become increasingly common. What strategies do you have in place to accommodate the increasing numbers as a result of more premature babies surviving as medicine moves on?

[307] On social services, there is also an increasing number of elderly people, and there is a need to co-ordinate services regionally for the future, as the needs increase. It is not a standstill situation. There is a need to plan for future provision regionally.

[308] **Mr Thomas:** In terms of waste management, you are right that there are a lot of drivers in the system, not least the huge financial penalties in terms of infraction proceedings, which the EU could institute against authorities, particularly by 2011 and 2013. I was talking to the chief executive of Blaenau Gwent County Borough Council the other day, who told me that if he does not meet the targets around some of the landfill issues, he will face fines of £17 million, when he has a revenue budget of £120 million. That is a good incentive to sort it out. The result of that is that a lot of discussion is going on across authorities. This is not necessarily occurring regionally. We had a pie-in-the-sky idea at one time about having some sort of national Wales waste management contract, but it was too big. It does not work, as you cannot capture that sheer complexity in a national approach. However, there is clearly a case for having sub-regional working on waste management. We had a very interesting meeting around six months ago in Newport, to which we invited 10 waste management managers. There is a regional waste management plan that states that we need five mechanical biological treatment facilities in south Wales. We went around the table, and it became clear to us that we were talking about building eight. That is lunacy. The regional board in south-east Wales will have a dedicated discussion about that at its next meeting to see if we can work out what clusters come together, who can best work with each other, and what is possible. There are already resolutions to work together on this.

[309] On looked-after children, we have had presentations at the regional boards from Barbara Street and the children's commissioning support resource unit, and I would recommend that you ask Barbara to give a presentation to you on this subject. It is not just a social services issue; there are massive implications for local government budgets. We are not very good in Wales at saying what we are good at. If you read the trade journals for community care, social services and a range of other bodies, they are singing the praises of the National Assembly for establishing this commissioning resource unit, as it gives a central approach to the issue of looked-after children. It has been a slow process in that the information that we wanted on looked-after children was not out there. There were 22 different databases. The Care Standards Inspectorate for Wales had fragmented information. There was a whole range of problems, and that information has had to be pulled together. Now that we have it, we can do a type of regional commissioning over time, which I think can drive down costs. Quite frankly, we are being screwed to the floor by private sector suppliers in England. Some kids are now costing between £8,000 and £9,000 a week, I understand. So, it is big bucks. If we can drive that down, that would be great. I would recommend inviting Barbara to talk about this, because I think that it is a hugely interesting debate.

[310] Sorry, Dai, but I have forgotten what your last point was.

[311] **David Lloyd:** It was on social services, elderly people and increasing needs.

[312] **Mr Thomas:** In terms of social services, again, we are just about to set up a social services improvement agency. We have had Chris Davies, the director of social services for Cardiff, working for us as a consultant. Cardiff council is about to come out of the intervention that it has been under over the recent period, which is good news. We have seen the first few joint reviews come forward. Torfaen County Borough Council had a very good joint review. Carmarthenshire County Council had a very mixed picture; it was excellent on children services but poor on adult services. Powys County Council had a bad joint review, but, to be fair to its members, they have addressed the issue by redirecting £4 million of expenditure to social services. We have the Rhondda Cynon Taf County Borough Council joint review impending, and we are hoping for good news on that. So, there are some signs of some tangible improvements. Graham Williams quotes me on a number of occasions in this regard. He used to ring me up and say, 'We have just got the joint review for x', and my response would be, 'Oh no, not another one'. It has not been like that this time around. There is some real improvement in the pipeline around social services, but it seems to me that social services and social care should be an arena for joint working par excellence.

[313] I know that you had a presentation from Value Wales prior to this presentation. I think that Value Wales has some significant challenges on the back of this regional agenda, and I think that it should, in effect, regionalise. I do not know whether it does so or not, but it needs to link very closely to the new regional co-ordinators that we will have, because we need that type of procurement expertise in that unit, with people out there in the sticks doing the jobs on the ground. I think that that is something that we should all be encouraging.

[314] **Ann Jones:** Catherine?

[315] **Catherine Thomas:** Some of the points that I wanted to raise have been asked. On the point that Gwenda made with regard to measuring outcomes, which I think is very important, do you feel that more needs to be done in securing really effective measures? What are your thoughts on that?

[316] I am particularly interested in out-of-county SEN placements, and I have an example, which, I think, I have cited before, but it was raised again with me very recently. Two local authorities were involved in an SEN case, and we would have 18 or 20 officers in a room. Although you would have two counties represented, you would not see much collaboration. So, I very much welcome the improvement and progress in that area, because the centre of all of this is the child and how that child is supported.

[317] What consideration has been given to how proposed changes in the health service in Wales and the reconfiguration of the police in Wales may impact on joint working?

[318] Finally, is there any evidence of collaboration in relation to the Communities First programme and the sharing of good practice? I know that there are some partnerships in Wales that are working very well and others that need to catch up slightly. Do you have any thoughts on that?

[319] **Mr Roberts:** In terms of Communities First, I think that it is an area where, perhaps, there has not been sufficient collaborative working across boundaries, and it is certainly an area that would require that type of working, particularly from areas where Communities First is working particularly well. However, there are difficulties in some of the Communities First partnership areas that are not working as well. So, in that area of activity, if you like, this is something that we could develop and perhaps have not developed as fully as we should have at this stage. It is a point well made.

[320] **Mr Thomas:** In terms of health and the police, we now have a joint post in the WLGA, between us and the 22 local health boards, which we fund between the organisations. We are trying to work as closely as we can with the local health boards, not least around some of the concepts that are emerging in England, where people are starting to talk about local public service boards and directing resources to organisations on a multilateral basis. I understand that there was a bid from Monmouthshire County Council and Monmouthshire Local Health Board to do precisely that under the ‘Making the Connections’ fund.

