



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyfrifon Cyhoeddus **The Public Accounts Committee**

Dydd Llun, 13 Hydref 2014
Monday, 13 October 2014

Cynnwys **Contents**

Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

Papurau i'w Nodi
Papers to Note

Y Bil Llesiant Cenedlaethau'r Dyfodol (Cymru): Gohebiaeth y Pwyllgor
The Well-being of Future Generations (Wales) Bill: Committee Correspondence

Craffu ar Gyfrifon y Comisiynwyr ar gyfer 2013-14: Comisiynydd Plant Cymru Scrutiny of
Commissioners' Accounts 2013-14: Children's Commissioner for Wales

Craffu ar Gyfrifon y Comisiynwyr 2013-14: Comisiynydd y Gymraeg
Scrutiny of Commissioners' Accounts 2013-14: The Welsh Language Commissioner

Craffu ar Adroddiad Blynyddol Cyngor Celfyddydau Cymru ar gyfer 2013-14 Scrutiny of
Arts Council of Wales Annual Report 2013-14

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir
trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

William Graham	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Jocelyn Davies	Plaid Cymru (yn dirprwyo ar ran Alun Ffred Jones) The Party of Wales (substitute for Alun Ffred Jones)
Keith Davies	Llafur Labour
Sandy Mewies	Llafur Labour
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Jenny Rathbone	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Nick Capaldi	Chief Executive, Arts Council of Wales Prif Weithredwr, Cyngor Celfyddydau Cymru
Richard Davies	Swyddog Cyllid, Swyddfa Comisiynydd y Gymraeg Finance Officer, Office of the Welsh Language Commissioner
John Dwight	Cynghorwr Annibynnol, Swyddfa Archwilio Cymru Independent Adviser, Wales Audit Office
Tony Evans	Pennaeth Gwasanaethau Corfforaethol, Comisiynydd Plant Cymru Head of Corporate Services, Children's Commissioner for Wales
Meri Huws	Welsh Language Commissioner Comisiynydd y Gymraeg
Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales
Keith Towler	Children's Commissioner for Wales Comisiynydd Plant Cymru
Hywel Tudor	Cyfarwyddwr Cyllid ac Adnoddau, Cyngor Celfyddydau Cymru Director of Finance and Resources, Arts Council of Wales

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

Richard Bettley	Y Gwasanaeth Ymchwil Research Service
Claire Griffiths	Dirprwy Glerc Deputy Clerk
Michael Kay	Clerc Clerk

*Dechreuodd rhan gyhoeddus y cyfarfod am 14:02.
The public part of the meeting began at 14:02.*

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Darren Millar:** Good afternoon, everybody, and welcome to today's meeting of the Public Accounts Committee. We agreed to take the first part of our meeting in private, but we are moving now into the public session. We have received apologies today from Julie Morgan and Alun Ffred Jones, and I am pleased to be able to welcome Keith Davies and Jocelyn Davies back to the committee. They are regular attenders on these sorts of occasions, so welcome to you both.

[2] I will just make the usual announcements and explain that the National Assembly for Wales is a bilingual institution, and that Members and witnesses should feel free to contribute to today's proceedings in either English or Welsh, as they see fit. There are headsets available for translation and sound amplification. I encourage people to switch off their mobile phones and remind everybody that, as this is a formal public meeting, the microphones will be operated automatically and nobody needs to press any buttons. In the event of a fire alarm, we should follow the directions from the ushers.

14:03

Papurau i'w Nodi Papers to Note

[3] **Darren Millar:** We have a few papers to note before we go into our evidence sessions. First of all, we have the minutes of the meeting held on 7 October. I will take it that those are noted. Secondly, on the management of chronic conditions, we have had a letter from the Chair of the Health and Social Care Committee informing us that it has considered the issue in relation to chronic conditions, as part of the general scrutiny that it had with the Minister. We have also had an update from Sir Derek Jones in relation to the evidence session that we held on the Welsh Government's consolidated annual accounts, just giving additional information that we requested of Sir Derek. Are there any issues to raise on that? No, I will take it that those papers are noted then.

[4] **Aled Roberts:** Can I just ask something for clarification? It seems, on the severance packages, that the four senior people have each been granted exactly the same amount of pay, or the equivalent of what is 17 months' pay back. Is there a standard policy that is disclosed by that, or is it just coincidence?

[5] **Darren Millar:** We could go back and ask for a copy of the policy in relation to those severance packages.

[6] **Aled Roberts:** And whether it applies to all grades of staff.

[7] **Darren Millar:** Okay. Are Members content to do that? Yes, okay. We will do that. I will take it that the correspondence is noted, and we will write.

14:05

Y Bil Llesiant Cenedlaethau'r Dyfodol (Cymru): Gohebiaeth y Pwyllgor
The Well-being of Future Generations (Wales) Bill: Committee Correspondence

[8] **Darren Millar:** We have received some correspondence. I know that we have discussed this, obviously, as a committee, in the past. The Environment and Sustainability Committee has been undertaking its Stage 1 scrutiny of this Bill. During that process, of course, the Auditor General for Wales has been providing evidence to the committee, and the committee has requested formally of the auditor general that he undertake some additional work in relation to the finances attached to that Bill, and the financial consequences for the public purse. The Finance Committee has also been looking at its scrutiny of the issue and has requested that we support the sustainability committee in requesting that the auditor general undertake a piece of work. Auditor general, did you want to say anything?

[9] **Mr Thomas:** No, other than, of course, that I am minded to do it, subject to your views. And just to say that, if you were to agree to my doing it, the funding is one that we would be drawing from the contingency budget that you agreed. My hope would be that we would be able to deliver a report certainly by the first week of December, at the latest.

[10] **Darren Millar:** If Members are content, then, as a committee, we can formally drop a note to the auditor general, just confirming that we support the fact that he should undertake this piece of work on behalf of the sustainability committee. Is everybody content? Excellent. We will move on, then.

14:06

Craffu ar Gyfrifon y Comisiynwyr ar gyfer 2013-14: Comisiynydd Plant Cymru
Scrutiny of Commissioners' Accounts 2013-14: Children's Commissioner for Wales

[11] **Darren Millar:** I am very pleased to be able to welcome to the committee today, for the first time on a session like this, Keith Towler, the Children's Commissioner for Wales, and Tony Evans, the head of corporate services, in the Children's Commissioner for Wales's offices. Welcome to you both. We note, of course, that you have published your annual report today as well, Mr Towler.

[12] This is obviously the first session that we have had with commissioners, and it is part of the new working practices that have been adopted by this committee. I suppose that the essential question that we need some assurance on is how taxpayers can be confident that the money that you are given to be able to spend is securing value for money for them.

[13] **Mr Towler:** Okay, thank you for that. Can I just say that it is an absolute pleasure to be here? It has taken me seven years to get to this committee, but I am absolutely delighted to have this opportunity to do so.

[14] You will be aware that I get just over £1.7 million of public money, and that I became the children's commissioner in 2008. There were many challenges facing me when I began as commissioner, and I wanted to make sure that the money that I had was directed to my purpose. The single aim of the children's commissioner is to promote and safeguard the rights and welfare of children and young people, which is a very large brief.

[15] In common, I suppose, with many people who begin work of this kind, I took a look at my organisation, and I restructured things. One thing that struck me when I became the commissioner was that I was spending about £67,000 on temporary staff. You will see in current accounts that I do not spend any money at all now on temporary staff. I introduced a

less hierarchical management structure into the organisation: we had 10 people in the organisation who had managerial responsibility; we now have five. We also reduced the staffing complement from 37 members of staff down to 27 full-time equivalent members of staff. So, I took a view that I needed to review job descriptions, to align that to a corporate plan, and to be very clear about the objectives that I wanted to set, as the children's commissioner.

[16] I know that Members here will be acutely aware that, in terms of the priorities that I set as children's commissioner, I have to see the world through the eyes of children and young people. I have to spend a lot of time understanding what it is that is important to them. So, in terms of value for money, I spend a lot of time meeting with children and young people, understanding the issues that are important. However, since 2008, I have published an annual report, obviously, every year, and I have used the powers that I have as the children's commissioner to review things like independent professional advocacy for looked-after children, and I have published reports on trafficking, on young carers—a whole series of issues.

[17] In terms of value for money, I think that the role of the commissioner is not just to get out there and to hear what children and young people have to say, but also to hold Government, local authorities, health boards, and others to account, to make sure that they do the best by children. So, making recommendations is one thing, and then seeing them through to tangible difference, I think, is another. If you looked at things like the provision of school-based counsellors now in every secondary school in Wales, you could plot that back to work that my predecessor did on the Clywch inquiry and to how I then picked up recommendations and saw those through. Involvement in things like the family justice review, which is a UK piece of work, has seen substantial change in the way in which family justice will be working, and the voice of children in family proceedings will be given much greater credence and profile.

[18] In the last year, my team and I have directly worked with over 6,000 children in terms of work that we have done in primary schools, secondary schools and on other visits. So, in terms of keeping that focus and maintaining that kind of value-for-money concern, I think that it has driven everything that we do as a team. In the seven years, I think that we have become a bit leaner and a bit meaner, in terms of our objectives—sometimes, that means that we have the courage to say 'no' if we want to see something through to a final solution. However, I would hope that the children and young people of Wales—as well as your good selves, obviously—would see that we have been hitting quite well for that £1.7 million that we receive.

[19] **Darren Millar:** Jocelyn, did you want to come in on this point?

[20] **Jocelyn Davies:** Yes. You mentioned working directly with 6,000 young people, I think that you said. However, you did not say anything about casework.

[21] **Mr Towler:** Of course. In terms of my involvement, as the commissioner, we get something like 400 or 500 cases or contacts, averaged out over the course of a year. There has been a shift in the casework. When I became commissioner, a lot of the focus was around education, and we have done lots of work around bullying in schools. Actually, in the last two or three years, that has rather shifted towards concerns around safeguarding and social services work. So, I have a team of four caseworkers. Two are based in my north Wales office, and two are based in the south Wales office. They are line-managed by my head of operations, who is part of the senior management team, and they receive calls and inquiries. They come in on telephone or maybe through e-mail, and more young people are making contact with me on social media, and that might lead to some casework. The casework is, of course, important, but there is a bit of a trick, for me, in terms of value for money. The trick is

that I am not a mainstream service provider. So, while, on the one hand, I want to encourage children, young people and their families and carers to get in touch with me if there are issues that concern them, it is not always appropriate for me to oversee the resolution of their concerns. Sometimes, we signpost to statutory or voluntary providers that are able to provide a front-line response.

[22] However, over half of those responses we deal with as casework. Some of that is very complex and can take quite a long time, and some of it can be over in a matter of days or weeks. However, the real trick, really, in relation to the casework, is how we use that to evidence the recommendations that we might make in bigger reports or bigger analyses. So, the trick always is to think through how we can help the individual child or family in the situation in which they find themselves, but the critical thing is how we can use that information to make sure that, if there is a systemic problem, or an issue that has a broader reach to more children who might find themselves in that circumstance, we use that to greater effect. There is a bit of a balance there, I think, in making sure that you do not just do the casework for its own sake, but that you match casework with policy and use that to hold people to account to do the right thing for all children who find themselves in that circumstance.

[23] **Jocelyn Davies:** I am sure that children who need support in a case would wish that you would just do it for the sake of the case. I think that there has been a shift away from casework within the office. Can I just ask a question on social media, because it was mentioned there? How much resource from your budget is devoted to social media?

[24] **Mr Towler:** Not a huge amount. We have a Twitter account and, of course, we have our website development. So, we have the commissioner's main website, the school ambassador website, and a See Me/Dyma Fi campaign website, which is about promoting positive images of children and young people. There is a Twitter feed that I oversee. What I think we are seeing—

[25] **Jocelyn Davies:** When you say that you oversee it, do you do it? Are you the tweeter?

14:15

[26] **Mr Towler:** Yes, I am the tweeter. I think it is really important to be the tweeter, not least because unless you have a genuine response when children and young people, or anybody else, for that matter, contact you and ask you for something—and some of you, I know, are genuine tweeters, too—it makes a difference. I will give you a quick example: last week, I was at Carmarthenshire's looked-after children celebrating success day, and there was a magician there. There were lots and lots of young people, and it was a fantastic show. He took a £20 note of mine, it disappeared, it turned up in a kiwi fruit, it emerged later, there was a massive round of applause. Some of the contacts I got afterwards, if it was not for me putting the tweets out that my £20 note had found its way into a kiwi fruit—. I know it sounds like a flippant point, but actually that is a really, really important point, because it is a very genuine response. To go back to the point you made about casework, I do not think that there has been a shift away. The numbers of cases that we deal with have been pretty consistent over the seven years; it has always been around the 400 to 500 mark. I think that the shift has been that we have to be much cleverer in making sure that, when we are able to support an individual child or family—. Cleverer in as much as we do the best we can for them, in the situation that they are in, but also cleverer in making sure that we use that information for greater effect. To give you a tangible example of that, I did a big piece of work on short breaks provision for children and young people with disabilities, and that came as a direct result of casework that we were picking up around short breaks provision, where families and carers were saying that, by the time their child reached their eighteenth birthday, services and

support disappeared. So, we had some cases in, we helped people, but using that information to write a report or to look into this at greater length, to enable me to come up with some recommendations for Welsh Government, health boards and local authorities about respite care, actually means that that casework not only supported an individual, but, hopefully, will support other children who find themselves in that circumstance.

[27] **Darren Millar:** I am going to bring Sandy in in a second, but I just wanted to ask a question first. You referred to the levels of management that you rationalised during your time in post. We have noticed, as a committee, that one of the unusual things about your staffing structure is that you are not the chief executive officer of your own office. Is that right?

[28] **Mr Towler:** Yes. Shall I explain the rationale behind that?

[29] **Darren Millar:** Please do.

[30] **Mr Towler:** When I became the commissioner, my predecessor had three assistant commissioners, one of whom was a deputy. In that first period, I took the view, when I looked at the structure of the organisation that, in quite a small team of people, we had, almost, three mini fiefdoms operating within the team. I wanted to separate out the operational daily delivery of the office, the casework function, policy work, how we respond to staffing issues, and all of those kinds of areas. I am required to appoint a deputy, and I decided that I would do away with the assistant commissioners, and I would have a deputy children's commissioner, which we appointed through open competition, but that deputy commissioner would also be the chief operating officer and the chief executive officer for the office of the commissioner. I think, in my second term, what became clear—we have been thinking about it in terms of the fact that, as you will be aware, the Welsh Government is appointing a third children's commissioner now, who will start on 1 March—is that the profiling of the office and the profiling of the commissioner are actually distinct things. I am the accounting officer; the buck absolutely stops with me for how we deliver services. The profiling of the office, the casework service that Jocelyn mentioned, the way in which we do the ambassador scheme, and how we support staff, in itself, is a massive job. I took the view that levels of awareness for the children's commissioner were quite low when I became the commissioner, and that, actually, the leadership function was quite distinct from the management function, and that I would be the leader, and I would appoint somebody to be the manager.

[31] **Darren Millar:** You are the only commissioner who does that, you see, which is why we wanted to pick up on it. Sandy Mewies.

[32] **Sandy Mewies:** Thank you, Chair. Just to go back to the value-for-money issue, which, as you recognise, is extremely important not just to the people who are sitting here, but to taxpayers, I am just wondering how you evaluate whether what you do has been value for money. Your office was set up under section 72 of the Care Standards Act 2000, and there is a role outlined within that. You also have a five-year programme, which includes such things as reducing inequality and discrimination and increasing the understanding of children's and young people's rights. However, what I cannot see—. You have been moving along with this for several years, but there does not seem to be a linkage to say, 'This year our budget will be shared between this, this and this on those priorities, and we will look at the end to see how much that has achieved'. The resource is not actually linked with the programme or the priority. I might have missed it, but how do you do that? It is something that you need to do, really, in a big organisation perhaps every 12 months, but perhaps for yourselves, with a smaller budget, every six months and every 12 months or something like that?

[33] **Mr Towler:** You will be aware that we have an audit and risk assurance committee that meets quarterly and, of course, the management team meets monthly. Every quarter, we

review where we are at in relation to the work programme. When we set, or when I set, the restructuring for the team—bearing in mind my thoughts at the time, which were that we had, in a very small organisation, these separate organisations—I took the view that the staff teams I had would all want to focus on delivering the work programme for the commissioner, and delivering that five-year corporate plan. So, 80% of my budget goes on staff costs. What that enabled us to do was have a greater level of freedom about what research we might commission or things we might commission ourselves, rather than having staff bodies that would do that for us.

[34] Tony can probably give you detail on project spend per area or per project and review and those kind of functions, but we review our targets really quite carefully. So, on things like awareness raising, for example, there was no bench line. There was a concern that awareness levels around the UN Convention on the Rights of the Child, and, indeed, the role of the commissioner, were quite low in 2008. We set a benchmark and we commissioned Beaufort Research to do research for us. In the latest annual report, it tells us that one in seven children would recognise that they have a children’s commissioner. That has increased quite steadily over the last few years. So, we know that some of the work we do around awareness raising is good. The challenge, I think, for the next commissioner is to get that even better.

[35] I think that the absolute target, really, in terms of levels of awareness and things we want to be moving towards, is how more vulnerable children and young people would know about the commissioner, for example. So, using that information, we can say there is a general level of awareness that is good. However, how many in the looked-after system would know that they can get in touch with their children’s commissioner? How many disabled children and young people or families with disabled children would know they could get in touch with the commissioner? So, it is about reviewing those targets all the time and keeping that focus steadily through. The audit and risk assurance committee provides us with that internal challenge, really, because it is very good at focusing our minds on how we use the resource to best effect.

[36] **Sandy Mewies:** So, would it be that committee, then, that would look at the balance for when you are planning your next budget? Would they be looking at that budget? Would they be the people saying, ‘You’ve been successful there’, or, ‘You’re getting to where you want to be’, or maybe, ‘You’re not so successful here—that is what you need to do’. First, is it that committee? Also, on 1 March, there will be a change position. What will you look at to be able to say, ‘We’ve expended resources very successfully in these areas’—because that is about ensuring that you get value for money, is it not?—as well as, ‘We’ve succeeded here’, or, ‘There’s more work to do here’? What would you say, looking at your five-year plan, you have succeeded in and what do you have to concentrate on? How will you—? You must have looked at those areas. You will be ready to hand that over in the legacy, will you?

[37] **Mr Towler:** Yes, that is what we are all working towards now in the last four or five months I have left. I will come back to that. In terms of the value for money and the role of the audit and risk assurance committee, yes, it is that committee that provides that challenge and we talk through that as a management team and work that through with it. We have also had an arrangement with Funky Dragon, the national assembly for children and young people in Wales, through quarterly meetings with the children and young people challenging me against the priorities we set and whether we were being successful or not. That is a really interesting and robust challenge from children and young people, particularly around whether this is making any real impact on their lives. So, it is about getting that information in and trying to gauge how we can do that, as well as thinking through the responsibilities of the audit and risk assurance committee, which says, ‘Is this good bang for your buck?’ Sometimes, children and young people have a very different view to adults. It is about squaring those two things up sometimes. In terms of impact, I am certainly thinking of producing some sort of legacy report, although I do not want to call it a legacy report because

that sounds very grand—

[38] **Sandy Mewies:** We know what we are talking about, do we not?

[39] **Mr Towler:** I am thinking of something that establishes what we have achieved, not just in my term, but over the 14 years of having a children's commissioner. We are a much more mature organisation and institution now. When I became commissioner, it was referred to very much as an organisation in its infancy, but here we are now 14 years later and you could not possibly say that.

[40] In terms of impact, when you look at the kind of things that we set and at whether that is value for money, there are things such as school toilets, up and down the land, that are massively improved. Is that directly as a result of things that we have done as a team, where we have decorated school toilets? No. Does it have anything to do with the profile that we gave that because children spoke to us a lot about it? Yes, I think that it does.

[41] If you look at wheelchair provision for children, in terms of the time that it takes to be measured and then to receive a wheelchair, those times are greatly reduced on where they were when I began. There are school based councils in every secondary school, and, hopefully, they are being rolled out in primary schools. Are children safer now than they were when Peter Clarke first set up office, in terms of safeguarding and child protection procedures? Yes, they are.

[42] I think that the children's commissioner and the office of the children's commissioner have played a really important part in a number of those developments. So, what we are thinking through, in terms of the end of my term and in preparing for an in-coming commissioner, is the production of a report that does not say, 'Look how clever we are and look what we have achieved' but draws attention to some of the triggers, the continual work with people on particular issues and the role we have played in holding people to account and working with them, inspiring them to do the right thing. It is definitely the case, in my view—and I would have this view because I have been the commissioner—that, without the commissioner, we would not have made the progress we have made in a number of areas. However, that does not mean that that report will not also identify huge challenges for an in-coming commissioner, not least because of austerity, if you think about the fact that there are more children living in relative poverty in Wales now than there were when I began as commissioner.

[43] **Darren Millar:** A couple of Members want to come in on this issue. Mike is first, and then I am going to come to Jenny.

[44] **Mike Hedges:** I have two points on this issue. The first one is that you said that one in seven children know about the existence of the commissioner. Do you know how that compares with ChildLine, for example?

[45] **Mr Towler:** I do not know exactly. I would imagine that ChildLine has a much greater profile than the role of the children's commissioner in Wales or in any other country of the UK for that matter—but its budget for marketing would be enormous, is all that I would say.

[46] **Mike Hedges:** The other thing is on school toilets. My experience of school toilets being improved is that it has been because the children have asked for it, and that what you have is governing bodies, one of which that I belong to, actually starting to ask the children what they want to see done to improve the school, rather than thinking that they know best. I am not sure whether that has anything to do with the children's commissioner; it is very much to do with a change in mindset. What more can be done to change the mindset to talking to

primary school children, especially, and to asking them what they want, rather than deciding what you think is good for them?

[47] **Mr Towler:** I could not agree more. I think the role of the children's commissioner has been really quite important in helping children and young people—almost giving children and young people permission—to talk about the things that are important and enabling adults in a variety of settings to respond to children. I know that you know this, Mike, but I oversee an ambassador programme in primary schools, where two children in the school will act as ambassadors for the children's commissioner, and they have done some fantastic work on things such as school dinners and school toilets. Most recently, Edwina Hart, when she was looking at Safe Routes to School, approached me and asked whether we would do what we call 'special missions' with children about their walk or journey to school and ask what it was that made it safe. There was an overwhelming message from children and young people right across Wales about the importance of lollipop people, at a time when local authorities and education authorities were thinking through spending cuts and when lollipop people became really quite vulnerable. However, when you see the importance and significance, through children's eyes, of lollipop people, it makes people stop and take notice. There is absolutely no doubt about that.

