



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

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol

**The Communities, Equality and Local Government
Committee**

**Dydd Mercher, 25 Mehefin 2014
Wednesday, 25 June 2014**

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynndi 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**

Leighton Andrews	Llafur Labour
Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Jocelyn Davies	Plaid Cymru The Party of Wales
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Gwyn R. Price	Llafur Labour
Jenny Rathbone	Llafur Labour

**Eraill yn bresennol
Others in attendance**

Jonathan Baxter	Ymchwilydd, Comisiwn y Cynulliad Researcher, Assembly Commission
Debra Carter	Dirprwy Gyfarwyddwr, Cyllid a Pherfformiad Llywodraeth Leol, Llywodraeth Cymru Deputy Director, Local Government Finance and Performance, Welsh Government
Lesley Griffiths	Aelod Cynulliad, Llafur (y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth) Assembly Member, Labour (the Minister for Local Government and Government Business)
Gareth Howells	Cynghorydd Cyfreithiol, Comisiwn y Cynulliad Legal Adviser, Assembly Commission
Lisa James	Dirprwy Gyfarwyddwr, Democratiaeth Llywodraeth Leol, Llywodraeth Cymru Deputy Director, Local Government Democracy, Welsh Government
Darren Millar	Aelod Cynulliad, Ceidwadwyr Cymreig, Aelod yn gyfrifol am y Bil Assembly Member, Welsh Conservatives, Member in charge of the Bill

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

Sarah Beasley	Clerc Clerk
Chloe Davies	Dirprwy Glerc Deputy Clerk
Matthew Richards	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Ben Stokes	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:15.
The meeting began at 09:15.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Christine Chapman:** Bore da, and welcome to the Assembly's Communities, Equality and Local Government Committee. First of all, I just remind Members and witnesses that, if they have any mobile phones, they are switched off, as they do affect the transmission. We have received apologies this morning from Rhodri Glyn Thomas.

09:15

**Y Bil Safleoedd Carafannau Gwyliau (Cymru)—Sesiwn Dystiolaeth 6: Darren
Millar AC
Holiday Caravan Sites (Wales) Bill—Evidence Session 6: Darren Millar AM**

[2] **Christine Chapman:** The first item today is the last evidence session to inform our Stage 1 scrutiny of the Holiday Caravan Sites (Wales) Bill. I would like to welcome Darren Millar AM, the Member in charge of the Bill; Gareth Howells, legal adviser in the Assembly Commission; and Jonathan Baxter, researcher in the Assembly Commission. So, again, welcome to you all today. Darren, before we go into questions, I would like to invite you to make a short contribution.

[3] **Darren Millar:** Thank you very much, Chair. I have, obviously, been following very closely the consideration that the committee has been taking of the Bill. Before I go on to answer any specific questions, I think that it is important that I outline my developing thinking on the evidence that you have already received.

[4] It seems to me that there has been pretty much general support for the need to update the licensing regime, from the witnesses that you have had before the committee, for holiday caravan sites, and also for many of the specific parts of the Bill, including the requirements for written agreements between site and caravan owners, the powers for local authorities to be able to charge fees for site licences, the requirement to consult with flood-risk management authorities as well when issuing the licence, and also the removal of the current duty requiring local authorities to automatically issue a site licence where planning permissions already exist. However, of course, there are a number of issues that I know have been the subject of a great deal of discussion as well, and I will turn to a few of those, if I may.

[5] First, in relation to the fit-and-proper-person test, the test set out in the Bill is based on a similar one in the Mobile Homes Act 2013, with some additional protections in respect of trading standard issues. I remain of the view—and I know that a number of the members of the committee share this view—that an appropriate fit-and-proper-person test is needed to protect vulnerable consumers and to ensure that sites are safe and are well managed. However, a number of witnesses and Members have made the point that the inclusion of breaches of housing law in the test is overly prescriptive and is not appropriate given that the holiday caravans are not permanent dwellings. So, on reflection, I think that there is some merit to that argument. So, if the Bill does proceed to Stage 2, I want the committee to be reassured that I do intend to bring forward an amendment to section 34, to remove references to housing law as a factor in the fit-and-proper-person test. I will also consider bringing forward other amendments to ensure that the test is focused on the key issues of fraud, dishonesty and equality, which I think are the essential protections appropriate to this sector.

[6] In relation to the frequency of inspections—and I know that this has been an issue

that has been raised by witnesses and Members—the Bill currently sets out a maximum period between inspections of three years. I continue to believe that it is important that there should be a statutory maximum period of time between inspections. However, I know that there are also concerns that local authorities may have some difficulty in carrying out inspections that regularly, particularly if they are also undertaking risk-based, more frequent inspections as well. I have also listened to the argument that it could be an excessive intrusion into well-run holiday caravan parks. So, again, I have been persuaded by those arguments, and so, if the Bill does proceed to Stage 2, I intend to bring forward an amendment to section 16 to increase the maximum period between inspections from three to five years. The provisions already in the Bill that require the Welsh Government to consult industry bodies, and others, before commencing the duty to inspect will, of course, also help to ensure that a new inspection regime can be introduced sensitively and over an appropriate timescale.

[7] Chair, finally, before I move on to questions, I know that some of you are sceptical about the evidence base in relation to the residential misuse of holiday caravans. I continue to maintain that there is evidence that points to people using holiday caravans as their main home, and I note Professor Fothergill's evidence to the committee, which supports this view. I also believe that this is a problem that has the potential to damage the holiday industry and, consequently, the wider tourism economy in the longer term. The provisions in Part 4 of the Bill, regarding written agreements, will of course help to deter and redress the problem of residential misuse, to some extent. However, I remain convinced that there also needs to be a robust mechanism for addressing the issue of permanent residency, when it is identified. I have considered whether this can be addressed through updating the model standards, as some of the witnesses to this committee have suggested, which were last updated in 1989, or through issuing ministerial guidance.

[8] The legal advice that I have received, which I am happy to share with the committee, is that the model standards cannot make any provision in relation to residency, nor can they require written agreements between site owners and caravan owners. I have also been advised that there does not seem to be any obvious and clear ministerial power that would allow Ministers to direct local authorities to enforce the law more rigorously in this area.

[9] While Welsh Ministers may issue guidance, of course, to local authorities on any matter, the committee should note that that guidance cannot address the need for additional resources via the introduction of a fee regime for site inspections or place duties on local authorities regarding inspection or enforcement. Nevertheless, I have very carefully listened to what witnesses have said, and I have reconsidered how the Bill might be better balanced in order to address concerns. So, should the Bill proceed, I intend to bring forward amendments to Part 3 of the Bill to remove the compulsory residence test and, instead, to replace it with the discretionary power for local authorities to conduct residence tests where they have a suspicion that residential misuse is a factor on the site. This, I believe, will be in keeping with the risk-based approach to inspection elsewhere in the Bill and ensure that particularly local and regional problems can be dealt with effectively while not requiring an intrusive approach in areas where permanent occupation has not been identified as a problem.

[10] All of these changes that I have proposed to the frequency of inspections and the application of a residence test will reduce costs of the new regime by approximately 24%. As a result, an estimated annual licence fee of £122 per site is expected to be the average, or just £2.61 per pitch per annum. Obviously, I am very happy to take any questions and listen to any other recommendations that the committee might wish to make.

[11] **Christine Chapman:** Thank you, Darren. That is very helpful. Obviously, I know that Members will want to put some of these questions to you, but I will start. It was last week, I think, that we had evidence from the British Holiday and Home Parks Association. The view of the association was that the Bill represents a disproportionate response to the

issues that it seeks to address, particularly in the context of the regulatory burden that it would place on business. Could you give your comments on that?

[12] **Darren Millar:** I do not believe that it is disproportionate. Certainly, should the amendments that I have proposed be made to the Bill, should it proceed to Stage 2, I believe that the proportionality concerns of the British Holiday and Home Parks Association and others will be addressed in their entirety. I also listened to the evidence of the association when it appeared before you. It was very clear that there were large aspects of the Bill that it was very supportive of, particularly the requirement for written agreements between caravan owners and site owners. So, I am glad to be batting on the same side as it on those issues.

[13] **Christine Chapman:** You know that Professor Fothergill suggested that legitimising the residential occupation of holiday caravans would actually be a better way forward and could provide additional revenue to local authorities through council tax receipts and population-driven funding formulae. Do you have any thoughts on that?

[14] **Darren Millar:** Of course, it is up to individual sites as to whether they want to make applications for a change of planning use to make them residential sites. It is then up to local planning authorities to determine whether that is appropriate in terms of their local areas. That is a potential solution. I happen to disagree that that is the most appropriate solution for Wales, which is why I have brought this Bill forward. Of course, regularisation is an option, which is already available to site owners if they have significant residential use of caravans on their sites.

[15] **Christine Chapman:** Thank you, Darren. I will bring Gwyn in now.

[16] **Gwyn R. Price:** Good morning. Could you tell me whether you accept the suggestion from the National Association of Caravan Owners that while there may be pockets of issues, generally speaking, the holiday caravan sector is a great industry and a fantastic British success story? Are you, as Member in charge, aware of the evidence provided by the BH&HPA that suggests that the highest density of caravan pitches coinciding with areas of multiple deprivation in Wales is to be found in your constituency?

[17] **Darren Millar:** I looked very carefully at the maps that have been provided by the BH&HPA, which I thought were slightly misleading, actually, because the size of the circles on the map did not relate to where the concentration of caravans was. The bigger circles related to the scale of deprivation. So, a big red blob meant that there was a lot of deprivation, even if there was only one site in an area. That said, clearly, our seaside towns have had issues over the years in terms of challenges with their economy, so it does not surprise me that, in many of those seaside towns, where there also happen to be significant numbers of holiday caravans, there might be a link between deprivation and holiday caravan sites, in terms of their locations.

[18] **Gwyn R. Price:** It also provided a list of the highest density complaints, really, and it looks like Conwy is at the top in that regard. Do you accept that further research is needed to understand the problems?

[19] **Darren Millar:** I fully understand that there is bound to be a link between the highest number of complaints and the highest number of holiday caravans and static units. You would expect Conwy to be at the top of the tree, closely followed by Denbighshire, because Conwy has more static caravans than any other local authority in the country, closely followed by Denbighshire. So, there ought to be a correlation, of course, in terms of the number of complaints. Do I think that there ought to be further research? I would welcome any additional research. Of course I would. We do have the piece of academic research that Professor Fothergill undertook, the widest study of its kind, that pointed to problems in the

holiday caravan industry that he believes are likely to be prevalent in Wales as well.

[20] **Christine Chapman:** I have two supplementary questions, from Leighton and then Jocelyn.

[21] **Leighton Andrews:** You have referred twice to Professor Fothergill's evidence. In his evidence, he says:

[22] 'our assessment of the nature of the issue diverges significantly from the one on which the Bill appears to be based. Indeed, the proposal to prohibit the residential use of holiday caravans seems, on the basis of our evidence, to be seriously mistaken.'

[23] **Darren Millar:** That is Professor Fothergill's assertion. His solution is to regularise the occupation of holiday caravans. I have not seen anybody else advocate the regularisation of holiday caravans as people's main homes. If that is something that sites wish to do, at the moment, they have the opportunity to do that through planning applications to the local planning authorities.

[24] **Leighton Andrews:** However, you have already cited him twice this morning in support of your Bill, and he reaches completely different conclusions. In fact, he says that your Bill would

[25] 'make homeless the households who currently live in holiday caravans...Victimise, in the main, an older retired group...Deny a large number of people a lifestyle that they value highly...Add to the existing high numbers of statutory homeless...Remove significant spending power from coastal economies...Add to the seasonality of local economies'.

