



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

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

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

09/11/2016

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

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

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar Bywgraffiad Biography	Ceidwadwyr Cymreig (yn dirprwyo ar ran Janet Finch-Saunders) Welsh Conservatives (substitute for Janet Finch-Saunders)
Gareth Bennett Bywgraffiad Biography	UKIP Cymru UKIP Wales
John Griffiths Bywgraffiad Biography	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Sian Gwenllian Bywgraffiad Biography	Plaid Cymru The Party of Wales
Bethan Jenkins Bywgraffiad Biography	Plaid Cymru The Party of Wales
Rhianon Passmore Bywgraffiad Biography	Llafur Labour
Jenny Rathbone Bywgraffiad Biography	Llafur Labour
Joyce Watson Bywgraffiad Biography	Llafur Labour

Eraill yn bresennol
Others in attendance

Jo-Anne Daniels	Cyfarwyddwr, Cymunedau a Threchgu Tlodi Director, Communities and Tackling Poverty
John Howells	Cyfarwyddwr, Tai ac Adfywio Director, Housing and Regeneration
Carl Sargeant Bywgraffiad Biography	Aelod Cynulliad, Llafur (Ysgrifennydd y Cabinet dros Gymunedau a Phlant) Assembly Member, Labour (The Cabinet Secretary for Communities and Children)

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

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Chloe Davies	Dirprwy Glerc Deputy Clerk

Hannah Johnson Y Gwasanaeth Ymchwil
Research Service
Elizabeth Wilkinson Clerc
Clerk

*Dechreuodd y cyfarfod am 09:30.
The meeting began at 09:30.*

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

[1] **John Griffiths:** Okay. Morning, everyone. May I welcome you to this meeting of the Equality, Local Government and Communities Committee? We have one substitute today. Mohammad Asghar is substituting for Janet Finch-Saunders. Are there any declarations of interest? No.

09:31

**Craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2017–18
Scrutiny of the Welsh Government Draft Budget 2017–18**

[2] **John Griffiths:** Well, we will move quickly on then to item 2, scrutiny of the Welsh Government's draft budget. I'd like to welcome the Cabinet Secretary, Carl Sargeant, to the meeting. Would you like to introduce your officials, Cabinet Secretary, please?

[3] **The Cabinet Secretary for Communities and Children (Carl Sargeant):** Good morning, Chair. Good to be with you. The second round of scrutiny for me in the same amount of weeks. Can I ask my team to introduce themselves? Jo-Anne first.

[4] **Ms Daniels:** Good morning. I'm Jo-Anne Daniels, director for communities and tackling poverty.

[5] **Mr Howells:** Morning. John Howells, director of housing and regeneration.

[6] **John Griffiths:** Thank you very much. Cabinet Secretary, would you like to make any brief introductory remarks or are you content if we go straight into questions?

[7] **Carl Sargeant:** No, very happy with the scrutiny. Our budget position is as well as could be expected under the financial circumstances of the austerity measures imposed by the UK Government. We are content with taking questions from the committee today.

[8] **John Griffiths:** Okay, thank you very much for that. I will ask the first question or two then, Cabinet Secretary. To begin, could you tell the committee how your approach to the strategic integrated impact assessment has changed this year and whether you are content with the detail contained within it—the level of detail?

[9] **Carl Sargeant:** I'm content with the detail. The process for budget setting is pretty consistent. In addition to the strategic impact assessments, we're making sure that we have the equality strands taken into account and also, alongside of that, running the impacts of the Well-being of Future Generations (Wales) Act 2015 as well, and making sure that we are planning with the principles of the future generations Act for the long term and looking at how our budget impact can be resolved within the guidelines that we have.

[10] **John Griffiths:** Has the process been any different this year, Cabinet Secretary? I think some people look at the election, for example, and wonder whether there's been any disruption or less time available to the normal state of affairs. Has that been a factor at all in the impact assessment—the level of detail within it?

[11] **Carl Sargeant:** Within this department, no, it hasn't. I've not noticed that.

[12] **John Griffiths:** Are you able, Cabinet Secretary, to point to any specific allocations within your budget that will help achieve Welsh Government equality objectives?

[13] **Carl Sargeant:** Well, we will be launching the equality standards in a few weeks' time. The development of that is ongoing. We look at all our portfolio in terms of aspects of risk and we build that into programmes. So, whether that be in the support for housing or supporting people—we look at the equality strands across the piece of Government. So, we have a very specific department responsibility on equality, but we drive the equality strands through all our decision-making processes.

[14] **John Griffiths:** Okay, so you wouldn't highlight any specific allocations within that.

[15] **Carl Sargeant:** No, only the equality duties that we will be launching the paper for in a few weeks' time, which will give details about the inclusion grant and things like that.

[16] **John Griffiths:** Okay. We'll move on then. I believe Rhianon Passmore has some questions.

[17] **Rhianon Passmore:** Thank you. Welcome, Cabinet Secretary. Has the division of responsibility between different portfolios affected the prioritisation within the draft budget in terms of resources?

[18] **Carl Sargeant:** My experience of Government is over a number of years. This year, particularly, has been a very different one in terms of relationships. The future generations Act has been embedded into the organisation very well. We are working across departments. The different style of Ministers is welcome as well, and an interesting one. I will give you examples of that: on the 20,000 homes that we are seeking to build within this department, I had a very early conversation with the Cabinet Secretary for Economy and Infrastructure. He came to me and said, 'Your problem of 20,000 homes is also my problem', which was very welcome. We also have discussions with other Ministers. I meet with Kirsty Williams, Alun Davies and Julie James on the issues around childcare, so we have got a much more integrated way that we operate at the very senior level within the organisation as well. Operating around the future generations Act and how we plan for the long term is embedded now into the department.

[19] **Rhianon Passmore:** So, in terms of that as a theme for this committee, you feel that there has not been any knock-on effect from the fact that it is not within one portfolio. I know that you've outlined—

[20] **Carl Sargeant:** I assume you are specifically talking about poverty in relation to this, so that splits—. Ken Skates is the lead Minister on poverty wholesale. We have some very specific programmes in terms of delivery around community resilience, on which there is no ambiguity on responsibility, and I said—. Actually, my response was much broader. I wasn't sure that you were talking about poverty at the time, so excuse me for that. But the general principle of operation is the same. We work across

boundaries very well.

[21] **Rhianon Passmore:** In regard to recent publications around the Joseph Rowntree Foundation and the Bevan Foundation, one of their documents talks quite strategically about reduction of poverty through managing economic growth, education, skills, strengthening families and communities, et cetera. So, has there been any assessment of these major players in terms of our reaction to developing policy around poverty?

[22] **Carl Sargeant:** I wouldn't like to think that we react to those reports. We welcome them. In fact, they are on the same page as us, I would suggest. When I came into post, one of my first discussions with my senior team was about setting the narrative out for the department as a whole. The two themes I was pursuing—and we still are, with vigour—. One is economic regeneration: so, jobs, skills and growth—the same as what Joseph Rowntree is saying and the PPI reports are suggesting. The other element is well-being, and well-being principally around the Act, but more importantly around adverse childhood experiences. We believe that the two strands there are linked, and, if we can get those working better, we think we will start to turn the poverty curve. Poverty has been a really hard one to deliver on for various reasons. A lot of the time, we don't hold the levers for tackling all issues of poverty; therefore, we take a step forward and two steps back. I think we have to have a fundamental rethink about what we do in tackling poverty, and that is what the department is looking at, alongside Ken Skates and other interventions, so that we do work hand in hand on that issue.

[23] **Rhianon Passmore:** Okay. Finally, then, you mentioned the well-being of future generations Act in terms of tackling poverty. How has this shaped budget allocations?

[24] **Carl Sargeant:** Again, we look at that very early on—about how our policy is developed and how we plan for the future. I would suggest that one of our better examples across all of Government is the way that we are shaping the childcare pledge. The childcare pledge is a very complex piece of work, just to try and get that off the ground. I made an announcement about that yesterday. One of the examples in there is that we are working alongside the future generations commissioner and the Children's Commissioner for Wales, the sector and stakeholders, and we've started a programme called 'Talk Childcare', listening to people. So, part of the future generations Act is about engagement. We've already had over 1,500 responses to the 'Talk Childcare' programme, which is one of the better responses we've had in

terms of our engagement online. That continues to come in. So, the principles of the FG Act is what we're planning here. We could easily do, for the wrong reasons, warehousing for children. That's exactly what we don't want to do. By intervention and support of parents, the sector, the commissioners, we're embedding a different approach and policy delivery, and that's one good example. I would suggest, and in fact, I've heard the commissioner say, that she is impressed at the way we've delivered the future generations Act alongside the childcare pledge. So, I'm quite pleased, actually.