14:30

[48] What more could we do? I think we need to make sure that we have—I would like to see this in the Donaldson review of education services—a real commitment to educate children about the UN Convention on the Rights of the Child and the role of the commissioner and the importance of children's voices, to think through the governance arrangements in schools, where more and more school councils, ambassador projects and other projects are allowing or electing young people to be part of governing bodies and to start being part of the decision-making process. I think that that is critical to citizenship and democracy. I think that we will see a real increase in what this fantastic building does, what committees do here and how voice can make a difference.

[49] **Mike Hedges:** On the UN Convention on the Rights of the Child, I thought that you were going to say something nice about Swansea and the work that is being done there.

[50] **Mr Towler:** Well, I could say lovely things about Swansea and Pembrokeshire signing up to the UN Convention on the Rights of the Child, but that would be far too—

[51] **Darren Millar:** I will tick that off my Swansea bingo list for the week. [*Laughter.*] Jenny is next.

[52] **Jenny Rathbone:** Just picking up on your fourth priority, which is ensuring effective service delivery by all for children and young people, how do you square your value for money in that field, in terms of promoting good practice, with the rather critical comments in this year's annual report, which you have just published?

[53] **Mr Towler:** Yes, the critical comments are a reminder not to be too complacent about what, up to now, has been a well-deserved international reputation about Wales's commitment to the UN Convention on the Rights of the Child. The annual report makes it clear that I think that it is time to restate that commitment and set a very clear vision. In terms of working with those people who really make a difference in children's and young people's lives—I am thinking about local authorities, social workers, teachers in schools, nurses in our health services—as commissioner, it is important, I think, for me to get out to meet people, and not just children and young people, to understand the pressures that those front-line staff are under.

[54] The beauty of not being a politician—the beauty of being an independent, human rights institution, with all due respect to the politicians I am now addressing—is that I am kind of a different beast, a different kind of animal. Part of the work I do and one of the things that we thought through long and hard, particularly around the casework function, is about the fact that we could not really operate the casework function unless we had the confidence of people like the heads of children’s services across Wales and unless directors of education took us seriously. The last thing I wanted was a situation where one of my casework staff would phone a social worker and end up with the head of children’s services because they were petrified of the commissioner’s office getting in touch. In other words, I wanted to find a way in which we could respect the powers that exist for a children’s commissioner but work in partnership wherever we can to seek the lowest level resolution for a child. That means that you have to inspire confidence with those people who are delivering front-line services. You have to speak it as it is, and you have to be very clear about what it is you expect people to do. One of the things that we have been focusing on a lot really is that our commitment to the UN Convention on the Rights of the Child in policy terms and indeed in relation to the Measure we passed in Wales is clearly understood. What the role—

[55] **Jenny Rathbone:** So, how—

[56] **Mr Towler:** What the role of the commissioner is, if I just may finish, is to help practitioners to understand what rights-based practice looks like and how rights-based practice can make a difference for children. What I am seeing at the moment is much more call upon my policy team and people who run my participation side of things asking us how to engage with children and young people, what the policy drivers are for what they do and how they can develop rights-based practice. That is part of inspiring people to do the right thing. That is the promotional part of my aim in legislation—to promote and safeguard the rights and welfare of children.

[57] **Jenny Rathbone:** I am really just trying to pick up on how you use your casework or other examples of good practice to influence public services in the way that they deliver services—because we cannot go on delivering things in the way they have been before, because there are fewer resources there. So, in what way—. Can you give us a specific example of how you have promoted good practice that you have found in the delivery of your role?

[58] **Mr Towler:** We have talked about the school-based counselling, but perhaps the one that has been the hardest to crack—but I think we may be getting there—is the provision of independent professional advocacy for looked-after children and care leavers. When I reviewed it, I reviewed it on the back of casework evidence that was coming into the office that children and young people in the looked-after system were clearly not getting access to a statutory service. They were not getting access because they did not know about it and they were not getting access because, sometimes, social workers did not know about it either. However, what I found when I began to get my team to look into this was that, where advocacy worked really well for looked-after children, in particular, it bore unbelievably positive results. In other words, the service was one that was highly valued but which was really low level and invisible. We have independent professional advocacy services that are commissioned by 22 local authorities. When I reviewed it, using my statutory powers, I was concerned about the commissioning arrangements and the provision of advocacy and its promotion. I regret to say that the position now, in terms of the commissioning arrangements, is probably a bit poorer than it was even two years ago. However, I think that, now, we have Welsh Government, the Welsh Local Government Association, the heads of children’s services and the Association of Directors of Social Services and advocacy providers themselves working collaboratively towards what I hope will be a national model for delivering independent professional advocacy services.

[59] So, the clear commitment will be that we now have just over 5,000 children in the looked-after system, that we will have a system in place to make sure that every child in the care system knows that they can access the service and how they can access it in the locality and that advocacy providers will provide a good-quality service. That, hopefully, will be backed up by inspection and regulation. That was a service that had no inspection and regulation previously. So, I think that that is a pretty good example that matches the casework function to a real way of determining that the impact you make as the commissioner drives the improvement of service.

[60] **Darren Millar:** May I just remind Members and witnesses that we want to focus particularly on the financial aspects of the report rather than some of the wider aspects?

[61] **Jenny Rathbone:** Hopefully that will save quite a lot of money. Just looking at how you spend the £1.7 million that is attached to your office, you say that you use public transport where possible, but you have five vehicles that your office owns. I just wondered whether you could—

[62] **Mr Towler:** No, we do not have—

[63] **Jenny Rathbone:** You do not own them—

[64] **Keith Davies:** [*Inaudible.*]

[65] **Darren Millar:** You lease them.

[66] **Mr Towler:** Yes, we lease vehicles. I have a lease vehicle and we have a display van that we use for the promotional side of things. Tony, do you want to explain the leasing arrangement?

[67] **Mr Evans:** The leasing arrangement was started by Peter Clarke basically because of the necessity of his job to cover the whole of Wales and with the cost of his own car rather than a lease car, it was more cost-effective to have a lease car arrangement. That has continued with Keith's term of office. We own rather than lease the exhibition vehicle, and that is used to go to events such as the Urdd and the Eisteddfod. So, in a sense, we take the van there and therefore we do not incur any hire costs of tent space and that type of thing.

[68] **Jenny Rathbone:** That is one of the five vehicles.

[69] **Mr Evans:** We only have two.

[70] **Jenny Rathbone:** Oh, there are only two. It says five in the notes; that is all.

[71] **Darren Millar:** The number '5' refers to about £5,000 rounded up.

[72] **Mr Evans:** Yes, the cost is £4,800. It has gone up from the previous year by £100, which relates to an admin fee for the extension of Keith's term of office and therefore the lease.

[73] **Jenny Rathbone:** You have 27 point something full-time equivalent staff. Could you just explain why you have four members of staff earning over £55,000 given that it is quite a small staff?

[74] **Mr Towler:** That relates to the members of the management team. When I conducted the review of the office and looked at all the job descriptions and person specifications and the responsibilities that they had, I asked colleagues in Welsh Government to assist on a job

evaluation process. So, all the salaries, terms and conditions were set by advice to me that the responsibilities that those posts carried were similar in nature to other public service jobs.

[75] **Jenny Rathbone:** Do you think that there might in future be some possible savings made if you and the other commissioners looked at possibly sharing some of your costs for premises, accountancy, finance, human resources and that sort of thing, without in any way undermining your roles?

[76] **Mr Towler:** I think that there is some potential for that. I, as the children's commissioner, the Older People's Commissioner for Wales, the Welsh Language Commissioner and the Public Services Ombudsman for Wales have regular meetings and have set up a meeting later this year to see how we can collaborate even further. We have a memorandum of understanding between us and we try to assist each other whenever we can. To give you practical example of that, when the north Wales historic abuse issues arose, I made a very public call on that. As I said earlier, we have four caseworkers. There was every likelihood that we were about to be overwhelmed by calls coming in and we saw traffic coming into the office in a way that we have not seen before, certainly in my term. I asked the public services ombudsman, who was Peter Tyndall at the time, whether he would be able to provide me with some support if I needed it and he readily agreed. We did not have to draw that service down, but we do have those kinds of arrangements in place where we can assist each other. However, I think that you are right to raise this and I think that all of us as commissioners are up for looking at how we can work and collaborate even better than we have done in the past.

[77] **Jenny Rathbone:** We look forward to hearing about those possible developments.

[78] **Darren Millar:** I have a couple of Members who want to comment on the back of some of Jenny's questions. May I just ask one question about the lease car arrangements? You are the only commissioner—and all of the commissioners cover the whole of Wales—who has a lease car. You have suggested, or it has been suggested by Mr Evans, that there are cost benefits to having a lease car arrangement. Are you able to send us in a copy of the anticipated expenditure, had Mr Towler been operating his own vehicle versus—

[79] **Mr Evans:** I can provide the committee with a note of—

[80] **Darren Millar:** I am not being funny—£4,800 may not seem an awful amount of money, but for many households in Wales that is their mortgage payment, and you are driving round in it effectively.

[81] **Mr Towler:** I am driving round in it doing my job, but I am very happy to provide you with that breakdown.

[82] **Darren Millar:** I think that it would be interesting just to see whether you can demonstrate that it is worthwhile in terms of the investment. I am going to bring in Jocelyn and then Keith.

[83] **Jocelyn Davies:** I was going to ask a similar question, but of course that might compare very well with being reimbursed for your own car. It may be that it is a value-for-money calculation, but you are not aware of one being done—

[84] **Mr Towler:** Of—

[85] **Jocelyn Davies:** You were not aware of an evaluation yourself of the leasing, because this was an arrangement—. Did you say that it had been an arrangement with the previous commissioner?

[86] **Mr Evans:** Peter Clarke, as the first commissioner, established the need for a lease car. You are right that the arrangement continued when Keith was appointed, and I imagine that the same kind of discussion will probably take place with the new commissioner—

[87] **Jocelyn Davies:** Yes, but, you see, something that might have been value for money in 2000 may not be value for money now. So, has a re-evaluation of that been done in recent times? Not that you are aware of, obviously.

[88] **Mr Towler:** No—

[89] **Jocelyn Davies:** No, because it was just part of the remuneration package as far as —

[90] **Mr Towler:** No, it was not part of the remuneration package. It was definitely not advertised as ‘job plus car’. It was definitely advertised as just the job—

[91] **Jocelyn Davies:** However, it was custom and practice when you became—

[92] **Mr Towler:** When I became the commissioner and we talked through the objectives that I was going to set and how I was going to do it, it became clear to me that the previous postholder had a lease car, and that seemed like a sensible arrangement given the amount of travelling that I assumed I would be doing. However, you are right to raise it, and we can certainly do some cost-benefit analysis on that for you and send a note in, as you suggested.

[93] **Darren Millar:** It is an opportune time, given that there will be a new commissioner.

[94] **Jocelyn Davies:** Yes. Also, there has been a comparison with the other commissioners. You have senior staff. Are you the only one who does the all-Wales travel? Is that the case even with the chief executive? Is there not all-Wales travel with the frequency that you do it—

[95] **Mr Towler:** Not with the frequency that I do it. Just to give you a picture, I will get into the Swansea office or the Colwyn Bay office at least once a week, but I will be here and then I will be goodness knows where in Wales. So, most of my working week is a travelling week. I am sick of the sight of the inside of the car, I will readily say, but that is just the nature of what I do. However, I am very happy to do this cost-benefit analysis.

[96] **Jocelyn Davies:** Yes. As I say, I do not think that you need to be defensive about it. However, certainly, if this was something that was done a very long time ago, it is very well worth while doing something up to date, because you will have to do the same number of miles, whether it is your own car or a lease car.

14:45

[97] **Darren Millar:** There are train stations, of course, in Swansea and Colwyn Bay, and I am sure that that—

[98] **Mr Towler:** They are not in many of the locations where some of our children live.

[99] **Darren Millar:** I appreciate that.

[100] **Mr Towler:** They talk to me about that an awful lot.

[101] **Darren Millar:** We face the same issues as Assembly Members, travelling between north and south, as well. I call Keith Davies.

[102] **Keith Davies:** Rwyf am ofyn fy nghwestiwn yn Gymraeg. Roeddech yn dweud wrthym yn gynharach bod eich tymor yn dod i ben ar Ddydd Gŵyl Dewi ac y bydd rhywun yn cymryd drosodd, ond wrth i fi edrych ar y ffigurau yn eich adroddiad blynyddol, rwy'n sylwi bod y balans yn uchel iawn y flwyddyn hon a'r llynedd. A oedd rhyw gynlluniau gennyh yr oeddech eisiau cymaint o arian wrth gefn ar eu cyfer?

Keith Davies: I will ask my questions in Welsh. You told us earlier that your term is coming to an end on St David's Day and that someone else will be taking over, but as I looked at the figures in your annual report, I noticed that the balance is very high this year and last year. Did you have any plans for which you wanted so much money in reserves?

[103] **Mr Towler:** The reserve position, which is about £400,000, has accumulated over the 14 years of having a children's commissioner. I would say that we look at it every year and, certainly, if there was an issue that I wanted to respond to, we would dip into it and use it. It gives me some flexibility as an independent human rights institution. In terms of the budget process—and Tony can describe this better than I can—we submit our budget estimate in sort of October time and we get to hear what we will get usually in February or early March, if we are really lucky. We fly pretty close to the pound, sometimes, in hoping that the estimate will be what we are asking for, and, no doubt, we will be taking a cut in that.

[104] So, the reserve gives us some flexibility and we have not had to use it or cut into it when I have wanted to instigate an independent review. I will give you a quick example of that. When the north Wales historic abuse issue arose, during my time, there was considerable concern, and I took the view, given the information that I had, that it was really important to review what had happened. I called upon the Government to consider what it did, and it responded by setting up Operation Pallial. Lady Justice Macur is doing her own review. I remember sitting down with the team, as we were taking all of those calls while we were waiting to know what the Government would do, and thinking, 'Well, actually, if the Children's Commissioner for Wales has to do a review, that reserve we've got would be used for that purpose'.

[105] So, it provides me with some scope to be flexible about how we manage our budget. It helps me to have some independent thought, really, about how I wish to use my powers. However, we look at it very carefully, and it is something that we take very seriously in terms of making sure that we do not use it in a flippant way or whatever. I hope that that is helpful. Tony, do you want to add anything to that?

[106] **Mr Evans:** I would just say that I am in perfect agreement with Keith in the sense that the cushion there allows the office, or the commissioner, to consider what areas he might want to get involved in, rather than for him to be conscious of the fact that there is, perhaps, a potential financial barrier or that he would have to go to Welsh Government to seek additional funds if, in fact, what he was looking at was a service directly delivered by the Welsh Government and for there to be some conflict there.

[107] **Darren Millar:** So, what is your policy in terms of how big you are going to let this grow? Is it going to be a perpetually increasing figure, so that eventually it is a year's worth of expenditure?

[108] **Mr Towler:** I would not have thought that we were talking about a figure that is going to grow and grow.

[109] **Darren Millar:** Do you have a policy in terms of what level of reserves you hope to be able to—

[110] **Mr Evans:** We do not have a policy on the level of reserve, but I would agree that the use of the reserve in present financial times and climate enables the commissioner to carry out those functions, whereas, perhaps, in other circumstances relating to funding, he would be restricted.

[111] **Darren Millar:** Let us be clear about this: so far, it seems to be going up and up in every financial year. Is that right, Mr Evans? So, you do not anticipate there ever being any cap on the level of reserve that you anticipate the office of the commissioner holding.

[112] **Mr Evans:** At the moment, it is roughly in line with cash carryover under Treasury rules.

[113] **Darren Millar:** It is about 25% of your annual operating expenditure, is it not? It is very high.

[114] **Mr Evans:** It is over 14 years, where 2% would be allowed on the basis of a cash carryover for an Assembly sponsored public body. I am not suggesting that that is how it has occurred. It has occurred because we have made savings or we have not filled posts. We do not, as yet, have a policy, let us say, on what level of which reserves we would anticipate as being acceptable. We probably need to develop that kind of policy. However, equally so, I suppose, in a sense, Keith's term of office is coming to an end and a new commissioner is to be appointed, so it is one of those decisions on which we, on the management team, would need to have a discussion with the new commissioner, and the development of a five-year plan.

[115] **Darren Millar:** Or more appropriately, I suppose, directly with the Finance Committee, which will be scrutinising your budget for the next year. I am going to bring Sandy Mewies in, and then Jocelyn, who also has a question on this, I think.

[116] **Sandy Mewies:** It was the same subject, actually. It is quite surprising, in what you have said, that this has been happening over 14 years. Presumably it has gone up and up, and it is quite a comfortable question. How many times in your time have you dipped into it, and what for?

[117] **Mr Towler:** I have not dipped into it; not in a major way.

[118] **Sandy Mewies:** I mean in a substantial way. It is a substantial amount of money.

[119] **Mr Evans:** For the purpose of the question, the commissioner has not, during his term of office, dipped into the reserves for that sort of purpose. We have used some of the reserves for an operational type of expenditure, but we have not used the reserves for something on the lines of, say, Operation Pallial, or a Clywch-style review, because we have not had a Clywch-style review.

[120] **Darren Millar:** I am conscious that we need to make progress.

[121] **Jocelyn Davies:** What procedure would you have to go through in order to access the reserves? Would you have to put a special case to the board? You do not know.

[122] **Mr Evans:** As part of our work plan planning, which starts basically in September time, if there was an identified piece of work that required a substantial amount of money and our budget lines could not provide that, the ultimate is to go to the reserve and allocate an amount of money from that. So, in that sense, a business case would be developed in relation to our strategic planning.

[123] **Jocelyn Davies:** You said that the other option would be to go to the Welsh Government, which might be reluctant if it was an investigation into something that it directly provided, but it does not provide direct services. The Welsh Government does not directly provide services to children, does it?

[124] **Mr Evans:** No, but if we were to examine something that would perhaps be sensitive to the Welsh Government, it would be, perhaps—. I am not suggesting that it would necessarily say ‘no’, but there would be, let us say, a harder approach to take than if there was that cushion that we had—

[125] **Jocelyn Davies:** That is because you need to keep your independence from the Welsh Government.

[126] **Mr Evans:** In that sense, yes. That is how a potential conflict might occur. I am not suggesting that that has occurred with our relationship with the Welsh Government.

[127] **Darren Millar:** Let us move on, then. I now turn to Aled Roberts.

[128] **Aled Roberts:** Jyst i ddelio â hynny, o fewn y broses ariannol sydd wedi dechrau rhyw fis yn ôl ynglŷn â chyllideb y flwyddyn nesaf, a oes unrhyw fwriad i ddefnyddio rhan o'r arian wrth gefn ar gyfer unrhyw beth?
Aled Roberts: Just to deal with that, within the financial process that commenced around a month ago regarding next year's budget, is there any intention to use some of the reserve for any particular purpose?

[129] **Mr Evans:** The answer to your question is ‘no’. We have not as yet highlighted any particular programme or work that would require a substantial amount of money, that is, therefore, the use of reserve.

[130] **Mr Towler:** May I just add one thing to that? Of course, we are into a transition period at the moment between one commissioner and the next. I know that the management team and we have discussed this at the audit and risk assurance committee in relation to that process. We have to think it through very carefully—and it happened when I became the commissioner—because there are certain responsibilities that you have to work programme commitments that are set by the commissioner, whoever it happens to be. What the management team is working towards is creating sufficient flexibility in budgets for an incoming commissioner to set their own priorities, but being very clear about what ongoing responsibilities they have to fulfil and obligations that have already been made.

[131] **Darren Millar:** I am sorry, but when you present your estimates on an annual basis, there is no talk of needing to have a bit of extra there in order to build up capacity for flexibility for a new incoming commissioner. It is always, to the button, ‘We need this volume of money’. I just do not accept this argument that this has been stored up for a certain—. You have acknowledged, Mr Evans, that you do not even have a policy about the level of the reserve that the office of the commissioner needs to hold. So, there can, therefore, not be a policy to stack up some cash to allow flexibility for the new commissioner who is coming in, whoever that commissioner might be.

[132] **Mr Evans:** The flexibility exists for the commissioner to determine. We are not suggesting that that is in the process, or that that is how we have done on the estimates. The estimates have built up that reserve—

[133] **Darren Millar:** But, the commissioner is going to rely on your advice.

[134] **Mr Evans:** The reserve has been built up after 14 years' worth of various decision making and processes that have taken place beside Keith and the previous commissioner.

[135] **Darren Millar:** But, Mr Evans, with respect, you are the person responsible who is holding the purse strings and who provides advice to the commissioner and the chief executive—the deputy commissioner. What advice have you ever given about the level of reserve within the organisation?

[136] **Mr Evans:** At a particular level, I would probably have to answer that as ‘none’, but basically relating to the use of the reserve, it is made perfectly clear to both the accounting officer and the chief executive that the reserve exists should we need it. So, that does not prevent the activity of the commissioner.

[137] **Darren Millar:** Okay, we will move on from that then.

[138] **Jocelyn Davies:** Could I ask the commissioner something? When you came into post this reserve existed, although it was smaller then. Were you told that you have this headroom in case you wanted to do something different?

[139] **Mr Towler:** No. It was never presented to me in that way, although, I was intrigued to know what flexibility I would have. I do not know whether you are going to ask me the question about the relationship with Welsh Government, but it is an interesting one for the corporation sole to receive—you know, to put that budget estimate into the Welsh Government, the very Government I attempt to hold to account. So, I was intrigued by how that worked, but it was never presented to me in the way that you describe. It was always in the back of my mind, and it came right to the front of my mind when we had the north Wales historic allegations being made, and the position that I took very publicly was: how would I deliver on what I set out to do if I could not persuade, or be part of persuading, the Government of the day to conduct independent reviews itself?

[140] Therefore, that has always been around for me and the relationship between me and Welsh Government has always been a really productive one. It has never attempted to interfere in my priorities or how I spend things. However, I have always thought that the relationship is not the right one; even though it probably works reasonably well, it is just not right.

[141] **Darren Millar:** I am so sorry that we have taken a while over that issue, but it is important that we get it on the record. We have three Members who will want to come in before we wrap this session up. Aled is next, then Mike and William.