[26] **Darren Millar:** Look, people cannot argue on one hand that this is not a significant problem in Wales and then challenge the assertions in support of their arguments from Professor Fothergill, who believes that there is a significant problem in Wales. Professor Fothergill and I agree that there is a problem in Wales, and he has tried to estimate the scale of the problem from the significant research he has undertaken. His conclusions that you are referring to there are his assertions, based on what he believes would become a duty in terms of homelessness on Welsh local authorities. I do not believe that there would be significant homelessness as a direct result—

[27] **Leighton Andrews:** You say that you and Professor Fothergill agree. Do you have a letter from him saying that he agrees with you?

[28] **Darren Millar:** Professor Fothergill and I—

[29] **Leighton Andrews:** Do you have a letter from him saying that he agrees with you?

[30] **Darren Millar:** I have read the evidence.

[31] **Leighton Andrews:** Do you have a letter from him saying that he agrees with you?

[32] **Darren Millar:** I have—

[33] **Leighton Andrews:** You have just asserted that he agrees with you—

[34] **Darren Millar:** If you let me answer the question—

[35] **Leighton Andrews:** I want you to answer the question—

[36] **Darren Millar:** If you will give me an opportunity—

[37] **Leighton Andrews:** Answer the question.

[38] **Darren Millar:** If you will give me an opportunity to answer the question, I will. I have spoken at length to Professor Fothergill on the telephone. I have also read his evidence carefully and looked at the study that he undertook a number of years ago in terms of the population on the Lincolnshire coast. It is quite clear that he asserts, in the evidence that he has provided to this committee, which is available to you and which you are clearly citing, that he believes that there could be up to 7,500 people living in holiday caravans in Wales. That, of course, is a significant issue. His solution is different to my solution.

[39] **Leighton Andrews:** So, you do not agree—

[40] **Darren Millar:** His solution is different to my solution. I do not agree that his is the appropriate solution, but we agree that there is a problem and that it is something that needs to be addressed.

[41] **Leighton Andrews:** I am not sure that you do agree that there is a problem, actually, having read his evidence. Anyway, how many complaints have there been from Conwy in the past three years?

[42] **Darren Millar:** I have obviously been expecting this question. In the past three years, in my own local casework, there have been 27 complaints that I have referred to local authorities in relation to residential misuse. Some of those complaints relate to a number of caravans. Some of them relate to individual plots on caravan sites.

[43] **Leighton Andrews:** Conwy itself says it was 26, but we will not argue over one—

[44] **Darren Millar:** Well, I represent part of Denbighshire—

[45] **Leighton Andrews:** So, 26 over three years—

[46] **Darren Millar:** I represent part of Denbighshire as well—

[47] **Christine Chapman:** Leighton, if the witness is answering, please give him time to answer and then, obviously, Darren, you need to answer the question.

[48] **Darren Millar:** If I may just make it absolutely clear, Chair, that I represent half of Conwy and a significant proportion of Denbighshire, so my mapping of the issue is unlikely to be exactly the same as the number of complaints that have been received by Conwy as a local authority area in its entirety.

[49] **Leighton Andrews:** Okay, well there have been 26 in Conwy in the last three years and 15 in Denbighshire in the last three years. That does not seem to me to be evidence of a significant problem.

09:30

[50] **Darren Millar:** You have just asserted to me that there would be a significant homelessness problem based on—

[51] **Leighton Andrews:** No, I have not. I just read some of what Professor Fothergill said.

[52] **Darren Millar:** On the other hand, you are suggesting that it is not a significant problem. I think that the evidence speaks for itself. I have presented evidence to the committee and highlighted evidence in the explanatory memorandum, which makes it absolutely clear that there has been a problem, which has been identified in the past in both Conwy and Denbighshire; I am sure that the Member has had the opportunity in its entirety and to digest it.

[53] **Christine Chapman:** We will move on now. We may come back to some of these, but I want to move on to Jocelyn and then Mark.

[54] **Jocelyn Davies:** Before I come on to the question I intend to ask, of the 41 complaints between Conwy and Denbighshire, you are responsible for submitting 27 of them.

[55] **Darren Millar:** Yes. I would suggest—

[56] **Jocelyn Davies:** So, of the 57 all over Wales in the last three years, you are responsible for 27 of those.

[57] **Darren Millar:** Every time a complaint is referred to me, I refer it to the local authority.

[58] **Jocelyn Davies:** Right, okay. I think that what I just heard from you in your response to Leighton Andrews was that you accused him of cherry-picking from Professor Fothergill's evidence. Yet, you appear to me to be cherry-picking from it for your own ends. In your introductory statement, you mentioned damage to the industry. Do you regret using language such as 'trailer park ghettos', which was widely reported and could have put people off coming on holiday to Wales?

[59] **Darren Millar:** I am a massive supporter of the holiday caravan industry. Many people in my family have owned static caravans or touring caravans. I have owned caravans myself over the years. I have been a big advocate for the industry and I want to maintain standards. I do not regret any of the language that I have used to describe a problem that I have seen starting to develop in my own patch. I have suggested that there is a risk, if this problem goes unchecked, that some sites could become, effectively, ghettos. That is not something that I want to see; it is not something that I have seen to date, and it is not something that I want to see in the future, either.

[60] **Jocelyn Davies:** So, in the face of all of the evidence that we have received, and the evidence that you have presented, you are still prepared to stand by those statements of 'trailer park ghettos'?

[61] **Darren Millar:** I have made it quite clear that my Bill is about much more than residential misuse. My Bill is about a thorough modernisation of a piece of legislation that is over 50 years old, which was designed for a very different holiday caravan industry. The purpose of my Bill is to support the industry going forward to address problems that exist within the industry at present, to ensure that it continues to be a very important part of our tourism offer in Wales and that holiday caravan parks in this country are an attractive place to come, as they have been for many years.

[62] **Jocelyn Davies:** So, you do not regret using language that was widely reported, and do not accept that that could have put people off from coming to Wales?

[63] **Darren Millar:** I think that what really puts people off coming to Wales, Chair, is abuse on holiday caravan parks of the rules, with some park owners turning a blind eye to residential misuse and some caravan owners pulling the wool over the eyes of park owners

and using holiday caravans as their main home. I also think that the absence of written agreements is something that affords little protection to consumers and, as a result, could potentially put people off coming to Wales.

[64] **Jocelyn Davies:** But do you have any evidence that people have been put off coming to Wales by the things that you say?

[65] **Darren Millar:** I will tell you what puts people off. There are Facebook groups that exist, where holiday caravan owners in my own constituency assert and allege that they have been ripped off by holiday caravan owners in the locality. That certainly puts people off going to those sites that are named on the Facebook group.

[66] **Leighton Andrews:** It is not the same thing.

[67] **Jocelyn Davies:** No; it is a completely different thing.

[68] **Mark Isherwood:** You clearly agree—I do not know if you want to comment—that you can regularise permanent caravan occupation with a home park licence, provided the caravan meets the relevant statutory standards? I am sure that nobody would want family members living in a caravan that was not fit for winter conditions and did not meet the required standards. Very reputable caravan park owners in north Wales have told me that they need local authorities to be gatekeepers when looking at claims for social services, housing benefits, bus passes and so on from people putting down caravan parks as their addresses. However, how would you respond to correspondence that I have from the Welsh Government to an owner of a very reputable park—one that was recently visited, in fact, by a Minister, and which is a park exclusively for holiday caravans—saying:

[69] ‘It would be of great assistance if you could provide details of your current charges and number of pitches. The information provided will assist this office when carrying out valuations in respect of housing benefit subsidy and local housing allowances and help the Welsh Government to better understand the sector.’

[70] If the Welsh Government was saying that, do you feel that that validates the concern that this is more than just a localised problem? Also, finally, do you agree that you cannot legislate for parts of Wales without legislating for all of Wales, hence the validity of addressing the spots with the highest occupancy?

[71] **Darren Millar:** It is clear from all of the witnessess who have been before the committee that nobody is denying that residential misuse is taking place in Wales. There is a discussion to be had—I have always accepted this—about the scale of residential misuse in the country. Professor Fothergill is the only witness who has tried to put an estimate on the scale, which is why I referred to his evidence this morning. The committee has not had the opportunity to cross-examine him on his evidence on the scale. However, the holiday industry has recognised this as something that it wants to address, which is why the BH&HPA and the National Caravan Council have worked together collaboratively on model licence agreements in order to discourage residential misuse. However, it is a matter of concern that the Welsh Government appears, according to the evidence that you have, to have been writing to ask for housing benefit rent information for holiday caravan sites, which is clearly inappropriate.

[72] **Christine Chapman:** Janet, do you want to come in?

[73] **Janet Finch-Saunders:** A number of respondents to the committee’s call for evidence suggest that better use could be made of existing local authority powers, and, indeed, the Minister for housing maintains that he does not see a need for the Bill because there is legislation in place that would address the many concerns that have been raised. Some

of the witnesses broadly agree, for different reasons. Do you believe that there is current legislation in place to support local authorities to carry out their enforcement duties?

[74] **Darren Millar:** It is clear that any suggestion that the model agreements can tackle this problem is inappropriate, because the legal advice that I have received—as I have indicated, I am happy to share that with the committee—is that those model standards cannot require written agreements between site owners and caravan owners, and they cannot make any provision in relation to residency on site. Local authorities do have some powers, but they have no duties to inspect, which is why some local authorities fail to inspect on a regular basis, and they do not have the opportunity to raise an income in respect of this particular part of the licensing regime in order to undertake their enforcement functions. So, they do not have the resources, and we all know that local authority finances are under pressure. It is likely that there will be even less frequent inspections and enforcement in the future, unless there is an opportunity for them to be able to derive an income from site licence fees.

[75] **Janet Finch-Saunders:** Would it be correct to say then that ministerial guidance to local authorities regarding the services, and giving out guidance on what they should and could be doing, is not sufficient? Is there a need for this Bill to address those concerns?

[76] **Darren Millar:** If we want to ensure that local authorities can raise a fee income to assist them in enforcement, and if we want to make sure that consumers and site owners are protected by written agreements, the only way to do that is by a change in the law.

[77] **Christine Chapman:** Leighton, did you want to come in?

[78] **Leighton Andrews:** How much do local authorities collect from holiday site owners, in respect of business rates, per annum?

[79] **Darren Millar:** I do not know.

[80] **Leighton Andrews:** It is between £17 million and £24 million, according to estimates that we have been supplied with. Could some of that not be used to ensure the proper monitoring of these sites?

[81] **Darren Millar:** It could, and that is the case at the moment. However, I would also say that the same argument could be put in respect of licensed premises, gaming licences and other parts of the licensing regime—all of which charge a fee income in relation to the inspection and enforcement regimes that they fund. I do not see why there should be an exception for this particular industry.

[82] **Christine Chapman:** Mark, did you want to come in again?

[83] **Mark Isherwood:** Given the figures—the BH&HPA estimates—that Leighton Andrews referred to, do you consider it would be reasonable to expect local authorities to use that for enforcement and action? Do you have any evidence to suggest that the benefits of the proposed Bill for caravan owners would outweigh the costs of implementing that?

[84] **Darren Millar:** I believe that the additional protections that written agreements would bring, and the improvements of standards on sites that we would see as a result of a more effective enforcement and inspection regime, would make Welsh holiday caravan sites more attractive places to come to than caravan sites elsewhere. So, I believe that this would be a boon for the industry, and not something that it should be too nervous about. Let us put this into perspective: if the Bill proceeds to Stage 2 and I make the amendments to the Bill that I have signalled this morning, the cost per pitch to the site, in terms of the average site licence fee, is likely to be less than 1p per day. Let us put this into perspective: this is a small

price to pay for improvements and modernisation of the licensing regime that ought to give consumers more confidence to be able to do business here in Wales.

[85] **Mark Isherwood:** How do you respond to the evidence that we received from the WLGA that was actually in support of updating the 1960 Act? Its representatives told us that their current powers to refuse a licence for a caravan park or to enforce against a licence granted to a caravan park were insufficient and that they wanted new statutory powers to be able to refuse and to be able to enforce with greater ease and rigour. How do you respond to that?