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

[26] **John Griffiths:** Before we move on, Cabinet Secretary, in terms of the Joseph Rowntree Foundation and Bevan Foundation work, it has the great merit, I believe, of simplicity in talking about how you increase the income of families in poverty, people in poverty, and reduce their outgoings. So, as you say, a lot of it is economic development strategy, and how low-paid sectors can be developed—and Ken Skates obviously has key responsibilities there—but in terms of getting outgoings down, often, people who are in the greatest poverty are paying proportionately more for their energy, for their water, and they're more likely to be in debt, for example. So, there's probably quite a crossover of responsibilities there, isn't there, between UK Government, Welsh Government, and different Ministers in Welsh Government? What would be your role, do you think, in terms of trying to get those outgoings down for families and people in poverty in Wales?

[27] **Carl Sargeant:** Well, I don't believe there's one single programme that fixes this, and that's why it's really important that we work across the boundaries, both inter-departmental responsibility, and across boundaries of Government responsibility. We have less leverage across Governments, as you'll be familiar with, but examples we would use—. And that's why the theme of my department, of the two strands of economic regeneration and well-being, runs through the departments wherever you are, whether you're in the housing division, or whether you're in the community safety division, or elsewhere—the children's division. We've got to look upwards at how we're going to tackle these issues. So, the housing team are under no illusion that they don't just build houses, they build communities, and they build quality communities. So, we're looking at energy efficiency, easier travel to work, cheaper travel to work areas, and how we fit that in with the planning system. So, there's a much more integrated approach to the resilience of communities.

[28] It's complex, but I think we can't fix any community, or any individual on one single programme, and that's why Families First, Flying Start and Communities First all have an involvement in my department about how we build a resilient person/community.

[29] **John Griffiths:** And different Ministers would take responsibility perhaps for getting in touch with providers of energy, of water, to try and make sure that they understand these issues around poverty and take appropriate action.

[30] **Carl Sargeant:** Of course. The issue around energy and poverty wholesale is with the Minister, Lesley Griffiths. Ken holds the ring on poverty, but we all have a responsibility as Ministers, and the First Minister's always been very clear on that. I've just got some very specific programmes on children within my division, but the ethos of tackling poverty is one that runs through the spine of Government in terms of what we do. And all of our policy objectives, the 100,000 apprenticeship schemes, are enablers to build communities, and build people, giving them a solid base out of poverty. So, we do understand about giving people jobs and opportunity, and the childcare pledge is not just about looking after children. Actually, it's an economic stimulant as well, to make sure people can get into work. So, there's lots of pluses to the policies that we're introducing. And that's why we're always looking for a Families First plus, what more can they do, and housing plus. It's a new way of doing business really.

[31] **John Griffiths:** Okay. Thank you very much, Cabinet Secretary. I think Mohammad Asghar has some questions.

[32] **Mohammad Asghar:** Thank you, Cabinet Secretary. My question relates to Communities First, which you've already planned to phase out, I think—I remember you making a statement—in February next year. How will any decision to phase out Communities First affect budget allocations in 2017–18? What steps will be taken to ensure that funds currently allocated to Communities First will be spent effectively, as part of any successive programme or programmes, and deliver clear and measurable outcomes in this field?

[33] **Carl Sargeant:** Thank you for your question. Chair, it's really important that I place on record that I haven't said that I'm phasing out Communities First. I said that I'm minded to, and there is a consultation process under

way. I think it's important that committee understands that, and the wider public as well. Subject to that consultation, I will be making a decision early in the new year, and I'll make a statement about that then. I've said that, in this year, it's not a fiscal driver that's changing the issue around Communities First, but, longer term, that may be the case.

09:45

[34] It's a one-year budget and I don't know what that looks like in the longer term. But more fundamentally, it's about making sure our programmes are fit for purpose, and what we do in interventions in communities are holistic in terms of what we're trying to achieve. That's why the review is under way on Communities First. We are getting a significant response, not as big as the 'Talk childcare' response, but we are engaging with communities, both physically and online, to make sure that we can glean as much information on the things that do work and don't work.

[35] Can I just say in addition to that, and I've made this very clear, that whatever happens to Communities First and whatever that decision may or may not be, we are very keen to maintain a programme around the Lift programmes and the job enabling programmes that are usually led through the Communities First programme and supported by it? So, that's what we're keen to do. Subject to the decision made in February, or January/February, then I will decide on what the budget alignment should be used for—whether that will be a continuation, whether that will be a change to the programme or stopping the programme—but that will be a decision I'll take then; I haven't made that decision yet.

[36] **Mohammad Asghar:** Let me go further than this. Will there be a role for local authorities in spending funds previously allocated to Communities First, and will there be any job losses in that field?

[37] **Carl Sargeant:** Again, I haven't made a decision on that. The workforce is around about 740 units of employment. It's not very nice to call them units, but you understand what I'm saying. These are real people in our communities and they do a great job, a fantastic job in being at the heart. They've been there for a long time. Some great work has gone on in all of our communities that we're aware of, but it's a programme that is very specific to particular areas. We know that there is a need basis outside of those areas as well; I get letters from many colleagues asking me about how we can support individuals and families outside Communities First areas or

Flying Start areas. These are some of the conundrums that we're trying to face up to. I think it would be fair to say that Communities First has done a great job and may be of its time. I need to understand what that looks like now, and that's why I'm really keen—. It's not particularly just Communities First that I've looked at; I've looked at a raft of programmes within the department. When I came in, I said that the two drivers for us were economic regeneration and well-being, and that we had to make sure our investments, wherever they were, were delivered, and Communities First is no different to that.

[38] **Mohammad Asghar:** Thank you.

[39] **John Griffiths:** Bethan.

[40] **Bethan Jenkins:** Regardless of the decision with regard to Communities First, you've said in your paper that you intend to continue with Communities for Work and Lift. When I was looking on your website with regard to Communities for Work, the first phase had £30 million of European funding; the second phase had £11.2 million for investment and employment support, and £6.8 million of that was European funding; and it's also co-sponsored by the Department for Work and Pensions. So, I'm wondering, if you are going to continue with this in the context of European funding decreasing, how will this then substitute the work of Communities First? And can you tell me where I can find the information on Communities for Work in the budget, because I was personally struggling? I think it's really important, because if this is going to be a continuation regardless of Communities First, then we need to understand how many people this is helping and where you're planning to take it, so that we can have effective scrutiny of your ministerial portfolio.

[41] **Carl Sargeant:** Of course, and a very fair question, if I can say. First of all, this is a 12-month budget, so what I'm committing to doing is ensuring that we will continue this programme for this budget round. What I can't guarantee, because I haven't made that decision, is whether I will be continuing Communities First as a programme within the next budget round. The finances are there, but it will depend on what feedback I get before I make that decision. But what I can commit to is continuing the Communities for Work and the Lift programme.

[42] **Bethan Jenkins:** Sorry, what is the funding for Communities for Work, then?

[43] **Carl Sargeant:** I'll ask my team just to refer back to that. I think it's in the Communities First BEL, but—.

[44] **Ms Daniels:** It is. So, within the prevention and early intervention BEL, which is just over £154 million, that BEL includes funding for Families First, Flying Start and Communities First, and in addition to that, some wider communities-related activities, such as funding for Citizens Advice, funding for Street Games, and it also includes the funding to support Communities for Work—

[45] **Bethan Jenkins:** Which is?

[46] **Ms Daniels:** The precise—

[47] **Bethan Jenkins:** How much is going towards Communities for Work?

[48] **Carl Sargeant:** Can I drop the committee a line on that? We don't have the detail of the specific numbers. It's within the broader BEL, and I'd much prefer to give you a more detailed response, because it's a fair question, in terms of what finance is allocated to that, alongside the European funding, and how many people that's supported, because I think that's a reasonable response that you could reasonably expect as well.

[49] Just on the back of that, on your question about European funding, of course, the commitment from the European Union and the UK Government is for guaranteed funding until 20—

[50] **Mr Howells:** Until 2020.

[51] **Carl Sargeant:** Yes, 2020; that's what I thought. So, we are confident that we can continue that programme, certainly for this 12 months. It's a 12-month budget; we can't hide from that. I'm committed to delivering that for that 12-month period. Hopefully, we can continue, because we know that the economic and employment response is a positive one, getting people back into the employment market and back into work.

[52] **Bethan Jenkins:** Okay, thanks. I look forward to that information.

[53] **Carl Sargeant:** Yes, of course.

[54] **Bethan Jenkins:** The question I had, and I know that some might want to come back on Communities First, but I just wanted to ask a quick question on regeneration. There seems to be a significant drop in regeneration money of around 76 per cent. So, it's £62.6 million to £14.9 million, and you say that you hope that you can improve on this after the autumn statement. Would this then mean that there would be in-year scrutiny or would it be part of the budget that we would vote on in December? Obviously, it's such a big drop, would that be able to be lifted back up to the level that it was at, or would it only be partly, or can you not tell me now what is within your capacity to do in that particular area?

[55] **Carl Sargeant:** I don't know the answer to your question in terms of detail, because we don't know what the autumn statement will deliver. We are hopeful, and indications would suggest, that there'll be a capital uplift, and I've had some discussions with the finance Minister to see if we can allocate some of that to this department, but the regeneration budget, as a budget, are the numbers that you've been given—

[56] **Bethan Jenkins:** And what would suffer as a consequence, in relation to the budget? It's actually a massive reduction, so I just want to understand what would go in relation to that, then, if it stayed as is.