[142] **Aled Roberts:** Rwyf jest eisiau troi at rai o'r ffigurau sydd wedi cael eu datgelu yn y cyfrifon. Mae nodyn 4 i'r cyfrifon yn dangos cynnydd o £18,000 mewn gwariant costau gweinyddu eraill yn ystod y flwyddyn, ond nid oes esboniad o'r hyn sy'n cael ei gynnwys o fewn costau gweinyddu eraill. Beth yw'r rheswm, os oes un, dros y cynnydd?

Aled Roberts: I just want to turn to some of the figures revealed in the accounts. Note 4 to the accounts shows an increase of £18,000 in other administrative expenditure during the year, but there is no explanation as to what is included within those other administrative expenditures. What is the reason for any increase, if there is a reason?

[143] **Mr Towler:** Tony can give the detail, but it is essentially project costs that overrun from one year into the second year. I am sure that Tony can give you the breakdown of what those costs relate to.

[144] **Mr Evans:** It might be easier if I could provide a note, rather than go into the detail, but there are various projects that we—. There is a timeline. Some projects take place and some do not and then there is movement in those. So, it is accounted for by actual project

work.

[145] **Aled Roberts:** Jest yn yr un modd, i ddangos ein bod yn barod i'ch parchu chi o ran arbedion ac nid jest beirniadu o ran cynnydd mewn costau, mae gwariant ar dechnoleg gwybodaeth wedi gostwng £16,000; a yw hynny am resymau tebyg, neu a oes arbedion sydd—? A yw hwn yn mynd i fod yn ffigur sy'n cael ei weld o flwyddyn i flwyddyn o hyn ymlaen gan eich bod wedi arbed ar rywbeth?

Aled Roberts: Likewise, just to show that we are willing to praise you where there are savings and not just criticise where there are increases in costs, expenditure on information technology has decreased by £16,000; is that for similar reasons, or are there savings that—? Is this a figure that will be seen year on year from here on in as you have made those savings there?

[146] **Mr Evans:** The answer to the 2013-14 accounts is that certain project work had not taken place and will take place later.

[147] **Mike Hedges:** Could I just ask you about your pension scheme? On the last actuarial valuation, was it in a financially sound position? What is the position of people who are buying added years, or transferring money in? Is that putting pressure on the scheme?

[148] **Mr Towler:** I will defer to Tony for this.

[149] **Mr Evans:** Not wishing to be disrespectful, but that is more a question for the principal civil service pension scheme. The scheme itself is administered by MyCSP—My Civil Service Pensions. It is an unfunded scheme. Employers make contributions and individuals also make contributions. Some individuals wish to make additional voluntary contributions, so it is at the behest of the individual.

[150] As to the valuation, the last one was in July 2007, which has now come back out as a revised valuation that was recently announced. That has no impact on employer contribution rights, but because the whole pension scheme is changing, that will change in April 2015 with a revised set of contribution rates for employees.

15:00

[151] **Mike Hedges:** So, your contribution rates are not going to change.

[152] **Mr Evans:** From the point of view of the employer, no, but of the employees, yes.

[153] **William Graham:** In your governance statement, you say that

[154] 'key strategic risks are assessed by the Management Team.'

[155] Could we ask: does this include any risks on financial matters, when matters are not cash, as indicated there?

[156] **Mr Towler:** No, indeed. Tony, do you want to—?

[157] **Mr Evans:** I am sorry, could you repeat the question?

[158] **William Graham:** Yes. What risks have you assessed for financial matters?

[159] **Mr Evans:** The main risk that we have identified in relation to financial matters is the actual draw-down arrangements that we have with the Welsh Government and the structure in place, which is that the draft estimate is presented to the Welsh Government in October and

then we are not informed until around February. One of the knock-on effects of the Welsh Government's review of the commissioner's remit and powers is the implication of which part of the Assembly we would report to or be scrutinised by. I think that, as the Chair mentioned, the Finance Committee at the moment carries out very little scrutiny of our budget. We welcome the ability to be scrutinised on what we see as the long-term plan for the commissioner and to answer those questions, which are provided by yourselves, so we welcome that—

[160] **William Graham:** You have had an independent review. Did that focus on any particular financial arrangements you ought to improve?

[161] **Darren Millar:** This was the Baker Tilly review, was it?

[162] **Mr Towler:** It is our internal auditor, and we agree a programme every year of particular areas for it to look at. It has looked at finance and human resources, communications, and our policy function. In terms of our casework function, we agreed that we would bring in particular specialists to help us there, because it was a particular expertise that internal audit did not feel was right for it. It produces reports, which, of course, go to the management team, but also to the audit and risk assurance committee. In the last few years, we have had very good audit responses, and I am very pleased with my staff team, which works really hard to make sure that our systems and processes in relation to governance are where they should be.

[163] **Darren Millar:** In terms of the audit and risk management committee—I promise that this will be the last question—how are those members appointed? Who appoints those members?

[164] **Mr Towler:** I appoint those members. We go to public advert, but it is me, the commissioner, who appoints those members, and I would say that they are not remunerated. We do not pay them. They get expenses, but there is no day rate or anything like that that we pay. I would just like to put on record how grateful I am for the hard time that they give me.

[165] **Darren Millar:** So, they give you sufficient challenge.

[166] **Mr Towler:** Oh, yes. You would be more than welcome to come to any audit and risk assurance committee meeting, just to see it in practice. I rely very heavily on that. It is not a flippant point. The corporation sole status is unique in terms of what it feels like, and having people around you who you know will be robust in their challenge makes me sleep well.

[167] **Darren Millar:** Are there any further questions from Members? If there are not, this brings this part of our meeting to a close. Thank you very much, Keith Towler and Tony Evans, for your attendance today. We look forward to receiving the additional information that you promised that you would send in due course. You will be sent a copy of the transcript of the proceedings, and if there is anything inaccurate there, send a message to the clerks and we will get it amended. Thank you very much indeed.

15:05

**Craffu ar Gyfrifon y Comisiynwyr 2013-14: Comisiynydd y Gymraeg
Scrutiny of Commissioners' Accounts 2013-14: The Welsh Language
Commissioner**

[168] **Darren Millar:** Continuing with this afternoon's meeting of the Public Accounts Committee and our scrutiny of commissioners' accounts for 2013-14, I am very pleased to be

able to welcome to the committee for the first time on this subject Meri Huws, the Welsh Language Commissioner, and Richard Davies, the finance officer at the office of the commissioner. Welcome to you both. Just to explain, this is a first for the committee; it is what we hope will become an annual event in the calendar. The opportunity to discuss the audited accounts and financial statements is something that we are taking up with all of the commissioners in Wales this year and in future years.

[169] The purpose, of course, is for this committee to try to establish whether the money that is given to your office is being spent wisely and whether taxpayers are getting value for money from it. So, if you can just make an opening statement as to whether you think we can be confident that we are getting value for money from you and your office, Meri Huws, we would appreciate that. We will then go into questions. Diolch.

[170] **Ms Huws:** Diolch yn fawr am y cyfle i ymddangos o flaen y pwyllgor hwn. Rydym yn sefydliad newydd o hyd. Rydym wedi bod yn gweithredu am ychydig dros ddwy flynedd a hanner, ac rydym yn edrych ar gyfrifon yr ail flwyddyn o weithredu fel sefydliad. Fel y gallwch chi ddychmygu, wrth sefydlu corff newydd yng Nghymru—a hoffwn bwysleisio mai corff newydd oedd swyddfa Comisiynydd y Gymraeg, a gafodd ei seilio ar yr hyn a gosodwyd allan yn Mesur y Gymraeg (Cymru) 2011—roedd yn eithriadol o bwysig i fi fel y comisiynydd cyntaf i sicrhau nifer o bethau: yn gyntaf, fy mod yn gweithredu yn briodol o fewn y ddeddfwriaeth—darn o ddeddfwriaeth a oedd yn deillio o'r adeilad hwn; yr ail beth, yr hyn roeddwn yn ymwybodol iawn ohono fe oedd y ffaith fy mod i, a'n sefydliad ni, wrth weithredu ein swyddogaethau yn defnyddio arian cyhoeddus, arian dinasyddion Cymru, ac roedd cyfrifoldeb arnaf nid yn unig o ran llywodraethiant ond tuag at y trethdalwr i sicrhau gwerth am arian. Hoffwn ddisgrifio, yn weddol fanwl sut aethon ni o gwmpas sefydlu'r corff hwn a beth oedd y meini prawf a ddefnyddion ni wrth ofyn y cwestiwn, 'Beth yw gwerth am arian?'

Ms Huws: Thank you very much for the opportunity to appear before this committee. We remain a new institution. We have been in operation for a little over two and a half years, and we are here considering the accounts of our second year of activity as an organisation. As you can imagine, in establishing a new body in Wales—and I would like to emphasise that the Welsh Language Commissioner's office was a new body, which was set up in light of what was set out in the Welsh Language (Wales) Measure 2011—it was exceptionally important for me as the first commissioner to ensure a number of things: first, that I was acting appropriately within the legislation—a piece of legislation that emerged from this very building. The second thing, something that I was most aware of, was the fact that I, and the institution, in exercising our functions, were using public money, the money of the citizens of Wales, and there was a responsibility upon me not only in terms of governance but towards the taxpayer to ensure value for money. I want to describe, in some detail, how we went about establishing that body and what the criteria adopted were in asking the question, 'What constitutes value for money?'

[171] Felly, yn y man cyntaf, mae Mesur y Gymraeg (Cymru) 2011. Mae'n ddarn weddol hir o ddeddfwriaeth; mae'n ddarn sy'n 278 o dudalennau o ddeddfwriaeth. Fe aethom drwy hynny gyda chrib mân yn edrych ar beth oedd ein swyddogaethau statudol o fewn y Mesur. Fe dreulion ni amser, wedyn, yn holi ac yn edrych ar dystiolaeth ac ar ymchwil o sawl gwahanol le, i benderfynu, a chymryd y cyfrifoldebau statudol hynny, beth oedd y cyfeiriadau strategol y dylem eu cymryd. Cymerodd rai

Therefore, in the first place, you have the Welsh Language (Wales) Measure 2011. It is a relatively lengthy piece of legislation; it is 278 pages of legislation, in fact. We went through it with a fine-toothed comb in order to identify our statutory functions within that Measure. We spent some time, then, questioning and looking at evidence and at research from a number of different sources, to decide, given the statutory responsibilities set out therein, what strategic directions we should take. It was some months before we

misoedd i ni dynnu hynny at ei gilydd yn gynllun strategol cyntaf y comisiynydd.

drew all of that together as a first strategic plan for the commissioner's office.

[172] Ni aethom ar hast i wneud y gwaith hwnnw; safon ni yn ôl, edrychon ni a gofynnwn ni ar sawl pwynt yn y broses honno, 'Beth yw gwerth am arian?' Fel rhan o'r trafodaethau hynny, fe droeon ni at Archwilydd Cyffredinol Cymru. Fe gawsom ni drafodaethau yn nyddiau cynnar y sefydliad ynglŷn â gwerth am arian a phriodoldeb gweithredu. Yn dilyn hynny, wedi siarad â chomisiynwyr eraill, fe greon ni gynllun strategol, gyda phum amcan strategol a 30 o flaenoriaethau—fframwaith lle'r oedd modd i ni benderfynu sut rydym yn defnyddio ein hadnoddau, pa gyfeiriad strategol oedd yno wrth inni ddefnyddio arian cyhoeddus, a beth roeddwn yn ei ddisgwyl, yn y man cyntaf, fel allbynnau. Felly, o osod amcanion strategol, a blaenoriaethau y tu ôl i'r rheini, roedd modd i ni, ar lefel blynyddol, osod cynllun gweithredol yn ei le, gyda thargedau, gyda chyllideb yn eistedd ochr yn ochr â'r targedau hynny, ac wedyn, cyllideb o ran swyddogion a rhaglenni.

We did not carry out that work in haste; we took a step back, looked at the requirements and we asked at a number of points during that process, 'What constitutes value for money?' As part of those negotiations, we turned to the Auditor General for Wales. We held discussions in the early days of the organisation in terms of value for money and the appropriateness of action. Following that, and having spoken to other commissioners, we then drew up our strategic plan, with five strategic aims and 30 priorities—it was a framework whereby we could decide how we used our resources, what strategic direction of travel was to be as we made use of public funds, and what initially we expected as outputs. Therefore, in setting strategic objectives, and priorities to back those up, we could then, on an annual basis, put an action plan in place with targets and with a budget that went alongside those targets, and then a budget in terms of officials and programmes.

[173] Rwyf wedi disgrifio beth sydd yn broses ddigon clasurol o ran gosod cynllun strategol yn ei lle-mewnbynnau ac allbynnau. Fodd bynnag, roedd cwestiwn sylfaenol wedyn, ac mi wna i ofyn y cwestiwn yn Saesneg, fel roeddem yn gofyn i'n hunain yn Saesneg: *so what?* Dyna oedd yn eithriadol o bwysig i ni wrth weithredu'r cynllun strategol—sut oeddem ni yn gweld beth oedd traweffaith a budd ein gwaith ni. Cymeraf yr amcan strategol cyntaf—dylanwadu ar ystyriaethau polisi yng Nghymru. Mae'r adroddiad blynyddol yn dweud ein bod ni wedi ymateb i 46 o ymgynghoriadau'r Llywodraeth. Rydym wedi ymateb i ddeddfwriaeth ac rydym wedi ymateb i Bapurau Gwyn a Gwyrdd. Ond mae cwestiwn sylfaenol wedyn, sef beth yw effaith a thraweffaith a budd gwneud hynny. Felly, yr hyn rydym wedi bod yn ceisio ei wneud yw gosod i mewn, ochr yn ochr â meini prawf o ran mewnbynnau ac allbynnau, sut rydym yn mesur budd.

I have described what is a pretty classic process in terms of putting a strategic plan in place—inputs and outputs. However, there was a fundamental question then, and I will ask this question in English, as we asked ourselves in English: so what? That is what was exceptionally important to us in implementing the strategic plan—how did we see the impact and benefit of our work. I will take the first strategic objective—influencing policy considerations in Wales. The annual report states that we have responded to 46 Government consultations. We have responded to legislation and we have responded to White and Green Papers. However, there is then the fundamental question of what the impact and benefit of doing so is. Therefore, what we have endeavoured to do is to include, along with criteria in terms of inputs and outputs, how we measure benefit.

[174] Fe wna i roi esiampl i chi. Un o'r darnau mwyaf o waith a wnaethom yn y flwyddyn yma oedd yr ymholiad iechyd—ymholiad statudol i ofal sylfaenol yn y

I will give you an example. One of the major pieces of work that we did this year was the health inquiry—a statutory inquiry into primary care in the community. It was a piece

gymuned. Darn o waith y gwnaethom ni oherwydd bod y cyhoedd wedi dweud mai maes iechyd a gofal oedd un o'r meysydd pwysicaf iddyn nhw o ran defnydd o'r Gymraeg. Felly, fe benderfynon ni ddefnyddio ein pwerau statudol i ymgymryd â'r ymholiad iechyd a gwneud darn sylweddol o waith yn casglu tystiolaeth oddi wrth ddarparwyr, cynllunwyr polisi, ac oddi wrth Weinidogion iechyd yn y fan hyn. Hefyd, er mwyn cael ateb rhannol i'r cwestiwn budd yna, fe wnaethom ni ddarn o waith gyda defnyddwyr y gwasanaeth. Fe gynhalion ni arolwg o brofiad defnyddwyr yng Nghymru—1,000 o ddefnyddwyr y gwasanaeth. Mae hynny wedi rhoi pictiwr i ni a gallwn ddefnyddio'r pictiwr hynny ac ailgynnal y gwaith yna mewn blwyddyn, dwy, neu dair, wrth i'r argymhellion gael eu gweithredu. Felly, gallwn weld canlyniad gweithredu'r argymhellion, ond gallwn hefyd weld yr effaith ar ddefnyddwyr y gwasanaeth. Rwy'n gobeithio bod hynny yn rhoi pictiwr mwy cyfoethog i ni o'r broses o gynnal yr ymholiad, a rhywbeth sydd yn fwy cynaliadwy o ran dealltwriaeth—nid jest gweithredu ar argymhelliad, ond gweld pa effaith mae hynny yn ei gael ar brofiad pobl yn byw yng Nghymru.

[175] Dyna'r math o gwestiynau rydym yn eu gofyn gam wrth gam, ac mi allaf ddweud, wrth ein bod yn symud ymlaen, erbyn yr adeg hon y flwyddyn nesaf, mi fyddwn yn rheoleiddwyr; mi fyddwn yn gweithredu o dan y gyfundrefn safonau a byddwn yn rheoleiddio cydymffurfiaeth y sefydliad yma a Llywodraeth Cymru gyda safonau yn ymwneud â'r Gymraeg. Un o'r pethau y byddwn yn ei wneud, ochr yn ochr â'r broses o sicrhau cydymffurfiaeth, fydd cyhoeddi yn flynyddol adroddiad sicrwydd. Nid jest adroddiad sydd yn adrodd a ydyw'r cyrff yma i gyd wedi cydymffurfio ar safonau, ond byddwn yn cyhoeddi adroddiad sicrwydd a fydd yn edrych ar ba effaith y mae hynny yn ei gael ar fywydau defnyddwyr y Gymraeg yng Nghymru. A ydyn nhw'n cael budd o'r gydymffurfiaeth yma? A oes unrhyw beth yn newid oherwydd eu bod nhw'n cydymffurfio â safonau? Felly, o flwyddyn nesaf ymlaen, ochr yn ochr â'n hadroddiad blynyddol ni, rydym ni yn mynd i fod yn cyhoeddi adroddiad sicrwydd ar ein rôl rheoleiddio.

of work that we did because the public had told us that health and care was one of the most important areas for them in terms of the use of the Welsh language. Therefore, we decided to use our statutory powers to undertake that health inquiry and to do a significant piece of work gathering evidence from providers, policy planners, and from health Ministers here. Also, in order to have a partial answer to that question of benefit, we did a piece of work with service users. We conducted a survey of the user experience in Wales—a 1,000 service users. That has given us a picture and we can use that picture and repeat that work in a year, in two years, or three years as the recommendations are implemented. Therefore, we can see the outcome of implementing the recommendations, but we can also see the impact on service users. I hope that that gives us a richer, more complete picture of the process of carrying out the inquiry, and something that is more sustainable in terms of understanding—not just taking action as a result of a recommendation, but seeing what impact that that has on people's experience of living in Wales.

Those are the kinds of questions that we ask on a step by step basis, and I can say, as we progress, by this time next year, we will be regulators; we will be working under the standards regime and we will be regulating the compliance of this institution and the Welsh Government in terms of standards relating to the Welsh language. One of the things that we will do, along with that process of ensuring compliance, is to publish on an annual basis an assurance report. It will not just be a report that covers whether all of these bodies have complied with standards, but we will publish an assurance report that will look at what impact that is having on the lives of users of the Welsh language here in Wales. Do they benefit from this compliance? Does anything change because they are complying with standards? Therefore, from next year onwards, along with our annual report, we will be publishing an assurance report on our regulatory role.

[176] I orffen—ac rwy'n addo y gwnaf orffen yn y fan hyn—wrth edrych ar gwestiwn gwerth am arian, mae perygl, wrth gwrs, ichi edrych i lawr at eich traed a pheidio edrych allan a meincnodi yn erbyn sefydliadau eraill. Dyna le rwy'n ddiolchgar iawn am gymorth a chyngor yr archwilydd cyffredinol yma yng Nghymru—cyngor i edrych ar gomisiynwyr eraill ac ar gyrff cyhoeddus eraill yng Nghymru, a meincnodi o ran gwariant a defnydd o adnoddau. Fodd bynnag, rydym wedi cymryd hynny ychydig o gamau ymhellach. Rydym yn gwneud hynny ond rydym hefyd yn defnyddio'r corff sy'n cynrychioli ombwdsymyn yng Nghymru a Phrydain. Mae gan y corff hwnnw ganllawiau hefyd ynglŷn â'r hyn sy'n briodol i ombwdsmon o ran gweithredu. Mae darn o'n gwaith ni yn debyg iawn i waith yr ombwdsmon o ran delio â chwynion. Felly, o ran meincnodi, byddwn yn edrych tuag at y corff hwnnw i gael y meincnod hwnnw, nid yn unig yng Nghymru ond y tu fas i Gymru hefyd.

15:15

[177] Yn olaf, fel rwy'n adrodd yn yr adroddiad blynyddol, mae corff rhyngwladol o gomisiynwyr iaith. Mae 11 comisiynydd iaith yn y byd ar hyn o bryd. Mae rhai ohonynt â blynyddoedd lawer o brofiad, yn arbennig y comisiynwyr sy'n gweithredu yng Nghanada. Fel rwy'n ei ddweud, mae cymdeithas yn ein cynrychioli, sy'n gorff gweddol o newydd. Ar hyn o bryd, ni sy'n cynnig ysgrifenyddiaeth y corff hwnnw. Un o'r pethau rydym yn ceisio ei wneud yw datblygu safon ISO o ran beth yw'r ffyrdd o fesur gwerth am arian a budd gwaith comisiynwyr iaith. Rydym i gyd yn gweithredu mewn cyfundrefnau gwahanol iawn, ond mae rhai pethau hollol sylfaenol y gallem fod yn eu datblygu, a ffyrdd o fesur lle rydym yn gallu edrych ar draws y byd, edrych ar brofiad y defnyddiwr a defnydd o arian cyhoeddus er mwyn inni fesur ein perfformiad ein hunain.

To conclude—and I promise to conclude on this point—in looking at the issue of value for money, there is a danger, of course, that you look downwards towards your feet rather than looking outwards and actually benchmarking against other organisations. That is where I am very grateful for the advice and assistance of the auditor general here in Wales—advice to look at other commissioners and at other public bodies in Wales, and to benchmark in terms of expenditure and use of resources. However, we have taken that a few steps further. We are doing that but we are also using the body representing ombudsmen in Wales and Britain. That body also has guidance on what is appropriate for an ombudsman in terms of their operation. Part of our work is very similar to that of an ombudsman, in dealing with complaints. Therefore, in terms of benchmarking, we will be looking towards that body to get that benchmark in place, not only in Wales but outwith Wales too.

Finally, as I state in the annual report, there is an international body of language commissioners. There are 11 language commissioners throughout the world at present. Some of them have many years of experience, particularly those commissioners working in Canada. As I say, there is an association representing us, which is a relatively new organisation. We currently provide the secretariat for it. One of the things that we are trying to do is develop an ISO standard on the ways of measuring value for money and the benefits of the work of language commissioners. We all work within very different regimes, but there are some fundamentals that we can develop, and ways of measuring, whereby we can look across the world, look at the customer experience and at the use of public money in order to measure our own performance.