[86] **Darren Millar:** Certainly, the ability to be able to refuse a licence can only be derived through a change in the law. Ministerial guidance cannot deliver that; there has to be a change in the law in order to deliver it, and that is, of course, one of the provisions in the Bill. In terms of local authority enforcement, the big challenge for local authorities is that there is no duty to enforce; it is a discretionary power, and there is no specific income that they are able to raise in order to support enforcement. So, my Bill will tackle both of those issues and give a bit of extra resource to local authorities in order that they can undertake their duties.

[87] **Mark Isherwood:** Finally, could you respond to a statement made to me by the chair of the BH&HPA in north-east Wales, who asked whether it is legal for a council to submit its accounts to Government, if it has knowingly failed to collect council tax from people who are resident there?

[88] **Darren Millar:** I am not aware of that statement, but, obviously, if the situation on some of the sites were to be regularised through applications to local planning authorities, so that, effectively, some parks became park home sites, then that would of course give local authorities the opportunity to charge council tax on those pitches and derive some income from them.

[89] **Mark Isherwood:** So, if they know, or should know, from internal information in the council that a caravan is not being used exclusively for holiday purposes, they may potentially be, as this indicates, in breach of their reporting duties, if they fail to collect council tax from it. Is that something that we should be looking at?

[90] **Darren Millar:** I would rather see local authorities enforcing existing licensing conditions and planning conditions than charging council tax on holiday parks, to be honest. I do not think that anybody has argued that we should be charging council tax for holiday caravans.

[91] **Mark Isherwood:** Or designating and charging properly.

[92] **Darren Millar:** Or designating and charging properly, with applications for regularisation through the planning authorities.

[93] **Leighton Andrews:** If local authorities are failing to do what Mark Isherwood suggests, that illustrates that we do not need more legislation; we need local authorities to do what they are meant to do, does it not?

[94] **Darren Millar:** Mark Isherwood is suggesting that local authorities are not having an opportunity to raise an income in respect of council tax where they have—

[95] **Leighton Andrews:** No, he is just suggesting that they are failing to report it.

[96] **Darren Millar:** Look, I am not privy to the correspondence to which Mark

Isherwood refers, but what I would say—

[97] **Leighton Andrews:** Are you alleging that Conwy and Denbighshire are failing to report this income? It would just be interesting to know that and have it on the record, either from Mark or from you.

[98] **Darren Millar:** I am not alleging anything; I am simply making the point that I want to see local authorities being better able to enforce licensing conditions and better able to enforce planning conditions on sites. My Bill gives an opportunity to provide for better enforcement through the introduction of a fee regime.

09:45

[99] **Mark Isherwood:** I made the point that I was citing WLGA evidence to this committee—evidence given in person to us—that it supported legislation to enable councils to reject licences or enforce licences, because its representatives felt, currently, that their hands were tied in that respect. I was not saying that councils are knowingly in breach; I am saying that if they have intelligence internally, which the Welsh Government letter suggests as well, and do not act upon it, there may be questions, certainly audit questions or broader questions, that would need to be addressed. There is a duty on the Welsh Government and local government, and this Welsh Government letter acknowledges the issue. If they know that there may be an issue because claims have been put in that should apply only to permanent residents, they have a duty to act upon it, but their hands, they say, are currently tied.

[100] **Christine Chapman:** Leighton has a question and also Jenny, and then we need to move on.

[101] **Leighton Andrews:** Indeed. The WLGA actually says in its evidence to us that planning legislation,

[102] ‘should remain the primary legislation for controlling site use. Additional measures should not be required’.

[103] So, I am not sure that that does bear out what has just been said. Is it not the case, really, that there is no evidence for your Bill?

[104] **Darren Millar:** Look, I have addressed this issue already, Chair, this morning. I know that the Member continues to assert his point that there is no evidence, but it is very clear from the explanatory memorandum and from the evidence that has been cited that there is evidence. No-one disputes that this is happening in Wales. There is a discussion to be had about the scale of the problem. The only person who has submitted evidence trying to suggest and gauge the scale, based on his extensive academic research, is Professor Fothergill, and I would refer the Member to his evidence.

[105] **Leighton Andrews:** You said earlier that there were holiday site owners seeking to pull the wool over the eyes of potential customers and visitors to Wales. Do you have evidence for that?

[106] **Darren Millar:** No, I did not; I said that there were some caravan owners who seek to pull the wool over the eyes of the site owners by using holiday caravans as their main homes without the knowledge of the site owners, sometimes.

[107] **Jenny Rathbone:** You said that you have forwarded 27 complaints to Conwy and Denbighshire over the last few years. What has been their response?

[108] **Darren Millar:** Generally, both local authorities will send an enforcement officer out as a result of the complaint to investigate the matter and, usually, they report back to me on their findings.

[109] **Jenny Rathbone:** Have you been satisfied with the responses?

[110] **Darren Millar:** I am never satisfied, because I continue to see these problems repeating themselves. One of the latest complaints that I received in respect of one of the local authorities to which I refer people when there is a complaint made was about a number of holiday caravans on a site and the local authority suggested that it would be difficult to enforce because of the unspecific nature of the planning permissions that had been in place. That is one of the reasons why we need to see a more effective licensing regime, because many of the planning applications that exist across the country in respect of holiday caravan sites as they are at present were put in place when holiday caravans were not the sorts of places that people would want to live in or use as their main homes. Things have changed significantly now in terms of the quality of the accommodation provided, but, unfortunately, you cannot revisit planning permissions that are already extant.

[111] **Jenny Rathbone:** However, where you have actually forwarded a complaint from one of your constituents, the local authority has responded by doing a site inspection, and were it to find that somebody was living in a holiday caravan as their main residence, it has the powers, does it not, to get that situation amended?

[112] **Darren Millar:** I think that what you have to remember is that when a member of the public reports a problem in relation to residential misuse to me, generally, they are not one of my constituents, but holidaymakers or other caravan owners on a site who are concerned about a problem that is emerging on their site. I suspect that there are many others who would complain, but who do not feel that it is appropriate to contact a local Assembly Member.

[113] **Jenny Rathbone:** That is true of just about anything that you can think of.

[114] **Darren Millar:** Yes, it is.

[115] **Jenny Rathbone:** The point is that when you have raised a complaint, the local authority has responded and acted appropriately. So, it rather undermines the need for this legislation, in the sense that when a problem is pointed out to a local authority, the local authority responds and takes action, presumably to your satisfaction, otherwise you would simply send back another missive saying, 'Please do something further'.

[116] **Darren Millar:** You are suggesting that my Bill simply addresses issues in relation to residential misuse, but it does not; it relates to the whole of the licensing regime. When I have reported residential misuse, of course, local authorities go and investigate and take any appropriate action that they deem necessary. In some cases, it is difficult for them to enforce against residential misuse, because of the planning permissions in relation to a site. My Bill, of course, would make it absolutely clear, through the requirements in written agreements, that holiday caravans should not be used as people's main residences—

[117] **Jenny Rathbone:** Yes. I was merely trying to—

[118] **Darren Millar:** —so, it would make it easier for local authorities to enforce against that.

[119] **Jenny Rathbone:** I am just trying to explore the assertion by the WLGA that it needs this Bill in order to be able to do anything, because it obviously does not.

[120] **Darren Millar:** No; it does. It does need this Bill in order to do something, because, at the moment, the licences in relation to some sites do not reflect the modern holiday caravan industry in terms of clear conditions against residential misuse. If a holiday caravan site had a planning permission, let us say, in the 1960s or 1970s when holiday caravans were not the sorts of places in which anybody would want to stay as a main home, then the planning permission, because there is no discretion for local authorities to refuse a licence application, effectively gives them a passport to allow people to use holiday caravans all year round. That is not a good thing.

[121] **Jenny Rathbone:** We will come back to that later.

[122] **Christine Chapman:** Right. There are a number of Members who want to come in and have not spoken, yet. Mike, I think that you wanted to come in.

[123] **Mike Hedges:** Yes. I want to talk about planning. If they are breaching planning rules, why are councils not enforcing a planning breach? Councils enforce quite a lot of planning breaches in different places. Why do you think, if somebody has pre-1948 planning permission to have a caravan park there, that you could use a licence to negate part of that planning permission? The third question, again on planning permission, is: if people have planning permission and are on a site and they choose to use that site as their main home for six or seven months of the year and they stay somewhere else for five months of the year, why are they doing anything wrong?

[124] **Darren Millar:** I do not want to be distracted this morning by significant reference to the planning system, because, of course, we have a planning system and we have a licensing system. That is the way it has always been since 1960. What I will say is that planning permissions that were or are in place because of pre-1948 terms, for example, were relevant at that time. They are not relevant today, because you cannot revisit a planning permission, but my Bill will give the opportunity to revisit and review holiday park licences in the future to ensure that they keep up-to-date and are refreshed in line with the modern industry practice and standards.

[125] **Mike Hedges:** So, overall, you believe that you can negate planning permission by licensing.

[126] **Darren Millar:** No, I do not. I believe that we have a licensing regime already in the 1960 Act that is outdated and not fit for purpose in terms of the modern holiday caravan industry.

[127] **Mike Hedges:** I will not argue with you about whether it is right or wrong. All I am saying is that I got planning permission in 1945 after the second world war and I opened up a caravan park on a site; I have deemed planning permission to open it for as long as I like because it is pre the 1948 planning Act, but you think that you can bring licensing powers in now that will take some of my planning permission away from me.

[128] **Darren Millar:** No, I do not. I believe that you have a licensing regime that can ensure that those parks that were holiday parks pre 1948 continue to be holiday parks in the future and do not become residential parks by stealth.

[129] **Peter Black:** On the residence test that is being proposed, and even the amended residence test that you have outlined to us, the suggestion that we have had in evidence is that that would not, in fact, be effective, because it is full of loopholes and there are ways around that test. Would you agree that that is a possibility?

[130] **Darren Millar:** There are always going to be people who will want to break the law by providing misleading evidence. The residence test was based on extensive discussion, actually, with the British Holiday and Home Parks Association, and the National Caravan Council, which suggested that the HMRC set of documents, which can provide evidence of residence, was an appropriate one. If the committee has any suggestions about changes to the residence test, then, obviously, I would be happy to hear those from the committee when it produces its Stage 1 report.

[131] **Peter Black:** The other suggestion, which came across very strongly when we took evidence from the trade associations, is that they felt that having a separate regime in Wales from that in England would put them at a commercial disadvantage in terms of marketing the caravan sites in Wales, and that that would be an additional burden upon those businesses. Is that a concern for you in bringing this Bill forward?

[132] **Darren Millar:** I think that there will be a commercial advantage to the new licensing regime, because I think that it will give consumers more confidence to be able to do business with holiday sites in Wales than in other parts of the country. Let us not forget that the whole basis of this Bill is to implement in full the best practice that the industry already advocates. Organisations such as BH&HPA want to ensure that there are written agreements between site owners and consumers; they want to make sure that, if a holiday caravan site is in an area of flood risk, that has been properly considered by the site owner. All of those things are things that the BH&HPA, and the National Caravan Council, support. The National Caravan Council has an accredited scheme of its own—albeit voluntary—that requires pieces of evidence, like the ones that are listed in the residence test, to be provided by holiday caravan owners when they make a purchase on a site. So, it is no different to the best practice that is already being applied by most sites that are well run in the country.

[133] **Peter Black:** Yet, when they came to us, they still complained that this would be an undue burden upon them.