[57] **Carl Sargeant:** VVP, as it was, the second phase of VVP, and any other regeneration programmes that may be aligned to that. You'll see, in terms of the regeneration and the community facilities grant that that's been reduced as well. This is just the number I've been dealt in terms of finance. I've tried to measure the risk of non-investment in these, and I think there are some great projects that we do around communities, but just in terms of capital, my spend has been reduced significantly, as in many other departments as well. I'm hopeful that we can start to rebuild on the back of the regeneration investment fund for Wales—so, from the RIFW account we're trying to access some of the funds back into this department for regeneration—and also the autumn statement. I'm hopeful, following the statement, we may be able to include that in the final budget, but I can't promise that, because it may be exactly the same as it is now, but I'm hopeful that we can increase regeneration. Regeneration is not looking good, but I can't hide that and I wouldn't want to. The fact is we've got to cut our cloth accordingly, and the regeneration budget is the one that's had to take the hit.

[58] **Bethan Jenkins:** Okay, well I'd just be conscious of wanting to be kept abreast of any developments that you have, so that we can effectively

scrutinise, especially if it's going to be so impactful on the regeneration services that are provided at the moment.

[59] **John Griffiths:** Yes, that would be very useful, and I think that we should say that VVP is Vibrant and Viable Places, just for the record, Cabinet Secretary. But I think it's quite clear, what you've said, that that hefty reduction that Bethan Jenkins has referred to would mean that the second round, then, as envisaged, of Vibrant and Viable Places wouldn't be able to proceed to the extent that you would like. But if further capital money becomes available to you, then you may be able to reinstate that.

[60] **Carl Sargeant:** Well, I'm not suggesting—. If I get some more money, then I'll consider what the next phase is; I'm not committing today to a second phase of VVP, just in case, one, I don't get the money or, two, that it's the wrong thing to do. What I am committing to is: if I get more money, I will consider what that will look like and I will be part of that conversation with you. I'm happy to have that discussion, but we have to put this into context. If I may, Chair, very quickly, in the last term of Government, we lost £1.2 billion into the Welsh economy. We should not forget that. That has a consequence. We have to balance the books, and I don't like—this is a very difficult time in politics. We have to make choices. Unfortunately, regeneration has had to take a significant cut because I just don't have the money to do that.

[61] **John Griffiths:** Okay. Thanks for that.

[62] **Jenny Rathbone:** Can I just pick up—?

[63] **John Griffiths:** On this particular point? Yes.

[64] **Jenny Rathbone:** I'd just like to put it in a different context, which is the result we've had overnight and the Brexit result that tells us that we need to regenerate our communities, or we're going to get massive kick-back. So, I hope you'll be able to take that back to your colleagues in Government to say that we need regeneration money to keep going, to give people hope.

[65] **Carl Sargeant:** The Member makes a fair point, but we also have to, as I said earlier, balance the books, and it is about choices. I think what's important for me is that I've got a resilient family, whatever that looks like, and that's what we're trying to tackle across the whole of Government. Early intervention and prevention is what we have to do. We have to prioritise what

our schemes are. Unfortunately, the regeneration capital end of this is a real tough one. A point well made.

[66] **John Griffiths:** Sian.

[67] **Sian Gwenllian:** Jest i fynd yn ôl am funud at Gymunedau yn Gyntaf, oherwydd bod hwn yn fater sydd yn peri pryder i bobl yn ein cymunedau ni—rydw i wedi bod yn trafod y posibilrwydd—rydw i'n deall bod yna ymgynghoriad yn dal i ddiwydd—y bydd yr arian yn mynd efo pobl yn y gymuned ym Maesgeirchen, a byddwch chi'n ymwybodol ohoni, cymuned ddifreintiedig sydd wedi elwa'n sylweddol o'r cynllun. Beth maen nhw'n ei ddweud wrthyf fi ydy eu bod nhw'n deall bod yna rai agweddau o Gymunedau yn Gyntaf, efallai, sydd ddim yn gweithio, ond maen nhw'n dweud eu bod nhw'n awyddus, cyn bod Cymunedau yn Gyntaf yn cael ei dynnu i ffwrdd, fod beth sydd yn mynd i ddod yn ei le fo yn glir, fel eu bod nhw'n gallu cynllunio ymlaen, fel nad oes yna fwllch yn y canol. Maen nhw'n awyddus i wybod mwy am—roeddech chi'n sôn am barthau plant—y *children's zones*. A ydy hynny'n rhywbeth yr ydych chi'n dal i ystyried ac a fyddai hynny'n rhywbeth a fyddai'n gallu dod i mewn cyn i'r arian ddiflannu'n llwyr—bod beth bynnag sy'n mynd i ddod nesaf yn dechrau dod trwyddo fel nad oes gennym ni'r *gap* mawr yma yn y canol?

Sian Gwenllian: If I could return for a second to Communities First, because this is an issue that's a cause for concern for people in our communities. I've been discussing the possibility, and I understand that the consultation is ongoing, that the funding will be removed with the community of Maesgeirchen. You will be aware that that's a disadvantaged community that has benefited significantly from Communities First. What they tell me is that they understand that there are some aspects of Communities First that, perhaps, don't work, but they also said that they are eager, before Communities First is removed, that what should replace it is clear, so that they can plan for the future and that there should be no vacuum in the middle. They're eager to know more—you mentioned the children's zones. Is that something that you are still considering and would that be something that could be introduced before the funding disappears completely—that whatever is to succeed Communities First would start to come through so that we won't have this large gap in the middle?

[68] **Carl Sargeant:** I can understand why the Member is pushing for more

detail on this, but it wouldn't be right of me—because it would be premature in the decision-making process for me to consider. I'm still taking evidence from people, and I know I've recently received a letter from you, Sian, in terms of issues around Communities First, as I have from many of your colleagues as well. I will make the decision in the early new year, and I will be very clear about the future progress of what I see for the resilience of communities, including more detail around children's zones, Families First and Flying Start. I'm sure my legal team are watching me very carefully, and it would be wrong of me to indicate that, one, I've made a decision in advance of—. But we are considering all options and all of the good work that goes on in communities.

[69] What I'm seeking to do is have the biggest impact for the finances we have, and this year, as I said, the finances are in place, but I can't guarantee that for the longer term. The indicators we've had from the UK, from the Institute for Fiscal Studies, are around the next 11 years will be very difficult in austerity measures and this is the top end of the good time. So, what we do know is that we'll reduce year on year for the next 11 years, and I think that's something that we've got a plan for. In terms of the future generations, that's exactly the reason why we should have an Act like that, because we've got to plan for the long term here.

[70] **Sian Gwenllian:** Rydw i'n meddwl eu bod nhw'n deall hynny. Jest eisio gwybod mwy am y syniad parthau plant rydw i'n meddwl y maen nhw, achos rydych chi wedi sôn am hynny fel rhywbeth, efallai, a fyddai'n cymryd drosodd—nid efo'r un lefel o arian, efallai. Ond maen nhw ishio gwybod mwy am hynny a deall y byddan nhw'n cael hynny rŵan yn y flwyddyn newydd—

Sian Gwenllian: I think they understand that, but they just want to know more about this concept of children's zones, because you have mentioned that is something that might actually replace—perhaps not with the same level of funding. But they just want to know more about that and understand that they will receive that in the new year—

10:00

[71] **Carl Sargeant:** I can give some more detail on children's zones—the principle, if that's useful, because we'll consider introducing children's zones whatever happens with Communities First. We don't see this as a financial model for introducing children's zones. It's a concept that's been proven abroad, where we see different agencies coming together under a

wraparound approach to children and families, so we absolutely understand exactly what's going on in that young person's life, and then we model services around them. There's a programme in Harlem in the United States that was very good at this in terms of turning round a troubled school where they identified interventions that were required. The children's zones will be about bringing all of these agencies together to understand—so, it won't be a physical hub, but it will be a programme of how we are able to use Families First, Flying Start and other external agencies and third sector agencies together, through that wraparound approach to communities. So, we're going to be trialling some children's zones again in different frameworks—they may be school based or they may be ward based—about how we get into communities and understand how they operate better.

[72] **Sian Gwenllian:** Ond nid oes **Sian Gwenllian:** But there's no yna ddim cyllid penodol yn mynd specific funding that goes along with efo'r parthau plant. Maen nhw'n the children's zone. It uses funding defnyddio cyllid o botiau gwahanol. from different pots.

[73] **Carl Sargeant:** No, it's a concept.

[74] **John Griffiths:** Okay. Well, any further information on that following today's meeting would be useful, Cabinet Secretary. Could I just ask on Communities First? I understand what you say that, obviously, you have to consider all the issues involved and then come to a decision. Could you just confirm that amongst those issues will be the future existence of centres that are delivering Communities First in deprived areas, because there is a great deal of anxiety around? Some centres are in a better position than others in terms of delivering some of the programmes you've indicated will continue, but those that aren't delivering those services are even more anxious than the others. You know, they are providing a lot of valuable delivery to our communities, and I just wonder if you would take the opportunity today to confirm that you will be carefully considering the value of those centres even if they're not delivering those strands that you've indicated will continue.