[178] **Darren Millar:** Diolch, Meri, and, of course, there will be lots of questions, I am sure, from Members on the back of that opening statement. Your arrangement is quite unique as a commissioner because, unlike the other independent commissioners that we have in Wales, you have an advisory body that is appointed by Welsh Ministers. However, you have also taken the opportunity to appoint your own audit and risk management committee, have you not? Do you want to tell us a little bit about the appointments process that you have for

the members of that audit and risk management committee, and what assurance that might help to give you in terms of the management of your finances?

[179] **Ms Huws:** Diolch yn fawr. Fel rydych yn cyfeirio, yn y man cyntaf, mae panel cynghori sy'n rhan o'r ddeddfwriaeth. Mae'r panel cynghori yn ymddangos yn Rhan 3 Mesur y Gymraeg (Cymru) 2011, ac mae'r panel cynghori yn cael ei apwyntio gan Lywodraeth Cymru. Yr hyn sy'n cael ei ddisgrifio o ran y panel cynghori yw y gall y comisiynydd droi at y panel cynghori ar unrhyw adeg. Mae rhai manau lle mae'n rhaid imi droi at y panel am gyngor, pan mae'n dod at yr adroddiad pum mlynedd.

Ms Huws: Thank you very much. As you mention, in the first place, there is an advisory panel which is contained within legislation. It appears in Part 3 of the Welsh Language (Wales) Measure 2011, and it is appointed by the Welsh Government. What is described in terms of that advisory panel is that the commissioner may turn to the advisory panel at any point. There are certain areas where I am required to turn to the panel for advice, when it comes to the quinquennial report.

[180] O dderbyn hynny, roeddwn yn awyddus iawn, a chymryd bod y panel hwnnw'n cael ei apwyntio gan Lywodraeth Cymru, i gael corff annibynnol a oedd yn edrych ar fy ngweithrediad i fel corff un dyn. Roeddwn eisiau criw o bobl wedi eu hapwyntio i weithredu fel pwyllgor archwilio a risg annibynnol, a oedd yno i edrych ar fy mhrosesau i ac i herio lle oedd angen, i gynnig cyngor ac i edrych â chrib mân ar ein prosesau mewnol. Felly, fy mhenderfyniad i oedd creu y pwyllgor archwilio a risg.

Accepting that, I was very keen, given that that panel is appointed by Welsh Government, to have an independent body that would look at my operation as a corporation sole. I wanted to appoint a group of people to work as an independent audit and risk committee, which would be there to look at my processes and to challenge where necessary, to offer advice and to look with a fine-toothed comb at our internal processes. Therefore, it was my decision to create the audit and risk management committee.

[181] ran y strwythurau apwyntio, gwnaed hynny ar ffurf draddodiadol drwy hysbysebu yn y wasg ac ar ein gwefan. Roedd y broses apwyntio drwy gais ffurfiol, ac mae hynny wedi cael ei osod allan. Roeddwn yn rhan o'r broses apwyntio, ond cymerais gyngor ac roedd unigolion o'r cyrff proffesiynol allanol yn rhan o'r broses apwyntio, felly nid fi yn unig oedd yn gwneud y penderfyniadau hynny. O ganlyniad, gwnaethom lwyddo i apwyntio tri unigolyn sy'n gweithredu am gyfnod o dair blynedd yn y man cyntaf. Maent yn gweithredu o fewn cylch gwaith penodol iawn i edrych ar brosesau llywodraethiant, prosesau cyllidol a phriodoldeb ein gwaith ar draws ein gweithgareddau. Os ydych wedi edrych ar y cylch gorchwyl, byddwch yn gwybod ei fod yn eang. Mae modd iddynt sylwebu a herio ar nifer o faterion. Wrth gwrs, mae ein harchwilwyr mewnol ac allanol yn eistedd ar y pwyllgor hwnnw hefyd. Mae hwnnw, i fi, yn rhoi darn arall sylweddol bwysig o'r jigsô hwn o atebolrwydd cyhoeddus a thryloywder yn ei le, o ran defnyddio arian cyhoeddus.

In terms of the appointment arrangements, that was done in the usual way by advertising in the press and on our website. The appointments process was through formal application, and that has been set out. I was part of the appointments process, but I took advice and individuals from external professional organisations were part of the appointments process, so it was not me alone who made those decisions. As a result, we managed to appoint three individuals who are in post in the first instance for a period of three years. They work within a very specific remit to look at governance processes, financial processes and the propriety of our work across our activities. If you have seen the remit, you will know that it is very broad. They can comment and challenge in a number of different areas. Of course, our internal auditors and our external auditors are members of that committee, too. For me, that puts another very important piece of the jigsaw in terms of public accountability and transparency in place, in terms of the use of public funds.

[182] **Darren Millar:** Do you think that three members are sufficient? I mean, it is a very small number of members. I appreciate that the Wales Audit Office, and your internal auditors, will attend that committee, and will provide information to it, as well as, no doubt, Richard Davies does on occasions. However, are three members really sufficient? Yours is the smallest of all these committees that have been established by different commissioners. I mean, there are diary clashes, etc., that might crop up. Does it not cause a problem from time to time?

[183] **Ms Huws:** Nid yw wedi achosi problem hyd yn hyn. Fel rwy'n ei ddweud, rydym yn nhrydedd blwyddyn y gweithredu ar hyn o bryd. A dweud y gwir, mae wedi bod yn effeithiol iawn, ac nid wyf yn sicr ai niferoedd neu ansawdd sy'n bwysig, a phobl sy'n deall, ac yn deall beth sydd angen ei ofyn. Hyd yn hyn—ac rwy'n agored fy meddwl ar hyn—mae tri yn gweithio'n briodol iawn.

Ms Huws: It has not caused any problems to date. As I was saying, we are currently in our third year of operation. To be perfectly honest, it has been exceptionally effective, and I am not sure whether it is the numbers or the quality that is important, and having people who understand, and who understand what needs to be asked. To date—and I am open minded on this—three has worked very appropriately indeed.

[184] Yn wir, mae tri yn gweithio'n briodol iawn i'r pwynt lle rydym yn teimlo erbyn hyn—ac rydym wedi bod yn cwrdd yn chwarterol, neu mae'n nhw wedi bod yn cyfarfod yn chwarterol—y gallwn edrych yn awr ar adolygu, a chyfarfod dair gwaith y flwyddyn, yn hytrach na phedair gwaith, oherwydd ein bod yn teimlo ein bod yn cael yr her sydd ei hangen o'r tri. Fodd bynnag, fel rwy'n ei ddweud, rwy'n agored fy meddwl. Pe bawn i'n gweld bod y gwaith yn cynyddu'n aruthrol, neu bod yr angen yn cynyddu, byddwn yn edrych ar adolygu, ond mae tri'n iawn ar hyn o bryd.

Indeed, three works very well, to the point where we now feel that—and we have been meeting on a quarterly basis, or rather they have been meeting on a quarterly basis—we are now able to look to review that, and to meet three times per annum, rather than four, because we do feel that we are getting the challenge that is required from the three. However, as I say, I am open minded. If I saw that the workload was increasing significantly, or that the need for is was increasing significantly, I would consider reviewing that, but the three are working very well at present.

[185] **Darren Millar:** Okay, diolch. Aled Roberts has the next questions. Sorry, do you have a question on this issue, Jocelyn?

[186] **Jocelyn Davies:** Yes. Do you think that most people would think that it is independent because you have appointed it?

[187] **Ms Huws:** Rwy'n rhan o'r broses apwyntio. Rhaid dweud fy mod i wedi tynnu ar unigolion eraill, yn bobl broffesiynol yn y maes, i fod yn rhan o'r panel apwyntio. Felly, nid yn unig fi oedd yn rhan o'r broses honno. Roedd eraill ar y panel penodi hwnnw a oedd yn gallu dod â'r arbenigedd allanol hwnnw. O brofiad, mae'r pwyllgor yn agored ac yn barod iawn i herio, ac yn gofyn cwestiynau reit anodd. Hefyd, fel mae'r Cadeirydd wedi sôn, mae'r archwilwyr mewnlol a'r archwilwyr allanol yn eistedd yn yr un cyd-destun, felly maen nhw yno—nid fi sy'n rheoli'r sefyllfa honno.

Ms Huws: I am part of the appointments process. I have to say that I have drawn in other individuals, professionals in this area, to be part of the appointments process. So, it was not only me who was part of that process. There were others on the panel, too, who could bring external expertise into play. Speaking from experience, the committee is open and very willing to challenge and to ask very difficult questions. Also, as the Chair has mentioned, the internal auditors and external auditors are also available in that same context, so they are there—I am not controlling that situation.

[188] **Darren Millar:** Aled Roberts has the next questions.

[189] **Aled Roberts:** O ran y trefniadau ariannol ar gyfer aelodau o'r pwyllgor archwilio, mae'r trefniadau wedi newid o un corff i'r llall—ac rydym yn cael nifer o gyrff i mewn erbyn hyn. A yw aelodau eich pwyllgor archwilio chi yn cael swm penodol, neu lwfans ddyddiol, neu gostau? Pa daliadau sy'n cael eu gwneud ar eu cyfer nhw?

Aled Roberts: In terms of the financial arrangements for members of the audit committee, the arrangements vary from one body to another—and we have had a number of bodies in by now. Do the members of your committee receive a specific sum, or a daily allowance, or costs? What arrangements are made for them?

[190] **Ms Huws:** Gwnaf egluro'r egwyddorion, ac efallai y gwnaiff Richard egluro'r manylder.

Ms Huws: I will explain the principles, and perhaps Richard can explain the detail.

[191] Yr hyn y gwnaethom benderfynu ei wneud oedd defnyddio'r un gyfundrefn a'r un amodau â'r rhai a oedd wedi cael eu pennu gan y Llywodraeth i'r panel cyngori yn y lle cyntaf. Felly, o ran meincnodi, penderfynwyd defnyddio'r un trefniadau â'r rhai yr oedd y Llywodraeth wedi'u rhoi yn eu lle i aelodau'r panel cyngori. Yr hyn y mae ein haelodau archwilio a risg yn ei gael yw tâl fesul diwrnod a hanner o waith, i bob cyfarfod. Felly, mae lwfans penodol fesul cyfarfod, a gwaith paratoi.

What we decided to do was use the same system and the same conditions as those set out by the Government for the advisory panel in the first place. So, in terms of benchmarking, we decided to use the same arrangements as the Government had put in place for members of the advisory panel. What the members of our audit and risk committee receive is payment per day and a half of work, for every meeting. So, there is a specific allowance per meeting, and for preparatory work.

[192] **Aled Roberts:** Iawn. Yn anffodus, rwy'n mynd i ofyn ichi edrych ar eich traed am funud. Mae rhan o'r adroddiad swmpus hwn ar y strwythur staffio, ac mae'n sôn am y cynllun ymadael gwirfoddol a gafodd ei gyhoeddi ddiwedd 2013. Mae sôn bod cost y cynllun ymadael hwn yn £445,000, sef cyfartaledd o tua £55,000 ar gyfer pob aelod o staff, gan bod wyth aelod wedi gadael. Fodd bynnag, er hynny, mae cynnydd wedi bod yn nifer cyfartalog y staff a gyflogir gan y comisiynydd o un flwyddyn i'r llall—cynnydd o wyth. Felly, sut y gallwch chi ein darbwyllo ni eich bod yn cynnig gwerth am arian o ran y cynllun ymadael gwirfoddol hwn?

Aled Roberts: Okay. Unfortunately, I am going to ask you to do some navel gazing, or looking at your feet for a minute. Part of this substantial report is on the staffing structure, and it mentions the voluntary exit scheme that was announced at the end of 2013. There is talk that the cost of this scheme was £445,000, which is an average of about £55,000 per staff member, because eight members of staff left. However, despite that, there has been an increase in the average number of staff employed by the commissioner from one year to the next—an increase of eight. So, how can you convince us that you offer value for money in terms of this voluntary exit scheme?

[193] **Ms Huws:** A gawn ni ddechrau o'r man cyntaf, sef sefydlu swyddfa Comisiynydd y Gymraeg? Etifeddu strwythur staffio a staff o sefydliad a oedd yn bodoli o'r blaen. Wrth ein bod yn rhoi'r cynllun strategol yn ei le yn ystod y flwyddyn gyntaf, daeth yn amlwg bod swyddogaethau ac anghenion y sefydliad newydd yn wahanol iawn i'r hyn a oedd wedi bod yn y gorffennol. Nid oedd y strwythur staffio yn

Ms Huws: Can we start from the starting point, namely establishing the office of the Welsh Language Commissioner? We inherited a staffing structure and staff from an institution that already existed. As we put the strategic plan in place during our first year, it became apparent that the functions and requirements of the new office were very different to what had existed in the past. The staffing structure was not fit for purpose—it

ffit i bwrpas—yn sicr, nid oedd yn ffit i'r pwrpas o weithredu anghenion Mesur y Gymraeg. Dyna'r flwyddyn gyntaf. Yn ystod yr ail flwyddyn o weithredu, cyn mynd trwy'r broses ailstrwythuro a chyn mynd trwy broses y cynllun ymadael yn gynnar, buodd yn rhaid inni dynnu i mewn swyddogion dros dro. Mae yna enghraifft benodol—wel, mae lot o enghreifftiau penodol iawn—sef ein bod wedi cyflogi swyddog rheoli gwybodaeth a data am flwyddyn oherwydd, wrth weithredu fel rheoleiddiwr ac wrth ein bod yn delio â data personol a sensitif achwynwyr, roedd yn bwysig iawn bod gennym strwythurau a oedd yn gadarn. Tynnem i mewn arbenigedd penodol i roi'r strwythurau a'r gweithdrefnau hynny yn eu lle. Roedd y swydd yn un dros dro er mwyn gwneud gwaith penodol.

[194] Rydym hefyd wedi gorfod gwneud rhywbeth tebyg wrth baratoi i weithredu Mesur y Gymraeg ac edrych ar brosesau rheoleiddio. Bu cyfnod, felly, yn ystod yr ail flwyddyn o weithredu, sef yr un yr ydym yn edrych arni ar hyn o bryd, lle'r oedd angen inni ddod ag arbenigedd i mewn dros dro. Ar yr un pryd, roeddwn yn edrych ar strwythur i'r dyfodol ac felly yn edrych ar beth fyddai'n hanghenion ni ym mlynnyddoedd 3, 4, 5 a 6, wrth i'r safonau ddod yn weithredol, wrth inni weithio fel rheoleiddiwr ac wrth i'r balans gwaith o fewn y sefydliad yn newid o fod yn hwylusydd, mewn lot o ffyrdd, i fod yn rheoleiddiwr. Roedd y gwariant ychwanegol yn ystod yr ail flwyddyn, felly, yn wariant dros dro penodol iawn, ac roedd amryw o'r swyddogion hynny wedi gadael ac nid oeddent yn rhan o'r cynllun ymadael yn wirfoddol. Roedd tri pherson ar gyfnod mamolaeth ar yr adeg honno, hefyd, ac roeddwn wedi tynnu swyddogion i mewn.

[195] Roedd y penderfyniad, felly, i fynd i lawr yr heol o ran ailstrwythuro yn un a oedd yn seiliedig ar roi cynllun strategol yn ei le, adnabod anghenion y dyfodol, edrych ar y strwythur a oedd gennym, a sylweddoli nad oedd y strwythur yn ffit i bwrpas a bod angen mynd i lawr yr heol hon. Fel yr oeddwn yn ei ddweud, nid oedd y swyddogion a oedd wedi dod i mewn dros dro yn rhan o'r cynllun ymadael yn wirfoddol. Felly, o wario arian sylweddol—ac rwy'n cydnabod bod arian sylweddol wedi'i ddefnyddio i'n gwneud ni'n

was certainly not fit for purpose in terms of the demands of the Welsh language Measure. That was the first year. During the second, before going through the restructuring process and before going through the early exit scheme, we had to bring in officials on a pro-tem basis. There is a very specific example—well, there are a lot of very specific examples—namely that we employed an information and data management officer for a year because, in operating as a regulator and in dealing with the personal and sensitive data of complainants, it was very important that we had structures in place that were robust. We brought in particular expertise to put those structures and those procedures in place. It was a temporary role to carry out specific functions.

We have also had to do something similar in preparing to implement the Welsh language Measure and look at regulatory processes. There was a time during that second year, which is the one that we are looking at in this committee, when we needed to bring in particular expertise temporarily. At the same time, I was looking at the structure for the future, and so I was looking at what our needs would be in years 3, 4, 5 and 6, as the standards become operational, as we started operating as a regulator and as the balance in terms of our work shifted within the organisation from being a facilitator, in many respects, to being a regulator. The additional expenditure during that second year was very specifically on a pro tem basis, therefore. Many of those officials had left and were not part of the voluntary exit scheme. There were also three people on maternity leave during that time, and so we had to bring in officials temporarily.

So, the decision in terms of restructuring was based on implementing a strategic plan, identifying the needs for the future, looking at the structure that we had, and coming to the realisation that the structure was not fit for purpose and that we needed to go down this particular route. As I was saying, the officials who came in temporarily were not part of the voluntary exit scheme. Having spent a significant amount of money—and I accept that a significant amount of money was spent to make us fit for purpose—there

ffit i bwrpas—roedd sawl cwestiwn yn codi i fi: A yw hyn yn angenrheidiol? Ydy, er mwyn gweithredu yn unol â'r ddeddfwriaeth. A oes angen ailstrwythuro o'r top i'r gwaelod? Oes. A oes gennym y gyllideb ar hyn o bryd i wneud hynny? Mi oedd, ar y pwynt hwnnw, arian wrth gefn. Gosodwyd allan achos busnes, ac roeddwn yn rhagweld y byddai'n costio rhwng £400,000 a £500,000 i'n cael ni'n ffit i bwrpas. Yn yr achos busnes, gosodais allan y nod a'r bwriad o adfer neu ailennill y gwariant hwnnw o fewn tair blynedd—byddwn wedi'i adennill o fewn dwy.

[196] **Mr Davies:** Hefyd, os gallaf ategu, o ran y niferoedd yr oeddech yn sôn amdanynt, roedd yr wyth yna mewn cyflogaeth gyda'r sefydliad ar ddiwedd y flwyddyn ariannol hon. Mae'r wyth wedi gadael cyflogaeth y sefydliad ers diwedd y flwyddyn ariannol ond, oherwydd bod yna gytundeb efo'r wyth swyddog hyn eu bod am adael o dan y cynllun ymadael gwirfoddol, a bod y cytundeb hwnnw yn ei le cyn diwedd y flwyddyn ariannol, roedd gennym rwymedigaeth i ddangos y ddarpariaeth honno a dangos y ffigurau'n llawn yn y cyfrifon blynyddol hyn.

[197] **Aled Roberts:** Beth yw'r ffigur ar hyn o bryd, felly, o ran staff parhaol?

[198] **Ms Huws:** Mae 47 o staff parhaol, ac, fel yr wyf wedi'i ddweud, byddwn wedi adennill y gost o fynd drwy'r broses hon o fewn dwy flynedd. Mae'n strwythur staffio ni, felly, wedi sefydlogi, mae'n ffit i bwrpas ac mae'n arbed arian erbyn diwedd yr ail flwyddyn.

15:30

[199] **Aled Roberts:** A gaf i jest symud at amodau a thelerau gweithio? Mae yna ddatganiad eithaf clir, ac rwy'n deall bod swyddogion wedi cael eu trosglwyddo o Lywodraeth Cymru ac y byddai disgwyl iddynt gael yr un telerau ac amodau. Serch hynny, mae yna ddatganiad clir, o ran y ffordd ymlaen, gan eich bod chi'n dweud y dylai staff gael eu talu ar amodau a thelerau sy'n debyg i rai staff Llywodraeth Cymru. A ydyw hynny felly yn gyfundrefn yr ydych chi wedi ei mabwysiadu ar gyfer staff newydd

were, for me, a number of questions arising: Is this necessary? Yes, in order for us to comply with the legislation. Do we need to carry out top-to-bottom restructuring? Yes, Is there a budget in place to do that? At that point, there was, as we had reserves. We set out a business case, and I had anticipated that it would cost between £400,000 and £500,000 to get us into a situation where we were fit for purpose. In the business case, I set out the objective of restoring or recouping that expenditure within three years—we will have recovered it within two.

Mr Davies: Also, if I may supplement that, in terms of the numbers that you were talking about, the eight staff members were in employment within the organisation at the end of this financial year. The eight have left the employment of the organisation since the end of the financial year. However, because there was an agreement with the eight officers that they wanted to leave under the voluntary exit scheme, and the agreement was in place before the end of the financial year, we had obligations to show that provision and show the figures fully in the annual accounts.

Aled Roberts: So, what is the figure at present, in terms of permanent staff?

Ms Huws: There are 47 permanent members of staff, and, as I said, we will have recovered the cost of going through this process within two years. Our staffing structure has stabilised, it is fit for purpose and it is saving us money by the end of the second year.

Aled Roberts: May I just turn to terms and conditions? There is a relatively clear statement, and I understand that officials have been transferred from the Welsh Government and that there is an expectation that they should have the same terms and conditions. However, there is a clear statement, in terms of the way forward, in that you say that staff should be employed on terms and conditions similar to those of Welsh Government staff. Is that a regime that you have adopted for new staff entering the

sy'n dod i mewn? Os felly, pa gyfiawnder sydd yno, o ystyried polisiau o ran staff eraill?

[200] **Ms Huws:** Yr un yw'r gyfundrefn i bawb o fewn y sefydliad. Nid oes unrhyw ail gyfundrefn yn rhedeg ochr yn ochr. Mae'r hyn yr ydych yn ei ddweud yn gywir; gwnaeth nifer sylweddol o swyddogion trosglwyddo ar ffurf TUPE.

[201] **Aled Roberts:** Mae hynny, wrth gwrs, yn wahanol i lywodraeth leol, lle y mae rhai staff newydd yn cael eu cyflogi ar delerau ac amodau gwaeth, y byddai rhai yn ei ddweud, o gymharu â staff sydd efallai wedi bod yn rhan o'r corff am nifer o flynyddoedd.