12.20 p.m.

[321] There is a lot of dialogue between the WLGA and the health service, although I am still not convinced that some parts of the health service are as attuned to this agenda as, perhaps, local government is. From our point of view, we need to use the flexibilities that we have in the Health Act 1999 in terms of pooled budgets, and we need to start thinking about much more collaboration between local authorities and local health boards. One thing that I would point out—and I harp on about this whenever I talk about the local health boards—is that I cannot understand why the local health boards that have small capacity in some key areas do not buy more services from local government, particularly finance services. Local government has a range of financial expertise, and local health boards could purchase some of those services. Gwenda, you have 29 people in your local health board in Neath, and within Neath Port Talbot, Derek Vaughan has around 200 people in his finance department. I think that the health board could buy some services.

[322] In terms of the police, well—

[323] **Ann Jones:** We will wait to read the transcript from the Social Justice and Regeneration Committee meeting. Minister, would you like to add anything?

[324] **Sue Essex:** Everyone has commended the report, but it has been a huge change. I particularly commend the leadership of Steve and Russell in spearheading this change and mainstreaming it across the different authorities.

[325] I would like to add a couple of thoughts. As Mike said, we covered a lot of this ground early on, but I think that we have to look at how we develop this. The word ‘sovereignty’ has been used, and that is a fundamental issue for elected councillors. Many of us have been elected councillors, and we represented the ward and the authority, which often plays into expecting the services to be delivered, and knowing the people who are delivering the services. We have to rethink that and put the issue of the quality of public services on the front foot. The role of the councillor is to ensure the quality of public services. We need to think about the issue of governance and how we can change mindsets. The research on roles and responsibilities that we commissioned on backbenchers will help, but it is down to us to start doing some thinking with you on that.

[326] The other point that I wanted to pick up relates to Steve's opening comment that we are less knowledgeable about citizen-focused services. I think that that is true, and it comes from a long-standing paternalistic attitude in the public services towards the customer. That is often for the right reasons, but it does not always produce the right results. We have been quite good at consultation in various areas, but we have not been as good in involving the public in the design of services. There is a real scope to do this in social care. I come across many instances where the professionals think that they know best because they have come through the professional route and because they have been trained, but the truth is that they do not always know everything. We need to start breaking down some of that culture in service delivery and service design. That is a challenge in itself, but making that change to put in place a more citizen-focused service is a fundamental requirement.

[327] **Ann Jones:** I thank Steve, Russell and Paul for coming along. I thank Steve for being as open and as honest as he always is. That does not mean that we will increase your fee the next time that you appear. [*Laughter.*] With regard to your suggestion about the presentation on looked-after children, I wonder whether we should take a leaf out of your book and perhaps ask the Health and Social Services Committee whether we should hold a joint meeting, or at least have a joint presentation, to show that we can also do some joint working across our committees, if Members feel that that would be worthwhile. Thank you once again for coming.

12.24 p.m.

Trefniadau Etholiadol yng Nghymru: Cymeradwyo Adroddiad Ymgynghori'r Pwyllgor Electoral Arrangements in Wales: Approval of the Committee's Consultation Report

[328] **Ann Jones:** We have taken evidence on this subject for some time, and the consultation document is before us. We are hoping to get the document out before the end of May—it will need to be translated—for a three-month consultation period. We will subsequently look at the consultation response during the autumn term. We have also agreed that we should consult using the e-democracy project, and therefore we will put it on as an interactive forum for young people in attempt to get them to tell us their views on it. I ask you to agree to that. Virginia is overseeing the site and she is managing the e-democracy project for the Assembly Parliamentary Service. We need you to encourage Members to engage with that forum, and Virginia will give you more details about what it is doing. It also keeps Virginia's link with the committee for a little bit longer. So, are Members happy with those sets of way forward?

[329] **Michael German:** Presumably, there will be nice, printed hard copies of this for us to distribute through our political parties. It would be useful to have a set. We are not asking people to take thousands of them or for there to be a competition for who gives the most out. [*Laughter.*]

[330] **Ann Jones:** No, no. We will get some for Members to take out. There are also a number of papers to note. You will see that there is a paper from the Public Services Ombudsman for Wales. Adam Peat was meant to come to a meeting of this committee, but unfortunately we had to cancel it. We will invite him back in the autumn term, because we have only two other meetings this term. We will invite Adam to come to talk about his work in September.

[331] Before I let you go, we have all seen a hard copy of the report by Sir Michael Lyons, and as a committee we will meet him on 8 June.

[332] **Michael German:** That is another meeting—it is not one of the two remaining committee meetings. It is the third meeting.

[333] **Ann Jones:** Yes, it is the third meeting. I said that there were two remaining meetings, because for our third one we are in London meeting Sir Michael Lyons. That has now been changed to 10.30 a.m..

[334] **Michael German:** I understand that we will be meeting on the train, is that right?

[335] **Ann Jones:** We could do that, but I was wondering whether we could have an informal lunchtime meeting some time next week, or at a time when we could get Members together, so that we can start to think of themes for questions and a briefing. Virginia will write to ask you whether you can spare half an hour in your busy diaries to get together. Is that okay? I see that it is. Thank you very much.

[336] That is the end of the meeting. It is Virginia's last meeting, so I thank her for everything—it has been lovely working with you. I am sure that our paths will cross if we do more joint working with the Social Justice and Regeneration Committee, and I am sure that Members appreciate the hard work that you have put in. We also look forward to working with Lara Date, the new committee clerk.

*Daeth y cyfarfod i ben am 12.28 p.m.
The meeting ended at 12.28 p.m.*