[75] **Carl Sargeant:** What I can say is that my team are working incredibly hard in engagement with communities and Communities First across the 52 clusters. Working with local authorities and some of the other providers of Communities First, we're trying to understand what the implications are of financing and that financial model, and what the liabilities look like as well. So, that's quite a piece of work in itself. We shouldn't forget what the purpose of Communities First was: it was about a tackling poverty

programme. It wasn't always to be considered as a capital expenditure programme. It is around £30 million—the programme—it looks like, at the moment, and two thirds of that is on salaries, and around a third of that is on intervention of service.

[76] So, I absolutely understand what the Chair is saying in terms of community facilities that are used sometimes to deliver other services, and that's a consideration we are thinking about with authorities. But I can't pre-empt a discussion—I mean, nothing might change come February. If I'm convinced that it's the right thing to do to tackle the issues that we are seeking to do as a Government, then we'll continue that programme, but I have to be convinced of that. I don't think it's wrong to challenge a very significant programme that is targeted at tackling poverty, and when we look at the stats behind it, we are not shifting the very stubborn effects of poverty in communities. We have to do something different or enhance it, and I haven't got the answer to that until the new year.

[77] **John Griffiths:** Okay. Thank you very much for that. Rhianon, did you want to come in at this stage?

[78] **Rhianon Passmore:** I think in terms of the comments that we've just been given I'm satisfied.

[79] **John Griffiths:** Okay. Thanks very much for that. Well, we've move on then. The next questions that I have—I think it's Rhianon on this.

[80] **Rhianon Passmore:** In terms of the valuable discretionary assistance fund, what steps have been taken to ensure improved take-up from the discretionary assistance fund, and especially relating to the recommendations made in the evaluation from 2015 around take-up and accessibility and knowledge of the fund?

[81] **Carl Sargeant:** Well, the draft contract is till March of 2017. We're just doing some review around that, about what that looks like for the future. It's a very positive scheme and it's very intensive work: the operators in the call centre work in very vulnerable situations, sometimes, so it's something that we recommend.

[82] The work with Northgate—. Northgate are the providers of the scheme, and we're looking at the recommendations of the evaluation. Part of the network has been further developed in terms of ensuring that a well-

trained network is in place. So, it's not just about the specific issue around DAF, but what other needs there are in terms of individuals as well. Improving the recording of enquiries et cetera is something that we've learnt about. We're learning more about high-impact areas et cetera, where the request for this is more prevalent. And, again, there's monitoring the customer service, because the customer experience is always an interesting one as well, and we make sure that our service providers are delivering something good for us.

[83] The reporting mechanism is robust and we'll take that into account following the process in terms of re-procuring a service in the future. It's something that we stepped into the space of in terms of delivering, and I think we've done pretty well in terms of our commitment to communities and the need base around this.

[84] **Rhianon Passmore:** Okay, thank you. I've got a further question. In terms of the potential for the devolution of attendance allowance, what arrangements are in place in order to prepare for that?

[85] **Carl Sargeant:** It's like all things that are gifted from the UK Government—there are generally many questions that are left unanswered and that is still the situation at the moment. We're still waiting for further detail from the UK Government about the potential of the devolvement of this and what that may or may not mean. We've got nothing fixed, yet, because the detail is scarce.

[86] **Rhianon Passmore:** Okay, thank you.

[87] **John Griffiths:** I think we'll move on, then, to Joyce, who has a question on Supporting People.

[88] **Joyce Watson:** Good morning, Cabinet Secretary. I'm going to widen it out. I'm going to start with any discussions that you've had with your ministerial colleagues during this budget round about developing closer working links across, for example, health, social services, housing and everybody else in order to get better value for money.

[89] **Carl Sargeant:** Yes, a really important one—Supporting People is pretty special to most political parties, actually. It's a great lobby as well, the Supporting People—there are a lot of people involved in this and I know Bethan Jenkins is one who is a champion of this, too, as is Joyce Watson.

[90] Your question is fundamentally right about what it is that we do to make sure we get value for money, but it's a really difficult one in terms of measuring the outcomes of it. We know it does good, and everybody who is engaged in the programme is doing good. But when it comes to financial settlements: when I'm really under pressure, where do I start pushing here? We've protected the budget in terms of this year, but I can't give assurances, long term, that we're going to be in that space. That's why I don't think it's unhealthy to have those discussions.

[91] I've already met with the new interim chief executive, which I think is her title, Katie Dalton, with regard to Cymorth Cymru. I've already met with other Cabinet Secretaries and Ministers about what parts we deal with, as this department, and what does health do and the interventions around there. I've started the discussion—I mentioned it earlier to you—around prevention and early intervention. I believe that is the pathway we need to start developing as a Government and our partner agencies—about getting in early—because a lot of the Supporting People activity can be resolved if we get in at the front end. One of the examples around that is our homelessness—. We know that early intervention around homelessness has produced some great stats for us, but, more importantly, great outcomes for people: a 63 per cent reduction in homeless reporting, and support. That's because we did something different within the Supporting People and housing portfolio, just looking at problem solving differently. So, we're engaged with all of my colleagues, trying to get them to shift budgets around to support early intervention will be a long-term challenge, I expect.

[92] **Joyce Watson:** I said I'd link it wider, and I'm going to move straight into linking it with violence against women, domestic abuse and sexual violence, because it fits here in terms of Supporting People, and it fits more widely in terms of the housing Act—legislation that's coming forward. So, I just wonder whether you could explain to us how, in terms of viewing Supporting People more widely, and also gaining maximum benefit for the individual and the budget, you're piecing the different parts of legislation together to deliver on that.

[93] **Carl Sargeant:** Particularly around the VAWDA stuff, it is a really important one. I know you're committed to that, as I am, and I want to make sure that we're doing the best that we can, but we don't hold all the expertise in Government. Regardless of what the Government says, sometimes it's best to consult the experts as well, and real people. So, I've

got an expert group, which I've just refreshed, actually. We meet straight after this—the first meeting of the refreshed VAWDA group. As to some of the tasks that I will be asking them to look at, one is around sustainable long-term funding. We've talked about it for a long time, about what that means and how we achieve that. Secondly, it's about service provision, so particularly around refuge. What does that look like in Wales, and what are the real needs to that?

[94] But that group will help me start to frame where the finance comes from as well. So, I've got two pots currently of finance around—. I've got some in the Supporting People programme, but also a very specific pot in the violence against women and sexual exploitation pot of money as well. I'm looking at and considering integrating those two together for the very reason you talked about. One is we get better value by the back-office function about managing two pots of money. We get a little bit more into the front. But I think this group will maybe give me some better advice on how best placed that is in procuring that as well. So, it's a very specific piece of work.

[95] We're starting on the journey, but we're going to test it on this area and then we're going to move into the broader principle of Supporting People as well. So, I'm not sure whether I would bring VAWDA money out of Supporting People and have a very specific pot of money allocated for that, joining them up, or do we have a sort of Supporting People 2, which is adding the money from the other department into this as well? More importantly, I don't particularly care where the money is situated as long as whoever's using it does it well. Whether that will be in my department or somebody else's is irrelevant to me, as long as we're maximising that impact.

[96] **Joyce Watson:** I was just—if I can, Chair—trying to get—. For me, Supporting People—the two words—mean just that, and to you, I know, they do as well. If we're going to look at it in the round, then we have to look at the legislation in the round. I have to congratulate you on what you're doing within housing in terms of not asking families to move. I suppose, if I sort of give an example of what I'm looking for, it's about poverty, it's about linking into poverty. So, if—and let's stick on domestic abuse—a wife, or a female, has to leave their home, and therefore their community and their work, they're straight into poverty. So, it was that question that I was trying to get to in terms of really looking at the individual, and whatever makes them poor, and trying to resolve it by supporting them.

[97] **Carl Sargeant:** Yes. As I said to you earlier on, I don't think there's one programme that fixes this; it's a mixture of interventions that we need to have. That's why the children's zone concept is something that I'm really keen on because, often, it goes with programme, because that's how we do things. If it's postcode based, then you will be given a service around Families First, Flying Start, but actually you may not need some of that intervention. You might need something else that's outside your area, and exactly the same with Communities First. So, I'm trying to give more flexibility into programmes, of actually looking at people—individuals and families—what they need and what wraparound approach we need. We've got the integrated family support service, which is a good example of how it can operate, but we're not at scale.

10:15

[98] So, I think we've all got—in Government, local authorities, third sector, statutory services—some really good products that they support people with, but sometimes people miss out because they're either in the wrong place or it's the wrong intervention process. That's a tough nut to crack, but I think that goes to the base of your question about what Supporting People is. I don't think Supporting People, as is, is the be-all and end-all for this. I think we've got to look beyond that as well.