[202] **Ms Huws:** Tra bo modd gwneud, byddwn yn trin ein swyddogion i gyd yr un fath. Edrychais, wrth i mi gael fy apwyntio, ar yr amodau a drosglwyddwyd i mewn. Edrychais ar a oedd yna gyfiawnhad i newid yr amodau hynny. Nid oeddwn yn teimlo bod. Wrth gwrs, wrth newid unrhyw amodau a thelerau, mae yna gost ynghlwm wrth hynny, boed yn gost cyllidol neu'n gost i'r sefydliad. Nid oeddwn yn teimlo bod yna gyfiawnhad i wneud hynny ar y pwynt hwnnw. Hefyd, wrth gwrs, os ydym yn edrych ar y sector cyhoeddus yng Nghymru, gallech dderbyn bod y lefelau a'r amodau cyflog sy'n cael eu gosod gan Lywodraeth Cymru yn un meincnod y dylem fod yn edrych arno, ac nid oedd unrhyw gyfiawnhad i newid y meincnod hwnnw. Eto, rwy'n agored, ond ni welaf gyfiawnhad ar hyn o bryd i wneud hynny.

[203] **Aled Roberts:** Iawn. A gaf jest droi at yr arian wrth gefn? Yr ydych wedi sôn am yr arian wrth gefn. Mae yna ddatganiad bod rhyw £600,000 o gronfeydd hyn o bryd. Rhan o'r esboniad ar gyfer hynny yw eich bod wedi cytuno â Llywodraeth Cymru bod yn rhaid adeiladu cronfeydd rhag ofn y bydd costau cyfreithiol fel rhan o'r dyletswyddau newydd. Mae adran 9 o'r Mesur yn caniatáu i chi wneud hynny. A oes unrhyw fath o gynllun ynglŷn â pha mor uchel y dylai'r cronfeydd hyn fod, neu a oes unrhyw fath o fformiwla?

[204] **Ms Huws:** Yr hyn sydd yn y

organisation? If so, what justification is there for that, given the policies in terms of other staff?

Ms Huws: It is the same system for everyone within the organisation. There is no second regime running side by side. What you say is true; a large number of officers transferred through TUPE.

Aled Roberts: That is different from local government, of course, where some new staff are employed on less favourable terms and conditions, some would say, compared to staff that have perhaps been part of the organisation for many years.

Ms Huws: While it is possible to do so, we will treat all of our officials the same. When I was appointed, I looked at the terms of conditions that were transferred in. I looked at whether there was justification for changing the terms and conditions. I did not feel that there was. Of course, in changing any terms and conditions, there is a cost tied in with that, whether it is a financial cost or a cost to the organisation. I did not feel that there was any justification to do that at that point. Also, of course, if we look at the public sector in Wales, you could say that the salary levels and conditions that are set by the Welsh Government are one benchmark that we should be looking at and there was no justification to change that benchmark. Again, I am open, but I do not see a justification at present to do that.

Aled Roberts: Okay. Could I just turn to reserves? You have mentioned reserves. There is a statement that there are reserves of around £600,000 at present. Part of the explanation for that is that you have agreed with the Welsh Government that you must build reserves in case of legal costs as part of the new responsibilities. Section 9 of the Measure allows you to do that. Is there any kind of scheme in place as to how large these reserves should be, or is there some sort of formula that has been adopted?

Ms Huws: What is in the agreement with the

cytundeb gyda'r Llywodraeth ar y mater hwn yw bod cronfa resymol wrth gefn. Mae'n anodd diffinio 'rhesymol'; mae rhesymoldeb un person yn wahanol i resymoldeb person arall. Byddaf yn gofyn i Richard, mewn munud, egluro'r hyn sydd gennym wrth gefn, ond yr ydym yn edrych ar swm o gwmpas £200,000 i £250,000 fel yr hyn a fyddai'n swm rhesymol. Nid oes fformiwla; nid oes gennym ychwaith, ar hyn o bryd, profiad o ddefnyddio'r pwerau hynny. Mae'n mynd i fod yn anodd gwybod beth yw cost cefnogi unigolyn i fynd drwy achos. Byddai'n rhaid iddo fod yn achos sylweddol—achos strategol bwysig yr ydym i fod yn ei gefnogi. Fodd bynnag, nid oes unrhyw fformiwla ar hyn o bryd ar beth fyddai'r gost honno. Richard, efallai y gallet egluro sut mae'r arian wrth gefn wedi ei osod allan ar hyn o bryd.

[205] **Mr Davies:** Mae'r cyfrifon yn dangos bod yna ryw £600,000 wrth gefn, ond mae hynny ar ffurf cyfrifon. Mae yna bethau sydd heb gael eu talu, sydd angen mynd drwy'r incwm a gwariant. Dywedwch fod y sefydliad yn dod i ben ar unrhyw bwynt, byddai'n rhaid i'r rheiny gael eu trafod drwy'r cyfrif incwm a gwariant. Os byddech yn gwneud hynny ar ddiwedd y flwyddyn ariannol hon, jest ychydig yn llai na £300,000 fyddai gwerth y gronfa wrth gefn. Felly, rydym wedi ystyried hyn. Dywedwch fod yna ryw wariant nad ydych wedi ei rhagweld yn digwydd, a hefyd eich bod yn cadw rhywfaint wrth gefn ar gyfer rhyw achos cyfreithiol a allai ddod i'r amlwg rywbryd, yna efallai y dylem ystyried rhyw 5% o'r gwariant blynyddol fel swm ar gyfer gwariant heb ei ragweld, ac wedyn rhyw £100,000 ar gyfer achos cyfreithiol eithaf sylweddol. Felly, byddai rhwng tua £200,000 a £300,000, rydym yn meddwl, yn swm eithaf priodol.

[206] **Aled Roberts:** Yn debyg i'r comisiynydd plant, a ydy'r rhesymoldeb hwnnw yn cael ei ddatgan o fewn yr achos busnes sy'n cael ei roi gerbron y Llywodraeth ym mis Hydref?

[207] **Ms Huws:** Ydy. Bydd hynny'n sail i'r hyn a fydd yn cael ei roi ymlaen.

[208] **Darren Millar:** I have a copy of the estimate that you tabled to the Government last year, and there is not mention of reserves in that at all. So, we can expect to see that in there,

Government on this issue is that there should be reasonable reserves. It is hard to define 'reasonable'; it differs from one person to another. I will ask Richard, in a minute, to explain what we have in reserve, but we are looking at a sum of around £200,000 to £250,000 as being a reasonable sum. There is no formula; neither do we have experience at the moment of using those powers. It is going to be difficult to know what the cost of supporting a person going through a case will be. It would have to be a significant case—a strategically important case for us to support. However, there is no formula at present for what the cost would be. Richard, perhaps you could explain how the reserves have been set out.

Mr Davies: The accounts show that there is some £600,000 in reserve, but that is in the form of accounts. There are some things that have not been paid, which will have to go through income and expenditure. Say that the institution were to be wound up at any point, then those would have to be considered through the income and expenditure accounts. If you were to do that at the end of this financial year, the value of the reserves would be a little less than £300,000. So, we have considered this issue. Say that there is some unexpected expenditure that you are facing, and you also need to retain a certain amount in reserve to pay for a legal case that might emerge in the future, then perhaps we would consider some 5% of the annual expenditure as an appropriate sum for unforeseen expenditure, and some £100,000 for a significant legal case. So, somewhere between £200,000 and £300,000, we think, would be an appropriate sum for the reserve.

Aled Roberts: As with the children's commissioner, is that reasonableness stated within the business case that is being presented before the Government in October?

Ms Huws: Yes. That will be a basis for what will be put forward.

in the new financial year—

[209] **Mr Davies:** Yn yr un nesaf, byddai. **Mr Davies:** In the next one, yes. That Cafodd yr un hwnnw ei baratoi ym mis Hydref 2012. estimate was prepared in October 2012.

[210] **Darren Millar:** I appreciate, on an annual basis, especially with your being such a young commissioner's office, as it were, that there will be bedding down, et cetera. Just to clarify, however, you anticipate that an appropriate reserve would be around £300,000, and that is what you are aiming for at the end of this current financial year. That is what you anticipate the reserves being at the end of this financial year.

[211] **Mr Davies:** Dyna, ar ôl cymryd i ystyriaeth y pethau sydd heb fynd drwy'r cyfrif incwm a gwariant, yw'r sefyllfa ar ddiwedd y flwyddyn ariannol hon, a dyna'r hyn yr ydym yn rhagweld y bydd y sefyllfa ar ddiwedd blwyddyn ariannol 2014-15 yr ydym ynnddi ar hyn o bryd. **Mr Davies:** After taking into consideration everything that has not gone through the income and expenditure accounts, that is the situation at the end of this financial year, and that is what we foresee will be the case at the end of the 2014-15 financial year, where we are at present.

[212] **Darren Millar:** Mike is next, and then William.

[213] **Mike Hedges:** Prynawn da. Diolch am eich adroddiad. A oes digon yn cael ei wario ar gefnogi dysgwyr Cymraeg, hynny yw, y rhai sy'n gallu siarad rhywfaint o Gymraeg—er enghraifft, trafod y tywydd a rhaglenni teledu? **Mike Hedges:** Good afternoon. Thank you for your report. Is enough being spent on supporting Welsh learners, that is to say, those who can speak some Welsh—for example, discuss the weather and tv programmes?

[214] I hope that made sense.

[215] **Ms Huws:** Diolch yn fawr. Wrth gwrs, wrth sefydlu Comisiynydd y Gymraeg, aeth y cyfrifoldebau am hybu a hyrwyddo'r Gymraeg, defnydd o'r Gymraeg, a Chymraeg i Oedolion, o dan adain y Llywodraeth, ac mae wedi buddsoddi yn y math hwnnw o waith yn ystod y blynyddoedd diwethaf, ac rydym yn gweld hynny yn cael ei gynrychioli yn natganiadau strategol y Llywodraeth. Yr hyn y gallwn ni ei wneud—ac mae'n un o'n hamcanion strategol ni—yw hybu a hwyluso defnyddio'r Gymraeg. Yn hynny o beth, mae sawl gwahanol beth. Mae'r hyn yr ydym yn ei wneud o ran Iaith Gwaith, gan ei wneud yn amlwg i unigolion—mae rhai ohonoch chi'n gwisgo rownd eich gyddfau ar hyn o bryd y lanyard neu'r bathodyn sy'n dangos eich bod chi'n gallu defnyddio rhywfaint o Gymraeg—creu yr hyder, gwneud y datganiad hwnnw, ond efallai nad yw hynny'n addas i bawb. Peth arall yr ydym yn ei wneud, wrth gwrs, yw gweithio gyda sefydliadau, yn arbennig busnesau a'r trydydd sector, i hwyluso defnydd sylfaenol **Ms Huws:** Thank you very much. Of course, with the establishment of the Welsh Language Commissioner, the responsibilities for promoting the Welsh language, the use of the Welsh language, and Welsh for Adults, moved under the wing of the Government, and it has invested in that kind of work during the last few years, and we have seen that reflected in its strategic announcements. What we can do—and it is one of our strategic objectives—is to boost and facilitate the use of the Welsh language. In that sense, there are several elements. There is what we do in terms of Iaith Gwaith, making it easy for individuals—some of you are wearing lanyards around your necks, or the badges that show that you can speak Welsh, or use Welsh to a certain degree—creating the confidence and making that statement, but perhaps that is not appropriate for everybody. Another thing that we do, of course, is to work with organisations, particularly with businesses and the third sector, to facilitate the basic use of the Welsh language within

o'r Gymraeg o fewn y gweithle. Rwy'n credu bod patrwm da i'w weld mewn sefydliadau fel Heddlu Gogledd Cymru, lle y maen nhw'n sicrhau bod y bobl ar y dderbynfa yn gallu trafod y tywydd ac yn gallu cyfarch drwy gyfrwng y Gymraeg, ac mae hynny yn cael ei gydnabod gan y sefydliad. Felly, mae yna waith, ar lawr gwlad, yn cael ei wneud gan y comisiynydd i greu sefyllfaoedd lle y mae'r defnydd o'r Gymraeg yn cael ei hwyluso, ac mae hynny'n rhan o'n rhaglenni gwaith ni. Rwy'n sicr bod modd gwneud gymaint yn fwy, ac rwy'n sicr bod y Llywodraeth yn edrych ar hynny.

the workplace. There is a good pattern to be seen in North Wales Police, for example, where they ensure that the people at reception can discuss the weather and greet people through the medium of Welsh, and that is recognised by the organisation. So, there is work being done on the ground, by the commissioner, to create situations where use of the Welsh language is facilitated, and that is part of our programmes of work. I am certain that we can do a lot more, and I am sure that the Government is looking at that.

[216] **Darren Millar:** Was your question on this issue, Keith?

[217] **Keith Davies:** Yes.

[218] Roeddech chi'n dweud yn y fan honno bod y cyfrifoldebau wedi newid, o ddwylo'r hen fwrdd iaith, i chi, ac wedyn i'r Llywodraeth. Gan eich bod chi'n cael eich cyllid yn gyfan o'r Llywodraeth, rydych chi wedi dweud bod hynny'n dipyn bach o her. A oes unrhyw fesurau yr ydych chi'n credu y gellir eu gweithio i mewn i wella'r sefyllfa?

You mentioned there that the responsibilities have changed hands, from the old Welsh Language Board, to you, and then to the Government. As you receive all of your funding from the Government, you have said that that is something of a challenge. Are there any measures that you think could be worked in to improve that situation?

[219] **Ms Huws:** Rwyf wedi datgan yn gyhoeddus, ac rwy'n datgan yn gyhoeddus yn yr adroddiad hwn eto, ac yn cwestiynu, i ryw raddau, ai'r Llywodraeth a ddylai fod yn ffynhonnell ariannu i Gomisiynydd y Gymraeg. Rhan o swyddogaeth Comisiynydd y Gymraeg fydd rheoleiddio'r Llywodraeth i sicrhau ei bod yn cydymffurfio â safonau, ac rwy'n credu bod yna gwestiwn sylfaenol, cyfansoddiadol, a chwestiwn o ran egwyddor, o ran a all corff sy'n cael ei reoleiddio gan y comisiynydd hefyd fod yn brif gyllidwr, neu'n unig gyllidwr, i'r comisiynydd?

Ms Huws: I have stated publicly, and I state publicly in this report, once again, and do question, to a certain extent, whether the Government should be the funding source for the Welsh Language Commissioner. Part of the function of the Welsh Language Commissioner will be to regulate Government to ensure that it complies with standards, and I think that there is a fundamental constitutional question, and a question of principle, as to whether a body regulated by the commissioner can also be the sole funder of the commissioner's office.

[220] Mae'n codi cwestiynau real iawn, fel y gwnaeth yn ystod 2014-15, sef eleni, pan gawsom doriad o 10% yn ein cyllideb gan y Llywodraeth. Rwy'n deall yn iawn—mae toriadau yn digwydd ar draws bob man yn y sector gyhoeddus. Nid wyf yn dadlau na ddylem fod yn rhan o'r broses honno. Fodd bynnag, roedd cael toriad o 10% mor gynnar yn ein cyfnod o sefydlu, wrth inni ddatblygu cyfrifoldebau newydd ac wrth inni edrych i fod yn rheoleiddiwr, eto yn codi cwestiynau nid yn unig o gyfansoddiad ond o ran y realiti bod y corff yr ydym yn ei reoleiddio hefyd yn

It raises very real questions, as it did during 2014-15, that is, this year, when we saw a cut of 10% in our budget from the Government. I understand entirely—cuts are happening right across the public sector. I am not arguing that we should not be included in that process. However, a cut of 10% at such an early stage in our establishment, as we were developing new responsibilities and looking to take on the responsibility of regulator, also raises questions not only about the constitution but about the reality that the body that we regulate also funds us. I would ask, and it is

ein cyllido ni. Byddwn i'n gofyn, ac mae'n rhywbeth rwy'n gofyn yn gyhoeddus, i hynny gael ei ystyried a'n bod ni'n cael ein cyllido, efallai, drwy'r Cynulliad mewn ffordd lle nad oes cwestiynau gwleidyddol o reidrwydd yn codi pan fo toriadau mewn cyllideb yn digwydd.

something that I ask publicly, that that should be considered and that we should be funded, perhaps, through the Assembly whereby there would be no political questions arising when there are cuts to budgets.

[221] **Darren Millar:** You did, of course, have a substantial reserve to be able to rely on in the current financial year, to be fair to the Government. I am sure that it would want us to draw attention to that. William Graham is next.

[222] **William Graham:** Thank you, Chair. Thank you for your report. It is interesting to note the environmental information in there; that is well worth while. You are going to have a budget cut of some 10%, but, in order to deliver your statutory functions, have you considered how you could, perhaps, share some back-office functions and functions of that nature, and, also, could you touch on premises?

[223] **Ms Huws:** A gaf i ddechrau ateb hynny drwy ddweud fy mod i'n ymwybodol iawn, fel corfforaeth undyn, neu gorfforaeth unddynes, ac fel swyddog cyfrifyddu'r sefydliad, ar ddiwedd y dydd, fod y cyfrifoldebau o ran sicrhau priodoldeb gweithredu yn deillio yn y fan hon? Felly, wrth wneud unrhyw benderfyniad o ran rhannu gwasanaethau, byddai'n rhaid i fi sicrhau fy hun fy mod i'n saff o ran priodoldeb yr hyn yr oeddem yn ei rannu. Wedi dweud hynny, rydych wedi cyfarfod â'r comisiynwyr eraill ac wedi eu clywed nhw'n siarad. Mae darn o waith yn cael ei wneud ar hyn o bryd—rydym ni'n cyfarfod fel comisiynwyr yn rheolaidd—sydd wedi ei gomisyntu gennym, yn edrych ar ein cyllidebau swyddfa gefn, lleoliadau, sef swyddfeydd, presenoldeb mewn digwyddiadau cenedlaethol ac a oes modd i ni gynnal hynny ar y cyd, ac, wrth wneud hynny, cael mwy o fudd gan gyrraedd mwy o gynulleidfaoedd. Hefyd, rydym ni'n edrych ar hyfforddiant ar hyn o bryd. Felly, rydym ni'n gwneud y darn hwnnw o waith. Mae hynny wedi digwydd. Mae un o'm cyfarwyddwyr yn arwain ar y darn hwnnw o waith ar ran y comisiynwyr a'r ombwdsmon yng Nghymru. Felly, rydym ni'n edrych ar a oes modd, o fewn yr hyn sydd yn ddisgwyliedig ohonom, gwneud hynny.

Ms Huws: May I start to answer that by saying that I am very aware that, as a sole corporation, or a one-woman corporation, and as the accounting officer for the organisation, at the end of the day, the responsibilities in terms of ensuring the appropriateness of actions rest with me? So, in making any decision in terms of sharing services, I would have to assure myself that I was comfortable with the appropriateness of what we were sharing. Having said that, you have met the other commissioners and have heard them talking. A piece of work is being done at present—we meet as commissioners regularly—which we have commissioned, looking at our back-office budgets, locations, that is, offices, presence at national events and whether we can do that jointly, and, in doing so, get more benefits by reaching more audiences. Also, we are looking at training at present. So, we are doing that piece of work. That has happened. One of my directors is leading on that piece of work on behalf of the commissioners and the ombudsman in Wales. Therefore, we are looking at whether it is possible, within what is expected of us, to do that.

[224] Rwy'n credu mai lle y gallwn gryfhau ac ategu at werth am arian yw drwy graffu ar y cyd. Er enghraifft, mae'r gwaith yr ydym wedi ei wneud ym maes iechyd yn eistedd yn gyffyrddus iawn ochr yn ochr â'r

I believe that where we could strengthen and add to the value-for-money aspect is through joint scrutiny. For example, the work that we have done in the health area sits very comfortably side-by-side with the work that

gwaith mae'r comisiynydd pobl hŷn yn ei wneud ar hyn o bryd ar wasanaethau gofal. Rydym yn sicrhau bod hynny'n digwydd wrth inni gynllunio gwaith ar y cyd—hynny yw, bod unrhyw beth rydym ni'n ei wneud neu unrhyw beth mae comisiynydd arall yn ei wneud, yn adeiladu ar yr hyn yr ydym wedi ei wneud. Felly, mae modd, rwy'n credu, i ni wneud gwaith ymchwil ar y cyd a chraffu ar y cyd yn y dyfodol, ac edrych ar ffyrdd pellach o rannu profiad, rhannu tystiolaeth a rhannu gwybodaeth. Mae hynny yn digwydd a byddwn ni'n adeiladu ar hynny. Mae memorandwm gweithio ar y cyd rhyngom, a'r ombwdsmon hefyd, ac, wrth inni ddatblygu'r ochr edrych ar gwynion, mae lle i edrych ar gwynion ar y cyd pan eu bod yn ymwneud â'r Gymraeg. Felly, mae lle i gynnig gwerth ychwanegol am gyllid drwy wneud gwaith ar y cyd.

the older people's commissioner is doing on care services at present. We are ensuring that that is happening as we plan work jointly, that is, that anything that we do or that other commissioners do will build on what we have done. So, I believe that it is possible for us to undertake joint research and joint scrutiny in the future, and to look at further ways of sharing experience, sharing evidence and sharing information. That is happening and we will be building on that. There is a memorandum of joint working between ourselves, and the ombudsman also, and, as we develop the aspect of looking at complaints, there is room to look at complaints jointly when they are to do with the Welsh language. So, there is room to offer additional value for money by doing work jointly.

[225] Gwnaethoch ofyn i fi sôn am swyddfeydd neu leoliadau. Mae etifeddiaeth yn y fan hon. Pan sefydlwyd Comisiynydd y Gymraeg, mi wnes i etifeddu swyddfeydd yng Nghaerdydd, Caerfyrddin, Rhuthun a Chaernarfon. Mi wnes i fynd drwy ymarferiad o ofyn, eto, sawl cwestiwn ynglŷn â hynny: a oedd e'n briodol i gynnal presenoldeb ar draws Cymru? Yr ateb i'r cwestiwn hwnnw, rwy'n credu, yw, 'Ydy, mae'n briodol.' Os ydw i fel comisiynydd yn gweithio ar ran pobl Cymru, mae gallu bod yn agos at bobl Cymru a bod pobl Cymru'n gallu bod yn agos atom ni yn bwysig.

You asked me to talk about offices or locations. There is an inheritance here. When the Welsh Language Commissioner was established, I inherited offices in Cardiff, Carmarthen, Ruthin and Caernarfon. I went through an exercise of asking several questions about that: was it appropriate to maintain a presence across Wales? The answer to that question, I believe, is, 'Yes, it is appropriate.' If I as a commissioner am working on behalf of the people of Wales, being able to be close to the people of Wales and the people of Wales being able to be close to us is important.