[134] **Darren Millar:** Well, they would do, would they not? Those are the same sort of complaints that we received as a National Assembly prior to the introduction of the carrier bag levy a number of years ago. We were told that it would close businesses down in Wales and that people would be hopping over the border in order to do their shopping. That has clearly not been the case, and I do not see any reason why an additional charge, which may be transferred to caravan owners themselves, of less than 1p per day—less than a cup of coffee at Starbucks per year—is going to make a significant difference in terms of the way that people approach doing business in Wales. As I said, I think that it will give consumers more confidence to do business in Wales, it will drive up standards in the industry, and it will make our holiday caravan parks more attractive places to come to.

[135] **Peter Black:** I do not think that the objection was around the charge; it was around the residence test, and the effect that they would be harassing their residents.

[136] **Darren Millar:** As I have made clear this morning, should the Bill proceed, I have reflected on the evidence that has come forward, and, rather than apply the residence test on an annual basis to everybody, I will bring forward amendments that will give local authorities discretionary powers to be able to apply a test if there is a suspicion of residential misuse. I think that that is a balanced way forward, and I am very grateful for the committee drawing that evidence out.

[137] **Christine Chapman:** Jocelyn, did you want to come in?

[138] **Jocelyn Davies:** Yes, thank you. Of course, with regard to those organisations that represent site owners, site owners need that information on caravan owners for their own

purposes, do they not? They need it so that they can send out their bills for gas and electricity and site fees and so on, and get them paid. That is why they collect that information—they do not collect it for other people to inspect; I think that that is their point. That is what they want: a billing address that is robust. Now, what do you say to the National Caravan Council's evidence that your requirement in the Bill to consult with caravan owners on operational matters would be a further administrative burden, and that it would not be appropriate in a business that needs to respond quickly or has significant plans? Of course, a caravan owner, such as myself—and I forgot to declare that interest at the beginning, I am sorry—

[139] **Mike Hedges:** Please can I do so as well?

[140] **Christine Chapman:** We will note the declaration.

[141] **Jocelyn Davies:** If there are changes to the site where my caravan is that I do not like, I can always leave—I can always arrange to go somewhere else if I do not like it. So, why would I want to be bothered with a consultation with the site owner, when he is spending significant sums of money that I know I am going to be paying a portion of? Why should he need to consult me on that?

10:00

[142] **Darren Millar:** As the Member will know, there is an exemption to the requirement to consult in an emergency situation. So, if there is a need to respond to an emergency, such as a flood or a fire on the site or any other emergency that might arise, then there is no requirement to consult. The requirement to consult came about as a direct result of responses that came in to the consultation exercise that I undertook over the summer: some caravan owners said that, for example, they had had their caravan on a site for years and had suddenly had a new club house erected directly next to it with no forewarning or knowledge that it would be put there. This is just about ensuring that businesses talk to their customers. The best sites already do this. For example, they have newsletters to inform their members about things and invite comments on proposals—

[143] **Jocelyn Davies:** Yes, but there is a difference between sending someone a newsletter, telling them what you are going to do, and consulting on that.

[144] **Darren Millar:** They usually invite comments.

[145] **Jocelyn Davies:** What we heard from the industry was that their lenders—the bank—would consider that to be a risk; they would consider it a risk. What would they do if the caravan owners said, 'Do you know, I really do not want you to build a new indoor heated swimming pool because I know that my fees are going to go up by £300'? So, people trying to make an improvement to their site might find that the caravan owners on the site might object to that. You do not see that as a problem; I think that some people do.

[146] **Darren Millar:** It is just a matter, Chair, of ensuring that, as all good businesses do, people listen to their customers. The duty or the requirement to consult is just to do that—to consult. It does not mean that a site owner cannot press ahead with any proposed changes that they want to make on a site. It is just about ensuring that they do reflect on their customers' views.

[147] **Jocelyn Davies:** Well, there is a big difference between telling people what you intend to do and consulting them, and I think that the whole system around that can put a lot of pressure on a small business.

[148] **Darren Millar:** That is why the Bill is not prescriptive about that. Obviously, I

appreciate that some parks will be small and it may be a conversation that is had with the owners on site. It is simply about making sure that, as all of the good operators do, people listen to their customers.

[149] **Jocelyn Davies:** You mentioned earlier putting things in perspective—I think that that is how you put it. So, how do you respond to the Welsh Government’s tourism advisory board, which says that problems experienced between site owners and caravan owners are tiny? ‘Tiny’ was its word, given the scale of the industry in Wales.

[150] **Darren Millar:** Well, I do not think that they are tiny and that is why the Office of Fair Trading and the British Holiday and Home Parks Association and the National Caravan Council and the National Association of Caravan Owners have all given evidence, other than the Office of Fair Trading, identifying the need to take action to address problems in the industry. Certainly, in terms of the Office of Fair Trading, it was because of problems that were emerging in the industry that the model site licence agreements were developed for use by site owners and caravan owners.

[151] **Jocelyn Davies:** Do you know what the scale of the problem is in terms of disagreements between site owners and caravan owners?

[152] **Darren Millar:** I do not, but what I do know is that it was significant enough for the Office of Fair Trading to do a piece of work with the industry and for the industry itself to take action to try to address problems and head them off through the development of a written licence agreement, which, of course, is not law at the moment and that is one of the things that my Bill is really seeking to address.

[153] **Jocelyn Davies:** You said earlier that you wanted the caravan industry in Wales to be more attractive than that elsewhere. So, what do you say about the evidence that we have had that, where a caravan has been sold, the written statement must be given 28 days before the agreement is made? Is there a particular problem here and does that not put the Welsh caravan industry at a distinct competitive disadvantage?

[154] **Darren Millar:** Not at all.

[155] **Jocelyn Davies:** Well, that is not the evidence that we heard from the industry. So, you explain to me now how that does not put it at a disadvantage.

[156] **Darren Millar:** It has misinterpreted the provisions in the Bill. The Bill provides an opportunity for people, by agreement, to waive the 28-day requirement, which means that, if someone were content, they could exchange an agreement on the same day that they purchased their holiday caravan without having to wait for 28 days.

[157] **Jocelyn Davies:** What is the point of it, then?

[158] **Darren Millar:** The 28-day agreement, for example, might apply if significant changes are coming into a written agreement with site owners at the end of the term of their agreement. I do not think that it is unreasonable to require a period whereby there can be some discussion if there are some terms that are unattractive to a holiday caravan owner.

[159] **Jocelyn Davies:** Sorry, can you explain? I can see why the industry misunderstood. Can you? I read it as it did, that there would have to be this cooling-off period of 28 days.

[160] **Darren Millar:** Yes, but there has also been misunderstanding about the six-week rule; I watched one of your evidence sessions a couple of weeks back. It is very clear that, if people want to be able to exchange and agreements are needed, they can, and they can sign on

the dotted line on the day that they purchase their caravan. The reason that there is a 28-day rule in there is because, when their written holiday licence agreement comes to an end, there is an opportunity for them to reflect on any potential changes to the provisions in their written agreement in the future.

[161] **Christine Chapman:** I have just taken some advice here. Part 4 of the Bill says that

[162] ‘the period in subsection (2) may be shortened with the written consent of the proposed occupier, unless the owner proposes to sell the holiday caravan to the proposed occupier.’

[163] I am just giving that—

[164] **Jocelyn Davies:** Yes, what does that—. I do not know; maybe I have misunderstood that and I have read it wrongly, in the same way as the industry did, but it did appear, on reading it, that, if someone is selling a van to somebody, there has to be this period of 28 days.

[165] **Darren Millar:** That is not the case; I can categorically say that.

[166] **Jocelyn Davies:** That is not what it says.

[167] **Christine Chapman:** Yes, it—

[168] **Darren Millar:** I will ask the legal adviser to comment.

[169] **Mr Howells:** The 28-day period will apply where the owner, that is, the site owner, proposes to sell a holiday caravan to the proposed occupier, the holiday occupier.

[170] **Jocelyn Davies:** Well, that is what I said; I thought that was what I said.

[171] **Mr Howells:** During consultation we had concerns about when there is a sale of a caravan by the site owner to the occupier. In those circumstances, we wanted to keep a 28-day notice period.

[172] **Jocelyn Davies:** So, that cannot be foreshortened by agreement?

[173] **Mr Howells:** No, not for those narrow and specific circumstances.

[174] **Jocelyn Davies:** In those specific circumstances. Right, but if the site owner is selling a van—. I will ask my question again. If a site owner is selling a van to somebody on their site, there has to be 28 days, according to your adviser.

[175] **Mr Howells:** They must give the written statement 28 days before the agreement is entered into.

[176] **Jocelyn Davies:** So, I will ask you again: does that not put the Welsh industry at a distinct competitive disadvantage compared to the rest of the UK, as the industry said when it came to us?

[177] **Darren Millar:** If there is a concern about this, I am quite happy to consider any suggestion for an amendment from the committee. It has not been raised as a concern directly with me until today.

[178] **Jocelyn Davies:** Well, I am raising it because the industry raised it, and I think that,

given the fact that it may have confused you, that it is—. Also, from what you said in your answer to me, it seems that you do not agree with what is written there. However, that could be sorted out by an amendment, I am sure. In relation to harassment, can you set out any evidence that you have about the extent of the problem that there may be in terms of harassment and aggressive eviction behaviour, and so on, on caravan sites?

[179] **Darren Millar:** Well, there have certainly been cases of harassment in my constituency, where holiday caravan owners have been thrown off site for sometimes relatively minor disputes with the site owners. The point I would make here is: why not afford some protections from harassment to holiday caravan owners? Again, I think it will strengthen the confidence of consumers to come to Wales, knowing that they would have these additional protections in place from any potential harassment that might occur.

[180] **Jocelyn Davies:** Is harassment not illegal anyway? Is it not a criminal offence to be harassing somebody? Have there been criminal proceedings in the cases that you mentioned in your constituency?

[181] **Darren Millar:** Of course it is an offence already, but the Assembly took the step in the last piece of licensing law that it passed to ensure that there are additional protections from harassment on residential park home sites. I see no reason not to afford some protections from harassment on holiday parks, given that—

[182] **Jocelyn Davies:** There was considerable evidence of that on park home sites, of course, because people had gone to prison; there had been a number of cases of people going to prison. Have you known of any such cases in relation to caravan sites?

[183] **Darren Millar:** There have been some in my constituency. I am not aware that it is a significant and widespread problem. However, as I said, why would we not want to ensure that there are protections from harassment in place on the face of the Bill? It will not cost anything, there is no additional administration, and there is no need for anyone to be concerned about the provisions on harassment unless they are committing harassment.

[184] **Christine Chapman:** I will bring in Mike and then Mark.

[185] **Mike Hedges:** I have two questions. From my experience, which is limited to the one site that I am on, almost all, if not all, caravans are sold by the owner of the site. They get lots of new caravans in, they exhibit them and people come along and buy them. So, surely, on the bigger sites, you will hit almost everybody with the 28-day rule. My second question is: how will the 28-day rule fit in with the Consumer Credit Act 1974?

[186] **Darren Millar:** As I have said, I am quite prepared to listen to any suggestion that the committee might want to make around the 28-day rule. However, I will say in terms of the Consumer Credit Act that not all people buy holiday caravans using finance. Some people do not. Some people are cash buyers, but if finance is required, then obviously there is a cooling-off period under the Consumer Credit Act.

[187] **Mark Isherwood:** In terms of harassment and unfair eviction, as I have said before, prior to the update to the Unfair Contract Terms Act 1977 to address this, on a site that did not have a model agreement, I was subject to that, and I will personally evidence that. Because of that, the British Holiday and Home Parks Association encouraged that site owner to bring in a model agreement, which would have prevented what happened to me from happening to anybody in the future. In order to address that, do you feel that we need to emphasise the need for model agreements? Therefore, should the legal changes that you have indicated we need to make be mandatory in such circumstances?