[99] People are attracted by the name, and I can see exactly why, and attracted by the pot, because you're sort of ring-fenced. As I said earlier, it's a great little lobby that—there's lots of people there, lots of organisations who push very hard to get into Supporting People. The reality is that there are a lot of services outside Supporting People that are equally as important in terms of that, but you're sort of protecting that little boundary.

[100] **Joyce Watson:** So, when you're going forward after this year with your new budget, those will be the considerations that we'll be able to find in the budget moving forward, because I know this is a unique budget because it's only one year.

[101] **Carl Sargeant:** I would like—and I know Mark Drakeford, the finance Cabinet Secretary is of the same mind: he wishes he could have produced a three-year budget but we just haven't been able to. I know if we can plan finances for the long term for organisations, it gives them a much better resilient service and plan. We just haven't been able to do that and I regret that, but it's little down to us. It's a UK Government Treasury issue.

[102] **Joyce Watson:** Thank you.

[103] **John Griffiths:** Okay. Rhianon.

[104] **Rhianon Passmore:** We've mentioned some of the key drivers in terms of the fiscal reset—EU withdrawal post 2020, the comments from the IFSS around depreciation and that context that we're in. In regard to other dynamics around whether it's universal credit or, what I'm asking you about now specifically, the housing benefit cap impact on homelessness, we know that Gingerbread has given dire warnings of eviction for, in particular, vulnerable groups, around single-parent families, and the concern would really be your reassurance that we're looking at that preventative spend in the round, whether it's Supporting People or around Communities First, to get optimum bang for that buck, in terms of helping people and supporting people. So, I mean, what is your view on the housing benefit cap in terms of that homelessness warning that's coming through from very many different groups at this moment in time in terms of the wider spend on preventative—?

[105] **Carl Sargeant:** We're aware this week, indeed, there was a housing [correction: benefit] cap increase [correction: decrease] this week and we've done some modelling again about risk areas, and it's predominantly city areas in Wales that are more highly affected for obvious reasons. We can't mitigate all of these actions and, as much as we try, we are in a space of limited budgets. I know Members fully understand that. What we can try and do is give people opportunity. That's why our Government programme is about giving people jobs and opportunity, for the more vulnerable in our communities. Enabling them to gain confidence to get into the jobs market is another part of our programming as well. The childcare offer, the 100,000 job apprenticeships and community resilience all feature as part of a jigsaw, a suite of tools that we're trying to use as Government to give people strength in our communities—strength and hope. We want people to have safe and vibrant communities, but we are constantly under pressure in direct consequence of other people's decisions. So, we can do what we can. We've got to be nimble about this as well, but that's what we're trying to do with our manifesto commitment—shaping up for a future opportunity, an offer of hope for people.

[106] **Rhianon Passmore:** Okay. Thank you.

[107] **John Griffiths:** Bethan.

[108] **Bethan Jenkins:** You've previously said you would like to give more funding towards violence against women and domestic abuse in relation to the Act, but obviously the budget has stayed the same. So, I just want to ask you why that is, in relation to the fact that there will be additional obligations, and also whether you are satisfied that the £331,000 that you've invested in the strategy will be sufficient to deliver on your aims. I've read the strategy and, while I don't disagree with anything in it, a lot of it is about creating new frameworks, guidance. I wonder what scoping of the finances you've done to make sure that those elements within the strategy that has just been released are realised and that it's not just about working with other partners in relation to, sort of, having a top-slice of other budgets—potentially from the police, potentially from the voluntary sector—to substitute what would have been additional money that you haven't put into this current budget.

[109] **Carl Sargeant:** Well, you could perceive that the increase has actually prevented it from decreasing. It's a play on words, but the reality is we're in tough times, and I know, as a Member, you're aware of that and recognise that.

[110] The strategy was launched last week. Following that, there'll be a delivery plan that we'll be looking at with more detail in terms of that. It is important, actually, the point the Member raises—it is important that we have cross-Government-organisation funding of this because it buys people in. I pay tribute to Alun Michael and South Wales Police—

[111] **Bethan Jenkins:** Have they committed to doing—you know, if there isn't something that you can fund through the moneys that you've put in, have they committed to being able to do that then?

[112] **Carl Sargeant:** What they are committed to is a more integrated approach to service, including finances around that as well. I've met with all the PCCs, actually, of all political persuasions. I'm very encouraged by the inclusiveness about opportunity, particularly around this subject. They are looking very closely at what they do, what we do, what the third sector does in terms of support, and the health service—about how we all deliver services and what it is we need to do. That's why the delivery plan will give some focus on who's responsible for some of these things.

[113] **Bethan Jenkins:** What I'm trying to tease out is, if, for example, the £330,000 isn't enough when you have that delivery plan realised, will you come back with a potential supplementary budget or would you then have conversations with other colleagues as to where money could potentially come from, just in case there might be a situation where you can't then deliver everything?

[114] **Carl Sargeant:** I've got to work within the boundaries that I've got—so the money that is allocated there. We are confident that we can deliver services on that financial base. More importantly, as I said to Joyce earlier on, for far too long we've operated on a hand-to-mouth relationship with finance, particularly around this sector. It's a very vulnerable, fragile sector. I brought a working group together to look at this specifically. So, rather than just a shopping list of things that we need—actually, what's the shopping list and how are we going to sustain funding for this, and whether that be through Government funding, through third sector organisation support, charity status, or whether that be police and fire and health boards—bringing that together? So, what's the real cost? What's the real need? We have to get underneath that because, year on year, I have the same discussion with this sector—I've had in the past and now I'm back in this, and the discussion's not changed in any way. It's, 'How do we limp across to next year?' That really isn't good enough; we really have to get underneath that. As with many sectors, including this, there is some self-interest about organisations, and there are some that deliver services better than others. I need to get into that place and understand who's going to deliver what and where and who will be responsible for it. That's why the delivery plan will be framed around that—about responsibilities and finances to support that. So, can I commit to any further money? No, I can't, but what I am committing to do is to make sure that we get the best value for money that we invest in, working alongside partners, including people like South Wales Police—and north Wales, actually, have already committed to working with us—about how we maximise all our inputs in this.

[115] **John Griffiths:** Okay. Thanks for that, Cabinet Secretary. We move on then to financial inclusion and advice services, and it's Bethan Jenkins.

[116] **Bethan Jenkins:** Sorry, it's me again. Obviously, you know that I've been doing quite a lot of work on this and I do have a meeting with your advisers on Thursday. I just wanted to ask, in relation to the strategy—again, it's a similar theme to the questions that I've just asked—where is the budget for the delivery of the plan for the financial inclusion strategy within your

current budget, and how will that then be implemented?

[117] **Carl Sargeant:** In terms of detail about where the finance is in the budget lines, I'll get you that detail in a second. My team will dig that out for us now. The conversation that we had during the debate the other week around financial inclusion is a serious one. I think it's a fundamental part of a successful family, about the ability to understand what finances are and financial inclusion. I visited Step Change last week. It's a great organisation that's helping people who are in a difficult position in their finances. A lot of that is knowledge based. I think we need to do some more. So, the conversation you will start with my team is something that I hope we can progress into something more in terms of delivery. Of course, the advice services are one element we are seeking to support through Citizens Advice, and we are looking now at a review about how our advice services are working. It's important that we give quality advice to people. Again, some organisations, with the best intention, are not properly aligned to giving financial inclusion advice to individuals. I'm interested in the school setting, which I know the Member has an interest in too. How we are able to support that and finance that is another conundrum, but I'm very interested to continue some dialogue with you and my team in terms of that space that is requested. In terms of where it is in the finance, it's in, funnily enough, the financial inclusion element of the BEL and it's £13.927 million.

[118] **Bethan Jenkins:** Sorry, I'm asking specifically on what the delivery plan of the strategy would cost—has there been a budget line for that?

[119] **Carl Sargeant:** No, we haven't got that.

[120] **Bethan Jenkins:** Not yet.

[121] **Carl Sargeant:** No.

[122] **Bethan Jenkins:** Okay.

[123] **Carl Sargeant:** But the whole BEL line for financial inclusion is £13.927 million.

[124] **Bethan Jenkins:** Okay. That's fine. The other question was on credit unions. Obviously, many of them are very different in nature and some are coping better than others. Some have had to merge because of financial problems, and I just wondered whether there was anything in the 2017–18

budget to support credit unions.

[125] **Carl Sargeant:** Just under £0.5 million.

[126] **Bethan Jenkins:** Just under £0.5 million. Are you satisfied that working with the—I think you've got a working group now, haven't you, that includes credit unions. Is that something that they've been part of deciding?

[127] **Carl Sargeant:** It is. I've looked at this in the past and I ponder why we just can't get credit unions to fly in Wales. We've sought to have discussions with the private sector and the public sector about taking the money from your earnings prior to receiving—you can take it directly out of your pay, your salary—and we just can't get people confident enough to take this up. I don't know what we need to do. We've done lots of campaigns, we've done lots of promotional activity around this. In other countries—Ireland, particularly, and in America—there are huge community credit unions. We just haven't been able to crack it in Wales and I don't know what the answer to it is.