15:45

[226] Wedi ateb y cwestiwn hwnnw'n bositif, euthum drwy ymarferiad o edrych ar gostau ein swyddfeydd i weld a oedd arbedion. O ganlyniad, rydym wedi symud ein swyddfeydd yn Rhuthun, Caernarfon a Chaerfyrddin. Rydym ar safleoedd sydd lot fwy addas i ni, ac maent i gyd mewn sefyllfaoedd ble rydym yn eistedd ochr yn ochr â chyrff cyhoeddus eraill, yn rhannu adeiladau. Cefais hefyd—wel, ni chefais i'n bersonol, ond cafodd fy swyddogion—gytundeb yng Nghaernarfon ein bod yn cael blwyddyn a hanner heb rent o symud, ac roedd hynny'n fuddiol i ni.

Having answered that question in the affirmative, I carried out an exercise to look at the cost of our offices to see whether savings could be made. As a result of that, we have moved our offices in Ruthin, Caernarfon and Carmarthen. We are on sites that are much more appropriate for us, and they are all in situations where we sit side by side with other public bodies, and share buildings. I also came to an agreement—well, I did not, personally, but my officials did—in Caernarfon whereby we had a year and a half's rent free for moving, and that was very beneficial to us.

[227] Un broblem sylweddol sydd gennym o ran swyddfeydd, ac mae e'n sylweddol, yw

One significant problem that we have in terms of our offices, and it is significant, is

ein swyddfa ni yng Nghaerdydd, sydd mewn lleoliad bendigedig, ond nid yw'n ffit i'r pwrpas. Mae'n eithriadol o gostus, a rhoddwyd les i ni heb unrhyw *break clauses* ynddo. Felly, ar hyn o bryd, mae cost o £0.25 miliwn y flwyddyn ar ein swyddfeydd yng Nghaerdydd. Rydym wedi llwyddo, yn y flwyddyn ariannol hon, i gael gwared ar ychydig o'r swyddfa, ond mae'r swyddfeydd mewn adeilad lle mae swyddfeydd gwag o'n cwmpas ni, felly mae hynny'n tynnu arian sylweddol allan o'n coffrau ni. Mae honno'n sefyllfa y gwneuthum i, fel comisiynydd, ei hetifeddu; nid oeddwn i'n rhan o'r trefniant hwnnw.

our Cardiff office, which is in a wonderful location but is not fit for purpose. It is extremely expensive, and we were given a lease without any break clauses in it. So, at present, there is a £0.25 million cost per year for our Cardiff offices. We have succeeded, in this financial year, to get rid of some of that office space, but the offices are in a building where there are empty offices all around us, so that takes a lot of money out of our coffers. That is a situation that I, as a commissioner, inherited; I was not a part of making those arrangements.

[228] **Jocelyn Davies:** I was going to ask you about offices, because I notice in the 2012 document that was mentioned earlier, you said that office costs for the year 2013-14 would be about £300,000, and £0.25 million of that is for one office. I notice as well that you mention in this that that office has been underutilised, and the intention is to advertise some of that space as soon as possible. Were you able to do that? The bill for your other offices must be quite small. You have a good deal on the other offices if one is taking up that very substantial sum. Perhaps you could tell us how much it is now. Is it still £300,000?

[229] **Mr Davies:** Pan gynlluniwyd yr amcangyfrif, yr oedd ar y ffeithiau a oedd yn bodoli ar y pryd. Ers hynny, cafwyd cynnydd yng nghostau'r swyddfa yng Nghaerdydd o ryw £40,000 yn y flwyddyn, felly roedd yna gynnydd o'r amcangyfrif i ddechrau.

Mr Davies: When the estimate was drawn up, it was based on the facts available at that time. Since then, there has been an increase in the costs of the Cardiff office of some £40,000 in-year, so there is an increase on the estimate to start.

[1] ran y costau ar gyfer y swyddfa yng Nghaerdydd, costau uniongyrchol ydynt, sef costau rhent, gwasanaethau'r landlord, gwasanaethau i redeg y swyddfa, y dreth gyngor ac yswiriant. Felly, nid oes costau eraill i redeg y swyddfa, a chostau uniongyrchol ydynt yn unig. Rydym yn disgwyl, eleni, sef 2014-15, i'r costau hynny fynd i lawr ychydig i ryw £220,000. Hefyd, mae'r les ar ran o'r adeilad yn dod i ben ar ddiwedd y flwyddyn ariannol hon, a dyna'r darn o'r swyddfa y soniodd Meri amdani yn barod. Rydym mewn trafodaethau ac ar fin arwyddo i gael gwared ar, neu i ildio, y les honno'n gynnar fel bod tenant arall yn gallu mynd i mewn. Fodd bynnag, anodd iawn fydd cael gwared ar weddill yr adeilad, ond rydym yn edrych ac yn dal i drafod er mwyn trio lleihau'r costau. O ran ein defnydd ni o'r adeilad, pe bai'n gyfatebol i'r swyddfeydd eraill, byddai rhywle rhwng 50% a 40% o'r defnydd sy'n arferol ar gyfer y swyddfeydd eraill.

In terms of the costs for the Cardiff office, they are direct costs, such as rent costs, landlord services, services to run the office, council tax and insurance. So, there are no other costs of running the office, and they are direct costs only. We expect this year, that is 2014-15, for those costs to reduce somewhat to around £220,000. Also, the lease on part of the building is to lapse at the end of this financial year, and that is the section of the office that Meri has already mentioned. We are in negotiations and are about to sign to get rid of, or to give up, that lease early so that another tenant can replace us. However, it will be very difficult to dispense of the rest of the building, but we are still looking at it and still in negotiations to try to reduce the costs. On our usage of the building, if it corresponded to the other offices, it would be somewhere between 50% and 40% of the usage that is normal for the other offices.

[230] **Jocelyn Davies:** Obviously, when that deal was struck, it was a very good deal for somebody and a very poor deal for the public purse, and you cannot go back into that now. I am sorry that you had to inherit such a poor deal. It is a shame that we cannot have the person who struck the deal in front of us to explain why.

[231] When I look further at the accounts, though, I see that there has been an increase in travel, subsistence and hospitality. It is quite substantial, actually, at £34,000. That is a lot of chocolate biscuits at these meetings that you are having. So, can you explain the £34,000 increase in travel?

[232] **Ms Huws:** A gaf i ddweud mai treuliau teithio yw'r rheini yn bennaf ac nid lletygarwch? Rwy'n credu bod ein gwariant lletygarwch yn y degau o bunnoedd y flwyddyn, nid yn y miloedd.

Ms Huws: May I say that they are mainly travel expenses rather than hospitality? I think that our hospitality spend is in the tens of pounds a year, not in the thousands.

[233] Mae gwahaniaeth sylweddol yn ein treuliau teithio o'r flwyddyn gyntaf i'r ail flwyddyn. Mae hynny'n ganlyniad naturiol, yn y lle cyntaf, o fod yn sefydliad newydd, felly yn ystod y flwyddyn gyntaf, nid oedd lot fawr o deithio, ond roedd lot o waith yn cael ei fuddsoddi mewn rhoi'r cynllun strategol yn ei le ac mewn edrych ar yr hyn yr oedd angen ei wneud, a lot fawr o waith cynllunio. Roedd hynny wedi dwyn ffrwyth yn ystod yr ail flwyddyn. Felly, mae cynnydd naturiol yn ein treuliau ni oherwydd bod swyddogion allan. Yn ystod y flwyddyn honno, buom yn gwneud y gwaith paratoi ar yr ymchwiliad safonau a gwaith paratoi gyda sefydliadau ar draws Cymru, felly mae cynnydd yno. Hefyd, honno oedd y flwyddyn pan wnaethom dynnu swyddogion i mewn i bwrpas—swyddogion a oedd yno dros dro yn gwneud gwaith paratoi a chynllunio ac yn mynd allan i siarad â swyddogion mewn sefydliadau eraill. Felly, cynnydd naturiol ydyw.

There is a significant difference in our travel expenditure from the first year to the second. That is a natural result, in the first instance, of being a new organisation, and so, in the first year, there was not much travel, as a lot of work was being done on putting the strategic plan in place and looking at what needed to be done, and there was a great deal of planning work. That came to fruition in the second year. So, there is a natural increase in our expenditure on travel and subsistence because officials were out of the office. During that year, we prepared for the inquiry into standards and we did some preparatory work with organisations across Wales, so there has been an increase there. Also, that was the year when we brought officials in for a specific purpose—officials who were there temporarily doing preparatory work and planning and going out to discuss these issues with officials in other organisations. So, it is a natural increase.

[234] Rydym wedi rhoi camau yn eu lle i edrych yn fanwl ar hynny. Rydym yn awr yn defnyddio offer fideo i sicrhau cyfarfodydd rhwng ein swyddfeydd, fellu nid yw pobl yn gorfod teithio. Rydym yn edrych, rwy'n credu, i'n treuliau sefydlogi o gwmpas £100,000 yn flynyddol.

We have put measures in place in order to look in detail at that. We now use videoconferencing to arrange meetings between our offices, so people do not have to travel. We are looking, I think, for our expenses to stabilise at around £100,000 per annum.

[235] **Mr Davies:** O ran y rhagolwg rŵan ar gyfer y flwyddyn ariannol gyfredol, bydd yn rhyw £110,000, ac wedyn bydd lleihad pellach, i ychydig dros y £100,000, erbyn y flwyddyn ariannol nesaf.

Mr Davies: In terms of the forecast for the current financial year, it will be some £110,000, and then there will be a further decrease, to a little more than £100,000, by the next financial year.

[236] **Jocelyn Davies:** So, you can understand what caused the pattern and you are now

expecting it to decrease and to level off.

[237] **Ms Huws:** Mae'n mynd i ddod i lawr y flwyddyn hon. Rydym yn gwybod hynny'n barod, ac rydym yn cynllunio iddo ddod i lawr ymhellach. Mae hynny'n ymwneud â'r canllawiau rydym yn eu rhoi i swyddogion a'u dealltwriaeth o'r gwaith. Mae'r patrymau gwaith yn dod i'r amlwg, ac mae'r cynllun strategol yn ei le, felly rydym yn gweld y bydd y ffigur yn disgyn wrth inni edrych ymlaen.

Ms Huws: It is going to come down this year. We already know that, and we are planning for a further reduction. That relates to the guidance that we give to officials and their understanding of the work. The working patterns are emerging, and the strategic plan is in place, so we do expect that figure to go down as we look ahead.

[238] **Jenny Rathbone:** Dau gwestiwn.

Jenny Rathbone: Two questions.

[239] First, looking at complaints, 139 complaints did not meet the criteria in section 18 of the Welsh Language Act 1993. I just wondered whether you could us tell what possibility there might be to reduce that number, because, presumably, that led to people going away dissatisfied. Equally, if there is nothing in writing, it is very difficult for you to take forward a complaint.

[240] **Ms Huws:** Beth rydym yn ei weld yma yw symudiad o un gyfundrefn i'r llall. Mae'r cwynion yr ydych yn cyfeirio atynt yn gŵynion o dan ddeddfwriaeth 1993, deddfwriaeth San Steffan, sy'n ymwneud â chynlluniau iaith. Mae'r ddeddfwriaeth honno, yn adran 18, yn gosod allan yn glir iawn beth sydd ei angen o ran cwyn. Rydym wedi cyrraedd y pwynt 'nawr o symud i gyfundrefn gŵynion newydd, yn deillio o Fesur y Gymraeg (Cymru) 2011. Rydym yn mynd i adlewyrchu arfer gorau o ran delio â chwynion 'nawr, er mwyn osgoi'r sefyllfa honno o bobl yn anhapus ac yn cerdded i ffwrdd. Felly, rydym yn edrych ar bethau megis sut rydym yn derbyn cwynion. A oes rhaid iddynt fod yn ysgrifenedig? Beth yw ffurf ysgrifenedig cwyn? I ba raddau y gallwn ni gymryd cwynion ar drydar a'r ffyrdd newydd o gwyno? Mae edrych ar sut mae modd derbyn cwynion yn rhywbeth rydym yn ei wneud ar y cyd ag ombwdsymn eraill. Beth sydd hefyd yn bwysig yw pa wybodaeth rydym yn ei rhoi allan i'r cyhoedd, er mwyn paratoi person i wneud cwyn effeithiol. Rwy'n credu bod hynny cyn bwysiced ag unrhyw beth, bod rhywun yn egluro pryd i gwyno, beth yw cwyn effeithiol a'r math o dystiolaeth a fyddai'n ddefnyddiol i ni, er mwyn paratoi'r cyhoedd i fod yn achwynwyr effeithiol. Mae hynny'n rhan o'r gwaith cyfathrebu rydym yn ei wneud.

Ms Huws: What we are seeing here is a movement from one regime to another. The complaints that you refer to are complaints under the 1993 legislation, Westminster legislation relating to language schemes. That legislation, in section 18, sets out very clearly what is needed in terms of a complaint. We have now reached the point of moving into a new complaints regime, stemming from the Welsh Language (Wales) Measure 2011. We are going to reflect best practice in terms of dealing with complaints now, in order to avoid that situation where people are dissatisfied and walk away. So, we are looking at things such as how we receive complaints. Do complaints need to be in written form? What is the written format of a complaint? To what extent can we accept complaints via a tweet and new ways of complaining? Looking at how we can accept complaints is something that we are doing jointly with other ombudsmen. What is also important is what information we put out to the public, to prepare a person for making an effective complaint. I think that that is just as important as anything, having someone explain when you complain, what an effective complaint looks like, and the kind of evidence that would be useful for us, to prepare the public for being effective complainants. That is part of the communications work that we are doing.

[241] Ar hyn o bryd, mae gennym bolisi

At present, we have an enforcement policy

gorfodi sydd allan mewn proses ymghyngori er mwyn derbyn y wybodaeth hon, i weld sut mae system gŵynion gyfoes i'r dyfodol yn mynd i edrych, a sut y byddwn yn effeithiol o ran sicrhau bod cwynion pobl yn cael eu hystyried. Rydym yn symud o'r hen gyfundrefn o dan Ddeddf 1993 i rywbeth ffres a modern i'r dyfodol.

that is out for consultation in order to receive this information, to see what a contemporary complaints system for the future will look like, and how we can be effective at ensuring that people's complaints are considered. We are moving from the old regime under the 1993 Act to something fresh and modern for the future.

[242] **Jenny Rathbone:** I can see that if there is a sign that is inaccurate, a photograph of the signage is probably sufficient, but if you are talking about the way in which somebody has been served, or not served, in a public interfacing situation, in most circumstances, it is a requirement that people put things in writing. Otherwise, the goalposts change and people are not entirely clear what is being complained about.

[243] **Ms Huws:** Dyna lle mae canllawiau clir i'r cyhoedd mor bwysig, sy'n dweud 'Dyma beth sydd angen i chi ei ystyried wrth ichi fynd drwy'r profiad hwn, ac wrth ichi ystyried gwneud cwyn'. Fel rwy'n dweud, rydym yn cydweithio ag ombwdsmyrn eraill. Rydym hefyd yn gweithio gyda chyrrff yn y trydydd sector ar y math hwn o gwestiwn o ran paratoi y cyhoedd. Er enghraifft, rydym yn gweithio yn agos gyda Cyngor ar Bopeth o ran paratoi y cyhoedd i fod yn fwy effeithiol o ran eu cwynion, ond yn bwysicach na hynny eu bod yn cael profiad gwell o ddefnyddio'r Gymraeg neu beidio â defnyddio'r Gymraeg.

Ms Huws: That is where clear guidance for the public is so important, which says 'This is what you need to consider as you go through this experience, and as you consider making a complaint'. As I say, we are collaborating with other ombudsmen. We are also working with third sector bodies on this kind of issue in terms of preparing the public. For example, we are working closely with Citizens Advice to prepare the public to be more effective in terms of their complaints, but more importantly that that, that they have a better experience of using the Welsh language or of not using the Welsh language.

[244] **Jenny Rathbone:** Fine. My other question was around your hosting the international language commissioners' consortium. Are there any financial implications to that, or do you get some contribution towards the administration costs from the other commissioners?

[245] **Ms Huws:** Rydym yn sefydliad newydd iawn, ac ar hyn o bryd rydym yn trafod a ddylem fel comisiynwyr fod yn talu ffi aelodaeth. Byddai peth o'r ffi honno yn mynd atom fel ysgrifenyddiaeth. Ar hyn o bryd, na, nid ydym yn derbyn unrhyw gymorth ariannol. Rydym yn ei wneud yn bennaf oherwydd ein bod yn gweld budd i'r sefydliad o fod mewn cyswllt gyda chyrrff rhyngwladol sydd wedi eu hen sefydlu, yn arbennig y rhai yng Nghanaada. Mae hefyd yn golygu y gellid buddsoddi mewn comisiynwyr ifancach na ni. Er enghraifft, mae'r comisiynydd iaith yng Nghosofa yn sefydliad newydd iawn, ac mae'n troi atom ni am gymorth a chynghor. Bydd yn ymweld â ni cyn diwedd y flwyddyn. Felly, mae budd iddyn nhw a budd i ni fel sefydliad ac i'n swyddogion. Mae'n hyfforddiant gwych.

Ms Huws: We are a very new organisation, and we are currently discussing whether we as commissioners should pay a membership fee. Part of that fee would come to us as a secretariat. However, currently, no, we do not receive any financial support. We are doing it in the main because we see a benefit to the organisation of being in contact with international bodies that are long established, particularly those in Canada. It also means that we can invest in commissioners that are younger than us. For example, Kosovo's language commissioner is a very new organisation, and it is turning to us for support and advice. It will be visiting us before the end of the year. So, there is a benefit for them and a benefit for us as an organisation and for our officials. It is great training.

[246] **Darren Millar:** I call Sandy Mewies.

[247] **Sandy Mewies:** Thank you very much, but my questions were answered when Jocelyn asked hers.

[248] **Darren Millar:** Okay, no problem. Two people wanted to come in very briefly. I will come to Aled first. Very briefly, please, Aled, because we need to wrap this up, and then Keith wants to come in.

[249] **Aled Roberts:** Rwyf eisiau dychwelyd at gostau. Tra ydym yn cydnabod bod y costau yn gyffredinol wedi gostwng, mae rhai elfennau lle mae cynnydd, gan gynnwys technoleg gwybodaeth a chyfathrebu. Os ydych yn symud at bennod 6, mae sôn yno fod costau rhaglenni eraill wedi cynyddu o £164,000 i £402,000. Rydych yn rhoi nodyn pam mae'r gwariant hwnnw wedi cynyddu, ond a gafodd y cynnydd hwnnw ei adlewyrchu yn y wybodaeth a gafwyd gan Lywodraeth Cymru ar y pryd? A oedd y cynnydd wedi ei gynllunio, neu a fu cynnydd yn ystod y flwyddyn, o ran rheolaeth ariannol?

Aled Roberts: I want to return to the costs. While we recognise that the costs have generally decreased, there are still some elements that have seen an increase, including information and communications technology. If you move to chapter 6, mention is made there of the costs for other programmes increasing from £164,000 to £402,000. You provide a note as to why that expenditure has increased, but was that increase reflected in the information received by the Welsh Government at the time? Was the increase planned, or was there an in-year increase in terms of financial management?

[250] **Ms Huws:** I ddechrau gyda'r cwestiwn ar dechnoleg gwybodaeth, gofynnaf i Richard roi'r manylion. Yn ystod y flwyddyn yr ydym yn edrych arni, dyma'r flwyddyn pan wnaethom benderfynu ei bod yn hollol angenrheidiol inni ddatblygu gwasanaeth technoleg gwybodaeth a oedd yn ffit i bwrpas i ni fel rheoleiddiwr. Nid oedd yr hyn yr oeddem wedi ei etifeddu yn ffit i bwrpas, ac roedd yn adlewyrchu anghenion math gwahanol iawn o sefydliad. Felly, penderfynwyd buddsoddi ar y pwynt hwnnw. A wyt ti eisiau sôn am y pwyntiau eraill?

Ms Huws: To begin with the question on information technology, I will ask Richard to provide the detail. During the year that we are currently looking at, that was the year when we decided that it was absolutely essential for us to develop an ICT service that was fit for purpose for us as a regulator. What we had inherited was not fit for purpose, and it reflected the needs of a very different type of organisation. Therefore, we decided to invest at that point. Do you want to mention the other points?

[251] **Mr Davies:** O ran technoleg gwybodaeth, wedi'r buddsoddiad hwnnw, bydd costau blynyddol yn deillio o hynny, sef i gynnal a chadw a chael cymorth y cyflenwr ar gyfer y systemau hyn, systemau fel ein gwefan, ein system rheoli gwybodaeth a stordy corfforaethol o ran y ffordd rydym yn cadw data yn fewnol. Gwnaethom hefyd fuddsoddi a datblygu ar y cyd efo cyflenwr allanol system adnoddau dynol. Felly, dyna le mae'r costau technoleg gwybodaeth.

Mr Davies: In terms of ICT, following that investment, there will be annual costs emerging from that for the maintenance of the system and to receive provider support for the systems, systems such as our website, our information management system and our corporate data storage system as to how we hold data internally. We also invested and jointly developed with an external supplier a HR system. So, that is where the ICT costs lie.

16:00

[252] O ran cyfathrebu, er mwyn gwneud hynny'n well yn fewnol, y costau sydd wedi

In terms of communication, in order to do that more effectively internally, there were

cysylltu â hynny, ond costau a dalwyd unwaith oedd y rheini a oedd, yn bennaf, er mwyn datblygu y rheini yn y flwyddyn gyntaf. Ond eto, wedi dweud hynny, wrth inni symud i fod yn sefydliad lle'r ydym yn mynd i fod yn rheoleiddio ar safonau, bydd datblygiadau pellach yn y maes hwnnw er mwyn ein galluogi i fod yn effeithiol yn y ffordd rydym yn delio efo safonau yn y dyfodol.

[252] **Ms Huws:** Fe wnaethon ni'r penderfyniad, o fewn tair neu bedair blynedd, byddwn yn rheoleiddio o gwmpas 500 i 600 o gyrff yng Nghymru, ac fe fydd y rheoleiddio hynny yn gallu ein harwain at bwynt lle y byddwn yn mynd i driwiwnlys neu'n mynd i mewn i'r system llysoedd os ydym yn cael ein herio. Felly, mae cadw gwybodaeth mewn ffordd briodol yn eithriadol o bwysig i ni. Fel yr wyf wedi dweud yn barod, gyda'r system cwynion, rydym hefyd yn derbyn gwybodaeth bersonol am unigolion, felly roedd angen system, a buddsoddi mewn system, oedd yn mynd i fod yn ffit i bwrpas am bump, chwech neu saith blynedd, ac ymhellach na hynny. Felly, dyna oedd y penderfyniad yn y fan honno.