[188] **Darren Millar:** Just on harassment, let me give you an example of a case from my own constituency. I had a person who is not a constituent contact me—she is a holidaymaker in the area, but she knew of my interest in the holiday caravan industry—and raised questions on the site on which she was a caravan owner in relation to the installation of new facilities—it was actually a pool. When she bought the caravan, she bought it on the understanding that the site owner was going to install a pool during the forthcoming summer season. When that pool was not installed, she asked questions, and she was told, ‘Get off my site. I don’t want you on my site, because you are an awkward person’. She was told that if she was not off the site within seven days—giving her seven days, effectively, to sell her caravan—the owner would tow the caravan, which was a static caravan, to the main road and it would be up to her to get rid of it. So, harassment does take place. Where it takes place, it is not pleasant and it can have a significant impact on the investment that people have made in their holiday caravan. That is why I think that, given that there is no cost attached to this, given that there is no administration and given that the only people who need to be worried about the provisions on harassment in the Bill are those people who are committing harassment, it is perfectly right to include some provisions in the Bill about that important subject.

[189] **Christine Chapman:** Janet, do you want to come in?

[190] **Janet Finch-Saunders:** No, my question was on homelessness, and it has been covered.

[191] **Jenny Rathbone:** I feel that we need to pursue the homelessness issue, because I do not feel that we have fully covered this, although we have partly covered it. If we extrapolate the Fothergill research on Lincolnshire and apply it to Wales, he estimates that there would be 4,000 households made homeless, of which 40% are over 65 and 70% are over 55. Classically, these are people who, when they retire, decide to sell their modest home somewhere else and move into a caravan as a lifestyle choice. These are not people who are homeless; they are people who make a precise choice. However, this Bill could make these people homeless, simply because, if they are living on a holiday site, they will then be told that they may not live there. If they are living there for 10 months of the year, I do not see how the local authorities concerned—principally, Conwy—will be able to avoid adopting the responsibility for them as homeless people.

[192] **Darren Millar:** If I can just say, on this issue of homelessness, that I do not think that any local authority would regard people who are deliberately using holiday caravans in the knowledge that they are not supposed to be using those holiday caravans as their main home as being intentionally homeless. As my Bill is written, it will give time before the commencement of the legislation, a long lead-in time, which Ministers will have to consult on, allowing for people to be able to find alternative accommodation. There is also discretion for local authorities to be able to take on board the individual circumstances of caravan occupiers when they identify residential misuse and give individuals time to be able to find alternative accommodation.

10:15

[193] Professor Fothergill indicates that many of the individuals who would have to find alternative accommodation are individuals who are not without means. They may be sat on a capital receipt that enables them to find alternative accommodation elsewhere. However, let us not forget, holiday caravan sites are supposed to be used for holiday caravan purposes even under the current licensing regime. That means that the same people—. What all of us want to see is better enforcement on-site. If there was better enforcement on holiday caravan sites across Wales now, then those people who are already misusing holiday caravans as their main home would have to find alternative accommodation. The existing regime says that they should not be there and my regime says that they should not be there, but it requires there to

be better enforcement.

[194] **Jenny Rathbone:** I am absolutely not convinced that they would not then become the responsibility of Conwy. These are the typical people who may be living in their holiday caravan for up to 10 months of the year, and then going off to visit family members or going to Spain, as we have heard anecdotally, but the place where they are mainly resident is going to be Conwy. I cannot see how Conwy is going to argue that against Birmingham or wherever.

[195] **Darren Millar:** Let us be clear on this, if they are knowingly living on a holiday caravan park and are using a holiday caravan as their main home knowingly, there is intentionality there in relation to their homelessness, as far as homelessness legislation is concerned. Therefore, the responsibility would not fall on local ratepayers in terms of rehoming those individuals.

[196] **Jenny Rathbone:** I cannot see that, particularly with their—

[197] **Christine Chapman:** Just let Darren finish, Jenny.

[198] **Darren Millar:** Just let me remind the committee that the existing regime and my regime are exactly the same, effectively, in ensuring that holiday caravan parks should be used for holiday purposes. The difference between the regime that I am proposing and the current regime is that it would require better enforcement. There would be duties on local authorities to enforce. As I said, there will be discretion for local authorities to manage the impact in their local communities with individual holiday caravan occupiers and there is going to be a significant lead-in period, because the Welsh Ministers will have discretion and will have to consult before implementing any parts of the Bill, should it become an Act. I think that those are perfectly reasonable safeguards to ensure that any alternative accommodation arrangements that might need to be made can be made by any individuals who are living on holiday caravan parks.

[199] **Jenny Rathbone:** I am simply not convinced, because having sold their home somewhere else and bought a caravan, they are not then going to be able to buy a home somewhere else because prices have increased enormously.

[200] **Darren Millar:** However, the alternative is to regularise the situation through planning applications, or not to deal with the problem at all and just leave it there knowingly. I do not think that any witnesses have suggested that we should not try our best to tackle this problem of residential misuse where it is identified. Therefore, if a problem is identified, I think that all of us would want some action to be taken to either regularise it or take enforcement action to allow people to find alternative accommodation. Professor Fothergill has given an estimate of the scale, which I know the committee has taken an interest in. However, as I said, if people are knowingly living on holiday caravan parks, then they would effectively be intentionally homeless and therefore would not be a burden to ratepayers.

[201] **Jenny Rathbone:** My concern is that Professor Fothergill does provide a solution to the problem—we can agree that there is a problem. He says it should be regularised by granting them residencies. I can see that that is in breach of planning law, but I am not convinced that Conwy council—the primary council affected by all this, given its deprivation levels and that it has the highest proportion of people of modest means—has understood the consequences of this. That is what I was trying to pursue.

[202] **Darren Millar:** I can assure you that I have obviously had extensive discussions with Conwy County Borough Council over a number of years in relation to this matter. I can assure you that it would not be supporting this Bill if it thought that there was going to be significant additional cost to the local authority in relation to homelessness.

[203] **Christine Chapman:** We do not have much more time. I know that Mark wants to come in, but if there are any other Members who want to ask questions of Darren—obviously you will have views at the moment that we will have an opportunity to discuss when we go into private session—please do so. Mark is first.

[204] **Mark Isherwood:** It is not just Conwy—it is Denbighshire as well, and I am aware of people personally who fall into the category that Jenny described in Flintshire. I will not name sites, but it certainly was not the one I referred to earlier. However, if a local authority knows—and it should know—of a situation such as that described by Jenny, rather than making that person potentially homeless—I recognise that all people do not sit on large sums of money and that people may have put their capital into living their dream and use the income from their savings to fund the lifestyle that they have chosen—should not the alternative be for the licensing of the site to be revisited, with possibly some sort of dual licensing mechanism, with that individual paying for council tax if they otherwise meet the requirements of the site owner to be a fit-and-proper person?

[205] **Darren Millar:** There is always that option. That option is there as it currently stands as well. In fact, I have some sites in my own constituency that have dual licensing arrangements with a number of residential pitches that are identified by the local authority that have the necessary planning permissions in place for those pitches. I have no issue with that; if a situation is regularised, then that is entirely a matter for the local authority to determine. The point that I am making is that if these people are already out there using holiday caravans as their main homes, is that something on which we want to see better enforcement? I think that every witness who has come before the committee has suggested that they do. So, even under the current regime, there is the potential for that number of people to require alternative accommodation. The question is what proportion of those would become a burden to a local authority in terms of becoming homeless. I do not believe that a large number of them would. If you recall, there is a note in the explanatory memorandum in terms of housing benefit claims, and it was a very small number—60-odd—of housing benefit claims on holiday caravan parks across Wales. I suspect that those individuals would certainly require some assistance if they have been misled into thinking that they are able to live on holiday parks and have their caravan as their main home all year round.

[206] **Peter Black:** Is the reason why there are so few housing benefit claims because people know that they cannot get housing benefit if they are not on a residential site?

[207] **Darren Millar:** Clearly, some people are getting housing benefit on holiday caravan park sites. The correspondence that was read earlier by Mark Isherwood seems to suggest that the Welsh Government is knowingly paying housing benefit to some people on holiday caravan parks as well.

[208] **Peter Black:** The Welsh Government does not pay housing benefit.

[209] **Darren Millar:** It seems to be aware of that.

[210] **Peter Black:** It is asking a question not making assertions in that letter. You said that there were only 60 housing benefit claims, but you are also saying that there is a major residential problem there. So, they do not seem to tally up.

[211] **Darren Millar:** No, what I am saying is that not everybody who lives in a holiday caravan is going to be in receipt of housing benefit, or needing to receive housing benefit. As Professor Fothergill has made quite clear in his evidence, the typical person who is living in a holiday caravan is living the dream; it is someone who has been regularly on holiday to an area for many years, is familiar with that area and wants to retire to a lovely holiday caravan

on the north Wales coast or elsewhere.

[212] **Peter Black:** So, where do they go when you throw them out?

[213] **Darren Millar:** They have to find alternative accommodation, or they need to regularise the situation.

[214] **Peter Black:** When Conwy council was here, and it presented the results of its 2008 survey, I specifically asked, if this survey was still reflective of the situation today, whether it could cope with all of those people coming to its housing department asking to be rehoused, and the answer was 'no'.

[215] **Darren Millar:** It could not, if all of them presented as being homeless, but I do not believe that all of them would present as being homeless, as I have made clear to you, Peter. I think that it is very clear from the information that I have and that which has been provided by others that many individuals are knowingly living on holiday caravan sites on the basis of knowing that they should not really be there. Therefore, they would be intentionally homeless rather than unintentionally homeless.

[216] **Peter Black:** They would be homeless without the council's assistance.

[217] **Darren Millar:** No, they would need to find alternative accommodation. They either regularise the situation or they find alternative accommodation. No matter which licensing regime we have, whether the 1960 licensing regime or the licensing regime that I am proposing—that should be the situation now.

[218] **Peter Black:** Okay, but with all due respect, that is an assertion as opposed to being based on empirical evidence.

[219] **Darren Millar:** What is an assertion?

[220] **Peter Black:** That these people would not need to go to the council and present themselves as being homeless. You do not actually have empirical evidence to back that up.

[221] **Darren Millar:** If I can just say, a 2007 or 2008 study was undertaken by Conwy County Borough Council and work has been done by Denbighshire County Council in the past, in which they identified individuals who were in receipt of certain benefits and so on, on holiday caravan parks. They took action to address that and they did not find themselves with a significant homelessness burden to mop up. So, that suggests to me that there will not be a significant problem in the future should action be taken to enforce against existing licensing conditions or should any new licensing conditions arise as a result of a new licensing regime.

[222] **Peter Black:** That still is an assumption; it is not based on current evidence throughout Wales.

[223] **Darren Millar:** The evidence in 2008 was that there was not a significant homelessness burden as a result of the enforcement action taken by Conwy County Borough Council in respect of the problem that it identified in Conwy.

[224] **Peter Black:** So, having dealt with that problem in 2008, why is there a problem now?

[225] **Darren Millar:** It is because, clearly, complaints are still being made about residential misuse and there are still people, as the British Holiday and Home Parks Association, as caravan owners and as the National Caravan Council will tell you, who

approach caravan sites and ask if they can turn a blind eye to people living in their caravans all year around. Unscrupulous owners turn a blind eye to that and allow it to go on in order to get their sale, while others do not. Those people who are knowingly living in a holiday caravan are very vulnerable individuals because they feel as though they cannot go anywhere if a problem develops, because they are knowingly living inappropriately on a holiday caravan site.

[226] **Christine Chapman:** We are coming to the end of this session, but Jocelyn has one question.

[227] **Jocelyn Davies:** No, we can leave it.

[228] **Christine Chapman:** On that note, there are no further questions. I thank Darren, Jonathan and Gareth for coming in this morning. I think that we have had a good airing of the issue. We will send you a transcript of the meeting so that you can check it for factual accuracy. Thank you very much for coming in.