[128] **Bethan Jenkins:** Is that something—sorry, my last question—something you could be working stronger with in relation to local government? Obviously, when I put forward my financial inclusion Bill, what I found was that local authorities like Swansea were working very well with the credit unions and then others weren't at all. Then, trying to promote it through the employees of the councils and offering different types of goods and different types of services—for example, Swansea work with the prison and offer services to the prisoners there. Is there something that can be done in terms of sharing that best practice better?

[129] **Carl Sargeant:** We do that. I've visited many credit unions and authorities about how—. We've even had them printing on the back of payslips about access to credit unions et cetera. It's not that we've not been innovative in trying to encourage people to do that, but there is just a—. I don't know what the answer to this is, Chair, but you as a committee might be able to give me some advice on this because an inquiry into credit unions, about how do we build the membership up, is something that I'd be welcoming any evidence that you might be able to offer. [*Laughter.*] Because we haven't been able to crack it. I could say we have, but we just haven't been able to.

[130] **John Griffiths:** We always welcome ideas for the future work of the

committee, Cabinet Secretary.

[131] **Bethan Jenkins:** We're being lobbied by the Cabinet Secretary.

[132] **John Griffiths:** Thanks very much for that. We still have quite a number of areas to cover and just about 30 minutes left I'm afraid, so we do need to press on. Joyce, you have some questions on the third sector.

[133] **Joyce Watson:** Well, it was—I think they've been answered, really. I think it was the challenges about sustainability in the third sector and I think they've been covered, quite frankly.

10:30

[134] **John Griffiths:** Okay. Just to follow up quickly on that, Cabinet Secretary, in terms of Welsh Government and your avowed wish that the third sector would become less dependent on public funding, how is that demonstrated in this particular one-year budget?

[135] **Carl Sargeant:** It's about sustainability. What we've tried to do is give them a stable footing to start the discussions with the very sectors that they represent. The WCVA are leading on this for us in terms of broader conversations about how do they support organisations to look at grant funding et cetera. We know that, with some organisations, there's a core level required for services. There is lots of duplication in organisations as well. We're getting better at it, but we know that we can't sustain this long term—we just know that the funding isn't going to be available for that. What we're trying to do is prepare organisations for this. Some listen, are very nimble and work to look for a different model. Some, unfortunately, wait for the red-letter day to say that there's no more money and then we're in crisis. We don't want people to be in that place. We want to give people a very early heads up, saying, 'Plan for something different here.'

[136] **John Griffiths:** Okay, Cabinet Secretary. We have some questions on the community facilities programme, which I think we did touch on and you touched on earlier. Do you want to ask anything in addition to what was covered earlier, Sian?

[137] **Sian Gwenllian:** Ie, jest i holi— **Sian Gwenllian:** Yes, I just wanted to mae yna dipyn o ostyngiad yn yr ask—there's been quite a bit of arian sydd yn mynd i'r rhaglen yma, reduction in the funding going into

onid oes? Mae o'n mynd i lawr o £11 miliwn i £2 filiwn. Mae hynny'n mynd i gael effaith ar gymunedau, yn enwedig pan rydym ni'n cofio bod yna lai o arian yn dod o Ewrop. Sut, rwan, ydych chi'n mynd i ddefnyddio'r £2 filiwn yna mewn ffordd briodol wrth symud ymlaen? Bydd yn rhaid creu gwell blaenoriaethau, efallai, er mwyn dyrannu'r arian mewn ffordd mwy effeithiol.

this programme. It's going down from £11 million to £2 million. That's going to have an impact on communities, particularly when we bear in mind that there is less money coming from Europe. So, how are you going to use that £2 million in an appropriate manner moving forward? Because we'll have to create better priorities, perhaps, in order to allocate the funding in a more effective way.

[138] **Carl Sargeant:** The scheme itself was amended a couple of years back in terms of priorities. It was based on a heavier bias towards poverty. So, we invested in our communities with higher risk. The issue then was about—there were generally bidding rounds that were set up. This is a rolling programme, so we look at how does that work and fit into programmes. This is one area I nearly stopped completely, because I thought financially, the value of £2 million—. But, I do know that communities like this and it helps communities. So, I'm hopeful that we can maintain a stream of programmes coming through. Hopefully, if finances increase on capital spend then I can increase the budget, but I resisted getting rid of it on the basis that if I do get rid of it, it probably wouldn't come back at all. At the moment, I'm just trying to keep it ticking over. But that's another one in terms of how regeneration and these community grants, which I know people enjoy, are just under pressure. It's about priority for me, really.

[139] **Sian Gwenllian:** Yn aml iawn, mae pobl yn defnyddio'r cynllun i dopio i fyny arian y maen nhw'n gallu ei gael o'r loteri ac yn y blaen. Rwy'n gwybod am gynlluniau yn fy ardal i sydd wedi elwa o hwn, felly rwy'n meddwl eich bod chi'n ddoeth i gadw y llinell yna, gan obeithio y bydd yna fwy o arian yn dod yn y dyfodol.

Sian Gwenllian: Very often people use the programme to top up funding that they can get from the lottery or other sources. There are programmes in my area that have benefitted from this. I think you're wise to keep that line, hoping that greater funding will come in in the future.

[140] **John Griffiths:** Diolch yn fawr for that, Sian. Cabinet Secretary, there is a question, I think, in terms of long-term funding for youth justice and anxiety that if it isn't devolved through the Wales Bill, that Welsh Government

might think that it's not its role, its responsibility, to provide the sort of funding that we've seen up to now. I know you've emphasised this is a one-year budget, but is there anything you can say in terms of Welsh Government commitment to funding youth justice services, given the preventative nature of those services?

[141] **Carl Sargeant:** I'm really concerned about this area, again, not because of what we're doing but because of what others—and the influences of the UK Government. A review has been done on youth services—the Charlie Taylor review—who is still holding back his report. I understand the report makes recommendations for changes in infrastructure about our operation and I don't believe that it fully reflects the issues that we have here in Wales and how it operates in Wales. That has consequences, because effectively, we deal with services very differently. We have some great success rates in terms of reducing our reoffending. Again, it's about integrating services between health and education and the voluntary sector, and local authorities, and that's a very different model to what happens in England. I've sent a strong letter to the justice Minister saying that we believe that responsibility should be devolved because we know we are able to deliver on these services very well. We're having some great intervention programmes. We're flexing budgets to support youth justice schemes here in Wales. I believe if we can continue on the same track as we are currently, we can have great success in the longer term, but I'm really nervous about some indirect consequences from the Charlie Taylor review.

[142] **John Griffiths:** Okay—

[143] **Bethan Jenkins:** When is that coming out, then?

[144] **Carl Sargeant:** We don't know. It's due. It was due a couple of months back, but it's been held back.

[145] **John Griffiths:** We haven't got a great deal of time today, Cabinet Secretary, but if you could perhaps provide a note on those issues to the committee, and what the Welsh Government's thinking is if there isn't devolution of youth justice, and what that means for Welsh Government funding for the services, that would be very useful.

[146] **Carl Sargeant:** Happy to do that.

[147] **John Griffiths:** Okay. Thanks very much for that. We have a number of

questions on housing, so we will move to Jenny Rathbone now.

[148] **Jenny Rathbone:** Thank you. I'm interested in the comments you had earlier about your relationship with the Cabinet Secretary for infrastructure, and that you were liaising and seeing that housing was a combined responsibility. So, what discussions have you had in ensuring that, where housing is due to be developed, the infrastructure will be there to go with it? Because there's no use putting housing in the middle of nowhere with no public transport.

[149] **Carl Sargeant:** Not so much on the infrastructure regarding that with the infrastructure Minister; it's actually a planning issue, and the issue around making sure that we have the right plans in place and the right long-term strategic vision about what we're going to do. So, if we're going to build communities or enhance committees, then you've got to make sure that you've got good linkages to public transport et cetera, as the Member often alludes to. I believe that that is a planning process that needs to be discussed, and I do have those discussions with the planning Minister. The planning Minister and I meet with the Home Builders Federation on a bi-monthly basis, I think.

[150] **Mr Howells:** Termly.

[151] **Carl Sargeant:** Termly.

[152] **Jenny Rathbone:** Okay. Because where the infrastructure is going to be put in place, that enables private house builders to see the opportunity to build around that provided infrastructure.

[153] **Carl Sargeant:** Well, in some aspects, it does. There are some programmes where we have encouraged private house building and RSLs to develop in areas where we have good modal shift—the infrastructure for transport. It's not always the case, and trying to incentivise market housing into areas where they don't want to build because of the market is really tough. We've got some hotbeds of development. Cardiff and the M4 area and the A55 are places where, generally, the private sector want to build. Trying to push them into other places is tricky.

[154] **Jenny Rathbone:** Conversely, we don't want them to be building in areas where there is no infrastructure.

[155] **Carl Sargeant:** I accept that. I accept that that's a fair criticism, but also, there is a need base for housing right across Wales in communities. It's about maximising. I've talked with the future generations commissioner about this very issue, actually. She's saying exactly the same things as Jenny is alluding to: how do we plan for childcare, for example. Looking at childcare facilities, we need good transport links. Wouldn't it be good if you could drop your child off on the bus route and then go into work on the bus et cetera and live on that same route? It's a big, big planning issue. I'm not convinced it's Ken Skates—but we are all in discussions.