[253] O ran y rhaglenni, mae rhai costau sylweddol yn ystod yr ail flwyddyn. Y gost sylweddol o ran darn sylweddol o waith oedd yr ymholiad iechyd, wrth gwrs. Roedd hynny'n wariant a oedd wedi ei gynllunio gam wrth gam, ond roedd yn wariant na fyddem, efallai, wedi ei rhagweld yn ystod y flwyddyn gyntaf o weithredu. Roedd yn rhywbeth a ddaeth i'r amlwg yn ystod y cyfnod hwnnw.

[253] **Mr Davies:** Roedd elfennau eraill. Mae darn o waith ar y cyd hefyd efo Llywodraeth Cymru, sef arolwg defnydd iaith. Mae hynny'n parhau eleni. Felly, yn y flwyddyn yr ydym wedi adrodd arni fan hyn, rhyw £50,000 o wariant sydd, a bydd rhywbeth eithaf tebyg yn y flwyddyn ariannol hon. Mae rhaglenni eithaf sylweddol eto efo Iaith Gwaith a gweithio ar *Eiriadur yr Academi*.

[254] **Aled Roberts:** Y cwestiwn sy'n codi yw: pa mor gadarn yw eich cynllunio chi o ran y wybodaeth sy'n cael ei chyflwyno i'r Llywodraeth ym mis Hydref?

costs attached to that, but they were one-off expenditure, in the main, in order to develop those in the first year. However, having said that, as we move towards being a regulator in terms of standards, there will be further developments in that area in order to enable us to work effectively and efficiently in the way that we deal with standards in future.

Ms Huws: We made the decision that, within three or four years, we will be regulating around 500 to 600 bodies in Wales, and that regulation could lead us to a point where we may go to tribunal or enter the court system if we are challenged at any point. Therefore, storing information in an appropriate manner is exceptionally important for us. As I have already said, with the complaints system, we also deal with individuals' personal information, so we needed a system, and needed to invest in a system, that would be fit for purpose for five, six or seven years, or even longer than that. So, that is the decision that was taken there.

In terms of the programmes, there are some significant costs during the second year. The significant cost in terms of a significant piece of work was the inquiry into primary healthcare, of course. That was planned expenditure, but it was expenditure that, perhaps, we would not perhaps have anticipated during that first year of operation. It was something that emerged during that period.

Mr Davies: There were other elements. There is a joint piece of work with the Welsh Government, which is a language-use survey. That is ongoing this year. So, in the reporting year that we are dealing with now, the expenditure was £50,000, and there will be something similar in this financial year. There are other relatively significant programmes with Iaith Gwaith and working on *Geiriadur yr Academi*.

Aled Roberts: The question that arises is: how robust is your planning in terms of the information that is presented to the Government in October?

[255] **Ms Huws:** Dyna yr oeddwn am ei gynnig fel ymateb i'r darn olaf o dy gwestiwn di. Aeth yr amcangyfrif i mewn—yr amcangyfrif cyntaf yr ydym yn sôn am—yn Hydref 2012 wedi prin chwe mis o fodolaeth y sefydliad. Mae'r amcangyfrif sydd wedi mynd i mewn 'nawr, neu sydd yn mynd i mewn 'nawr, gymaint yn fwy cadarn oherwydd profiad dwy flynedd o weithio. Mae hefyd yn fanwl. Mi fuaswn i'n siomedig, ond rwy'n rhagweld y bydd toriad yn ein cyllideb eto eleni ar sail gwaith penodol iawn. Mae hynny'n peri risg i'n gweithredu ni a darnau o'n gweithredu ni fel sefydliad, wrth gwrs.

Ms Huws: That is what I wanted to say in response to the last part of your question. The estimate that was supplied—and we are talking about the first estimate—in October 2012 was supplied after the organisation had been in existence for barely six months. The estimate that has gone in now, or is to be submitted now, is much more robust because of the experience that we have had over two years of operation. It is very detailed. I would be disappointed to see it, but I do anticipate that there will be a further cut to our budget this year on the basis of very specific work. That is a risk to our activity and to some of our work as an institution, of course.

[256] **Darren Millar:** However, we will see, the next time we visit your accounts, next year, that the variance between the budgeted expenditure and the actual expenditure on that particular item is going to be much less significant than it was in the financial year that we are talking about.

[257] **Mr Davies:** Byddwch, oherwydd, ar y pryd, nid oedd cynllun strategol yn ei le, ac nid oedd cynlluniau gweithredu yn deillio o'r cynllun strategol hwnnw.

Mr Davies: You will, because there was no strategic plan in place at that point, and there were no action plans emerging from that strategic plan.

[258] **Darren Millar:** Keith is a visitor to our committee today. I know that he will be very well-behaved and will ask a very concise question.

[259] **Keith Davies:** Edrych ar y balans roeddwn i. Fe wnaethoch chi orwario amboutu £0.25 miliwn y llynedd. Rydych wedi sôn yn barod bod gostyngiad o 10%. Rydych hanner ffordd drwy'r flwyddyn ariannol bresennol 'nawr. Roeddech yn sôn am y gwaith yr oeddech wedi ei wneud yn y maes iechyd, ac yn y blaen, oedd yn dda, ond beth ddigwyddiff eleni? A ydych wedi gorfod torri yn ôl ar bethau y byddech eisiau eu gwneud? Os ydych yn mynd i beidio â gorwario, bydd yn rhaid torri yn ôl ar bethau sylfaenol, byddwn i'n meddwl.

Keith Davies: I was looking at the balance. You overspent by about £0.25 million last year. You have mentioned already that there has been a reduction of 10%. You are about halfway through the current financial year now. You mentioned the work that you did in the health area, and so forth, which was good, but what will happen this year? Have you had to cut back on things that you would like to do? If you are not going to overspend, you have to cut back on basic things, I would think.

[260] **Ms Huws:** Yr hyn sydd wedi digwydd eleni yw, yn gyntaf, y cynllun ailstrwythuro a oedd, i bwrpas, er mwyn cael strwythur oedd yn ffit i bwrpas, ond hefyd i sefydlogi ein gwariant ni ar gyflogau. Bydd hynny'n dod ag arbedion i ni. Mae'n deg i ddweud ein bod hefyd yn gorfod torri'r brethyn, ac rydym yn torri'r brethyn ar ddarnau o waith a fyddai, efallai, yn ddymunol ond nad ydynt yn statudol angenrheidiol. Felly, mae torri. Mae honno'n

Ms Huws: What has happened this year is that, first, there has been the restructuring plan that was in order to ensure that there is a structure that is fit for purpose, but also to stabilise our expenditure on salaries. That will bring savings. It is fair to say that we are also having to cut our cloth, and we are doing that in terms of pieces of work that would, perhaps, have been desirable but would not have been statutorily necessary. So, there are cuts. That is a process that we go through on

broses rydym yn mynd drwyddi'n fisol fel tîm rheoli, yn adolygu'r gyllideb ac yn edrych ar yr anghenion o ran y Mesur—mae'n rhaid inni weithredu'n statudol gywir—ond hefyd ar beth arall, i fynd yn ôl at gwestiwn Mike Hedges, y gallwn ei wneud i hybu a hwyluso'r defnydd o'r Gymraeg. Yn anffodus, mae'n siŵr, dyna'r math o faes sy'n cael ei grebachu, neu lle'r ydym yn gorfod edrych ar sut mae gwneud pethau'n fwy effeithiol ac effeithlon.

a monthly basis as a management team, reviewing the budget and looking at the requirements of the Measure—we have to operate according to statute, appropriately—but also, to return to Mike Hedges's question, at what else we can do to promote and facilitate the use of the Welsh language. Unfortunately, I am sure, it is those kinds of areas that will be shrinking, or where we will have to look at how we can do things more effectively and efficiently.

[261] **Darren Millar:** However, to a certain extent, you have been able to rely on the reserve that you brought forward from the last financial year into the current financial year.

[262] **Meri Huws:** Yes.

[263] **Darren Millar:** That is a fair assumption that I am making there, is it?

[264] **Meri Huws:** Ydyw. Mae'r arian yno
wrth gefn. **Meri Huws:** Yes. The money is there in reserve.

[265] **Darren Millar:** On that note, I am afraid that that brings us to the end of our time—in fact, we have more than exceeded it. However, I thought that it was important that we pursued some of the lines of questioning that we had there. Meri Huws, thank you for your attendance, and thank you, Richard Davies. You will get a copy of the transcript of today's proceedings. If there is any further information that you want to send to us, or if there are any inaccuracies in the transcript, please let us know. Thank you.

[266] **Meri Huws:** Diolch yn fawr iawn. **Meri Huws:** Thank you very much.

[267] **Darren Millar:** We will now have a five-minute adjournment before we start the next session with the Arts Council of Wales.

*Gohiriwyd y cyfarfod rhwng 16:06 a 16:13.
The meeting adjourned between 16:06 and 16:13.*

Craffu ar Adroddiad Blynyddol Cyngor Celfyddydau Cymru ar gyfer 2013-14 Scrutiny of Arts Council of Wales Annual Report 2013-14

[268] **Darren Millar:** Welcome back to the Public Accounts Committee. We continue with our agenda today. This evidence session, of course, is part of the new ways of working that the PAC agreed to over the past 12 months. So, I am very pleased to be able to welcome Nick Capaldi, chief executive of the Arts Council of Wales, and Hywel Tudor, who is the director of finance and resources at the arts council. Welcome to the committee and thank you ever so much for sending us a copy of your report—it is a very detailed report, I have to say. I should put on record, of course, that a proportion of the moneys that you distribute are not included entirely within the report, because they are lottery funding and they are reported in the Department for Culture, Media and Sport accounts by the UK Government. I just need to put that on the table immediately.

16:15

[269] Obviously, the one big thing that this committee is very interested in is ensuring that there is proper scrutiny of your finances, but also making sure that there is value for money

for the taxpayers' resources that you spend. Can you tell us how on earth you can give us assurance, as committee members, that there is sufficient scrutiny of your finances from within the organisation, and that you are securing value for money for the taxpayer?

[270] **Mr Capaldi:** Perhaps if I start by talking a little bit about ensuring value for money. I would like to take that, if I may, in two senses. We have to demonstrate effectiveness and efficiency in measurable terms in two specific areas. One is our own performance, and the second is in the impact of the activity that we invest in. If I take our own operation first, value for money for us means absolutely spending no more on our own costs than we have to. So, we have an ongoing determination to bear down, and to keep a tight grip, on running costs. For us, running costs include the back office functions and the front-line delivery in terms of our staff on the ground around Wales. Nevertheless, our rule of thumb is to try to make sure that we spend at least 90% of the income that we receive directly on supporting and developing the arts. We are helped in our effort to control costs by an annual cap on our running costs. The Welsh Government keeps our feet to the fire, as it were, by, year-on-year, reducing the amount of money that we are able to spend on our running costs. So, for example, this is reduced from 2010-11, at around £2.5 million, to £2.1 million or thereabouts in the current year—a reduction of 14%.

[271] Value for money for us also means taking advantage of opportunities for shared services, for collaboration, for the pooling of resources, and for looking at delivery against a series of non-financial measures. So, we monitor the demand for our services, how quickly we are paying suppliers, HR sickness and absence rights, breeches of security or other data protection and referrals in terms of complaints to the ombudsman or to the Information Commissioner. We also try to ensure that we are taking into account the views of those who we work with—clients and stakeholders. In May 2014, we conducted a public survey, a satisfaction survey, and 81% of respondents rated the relevance of our services as either fairly or very good, 84% rated us as effective and 88% rated us as fairly or very satisfied with their relationship with us.

[272] If I could move towards the impact of the activity that we support. Our investment strategies are driven by targets that are focused on clear artistic social and economic outcomes. The artistic outcomes are quite challenging to measure, but measure and assess them we do. The financial and economic are rather easier. For example, of the £28 million that we invest directly in a portfolio of organisations, it underpins total income in that sector of £106 million. The £18 million that we invest in lottery-funded projects delivers a total income of £51 million. We are also looking, in terms of social measures, at who we are reaching and who we are attracting. Between 2006 and 2013, adult attendance in the arts increased by 5.9% and between 2007 and 2013, for children, by 7.1%. We have similar measures for participation. So, it is a series of financially driven, socially driven and artistic measures as well.

[273] **Darren Millar:** Can you give us an overview of the governance arrangements that you have within the organisation? Who are you accountable to within the organisation for the money that you spend and how are you challenged?

[274] **Mr Capaldi:** For me, personally, I have two routes of accountability. The first is through the council of the arts council, which acts as our board and, since we are also a charity, our charitable trustees. I also have personal accountability through to the Welsh Government, as the organisation's accounting officer. Our council has 15 members, who are appointed via a process of public recruitment, and they are appointed by the Welsh Government's Deputy Minister for Culture, Sport and Tourism—as it now is. Underneath the council, certain responsibilities are delegated to committees. So, we have an audit committee, we have a capital committee—to look at the lottery capital funding that we give—and there is an HR and remuneration committee. They are supported by internal monitoring groups, each

of which is chaired by a member of council, and those monitoring groups look at equalities, the Welsh language and sustainability.

[275] **Darren Millar:** Thanks for that. Just in terms of measuring things, as you put it—it is difficult, obviously, with artistic things—but you did refer to some specific figures, which you were able to quote. I think that it was £106 million of investment underpinned by the £28 million that you have invested in the year, and then £51 million from the £18 million that has been provided by lottery resources. How are you able to establish that that has actually been the case? It may have been the case from business plans, I am assuming, where you are a component of a grant, or a total cost to a project, and you are making a contribution—I am assuming that that is how you do it, is it?

[276] **Mr Capaldi:** No. What we do is that we go on the basis of actual returns, and the annual accounts of the organisations that we fund ourselves. So, in the case of the £28 million, which we invest in a network of 69 organisations, every six months, they are required to fill in a detailed questionnaire, or survey, about their performance over the period previously, which includes financial information and data. We review that at the year end, and compare against their annual published accounts, so we are pretty confident of the £106 million figure.

[277] **Darren Millar:** But how can you be sure that it is your investment, and not somebody else's, that has been the key to them unlocking improved financial performance?

[278] **Mr Capaldi:** As we are usually the largest supporter and investor in those activities, I think that it is fair to say that, if we were not providing that additional investment, it would be very difficult for the organisations to survive, or to survive in quite the way that they do. I think that that would have an impact on their performance.

[279] **Darren Millar:** So, this is in terms of the organisations that you are revenue funding, is it?

[280] **Mr Capaldi:** Yes, that is correct.

[281] **Darren Millar:** As opposed to some of the other sort of single, one-off projects with a grant.

[282] **Mr Capaldi:** The single, one-off projects tend to be the ones that we support through the lottery funding that we referred to earlier.

[283] **Darren Millar:** I see. Thank you for that clarification.

[284] **Jocelyn Davies:** On that point, that is direct return for that money. There are probably indirect returns as well, which you have not counted.

[285] **Mr Capaldi:** There are. We have, from time to time, looked at commissioning economic impact studies. However, it is very slippery territory, as any economist will tell you, because it is very difficult, partly for the reasons that the Chair has just alluded to, to pinpoint precisely what is happening, and who the impact is with.

[286] **Jocelyn Davies:** That is very impressive—a £106 million return for £28 million invested. Was I quick enough to write that down correctly?

[287] **Mr Capaldi:** Yes, that is correct.

[288] **Jocelyn Davies:** How does that compare with other arts bodies like yours, or other

bodies investing in the arts? You often hear figures—for every £1 invested, there is £3 made, or whatever. How does that compare?

[289] **Mr Capaldi:** It is difficult to find comparisons, because we are a unique organisation in Wales, clearly. We can compare across the UK, and we do compare across the UK, with our peer group bodies. Probably the most relevant comparator would be Arts Council England. By and large—we have plenty of evidence of the facts—the level of our funding is generally lower than the comparable level of funding that England gives to its organisations. So, we feel relatively bullish that the investment that is going in from Wales does represent good value for money.

[290] **Jocelyn Davies:** What is the multiplier for that organisation, do you know?

[291] **Mr Capaldi:** I do not—not off the top of my head.

[292] **Jocelyn Davies:** Okay; thank you.

[293] **Darren Millar:** So, you do not benchmark that multiplier effect as such.

[294] **Mr Capaldi:** We benchmark on the basis of sectors and individual organisations.

[295] **Darren Millar:** In terms of how you carve up the pie of the cash that you have.

[296] **Mr Capaldi:** Yes. What we do not do is look at the aggregate figure.

[297] **Darren Millar:** So, you do not look at the additional revenue that has been generated by the revenue-funded organisations that are funded in England versus the additional revenue that they have managed to achieve in Wales for the contribution that you make.

[298] **Mr Capaldi:** We do, but we tend to look at them on a sector basis, because there are different funding models that apply in Wales and in England. So, for example, there is a very large proportion of local authority directly owned and managed venues in Wales. They are very much the rarity in terms of funding from England. So, we have to be careful about those aggregate totals. We tend to focus on specifics.

[299] **Jocelyn Davies:** Is your counterpart as reluctant to make any claims as you are for them in terms of—. You are happy to come here to say, ‘We invest this much and we expect that’. Does that organisation make claims for itself with the investments that it makes?

[300] **Mr Capaldi:** I am sure that it does, yes.

[301] **Jocelyn Davies:** You do not know what they are.

[302] **Mr Capaldi:** No, I do not know what claims it makes.

[303] **Mike Hedges:** We have seen a substantial reduction in local authority expenditure. In many cases, they are joint funders with you of arts projects and arts events. Have you had any discussions with any local authorities about some of these jointly funded projects and are you concerned that you could end up being the only person paying in?

[304] **Mr Capaldi:** We are very concerned about the potential impact of current local authority cuts. It is the one issue that is raging red on our risk register, for precisely the reason that you have outlined. Just to give you some sense of the context on this particular point, going back to our portfolio of regularly funded organisations, 54 of the organisations that we fund are also in receipt of funding from a local authority. In 2012-13, the local authority

funding for that portfolio was just over £10 million, while the arts council's investment was £16 million—so we are already the larger funder. However, the local authority funding for 2013-14 declined by 11%; so over the course of one year, 11% in one section of our expenditure disappeared.

[305] We are trying to tackle that by talking to local authorities in two ways. First, we make the point, which my council has as a point of policy, that it cannot make good the funding cuts from local authorities. Second, we work with them to explore alternative models of operation. So, for example, we are in very detailed discussions at the moment in Flintshire around the funding for Clwyd Theatr Cymru. That is an authority that is medium in size, but that inherited, during the last local government reorganisation, a very large funding commitment. As the proportion of discretionary-to-statutory funding reduces, so the amount going into the theatre begins to look even more. We have spent most of the last year talking to it about how the local authority's investment might be restructured and, indeed, reduced without adversely affecting, we hope, too much the quality of what is going on. We are simply, at the moment, going to have to replicate those kinds of conversations, I suspect, 22 times.

[306] **Mike Hedges:** I suspect that as well.

[307] **Sandy Mewies:** I was not going to talk specifically about Clwyd Theatr Cymru, but of course it is one of the issues that is of concern in areas like mine. We have been talking about local authorities in general, but it is a fact, unfortunately, that, while the Welsh Government has faced cuts, those cuts have been transferred to local authorities, which are also going to have to restructure. It is a concern for me that it is difficult enough for an organisation like yours to enable proportional arts funding to the very different parts of Wales that we have.

16:30

[308] Do you have fears that now you will not be able to do that? I know, from previous discussions we have had, how hard the arts council does try to make sure that art in all its forms reaches all parts of Wales. That is my first question. Linked into it, although it may seem a bit vague, is the collector plan for loans. There is quite a large balance—£375,000, or something like that—for these loans. I would like to know who you are hitting with those loans. Do you do an analysis of who takes them up, for a start? They vary between £50 and £2,000 and they are interest free. Are you considering, in light of your fears about cuts, making them not interest free but loan interest? I would like to hear how it is evened out throughout Wales. Who are the people who take up these loans? What work do you do on seeing the beneficiaries? Many people appreciate art, in all its forms. So, I was just wondering how you do that.

[309] **Mr Capaldi:** The first point you made was generally your concerns about the availability of the arts to individuals, audiences and participants across Wales. It is a very real concern. My council takes the view that every taxpayer across Wales should be treated equally in terms of trying to provide services for them. We cannot do it all on our own, which is why local authority help and support is so important. It is a priority for us at the moment to work with local authorities. There is nothing to be gained from us holding a loaded gun to the head of a local authority and saying, 'If you reduce funding, so will we'. In today's climate, we simply have to find new and different models and ways of supporting it.

[310] In terms of the collector plan scheme, which is very popular, since it came on stream we have probably given around 11,000 loans altogether, to a value of about £6 million, which arguably perhaps would not have gone into the pockets of artists otherwise. We do regular surveys of the galleries and the individuals who take up the loans. What they tell us is that the

brand simplicity of interest-free has a powerful effect on encouraging them to think that, to put it bluntly, they are getting something for nothing, which, in the sense of forgone interest payments, then, yes, they are. What we are finding is that it is a very broad spectrum. There are people from different socio-economic groups who purchase and buy. The fact that it is at a relatively low level, up to £2,000, puts it within the reach of quite a significant number of people. The take-up is weighted more to the better-off and the more affluent, but we are finding it is a very powerful scheme. We ask ourselves each year whether we can afford to keep offering it on an interest-free basis. At the moment, up until now, and we will ask ourselves again, the judgment has been that the marketing power of the scheme and the simplicity of the interest-free message is of benefit.

[311] **Sandy Mewies:** Do many default?

[312] **Mr Tudor:** Very few. It is perhaps worth nothing that the cost of running the scheme and covering the loss of interest, if I can put it that way, is in the order of about £40,000 a year. The larger figure you referred to is the amount of credit that is out there, which is effectively on a rolling credit basis. One of my colleagues has been in discussion with the Financial Conduct Authority recently with a view to trying to simplify the procedures, licensing and credit terms for galleries. If we succeed, we anticipate that there will be more galleries wishing to come onto the scheme, which should broaden the appeal.

[313] **Darren Millar:** May I just ask about this, because you have said it costs about £40,000 per year to administrate? You do not recover the costs of that from within the scheme itself through any administration. I know that you do not charge interest, but what about through administration charges or anything like that? To service a £50 loan, which is the lowest level that you offer, must cost more than £50, I would imagine.