10:28

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

[229] **Christine Chapman:** I move that

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

[230] I see that committee is in agreement. Thank you very much.

*Derbyniwyd y cynnig.
Motion agreed.*

*Gohiriwyd y cyfarfod rhwng 10:28 ac 11:00.
The meeting adjourned between 10:28 and 11:00.*

**Sesiwn Graffu Gyffredinol: Y Gweinidog Llywodraeth Leol a Busnes y
Llywodraeth
General Scrutiny Session: The Minister for Local Government and Government
Business**

[231] **Christine Chapman:** This item is a general scrutiny session with the Minister for Local Government and Government Business. This is a follow-up on the work that was completed in October for the 2014-15 budget scrutiny. I welcome Lesley Griffiths AM, Minister for Local Government and Government Business; Debra Carter, deputy director, local government finance and performance; and Alyson—no, sorry, it is Lisa—Lisa James. Sorry Lisa, what is your title?

[232] **Ms James:** I am the deputy director, local government democracy.

[233] **Christine Chapman:** Thank you, Lisa. Minister, the Members will have read the evidence in your paper, so we will go straight into questions. There are a lot of different aspects to this, so we will be looking at those in some detail. I wanted to start off—and I

know that Peter wants to come in on this—by asking you some questions about the Williams commission. Could you first of all give an indication of the White Paper that the Welsh Government intends to publish in response to the Williams commission report, including what the subsequent legislation would entail and what the timelines for implementation would be?

[234] **The Minister for Local Government and Government Business (Lesley Griffiths):** Thank you very much, Chair. I will say first that, on 8 July, the First Minister will be giving the Welsh Government's response to the commission's report as a whole. Obviously, the report is about far more than the restructuring of local authorities. There are 62 recommendations, of which four seem to have grasped the media interest, as you would expect, I suppose. I think that it is a very comprehensive and authoritative analysis of public service across Wales, not just local authorities. We very much welcome the report as a very honest appraisal of public services in Wales. So, that is for the First Minister to do. However, I am very happy to talk about the White Paper that I will be bringing forward. We call it the paving Bill, because that will allow certain things to happen with local authorities. I will be publishing before the summer recess a White Paper on reforming local government. That will consult on a variety of matters relating to local authorities. I have already told the Senedd that I will be setting up a staff commission to support local authority staff through the merger process. It is very important that staff are protected.

[235] The First Minister has also been very clear that there will not be any legislation in this Assembly term to merge local authorities. There just is not the time. However, there will be legislation, as I say, to pave the way for mergers. There are some authorities that want to merge voluntarily, but they cannot merge voluntarily without that legislation. So, I will do that before the summer recess. There will be a 12-week consultation over the summer and into the autumn. The most important thing is that we have a clear vision for local government. I do not want local government to lose sight of that as we take this process forward. So, that also has to be set in the context of devolved government, post Silk. Again, the First Minister will be responding to that on behalf of the Government. What I have said to the WLGA and local government is that I want to develop a vision in partnership; I want to do it collectively. That is how we will progress over the summer.

[236] **Christine Chapman:** Obviously, you have given some indication of this, but could you comment on the extent to which the Williams commission report will be implemented as a whole, and how that will be taken forward?

[237] **Lesley Griffiths:** It is difficult to give you an authoritative figure on that. As I say, there will be various stages of legislation. We will need legislation to merge voluntarily—we can think of that as the paving Bill. We will need legislation to have the main mergers Bill, but that will be post 2016. We need to set up the staff commission. Nothing major is going to happen before, probably, 2020. Well, I say 'nothing major', but, by 2018, we can have voluntarily merged authorities. However, the whole process is going to take some considerable time.

[238] **Christine Chapman:** The First Minister will be announcing this on 8 July, obviously.

[239] **Lesley Griffiths:** Yes.

[240] **Christine Chapman:** Peter, did you want to come in?

[241] **Peter Black:** Yes, I have a few questions. When the First Minister makes his statement on 8 July, will that be accompanied by the Welsh Government's preferred map for local government?

[242] **Lesley Griffiths:** We will see what the First Minister says on 8 July. I have not seen his statement yet. The map is an issue, which you will be aware of probably better than anybody, that the First Minister has had political discussions around. We will bring forward our preferred map. You will be aware that the Labour Party is consulting on it, and I am sure that other political parties will be doing that too.

[243] **Peter Black:** I am just trying to understand whether you will bring forward your preferred map on 8 July or whether it will be later than that.

[244] **Lesley Griffiths:** We will wait and see what the First Minister says on 8 July.

[245] **Peter Black:** In terms of voluntary mergers, how many local authorities have said they want to merge voluntarily?

[246] **Lesley Griffiths:** Do you mean publicly or privately?

[247] **Peter Black:** Privately, or both really.

[248] **Lesley Griffiths:** Publicly, I do not know. Privately—

[249] **Peter Black:** Just between us. [*Laughter.*]

[250] **Lesley Griffiths:** Privately, I would say that at least four local authorities have mentioned it to me.

[251] **Peter Black:** So, that is two sets, effectively.

[252] **Lesley Griffiths:** Yes, two sets of mergers.

[253] **Peter Black:** You told the Welsh Local Government Association conference on Friday that the intention was for local council elections to go ahead in 2017. However, you said that if there were voluntary mergers, their elections would be deferred to 2018, giving the existing councillors a six-year term. Does that mean that those authorities that voluntary merge will then proceed on the basis of a different election timetable to the other authorities that the Welsh Government will force mergers on?

[254] **Lesley Griffiths:** Probably, yes, but that is something we will consult on over the summer. It was really important that local government wanted clarity regarding 2016 or 2017. That process had started with my predecessor. In relation to 2018, the commission's report was very clear that, in order to progress voluntary mergers, you needed to incentivise. That is one thing, for elected representatives, that would be a big incentive—to go to 2018. It would be our intention in the future to have a single cycle, but there will be differences for a while.

[255] **Peter Black:** There will be a single cycle with two parts.

[256] **Lesley Griffiths:** Ultimately, my intention would be to have a single cycle. There will not be time, because of the legislation not being brought forward until after the next election, for those elections. It seems ridiculous to have elections in 2017 for local authorities who want to voluntarily merge. It would have to be a year later.

[257] **Peter Black:** Even in shadow form.

[258] **Lesley Griffiths:** Even in shadow form.

[259] **Peter Black:** Are you considering shadow councils?

[260] **Lesley Griffiths:** That is something we can certainly consult on.

[261] **Peter Black:** If the elections take place in 2017, assuming you legislate in the new Assembly, what would be the term of the councils that are elected in 2017 and 2018? Will they be a four or five-year term, or are we looking at a truncated term?

[262] **Lesley Griffiths:** I think it could be a truncated term. As I say, that is part of the consultation process.

[263] **Peter Black:** So, you do not have any firm ideas on that.

[264] **Lesley Griffiths:** No; I am happy to see what comes through in consultation.

[265] **Peter Black:** Would you be looking at a five-year term for the new councils, or four-year terms?

[266] **Lesley Griffiths:** Again, that is something to look at. I think that local government feels, now that we have a five-year term in the Assembly and that the parliamentary term is five years, that perhaps it should have five-year terms as a matter of course.

[267] **Peter Black:** My last question: would you still try to retain the present situation whereby local government elections would be separate from the Welsh Assembly elections?

[268] **Lesley Griffiths:** Again, that is not something I have specifically considered.

[269] **Peter Black:** Given that the First Minister is making a statement on 8 July, there does not appear to be a lot to go into that at the moment.

[270] **Lesley Griffiths:** You can see what comes out on 8 July.

[271] **Christine Chapman:** We have a number of Members with supplementary questions before we move on. I have Mike, Mark then Leighton.

[272] **Mike Hedges:** I have two very brief questions. First, we had the county, county borough and district council system, which lasted for the best part of 100 years. If we go through another change—I do not think that you like the word ‘reorganisation’.

[273] **Lesley Griffiths:** No, I do not.

[274] **Mike Hedges:** If we go through another change in major council boundaries, it will be the third time since 1973. Do you agree that, this time, we have to get it right, and getting it right is the most important part of it? Secondly, if we are going to have voluntary mergers and the voluntary merger is between two councils with 45 or 50 members each, will the new council be made up of the 90 or 100 existing members?

[275] **Lesley Griffiths:** In relation to your first question, it is absolutely crucial that we get this right. I would hope that this would last for several decades. Not everybody agrees with what was in the commission’s report, not everybody agrees with every bit of what was in the commission’s report, and I probably do not agree with absolutely everything—you certainly cannot please everybody. However, I have not come across one person who does not think that we should not be changing. The status quo is not an option. Twenty-two local authorities for a country the size of Wales is too much. If we want to improve our public services and if we want to have public service reform, this needs to be done now. I think that you are absolutely right; the current system of 22 local authorities brought in under a previous

Conservative Government is not the right fit for Wales at the moment. That is why I think we should not rush. We have been criticised for not doing it much quicker and for not responding to the commission's report, but I think that it is absolutely vital that we get it right.

[276] In relation to the voluntary mergers, what the First Minister has said very clearly is that he thinks the commission's report is correct and that an authority should have no more than 75 councillors.

[277] **Mike Hedges:** How would you do that? Say two councils decided to merge voluntarily with 100 councillors and decided to merge next year after you bring the paving Bill, how are you going to reduce that 100 to 75 during the term of the council, when that council is running?

[278] **Lesley Griffiths:** The elections in 2017 will be held on the current local authorities. We would then have to look ahead to 2018 for the voluntary merger of councils. So, we would look at that.

[279] **Mike Hedges:** So nobody can voluntary merge before 2018.

[280] **Lesley Griffiths:** No, because it needs legislation. That is the timescale.

[281] **Mark Isherwood:** The Williams commission, among other things, stated that co-production would need to be embraced alongside structural changes in order to deliver things differently in the future, which means co-design, co-delivery, dialogue and then real partnership in service provision. How, therefore, do you account for the lack of co-production, even in the process so far, in driving forward the agenda that you describe, given that the WLGA leader has said that the dialogue had not materialised and that the Gwynedd leader said that there is a grand canyon between us and the Welsh Government? Also, at last week's WLGA conference, you were criticised for announcing the White Paper and then not allowing any time for questions, listening to views or engaging in debate, which they described as a lack of respect for the local government sector.

[282] **Lesley Griffiths:** First, I was not asked to do a question-and-answer session. I was asked to give a speech. I was there for an hour and a half. I did my speech and I listened to other speeches. I was not asked to do a question-and-answer session, so I cannot be criticised for not doing something that I was not asked to do. I was not invited to the dinner, where they could have had the opportunity to informally question me. So, I do not accept that criticism at all.

[283] I meet with the WLGA regularly. On Monday this week we had the finance sub-group, which consists of several leaders of local authorities. A couple of weeks ago, I met with all the Labour leaders on a routine meeting and I met with the political leads of the WLGA probably a fortnight ago. I am constantly meeting WLGA leaders and representatives. Since January, the reform delivery group has met twice, of WLGA leaders, and the public service leadership group has probably met twice. So, there is plenty of engagement with them. I think that they all have my mobile number—they can all ring me—and I have a lot of dialogue with them.

[284] On the White Paper, I thought that they were the interested audience. I thought that they would be interested in having a bit more clarity. The First Minister has also met with them to discuss the commission's report, so I really do not take that criticism at all. We have a meeting of the reform delivery group before the end of this term—probably in the middle of July—and I have said to them all that I am very happy to discuss how we can better design and deliver the reforms needed. I do not think that collaboration has moved as quickly as the Welsh Government would have wished, but there are some fantastic examples out there; I am

not saying that there are not. However, clearly, it is not just about structures; the whole purpose of this is to get better public services for the people of Wales.

[285] **Mark Isherwood:** Do you agree that meetings and co-production and managing change are different things?

[286] **Lesley Griffiths:** Sorry, could you say that again?