[156] **Jenny Rathbone:** Fair enough. Okay. Well, so long as we're looking at this holistically; otherwise, we're creating more problems than we solve. I was interested in your paper that—on page 12 of your paper you say, at the bottom:

[157] 'The emerging evidence suggests that these new designs of homes can cost more to build than traditional housing'.

[158] Well, that's not been the experience of places like Pentre Solar where, as I recall, £145,000 of public investment and six excellent homes for people on the council list.

[159] **Carl Sargeant:** Yes, and it's something that I've tasked the team with doing something—. You'll be aware of the 20,000 homes programme we're seeking to develop. Part of that is around innovation. A lot of the evidence that is out there is the market saying that it's more expensive to build energy efficient homes, rather than the traditional build with energy efficiency. I've disputed that with my team, and I've asked them to start looking at innovation at scale. I've started discussions with RSLs about how we invest with them to trial some housing as well, in terms of taking some risks sometimes, and I'm happy to do that. There are examples: I think it was in Exeter where they have just developed a housing solution that is at less than market, and much more energy efficient than traditional builds here. I've asked my team to go and have a look at that. So, I'm in the same space as the Member; I can't for the life of me understand why we are making significant investment in housing, knowing that the energy bills will be increasing longer term. Why would we do that?

[160] **Jenny Rathbone:** Indeed. Absolutely. Why would we do that? And so, therefore, I was a bit surprised to see that only 1,000 of your 20,000 homes are due to be a new design. Hopefully, you'll be able to change that.

[161] **Carl Sargeant:** I hope so as well. The numbers that we produced there are flexible.

[162] **Jenny Rathbone:** Okay. In your discussions with Community Housing Cymru and the WLGA, how much has this sort of thing come up? Because it seems to me pretty essential. We're all endeavouring to build the homes that people need.

[163] **Carl Sargeant:** Well, there is an enthusiasm in this sector. The housing sector is very agile and, of all the sectors I've worked with, the housing one is the most—they're great innovators. The RSLs, as I said earlier, don't just build houses, they build communities and they do so much more: the housing plus scenario, so they're into communities around supporting people, tackling poverty, energy efficiency and domestic violence—all of the things that touch people on a daily basis—and I'm encouraging them to do more. The WLGA is a new partner in this compact, which we'll be singing off, I hope, next month. So, it's not a formal pact yet, but it's, again, about how they get engaged in the development of new builds. We have got some authorities that have started building council properties again. I make no bones about it, I would love all authorities to start building council properties again. There's a financial issue around that, and trying to get through that with Treasury and borrowing powers, et cetera, is highly complex, but it doesn't mean we shouldn't go there. In my own authority, in Flintshire, we've started building a 500 council housing programme within that area. It's the first time in 40 years that we've seen council properties going up, so I'd encourage authorities to do that.

[164] **Jenny Rathbone:** So, did you say 500 council homes in Flintshire?

[165] **Carl Sargeant:** Over a period of time, yes.

[166] **Jenny Rathbone:** Over a period of time. Obviously that's a really important contribution to what is a huge need. We've sort of discussed the role of the big six house builders who don't want to build where we want to build necessarily, who don't want to build sustainable homes on the grounds that they say they're more expensive. So, how about your discussions with other home builders—the made-in-Wales home builders? Is this something that you are having regular dialogue with any sort of—?

[167] **John Griffiths:** In answering these questions, Cabinet Secretary, could

you indicate how your budget allocations are furthering your objectives, and taking forward the concerns that have been specified?

[168] **Carl Sargeant:** Yes, okay. For the 20,000 homes we've committed to £1.3 billion of finance over this term of Government. We, generally, are very lucky with the finance Minister topping that up at various points through the year, with end-of-year flexibility. I wouldn't want to paint the big six in that space of saying that they don't want to build in these areas. The big six are driven by the market and where people want to live, generally, and that's the easiest option and the best profit margins for them. I've also had a very difficult discussion with them, saying that, 'The bits that aren't negotiable, it appears, are your profits—how do we negotiate this?' That's a very difficult discussion to have, believe me.

10:45

[169] But at the Home Builders Federation, not only are the nationals represented there, but some of the SMEs as well. I visited some SME programmes that are very good. I was with Jehu Construction. They build a lot of RSL properties—a very good local business. I've met a company in Cardiff that has just built some very high-spec energy efficient homes, again, but not at scale; they've done two or three. We're talking about 20,000 units that we've got to construct in some way, whether that is financial or physical. So, this is a huge pressure, but I don't think we should get away from the fact and just do the easy option. That's why innovation's really important. I've challenged the sector to come back to me. I want to do business with people who want to do that.

[170] **John Griffiths:** Cabinet Secretary, we're concerned, today, of course, with the allocations that have been made and I think Jenny Rathbone also has some questions on grant funding.

[171] **Jenny Rathbone:** I just quickly wanted to ask about rural housing need and how much you think this is a planning issue, because often, people want to build even one or two homes in the village and it proves to be a huge planning issue.

[172] **Carl Sargeant:** Huge. It's a huge issue and that's why we've got the housing enablers. Everybody wants housing but nowhere near them, generally. That's why the rural housing enabler scheme is a good one, because it builds community engagement. We've seen some successes in

that, but it's, again, very specific to an area of growth, and building 20 or 30 houses in a community can sometimes double the size of some of our villages. So, we've just got to be very careful about how we do that.

[173] **Jenny Rathbone:** What about bringing back empty homes into use—you know, some of our historic properties that have fallen into disuse, because they need modernising?

[174] **Carl Sargeant:** We do that. We've got the empty homes scheme, but we've also got to be very careful about the value-for-money exercise, as well. Sometimes, it's much more expensive to develop and refurbish an old property than build anew.

[175] **Jenny Rathbone:** Fair enough. Okay. Just in terms of your decision to bring together the housing finance grant with the social housing grant, that sounds entirely rational. I suppose the only concern I have would be around whether it potentially disadvantages the most vulnerable, for whom the social housing grant has been specifically targeted.

[176] **Carl Sargeant:** We don't see it like that. Actually, it works very well in the fact that we can get better value for money just by blending some funding sometimes and asking RSLs or other agencies to be partners within the financial structure of that as well. So, we don't see this as a disadvantage in terms of the way the finance operates.

[177] **Jenny Rathbone:** Some of the social housing grant has been used to adapt properties where people need disabled facilities, et cetera. How do you ensure that councils are maintaining a good record of where homes with physical adaptations are, so that they can reallocate them to people with those needs?

[178] **Carl Sargeant:** They all now have an asset register, which is much better than the position they were in a few years ago, but some could be better than others. It's something that I'm still chasing to get some consistency on across Wales, and understanding who has done what, where. Far too often, we used to make investments to have a wet room installed and then the next tenant wanted a bath and you'd switch it around again at huge cost. There is a better understanding about their infrastructure now and there is a register on all authorities that carry that.

[179] **Jenny Rathbone:** Okay. Lastly, can I just ask you about the overall

balance of your priorities in terms of your proposal to build 6,000 of the 20,000 homes for people to buy? In the context of the conversation we've just had with Rhianon Passmore about the numbers of people being chased away from the private sector that they can no longer afford, how do you square that, given that the housing need is, unfortunately, increasing all the time?

[180] **Carl Sargeant:** I think it's a bit of both and we try to balance that in terms of the fact that there are around 6,000 properties that we're seeking to use the Help to Buy scheme for. It's a very popular scheme and the sector tells us that its growth has been based upon, predominantly, a lot of Help to Buy support. We've got to watch that the market doesn't become too hot and we start to—. We have no control over this, but we've got to make sure that, when people want to use this product, they don't overinvest, and that's something that I'm very keen to make sure my team understand when we are using this product with developers, that we don't put people at risk of spending, particularly around inflation. But we do know it's a good product.

[181] It also has a secondary benefit. It stimulates economic growth as well, so there are jobs that come out of the back of this as well, in terms of development, and that regeneration issue that you talked about before, so you do get some better development as well. I think the housing sector, both private and public, can do much more for our communities other than building boxes, so that's something that I'm never shy of giving a message about when we make investments.

[182] **John Griffiths:** Cabinet Secretary, on Help to Buy, I think Joyce Watson has a particular question.

[183] **Joyce Watson:** I want to keep particularly to the budget on this, and I see that there are over £103 million financial transactions that have taken place, and some of that's been repaid. But the question I want to ask is a specific question. I've seen the revaluation, but I note, Cabinet Secretary, that we will help people to buy properties up to £300,000. With all the other challenges that we have, do you think that that squares with trying to use finite amounts of money that are reducing for the greater good?

[184] **Carl Sargeant:** This scheme was introduced a number of years ago when I was back in housing for the first time, and I remember having a discussion with the team about what the threshold should be. I think I'm right in saying in England it's based on £0.5 million, and we reduced the

threshold in Wales—

[185] **Mr Howells:** It's £600,000.