[314] **Mr Tudor:** I do not have the figures to hand, unfortunately. I suspect that the majority of loans are between £1,000 and £2,000, and are towards the top end.

[315] **Darren Millar:** If so, why offer £50 loans?

[316] **Mr Tudor:** Maybe that is something that we would have to consider in the future. Also, as Nick has said, in terms of making the appeal as broad as possible, having a relatively low end limit potentially opens it up and makes it more attractive to a wider variety of audiences.

[317] **Mr Capaldi:** We have been concerned about the cost of administering the scheme, which is why, on the collector loan, we are automating it and making it easier so that the human intervention in the process is as little as possible, because it is a process that lends itself to online application. We have now moved a number of our transactional services online.

[318] **Darren Millar:** Yes, but in order to qualify for eligibility, you just have to be wanting to purchase a piece of artwork that costs more than £50 and less than £2,500 or whatever.

[319] **Mr Capaldi:** Yes, it is as simple as that.

[320] **Mr Tudor:** Through a participating gallery.

[321] **Darren Millar:** You will have to forgive me, but the impression that that could create to some people is that you are subsidising wealthy people to have interest free credit to purchase expensive pieces of art, if the average is over £1,000, as you suggested, Mr Tudor. Is that really the best use of your resource?

[322] **Mr Capaldi:** I think that it tends to be the other way around, in that I think the fact that people can make staged payments and that there is the interest facility encourages those who are not wealthy, who would normally feel that they could not afford to purchase a piece of art to be able to do that.

[323] **Darren Millar:** I thought that I heard you say earlier, Mr Capaldi, that it tended to be wealthier people, in terms of the profiling that you had done of the individuals who had taken part in the scheme.

[324] **Mr Capaldi:** It is slightly more so, but not demonstrably more. I think that what we see is a cross-section, across the piece. So, this is not a scheme that exists only for the wealthy.

[325] **Darren Millar:** Are you able to send us more information on the sorts of people who access the scheme, because I think that we would appreciate it?

[326] **Jocelyn Davies:** How do you know how wealthy somebody is?

[327] **Mr Capaldi:** We have to rely on the information given, in terms of the survey.

[328] **Jocelyn Davies:** So, you have information about them, or you survey them. What about gender?

[329] **Mr Capaldi:** I believe that we survey gender as well.

[330] **Jocelyn Davies:** Perhaps that would be interesting, as would geographic spread.

[331] **Darren Millar:** The other interesting aspect is that I thought that it was just individuals at first, but you suggested that galleries can take advantage of the programme as well. Is that correct?

[332] **Mr Tudor:** Perhaps I did not explain that very well. We have a network of approximately 60 galleries that we use—

[333] **Mr Capaldi:** They are members of the scheme.

[334] **Darren Millar:** This is to allow people access to the scheme.

[335] **Mr Capaldi:** Yes.

[336] **Darren Millar:** So, if there is a piece of work in the gallery that people can purchase, they can use this scheme in order to do so. I see.

[337] **Mr Tudor:** We are hoping to widen the coverage and to bring more galleries on, if we are able to reduce the cost of licences.

[338] **Darren Millar:** So it is only through those galleries that people can access the scheme.

[339] **Mr Capaldi:** In this particular scheme, yes.

[340] **Darren Millar:** So, if there is a piece of work that is not in one of those galleries but is worthy of investment, as far as somebody is concerned, they cannot apply to you separately; it has to be through the gallery.

[341] **Mr Capaldi:** No; this is a scheme that is linked to designated galleries, and we go through a selection process in terms of the quality of the work, their financial management and their ability to handle the scheme.

[342] **Darren Millar:** Are they distributed the length and breadth of Wales?

[343] **Mr Capaldi:** Yes, they are.

[344] **Darren Millar:** Jocelyn, did you have another question?

[345] **Jocelyn Davies:** Yes. I think that the idea of this is that it is of benefit to Welsh artists, because their work is being bought; it is not just for people who want to collect.

[346] **Mr Capaldi:** Yes.

[347] **Jocelyn Davies:** Is the work generally by Welsh artists?

[348] **Mr Capaldi:** Yes.

[349] **Mr Tudor:** It is contemporary art.

[350] **Darren Millar:** I have one final question. Have the galleries that participate in the scheme noticed a significant increase in the volume of sales of pieces of Welsh art as a result of this?

[351] **Mr Tudor:** I think that, over the 10 years that Nick referred to earlier, we have, unfortunately, seen a decline in the volume of loans that have been live at any one point and in the total value. However, I think that is more of a reflection on the economic situation in the last six years.

[352] **Mr Capaldi:** When we launched the scheme, in the first few years, it was quite a dramatic increase. Over the last couple of years, we have seen a slight decline in the value of loans taken out, but I believe that, for this year, it is starting to pick up again and is trailing ahead.

[353] **Darren Millar:** Just to get this absolutely right in my mind now—I am sorry to pursue it—you are allowed to purchase only Welsh artists' items from those galleries, and not stuff that might be on display from people outside of Wales or elsewhere.

[354] **Mr Capaldi:** We select galleries on the basis that they will be exhibiting and showing Welsh art.

[355] **Darren Millar:** I am sorry, that is not quite the answer that I was looking for. Are you confident that all of the loans that are given under these plans are just used to purchase Welsh artists' work as opposed to the work of artists who are from elsewhere?

[356] **Mr Capaldi:** I cannot be absolutely confident, but it is something that we would pick up on our gallery visits.

[357] **Darren Millar:** Wait a second. Does that not defeat the purpose of it, though? If it is designed to promote Welsh artists' work, but you do not know what proportion of work has been sold using those plans that is Welsh, how are you able to measure whether it has been successful or not?

[358] **Mr Capaldi:** The surveys that we undertake indicate that it is predominantly Welsh art. That is what we are being told.

[359] **Mr Tudor:** In the note that you asked for, we will cover that. I am confident that it is predominantly Welsh artists, if not exclusively, but I would rather double-check that and cover it in a note, if I may.

[360] **Darren Millar:** So you will be able to send us a breakdown. That is important. Thank you. Keith Davies is next.

[361] **Keith Davies:** Your report shows the substantial increase in the number of days lost to sickness. What effect would that have on overtime and temporary staff and what is the reason for that increase?

[362] **Mr Capaldi:** It does not have an impact on overtime, because we do not pay overtime. Occasionally, we need to bring in agency staff. The reason why sickness during 2013-14 increased significantly was because we had one or two instances of long-term absence and sickness, so we have had to work around that. If one takes out those instances of long-term absences then actually, the trend is downwards year on year.

[363] **Keith Davies:** Fine, thank you.

[364] **Darren Millar:** You seem to be doing an increasing volume of work overseas in terms of trying to promote Welsh art overseas. One of the things that features a number of times in your report is the Wales in Venice investment that you make. Can you tell us a little bit more about Wales in Venice and how you can demonstrate that it represents value for money for the taxpayer?

[365] **Mr Capaldi:** Wales in Venice is the contemporary art world's premier visual arts marketplace. It is a little bit of a combination of—I suppose one would describe it as the Cannes film festival combined with a Formula 1 racing event. I say that for two reasons. The first is because all of the world's major galleries and gallery owners are there in Venice during the early weeks of the opening event. Secondly, it is the forum where you see the visual arts at its most experimental and its most innovative, in the same way that a Formula 1 racing car bears little relation to the hatchback that we might all drive. Nevertheless, the innovation that is pioneered there will find its way into the art world later on, and so we find.

[366] For us, the outcomes are around profiling the individual artist, and in the case of the last Venice event, it was Bedwyr Williams. Since Venice, he has gone on to have a highly successful series of one-man shows and exhibitions. He was also selected by the British UK commemoration of the 1914-18 war to produce and create a piece of work in Bangor that was projected during the summer.

[367] In terms of the reputation of Wales and notice of the arts in Wales, during our opening week, we had somewhere in the region of 2,500 dignitaries and visitors from around the world coming and looking at our exhibition, talking to us about Welsh art.

16:45

[368] A number of those translate into a visit subsequently. Also, we estimate that the newspaper coverage that we got, certainly for the last Wales in Venice, would have an equivalent value of about £500,000. What we do, after each Wales in Venice, is go through a detailed process of evaluation and cost-benefit analysis, because it is not cheap, and we have to ask ourselves each time whether the advantages do justify the scale of the investment.

[369] **Darren Millar:** Of course, not all of the newspaper coverage was positive, I hasten to add, was it, Mr Capaldi? There was criticism of the significant costs associated with travel and subsistence at the event for you and other arts council directors and members. Do you want to just comment on that and how you think that it represents value for money? I think that a figure of over £11,000 for the small number of people who attended over a few days has been cited in the media. Is that an accurate figure?

[370] **Mr Capaldi:** It was slightly inaccurate, but it was still a significant figure. I think that we are aware that one individual did choose to say that this was expenditure that was not justified and could not be justified. I think what we would say is that the benefits that have accrued both to the artists and to Wales, the number of visitors, the importance, when you have 3,000 people there, of making sure that you have sufficient hands on the ground to be able to get the value out of that—. Again, it is something that we review each year, but, in relation to the outcomes that we get out of Wales in Venice, I think that those outcomes were very important.

[371] **Darren Millar:** In terms of the actual total cost of taking an exhibition there, it would not have just been the travel and subsistence costs.

[372] **Mr Capaldi:** No.

[373] **Darren Millar:** So, what was the total cost of the visit in 2013?

[374] **Mr Capaldi:** The total cost of the visit was as cited, because we responded to a freedom of information request.

[375] **Darren Millar:** No, no. What was the total cost of Wales in Venice?

[376] **Mr Capaldi:** The total cost of Wales in Venice was £400,000 over two years.

[377] **Darren Millar:** It was £400,000 over two years, because you have repeated it twice now, is that right? Once in 2011—

[378] **Mr Capaldi:** This is our fourth Wales in Venice.

[379] **Darren Millar:** This is your fourth. You are suggesting to us that you can demonstrate that that is value for money in terms of the return for the Welsh taxpayer and the Welsh art community.

[380] **Mr Capaldi:** We believe that we can, yes.

[381] **Darren Millar:** Why do you just go to Venice, and not to other big international art events?

[382] **Mr Capaldi:** There are two reasons. First, there is nothing of the same scale and reputation as the Venice Biennale. Secondly, we cannot afford to go to lots of them. We have to be selective. We have to be mindful of the cost.

[383] **Darren Millar:** Do other arts councils that function in a similar way to Wales represent themselves in the Venice Biennale?

[384] **Mr Capaldi:** Yes, the other arts councils represent themselves in Venice, and we were sharing a street with a delegation from Palestine and a delegation from Liberia was there. Around 130 countries attend, large and small. The bigger countries, such as England, America, and the bigger European countries, have a much larger presence on the main

Biennale site. We are in much smaller premises.

[385] **Darren Millar:** In terms of the ones that are funded by their national councils, as it were, there are many of those artists.

[386] **Mr Capaldi:** Oh, yes—very many.

[387] **Darren Millar:** You considered it a success in 2013. I noticed that visitor numbers were down by over 20%.

[388] **Mr Capaldi:** The visitor numbers were down. That, though, I think mirrored the fact that visitor numbers for the Biennale as a whole were down, because we checked into that. So, the decreases were comparable. In terms of the impacts that it has had on the individual artists, however, and the impact that it has had in terms of follow-through requests and contacts that we have had, it has been one of our most successful.

[389] **Darren Millar:** You would expect it to have a positive impact on someone if you are spending £400,000 on it at the moment.

[390] **Mr Capaldi:** Indeed.

[391] **Darren Millar:** Jocelyn Davies, you wanted to come in?

[392] **Jocelyn Davies:** Yes. You did mention that there were visitors to Wales as a result from that. Do you know how many?

[393] **Mr Capaldi:** I do not have those numbers to hand, but—

[394] **Jocelyn Davies:** But you do know for a fact that people came to Wales because they saw that exhibition.

[395] **Mr Capaldi:** Oh, yes, because we bumped into them when we saw them at other events and they told us that they had been.

[396] **Jocelyn Davies:** Okay. I notice that the Minister's remit letter says that he hopes—this is last year's remit letter—you will be able to realise the full potential of Bedwyr Williams's appearance as the featured artist. Do you think you have realised the full potential?

[397] **Mr Capaldi:** No, not yet. Personally, I think that Bedwyr Williams has the potential to be a very significant UK artist. I think he has made a significant step forward and he is gracious enough to say that Wales in Venice helped him significantly in that. However, I think we have got further, very big and important things to see from him as an individual artist.

[398] **Jocelyn Davies:** I know you said that this was released because of a freedom of information request, but would we have been able to see this information about how much it cost without somebody tabling a freedom of information request?

[399] **Mr Capaldi:** We try within our annual accounts to publish as much information as possible. We cannot anticipate every request that we might get. However, we tend to take a very permissive approach to freedom of information, or, indeed, just general requests for information. If someone had asked us for the information, we would have been very happy to provide it.

[400] **Jocelyn Davies:** People normally do freedom of information requests, however, because that is the most effective way of getting the information that you want. I also note that the Minister's remit letter said that he looked to you to continue to support projects that develop cultural relations with the Welsh Government's priority countries. Which countries are the priority countries for the Welsh Government?

[401] **Mr Capaldi:** I think the Welsh Government is particularly interested in projects in America, Germany and, particularly, India. Certainly, the Indian projects have been a particular focus for us. We accompanied the First Minister on his last trade delegation to India and the contacts that were developed as result of that mean that we will be going back again with the First Minister's next trade delegation to India to develop those contacts even further.

[402] **Jocelyn Davies:** So, America, India and—. Sorry, did you say another one?

[403] **Mr Capaldi:** America.

[404] **Jocelyn Davies:** America and India—

[405] **Mr Capaldi:** We are choosing to focus on those—

[406] **Darren Millar:** And Germany.

[407] **Jocelyn Davies:** And Germany. Okay. Thank you.

[408] **Darren Millar:** Just to return to Wales in Venice and the £400,000, I presume you would have a business case that went before the council, it would have approved that business case, and you would have had measurable outcomes that you were expecting to deliver from that.

[409] **Mr Capaldi:** Yes.

[410] **Darren Millar:** In addition to trying to increase the numbers of people who visited the pavilion—and those actually went down—what other outcomes did you have that you were able to measure?

[411] **Mr Capaldi:** It was attendance, it was attendance at the opening events, and the volume of newspaper coverage and advertising and the profile that we were getting. Those were the principal measures.

[412] **Darren Millar:** Both positive and negative—you did not include the negative within that £500,000 ticket that you put on the investment, did you?

[413] **Mr Capaldi:** I think that the overall response that we had to the last Wales in Venice was very positive. There are going to be people for whom the contemporary visual arts are not a particular enthusiasm or interest and they will, no doubt, be more critical. However, on the whole, the response was positive.

[414] **Darren Millar:** Thank you for that.

[415] **Jocelyn Davies:** Do you make a financial comparison? Do you do a sort of, 'If we have to buy this much space in a newspaper, it would cost X', because you did say earlier that it would have amounted to £50,000, did you say?

[416] **Mr Capaldi:** It was £500,000.

[417] **Jocelyn Davies:** It would have been £500,000 had you had to buy that space in a newspaper as an advert. Is that what you mean?

[418] **Mr Capaldi:** Yes. There is a particular formula that media agencies use to measure the—. I think it is called the AEV, advertising equivalent value.

[419] **Jocelyn Davies:** The advertising equivalent value. So, how much you pay for that space—

[420] **Mr Capaldi:** If you had to pay for that much space, yes.

[421] **Darren Millar:** May I just ask you a question on the revenue-funded organisations, because, obviously, you are working in partnership with different organisations all of the time and there are some that you give core funding commitments to? I notice that there is a note in your accounts under the 'Action' section in the main objectives for the year that suggests that only 152 quality appraisals were undertaken, which is just 53% of the annual monitoring target, effectively, of those financial commitments, which are obviously very significant. Why was it so low? Why were you so far behind the target?

[422] **Mr Capaldi:** The quality appraisals refer to individuals going to see work, so, seeing a show or experiencing a particular project. We have 100% return in terms of financial scrutiny of all of the organisations. One of the difficulties we have is that the principle that we operate under is that, as well as our executive staff visiting and seeing work when they can, we have a team of national advisers who, largely on a voluntary basis, will go to see work for us and report back. One of the difficulties we have had is recruiting advisers in sufficient numbers across the country who are prepared to do it, frankly, on a voluntary basis and the distance that they are prepared to travel. So, in some parts of the country, particularly north Wales, it can be quite difficult to find somebody and we will not send an adviser based in Cornwall to go for the evening to see something in Prestatyn. So, we are trying to recruit more advisers, and we hope that, next year, we will get that percentage up.

[423] **Darren Millar:** However, just in terms of the revenue-funded organisations, where there may be many performances to attend or many pieces of work being produced, you would not expect someone to attend every single one of those, would you?

[424] **Mr Capaldi:** No, but we would want to make sure that we have a representative view of how well those organisations are performing. At the end of the day, that is their principal output, and I think that one of the things that undermines the sector's confidence in us as a professional body is if they feel that we do not know what we are talking about, that is, we have not seen their work and we do not know how good or not it is. So, we must really try to get as much coverage as we can.

[425] **Darren Millar:** Okay. Jenny is next.

[426] **Jenny Rathbone:** I just want to pick up on the targets for 2014-15 and the goals for 2018. You have got a 5% increase in C to D and E social groups in your 2018 goals, but that may or may not be mentioned in the way that you are setting your targets for 2014-15, at least not in the same way. So, I just wonder whether you could tell us a little bit about how you are carrying out that strategy to increase the numbers of people from underrepresented groups.

[427] **Mr Capaldi:** The success in recent years has generally been pretty good. I think that I referred earlier on to increases in attendance and participation. What we are seeing is that the biggest rates of growth are in the lower socio-economic groups, and, if it would be helpful, I can provide a detailed note that explains that. We are trying to increase the range of audiences engaging with the arts, primarily by working with our revenue-funded

organisations, because they are our principal agents on the ground. So, each year, when we sit down and talk to them about our expectations through the year, they are very clear that that is one of the issues and that we want to grow that. We have specific initiatives and specific organisations working around Wales. There are community arts organisations that have a particular focus working with the most vulnerable and disadvantaged in our society. We also have targeted programmes, such as Reach the Heights, which is now the Momentum scheme. It targets young people who, for whatever reason, have been disadvantaged from work. We have our Creative Steps programme, which is targeted at organisations for which traditionally applying to the arts council for whatever reason has proved difficult. Perhaps they do not think that we are the sort of organisation that would help them or that we would not understand their work. So, again, we have been working with culturally diverse organisations to make sure that we come across as and appear a more welcoming organisation.

17:00

[428] **Jenny Rathbone:** One of the definitions of deprivation is that people do not move outside their immediate community, so it is very welcome to see that there is quite a wide range of geographically spread grants that you have given to small organisations. I just wondered how that squared with the £3.7 million ring-fenced revenue funding to the Wales Millennium Centre, which seems very successful in having a wide mix of popular and not-so-popular art. Hopefully, one can subsidise the other.

[429] **Mr Capaldi:** Yes, and, in effect, it does. I think that from being a slightly troubled child in the cultural landscape of Wales, the Wales Millennium Centre has now established itself as a very vibrant and successful organisation. It is drawing audiences from a very wide geographical area across Wales. It is also, I think, bringing to Wales, which is important, a quality and a scale of artistic work that audiences elsewhere in the UK, particularly in London, would take for granted. So, I think that it is important that we see that. However, we also have to make sure that we are funding an eclectic mix of organisations, large and small, international and local, and that is the balance that my council goes through every year when it is deciding where we should be targeting our funds.

[430] **Darren Millar:** I have one final question to ask, if I may, before we draw this session to a close. The Public Accounts Committee received a report earlier in the year from the auditor general in respect of the Canolfan Cywain in Bala in north Wales. Of course, that report identified weaknesses in the way in which grants had been awarded and then, perhaps, insufficiently monitored once they were awarded, and there were a number of organisations that were listed as participating in the funding of that centre, including the Arts Council of Wales. To the credit of the arts council, the auditor general noted that you had flagged up the risks associated with the project early on, but, for whatever reason, decided to proceed in terms of the funding. What lessons have been learnt as a result of the participation of your organisation in the Canolfan Cywain project? Can you also tell us what is going to happen to the pieces of art that are still in situ, in and around Canolfan Cywain, that the public does not currently have access to?

[431] **Mr Capaldi:** I will take the second one first. We are currently in negotiation and trying to enter into legal agreements to make sure that the public can continue to have access. It is proving rather difficult. We are aware of the costs of legally pursuing something of this sort, but it is a provision that was written into our funding agreement, and so we will try, as far as we can, to hold the landowner to account on that.

[432] On your first question, with the benefit of hindsight, I suspect that we should have been, and we must be in the future, more assertive. I think that there is a temptation when there is a large number of partners involved in a project—all of whom very much want to see the project happen—that one can think, ‘Well, in the interest of the greater good, perhaps we

should follow the advice and go with other bodies'. However, in this instance, we called it right, but we had, maybe, a crisis of confidence in terms of waving the flag high enough.

[433] **Darren Millar:** It was a follow-the-herd mentality in the end, I suppose.

[434] **Mike Hedges:** That is what I was going to say: there is a herd mentality. You were right, and one of the things in the question is: in future, will you back your own judgment or will you keep on following everybody else?

[435] **Mr Capaldi:** No, I think that it is certainly something that we have changed since then. From time to time, you do not always see eye to eye with a funding partner, but what I think that we have learned from that and, indeed, from other projects—. I remember very well that, my first week within post, I was in front of a similar committee, talking about the Wales Millennium Centre.

[436] **Darren Millar:** That is right; I was there.

[437] **Mr Capaldi:** Believe me, we have learned a lot of things from those experiences.

[438] **Darren Millar:** May I thank you, Nick Capaldi and Hywel Tudor, for your attendance today? You will be sent a copy of the transcript of today's proceedings and a note from the committee clerks regarding the additional information that you have agreed to provide. We look forward to receiving that. If there are any inaccuracies in the Record of Proceedings that you receive, please feel free to get in touch and we can correct them. Thank you very much indeed.

17:05

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

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

[439] **Darren Millar:** I move that

the committee resolves to exclude the public from the remainder of the meeting, in accordance with Standing Order 17.42.

[440] I see that the committee is in agreement. Therefore, we will clear the public gallery.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 17:05.
The public part of the meeting ended at 17:05.*