[287] **Mark Isherwood:** Do you recognise that meetings, which are about relationships and agendas, are very different to co-production, open dialogue and then delivery together?

[288] **Lesley Griffiths:** Yes, but how do you expect me to enter dialogue if I do not have a meeting? That is the way we work, is it not? We have meetings. As I said, I have discussions on the phone, I have informal discussions and I have formal discussions. I am happy to discuss whatever they want to discuss. I have made that very clear to them. However, ultimately, they have to take control of this as well. They have to be the architects of this new local government as well.

[289] **Mark Isherwood:** So, they have to do as they are told.

11:15

[290] **Lesley Griffiths:** Well, they do not, so I do not necessarily agree with that. Of course not. It is not about doing as they are told, is it? It is about partnership working, and I value my relationship with the WLGA very much and I hope that it values its relationship with me and the rest of my ministerial colleagues. Local government is not just me; there are many ministerial colleagues who engage with the WLGA.

[291] **Christine Chapman:** I know that Peter wants to come in, but I will bring Leighton in first and then Peter.

[292] **Leighton Andrews:** I have a couple of questions. I want to be clearer on this 2017-18 issue. To follow up on what Mike Hedges said, if councils propose to merge, and they are, therefore, having elections in 2018, those elections will have to be on the existing ward boundaries, will they not? You will not have time to legislate to change ward boundaries by 2018, will you?

[293] **Lesley Griffiths:** In 2018, they would be on the new ones. In 2017, they will be on existing wards.

[294] **Leighton Andrews:** There would be new council boundaries, but would there be new ward boundaries?

[295] **Lesley Griffiths:** Yes, because we will have had the paving Bill.

[296] **Leighton Andrews:** So, there would be a reduction in the number of councillors in a merged local authority—is that what we are saying? I have not heard that said before, and I want to be clear.

[297] **Lesley Griffiths:** That would be in the paving Bill.

[298] **Leighton Andrews:** I want to be clear about this: the paving Bill will allow for the possibility of mergers, but those mergers will have to take place on the basis of new ward boundaries, which would mean a reduction in councillors in those new merged authorities.

[299] **Lesley Griffiths:** Yes, and they would have their elections in 2018.

[300] **Leighton Andrews:** You referred to 2018 as an incentive, but, the problem with that, it seems to me, is twofold. First, if there are to be fewer councillors in 2018, I suspect that that is not an incentive in the eyes of backbench councillors. Secondly, in answer to Peter Black, you said that, at some point, you will want the local government electoral cycle to come back into a single cycle. So, if you are having elections in 2017 for unmerged councils and in 2018 for merged councils, at some point, presumably in 2022 or 2023, there will have to be elections for everybody. So, again, it is not much of an incentive, is it? You get the incentive of one year of delayed election, but then you lose that year when you bring it back into balance with the 2017 authority. So, that is not a huge incentive.

[301] **Lesley Griffiths:** No, but that will not be the only incentive. There will be an incentives package, and I am sure that there will be financial incentives.

[302] **Leighton Andrews:** There will be financial incentives for those authorities that merge.

[303] **Lesley Griffiths:** Yes, for those who want to voluntarily merge. There might be. We are looking at that package now.

[304] **Leighton Andrews:** How and why? In some cases, there may be authorities that want to merge, but other authorities may not want to merge with them. So, it is a bit unfair to penalise them for not being able to merge, is it not?

[305] **Lesley Griffiths:** As I say, it is part of the incentives package that we are looking at. We have not worked up the details yet. I see what you are saying about incentives, but I disagree in the sense that local authorities that have come to me and said that they would be happy to voluntarily merge at the moment see it as an incentive.

[306] **Leighton Andrews:** Would you say that the ones that are coming to see you to talk about merger are some of the strongest local authorities in Wales, in terms of public service delivery, or are they some of the weakest?

[307] **Lesley Griffiths:** It is a bit of a mixture.

[308] **Peter Black:** Leighton asked my question, but I have another one now. What sort of financial package are we talking about? What sort of money do you have available?

[309] **Lesley Griffiths:** I do not have much money available, but, certainly, it is something that we could look at, because that is what they are telling me they want.

[310] **Peter Black:** Of course they are.

[311] **Lesley Griffiths:** Yes, of course they do. Williams made it very clear that incentivisation was an important part of ensuring that we had the mergers.

[312] **Peter Black:** Presumably, as part of this whole reorganisation, or whatever you want to call it—

[313] **Lesley Griffiths:** I want to call it ‘mergers’.

[314] **Peter Black:** It is a series of mergers.

[315] As part of this whole reorganisation, you will have to revamp the local government

funding formula. How long will that take?

[316] **Lesley Griffiths:** The funding formula is constantly under review. I will ask Debra if there is anything specific that she would like to comment on.

[317] **Peter Black:** This is quite a significant review, is it not?

[318] **Lesley Griffiths:** Yes, but it is constantly under review anyway, in partnership with them.

[319] **Ms Carter:** It is recognised that we will need to look at the formula to fit the merged authorities and existing authorities, and through any period of transition. So, that will be part of the programme.

[320] **Peter Black:** How heavy will that work programme be, because I remember the last review in 2001, which was huge. It is quite a big programme, is it not?

[321] **Ms Carter:** Yes.

[322] **Peter Black:** How long do you envisage that review taking?

[323] **Ms Carter:** Well, it will need to be a rolling review, in the sense that we will need to review for the new environment when it is in a fixed form, but we also have to review to deal with the authorities in transition throughout the period as well. So, it is not a single exercise; it is a programme that will have to adapt to the needs of each settlement, in effect, during that period.

[324] **Peter Black:** This question is for the Minister, because it is a political question: will the incentives be built into the formula or is this a one-off financial incentive?

[325] **Lesley Griffiths:** Again, I have not gone into the details, but I would imagine that it would be a one-off.

[326] **Christine Chapman:** Gwyn, did you have a question?

[327] **Gwyn R. Price:** Yes, on cost-benefit analysis. Have you made any cost-benefit analysis of councils that will merge?

[328] **Lesley Griffiths:** I have not personally done that at the moment, because obviously, as we bring forward the legislation, there will be a very robust risk impact assessment. We would have to look at the cost of the legislation. However, you will be aware that the commission did its own cost analysis and the WLGA had a cost analysis done by Deloitte and is now doing another cost analysis. Obviously, as a Government, we will do it as part of the legislation.

[329] **Gwyn R. Price:** Yes, because there are so many figures being bandied about. You certainly do not have anything substantial to tell the committee today.

[330] **Lesley Griffiths:** No.

[331] **Christine Chapman:** Mike, did you have a supplementary question?

[332] **Mike Hedges:** On cost-benefit analysis, from my experience of all mergers, the biggest costs are ICT contracts that exist over long periods of time. Are you aware of what contracts local authorities have, what different systems they are working on and what ongoing

costs a merged authority might have based on the cost of current contracts et cetera and the cost of transferring data on to one system? I do not know if you will be able to answer that question, but have you any idea at all?

[333] **Lesley Griffiths:** In relation to ICT?

[334] **Mike Hedges:** Yes.

[335] **Lesley Griffiths:** I do not have a figure. I would not think that we have a figure on that, no.

[336] **Mike Hedges:** We have known from lots of other mergers in lots of other places, including things that that Welsh Government has merged in recent years, that ICT costs have been excessively high.

[337] **Lesley Griffiths:** Yes. That is something that we would have to look at. Certainly, we do not have the shared services around ICT that we would have hoped to have had by now.

[338] **Mike Hedges:** You know what happened in Gwent, when they almost had it.

[339] **Lesley Griffiths:** Yes, I know.

[340] **Christine Chapman:** I have Janet next and then Gwyn.

[341] **Janet Finch-Saunders:** I have a couple of points. How much will the Williams commission actually influence and shape future policy? You have praised the merits of the Williams commission and concerns have been raised that there has not been any real cost-benefit analysis of it. It is almost like putting your finger in the air as to what major reorganisation would entail. You have also mentioned here today that it is not just about local authorities; it is about other public bodies. How much will it actually shape future policy in terms of not just local government, but also bits that have not been picked up from its recommendations?

[342] **Lesley Griffiths:** Yes, the other 58 recommendations.

[343] **Janet Finch-Saunders:** Yes. The other question is this: I put a question in to you recently asking for the current position on job evaluation across our local authorities. The response was quite vague, in that, really, it was a matter for them. So, if you are not aware of where we are in that process, how will you get a handle on it? Let us be honest: it is not just about elected members; the priority has to be continual, effective and good-quality service delivery. You need the people within our authorities—our valued members of staff and front-line workers. If you are not up to speed with where we are with the job evaluation process in Wales, how will you get to grips with the HR—the human side—of taking forward any mergers or reorganisation?

[344] **Lesley Griffiths:** In relation to the whole package, that is what the First Minister will set out on 8 July. For instance, one of the recommendations is that Powys County Council merges with the Powys Teaching Local Health Board; obviously, that is something that really has not been picked up very much. So, things like that and the whole package of how the Williams recommendations will be taken forward are things for the First Minister to set out in the Welsh Government's response on 8 July.

[345] In relation to the current position on job evaluation, I think that that is something that the staff commission would look at in future. I think that you are absolutely right; it is really important that the local authority staff or public services staff in Wales are not left in limbo, if

you like.

[346] **Janet Finch-Saunders:** They are in limbo now.

[347] **Lesley Griffiths:** Well, I think that a great deal of work has gone on to ensure that that is not the case. This is not going to happen tomorrow. That is what you have to realise. The staff have said to me that they saw major redundancies happening in the Welsh Government just a few years ago. I think that we lost 20% of our officials. Local government staff do feel that they have been very much protected, and I think that it has to be accepted that that has been the case over previous years. Of course, they are now facing really difficult financial challenges. I understand that. However, I think that the issue around job evaluation would be specifically for the staff commission.

[348] **Janet Finch-Saunders:** This is my final point. Since the time that I have been here we have been talking very much about the agenda of more integration of health and social services. In your plans and future workings—because Williams did no justice to that agenda at all—how are you going to take that forward?

[349] **Lesley Griffiths:** I do not accept your comment on ‘no justice’. On governance, performance, scrutiny and delivery, I think that Williams was very strong in what—

[350] **Janet Finch-Saunders:** I am talking about the health and social services agenda being more integrated.

[351] **Lesley Griffiths:** Perhaps that was not part of what they looked at. Perhaps the evidence—

[352] **Janet Finch-Saunders:** Why was it not?

[353] **Lesley Griffiths:** You would have to ask him that, would you not? I think that Sir Paul Williams said, when he appeared before committee, that he felt that his remit did not constrain him, and that he had a broad remit. He looked at what he looked out. He took evidence from a huge area. The officials say that it is like the *War and Peace* of evidence. He took a huge amount of evidence. He came forward with a 300-plus-page report.

[354] There is a lot of good work going on between health and social care. I think that I have been very fortunate, having been Minister for health and now in this portfolio, that I have seen that going on. However, it is not widespread enough; it is patchy. I think that the intermediate care fund has shown that that work can go ahead. Perhaps it just needs a bit of—. We have given them the money up front to set up the intermediate care fund. Perhaps, sometimes, the barrier to collaboration and better shared services is finance, and that is one of the reasons why Carl Sargeant, my predecessor, set up the regional collaboration fund, for instance. However, I think that, going forward, there has to be far more of it because of the restrictions on finances.

[355] **Christine Chapman:** I have Gwyn who wishes to come in, and then Jocelyn. I will call Gwyn first.

[356] **Gwyn R. Price:** I just want to clear up the point, Minister, about 2017-18, just to make it clear. If councils stay unchanged and do not merge at the moment, there will be no loss of councillors in 2017, but if they do merge, they are quite clear that there would be a loss of councillors in 2018.