[186] **Carl Sargeant:** It's £600,000 in England and we reduced it to half here in Wales. We took advice from the sector as well in terms of what their profiling was. The actual number of the risk to us is nowhere near £300,000, and I'm happy to send a paper to the committee if it's helpful in terms of where the average figure lies around in terms of our investments of Help to Buy versus total price. I'm not averse to reviewing that, if that's what the committee thinks, but they're not all set at £300,000. Very few are up that end, but I will provide a paper in terms of what that looks like in terms of average.

[187] **John Griffiths:** Okay. I think Rhianon Passmore has some questions.

[188] **Rhianon Passmore:** Thank you. With regard to the, what seems to be considerable, success story of the Welsh quality housing standard, what is your view, Cabinet Secretary, in terms of the satisfaction with the programme progress? I believe that 79 per cent of social housing dwellings are now up to the required standard, so your overview then of that progress within the—.

[189] **Carl Sargeant:** It's really successful. We never make enough of it, actually—trying to celebrate the fact that we're refurbishing people's properties. Unfortunately, it's just a case of that's what people expect us to do, I think, but, actually, the well-being of the families who live in these properties is enhanced dramatically. I'm confident that the four authorities that remain to complete the WHQS will do so. That's what they tell me. I've visited some of the schemes. In fact, I visited schemes in the Member's constituency a number of months back and I'm encouraged by the positive effect it has on communities, and it's a good investment for us. It goes back to Jenny's point about making people have some quality energy-efficient properties, which is good.

[190] **Rhianon Passmore:** I can vouch for that. I live on one of the largest council house estates in Caerphilly borough, and it's making a real difference. Are there, in your view, around the housing renewal areas—? Can you confirm, in terms of moving on to the housing renewal, if there is a budget allocation for housing renewal areas?

[191] **Carl Sargeant:** There isn't a further budget on housing renewal areas.

[192] **Rhianon Passmore:** Okay, thank you.

[193] **John Griffiths:** Okay, Rhianon?

[194] **Rhianon Passmore:** Yes.

[195] **John Griffiths:** No further questions on these matters. We'll move on, then, and I think Mohammad Asghar has a question on independent living.

[196] **Mohammad Asghar:** Yes. Thank you very much indeed, Minister. This is an independent living and tenant participation question, actually, related to Care and Repair agencies' expenditure, which has been reduced, I think, and also the previous committee, I think, highlighted a few concerns about delayed performance monitoring and geographical variation in the quality of adaptation services. What steps have you taken to ensure that the performance monitoring of home adaptation is sufficiently robust to demonstrate value for money in your department?

[197] **Carl Sargeant:** Well, we have the Enable—Support for Independent Living scheme being rolled out across Wales. Again, we know that this is another area, similar to Supporting People, where we make an investment for a family unit or an individual's home and it has a great benefit. Examples of that: an investment of £100 on a handrail can save a slip or a fall and a cost of £28,000 from a femur fracture for the health service. So, we know that this is a clever investment in terms of early intervention and prevention again. This is a long-standing challenge to ensure that—. In fact I think this committee, or the previous committee, has done several inquiries into this programme. We are making progress on this, and maybe it would be helpful—not that it's financially based, Chair—but it may be of use to know about just the position of where we are in terms of recording of authorities and Care and Repair, about where they are in the system in terms of progress from where they were last time, in the last committee report.

[198] **John Griffiths:** Okay, that would be very useful. Thank you very much. Okay, we move on then. I believe Bethan Jenkins has a question on independent living and tenant participation.

[199] **Bethan Jenkins:** Oh, do I? That's interesting to know. [*Laughter.*] Obviously you are funding two organisations with regards to tenant support. I don't need to declare an interest, but I've done some work with Welsh

Tenants in relation to the bedroom tax, and I think they've done very good work in that regard. But can you tell us, just to reaffirm, that you'll be giving one such organisation support financially to carry out work with tenants in the future?

[200] **Carl Sargeant:** Yes.

[201] **Bethan Jenkins:** And will you be evaluating the work that they do and then potentially going out to tender in the future on a—?

[202] **Carl Sargeant:** The plan is to do an exercise, so we'll just be putting one grant out and we will test how that operates, of course, as we do with all investments. To be fair, I think the two organisations are starting to talk better to each other in terms of what that opportunity may create.

[203] **Bethan Jenkins:** Okay, thanks.

[204] **John Griffiths:** One final question from me, anyway, Cabinet Secretary, subject to committee members not having any others. The Housing (Wales) Act 2014 obviously is a significant and important piece of legislation. Could you tell the committee whether you've had discussions with local authorities in terms of the ongoing implementation of that Act?

[205] **Carl Sargeant:** As with all legislation, that's just part—creating the legislation is one, the implementation is probably the most important, and we're having great success across the housing Act in terms of our intervention and interaction with relevant authorities. The private rented sector element of the housing Act—Cardiff Council are running that programme for us; Rent Smart Wales came into effect last November. They are under immense pressure at the moment because we are coming to the deadline of registration. We knew that would happen, and I've had a couple of complaints saying that the helpline's blocked, but we've been open since last November, funnily enough. So, we are trying to manage that.

[206] Preventing homelessness: again, working with local authorities and the third sector, great success of the housing Act. All in all, that unit has been very successful in the parts of intervention. The Gypsy and Traveller element of that is also working well. We've had the first tranche of assessment deeds in, and it goes from strength to strength. I think this is making a big impact on the way our communities are developing.

11:00

[207] **John Griffiths:** Thank you very much. I think Bethan Jenkins has a further point.

[208] **Bethan Jenkins:** I just wanted to ask if you were keeping the prevention budget within the homelessness budget. I think that it's given to Shelter at the moment to carry out that work, but I just wondered if you were keeping that.

[209] **Carl Sargeant:** It's in the safeguarding element of the portfolio, but there is an agreement that the prevention element of housing was based on a reduced budget, year on year, because it was just a transitional issue for us. But we are still in discussions with local authorities about how that operates.

[210] **Bethan Jenkins:** But it's being maintained for now, or is it reducing this year?

[211] **Carl Sargeant:** The level that we agreed within the housing Act, when it was introduced.

[212] **Bethan Jenkins:** Okay.

[213] **Carl Sargeant:** That's correct, is it?

[214] **Mr Howells:** Yes. There are two points: there's support for a range of organisations and there's the support for local authorities as they implement the legislation requirements, and we're in the third year of support for that work.

[215] **John Griffiths:** Okay. Thank you very much for that, and can I thank you, Cabinet Secretary, and your officials for coming along to give evidence today? We look forward to receiving some of the further information we've agreed, and we will write to you in due course. You will be sent a transcript of your evidence to check for factual accuracy. Thank you very much.

[216] **Carl Sargeant:** Thank you.

11:01

Papurau i'w Nodi
Papers to Note

[217] **John Griffiths:** Okay, then, that takes us on to item 3 on the agenda, papers to note. Paper 2 is correspondence between the Cabinet Secretary for Finance and Local Government and the Chair of the Finance Committee, paper 3 is correspondence from Neath Port Talbot County Borough Council regarding the violence against women, domestic abuse, and sexual violence leadership group, paper 4 is correspondence from NSPCC Cymru regarding its violence against women, domestic abuse and sexual violence strategy, and paper 5 is correspondence from the Welsh Local Government Association in relation to post-legislative scrutiny work on the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015. We will be returning, of course, to issues around the Act later in our consideration today, but are you happy to note all of those, at this stage? Okay.

[218] **Rhianon Passmore:** Can I just ask, Chair: I'm pretty good on acronyms, but there are one or two that go past me, and if it's in here, I apologise, but is there a sheet that covers some of the acronyms that are in here?

[219] **John Griffiths:** Some of the acronyms.

[220] **Rhianon Passmore:** For the new Members.

[221] **Ms Wilkinson:** In any paper in particular?

[222] **Rhianon Passmore:** I'm just looking at the evidence session on the violence against women, domestic—

[223] **John Griffiths:** Shall we consider the most common acronyms in our subject area and consider putting together a sheet of information explaining what they stand for?

[224] **Rhianon Passmore:** Yes, even as a one-off.

[225] **Ms Wilkinson:** Yes, of course.

[226] **John Griffiths:** Okay, we'll do that. Thank you very much.

11:03

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o
Weddill y Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Remainder of the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[227] **John Griffiths:** Okay, so we'll move on to item 4 on the agenda, then, and in accordance with Standing Order 17.42(vi), the committee is invited to resolve to exclude the public for the remainder of today's meeting to discuss the evidence from the Cabinet Secretary for Communities and Children under item 2, to discuss strategic planning and inquiry scoping for future work, to discuss the key issues emerging from the committee's post-legislative scrutiny work on the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015, and to discuss the draft letter to the Cabinet Secretary for Finance and Local Government on the draft budget proposals. Are Members content to move into private session for those matters? Okay, thank you very much, and we will do so.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 11:04.

The public part of the meeting ended at 11:04.