[357] **Lesley Griffiths:** I suppose that it depends on the numbers of councillors that were in that authority, as to whether there is a loss.

[358] **Gwyn R. Price:** Yes, but what I was trying to get at is that they are fully aware that if they merge, they will be merging and if there are fewer councillors then, that would go ahead with fewer councillors.

[359] **Lesley Griffiths:** There will be because that will be part of the White Paper, which we will be consulting on. We have not consulted on it yet, but that will be part of the consultation process.

[360] **Gwyn R. Price:** Yes; so—

[361] **Leighton Andrews:** May I just add to what Gwyn was saying? If a council decides to merge, presumably this has to be a decision taken by the whole council—

[362] **Lesley Griffiths:** Yes.

[363] **Leighton Andrews:** —including those who will no longer be councillors because the number of councillors will reduce.

[364] **Lesley Griffiths:** It will have to be a whole-council decision.

[365] **Leighton Andrews:** So, you are going to be asking turkeys to vote for Christmas.

[366] **Lesley Griffiths:** It will have to be a whole-council decision.

[367] **Peter Black:** Will it require a majority or will it have to be unanimous?

[368] **Lesley Griffiths:** Have we looked into the detail of that? I do not know.

[369] **Christine Chapman:** Do we have the detail of this?

[370] **Ms James:** It would be part of the consultation.

[371] **Lesley Griffiths:** It will be part of the consultation.

[372] **Christine Chapman:** It will be part of the consultation. Right. Okay, have you finished, Gwyn?

[373] **Gwyn R. Price:** I just wanted to clarify the situation.

[374] **Christine Chapman:** That is fine. I now turn to Jocelyn.

[375] **Jocelyn Davies:** You said earlier that getting it right is vital; so, how do you respond to the criticism—I know that you will be aware of this—from the WLGA and the auditor general that proposing to merge authorities along current boundaries represents a lost opportunity? In fact, what you then have is a failure to have the form following the functions debate, instead of it being the other way around. So, can you justify the restricting of the remit of the commission if what you really wanted was the best possible vision for local government in Wales?

11:30

[376] **Lesley Griffiths:** I have not come across many—. I cannot think of anybody, actually, who has disagreed with me. The commission sets out a really compelling case for change. There is a lot of evidence, reflecting the views from across the public services and,

more importantly, from service users, that there is a real compelling case for change. Only four of the recommendations—I will say it again—deal with the structural change that is needed. So, I disagree. I think that the form follows function debate is set out in the commission's report. I think that it is a comprehensive review of public services.

[377] Everyone across the public sector had the opportunity to feed into the report and many did so. Some of those people are now backtracking, I think, from what they said—from what their response was and what their evidence was. The commission's remit was to come forward with an optimal model of public service governance and delivery—it is not just about structures; it is about the governance and delivery—and to consider which of the current arrangements meet the needs and also the aspirations of the public, because I think that the public has very high expectations. The most important thing was to have a sustainable model of public services going ahead, because we are in a very different climate now to where we were even just, say, 10 years ago.

[378] The commission did not recommend that any significant functions should be removed from or conferred on local government. However, the First Minister has certainly said publicly that he argues a lot in Westminster for powers to come to this place and, therefore, maybe we should be looking at what we can devolve to local government. Certainly, I think that that is something that local government has embraced. However, in order to be able to do that, local government needs to be far more resilient than it is. If you think about it, we have had six local authorities—six local education authorities—in special measures, although I know that two have just come out of those recently. We have had one authority, Anglesey, that collapsed completely and had to be run from here. Since I have been in this portfolio, for the past 15 months, I have put extra support into two local authorities. So, in order for them to be able to have those extra powers, they need to be really resilient, and I do not think that some local authorities are resilient.

[379] **Jocelyn Davies:** It was not the answer to the question, but it was a very interesting answer and I thank you for it. Following on from what Janet said earlier on health and social care and the issue of integration there, you mentioned the intermediate care fund, which, of course, I know that you would want to acknowledge is not a Welsh Government initiative—

[380] **Lesley Griffiths:** No, no.

[381] **Jocelyn Davies:** It came out of last year's—

[382] **Lesley Griffiths:** Budget deal—

[383] **Jocelyn Davies:** —budget deal, but it was a one-year deal. You have praised it this morning and you have mentioned the regional collaboration fund, which has not been a huge success, I have to say, if you look at the money, because I think that it has been top-sliced from local authorities' budgets. So, I think that it is something that smarts for them, actually. Will you be continuing the intermediate care fund in future?

[384] **Lesley Griffiths:** I should have said, sorry, that it was part of the budget negotiation and that it is a one-year deal. We will have to look at it. Obviously, you will appreciate that finances are very difficult due to the cut that we have had from the Westminster Government. Clearly, we are looking now at budgets for next year. I have been having discussions. I mentioned that I met with the WLGA this week at the finance sub-group, which I set up in order to be able to have finance discussions because, when I came into this portfolio, there was not a group that looked specifically at finances. So, I set that up. Again, we need to see about this. You are right about the regional collaboration fund. When I came in to post, it was in its second year. As you say, it had been top-sliced, which I do not think that local government was very happy about. However, in fairness to local government, it has embraced

it and there are some really good schemes and initiatives that have come forward. We have been talking about whether it would want to carry on. I, personally, would not particularly want to carry on with the RCF. Local government may have a different view, and it is something that we are having ongoing discussions about.

[385] In relation to the intermediate care fund, they need to look at what has come forward, because, obviously, there was capital and revenue funding in that package. We need to look at it. These are discussions that I need to have with the Minister for Finance, also. However, I would be very interested in local government's views on it.

[386] **Jocelyn Davies:** I just have one last question, Chair, if I may. You mentioned best practice and some good examples, and you get to see these right across Wales, no doubt. However, you did say that it is patchy. Good practice very rarely travels. Is that not the result of a laissez-faire attitude from the Welsh Government that good practice does not travel?

[387] **Lesley Griffiths:** No, I do not think that at all. I am always banging on about best practice—I always have been since I have been in this place—and one of the reasons that I went around all 22 local authorities last summer, when I first came into post, was to see for myself and then to share. So, I did a prospectus of all that I thought was the best practice across all 22 local authorities. We have also got a portal—I use the word 'portal', but I am not sure if it is a portal or a website—where there are 2,000 examples of best practice. I have sat in meetings with WLGA representatives who have asked me, 'Can you do something? Can you tell us where the best practice is?' Well, I do. I say, 'Here is my prospectus. Here is your website or portal. Why are you not out there sharing best practice?' I do not accept that best practice does not travel well, and I just do not understand why it does not travel well, because there is no reason for it not to, but I do not think that it is our—

[388] **Jocelyn Davies:** Perhaps I just ought to say that it is not a traveller.

[389] **Lesley Griffiths:** But it should be, should it not? Why is it not?

[390] **Jocelyn Davies:** What I am asking you is: is it the laissez-faire approach of the Welsh Government that means that it does not travel well, and is it not your job to make sure that it travels well?

[391] **Lesley Griffiths:** Absolutely, it is our job, but it is their job too. As part of my job, I did that. I visited all 22 local authorities around the summer recess last year and I gave it to them in a prospectus, along with the other 2,000 examples, yet they are still asking me, 'Can you give us some more examples? Can we have a conference to discuss it?' My answer is, 'No, we are not having a conference to discuss it. Here we are; here is a prospectus of the visits that I undertook across all 22 local authorities with fantastic examples of best practice. You've also got your portal or website—I'm not sure which word to use; you have a look at that and you pick them up'. I think that, slowly, they are starting to do that, but it is down to both of us. I need to do it, and I did it. They need to do it also.

[392] **Christine Chapman:** I have a couple of supplementary questions here. I just remind Members that we have got a bit of time, but I want to make sure that we cover the whole portfolio. Make sure that your questions are concise so that we give the Minister the opportunity to answer as fully as possible. I have got Jenny and then Mark.

[393] **Jenny Rathbone:** Jocelyn Davies has opened up the collaboration agenda, so I really want to move this on, because while I agree that we need to get the form right in the future shape of local government, let us focus on the function and the challenges in local government, which are with us however long or short a time that we take to decide on the perfect map. The real danger is that we shift the map, but we do not change the practice.

[394] If you look at the auditor general's report on the financial challenges facing local government, you will see that only about half the local authorities are analysing how they could do things differently, rather than simply salami-slicing their services. I think that that poses huge challenges for the Welsh Government, because how are we going to move this agenda forward? We simply cannot have local authorities—. One local authority is quoted as saying:

[395] 'A clear framework to monitor performance is in place and performance data is widely reported, but weaknesses in the quality and evaluation of data mean that the Council is unable to robustly challenge performance and decide what it needs to do differently to improve'.

[396] It wrote that; it signed that off. It is extraordinary that organisations are not delving deep into the state of the challenge that they have, and working out how they are going to continue to deliver services to the most vulnerable people. So, what is the role of the Welsh Government to ensure that we are not simply changing form, but that we are fundamentally changing practice?

[397] **Lesley Griffiths:** Thank you, Jenny. Certainly, I very much welcomed the report on financial planning. It was an independent assessment of how local government in Wales is responding to financial challenges. What we have to remember is that each local authority is a separate, independent and democratically accountable body. I think that what the WAO report did was to recognise that local authorities are responsible for preparing their own sustainable financial plans and balancing their budgets. So, all the recommendations in the report are not for the Welsh Government; they are for local government to implement. Obviously, we provide as much clarity as possible within the budget constraints that we have, to enable them to make those plans. Certainly, as I say, I have many discussions and have set up the finance sub-group. So, I think that it is very important—. You know, some of them complain that we do not give them enough information up front, but the budget process here is very much set in stone; I have to tell Assembly before I go talking to the WLGA, but, certainly, the Minister for Finance came to the FSG with me on Monday, and we try to give them as much information as we can. Ultimately, however, they are responsible for that, and if that is how they feel—as you said, that is what came out in the report—they are responsible for promoting those recommendations.

[398] **Jenny Rathbone:** If you look at the PwC report, 'The (Local) State We're In', it mainly looks at English authorities, but it highlights the fact that integrated authorities are the ones that are going to face the greatest challenge, because of the concerns around the older population and the services that they may require. So, that is all our local authorities—they are all running integrated services, and we know that we have a disproportionately elderly population. So, the impact on health services, which are another Welsh Government responsibility, is going to be huge, unless we can get this working better together. So, how is the Welsh Government, if you like—. It is great to point out examples of good practice, but we are talking about wholesale change in the way in which we, you know, communicate with our populations and discuss with them how we are going to deliver services with less money.

[399] **Lesley Griffiths:** Well, those conversations have been going on for a while, but, because local government has been protected for three years, they have not seen the English-style cuts at all, and even now, I do not think that they are seeing English-style cuts. We are talking about 10% reductions for some local authorities in England. One way, as a Government, that we have helped them is in scrutiny, because I think that scrutiny is very important in providing better democracy, and better services. I think that scrutiny is—again, it is like best practice, and I am a huge fan of scrutiny. We set up the scrutiny development programme, for instance, because I think that it helps them, and, again, the auditor general's

report recognised the good work that had been done on that.

[400] It is very difficult sometimes to get them to look at integration more, and I do not want to be hung up on the map and on structures, because that, to me, is not what the Williams report was about, but I can accept that that is what has caught everybody's imagination. To me, the most important thing to come out of the Williams report is better public services, full stop: not just in local government, and not just in health, but better public services across Wales. So, that integration has to continue at pace. I think that local government accepts that, and it is not just for Welsh Government to do that; it is for local government to embrace it also.

[401] **Jenny Rathbone:** So, where does the collaboration agenda fit into all of this? It is not just about collaborating with other local authorities with which they may or may not amalgamate eventually; it is also about collaborating with other bodies. How are we going to drive that forward, pending determining what the map is going to look like?

[402] **Lesley Griffiths:** Well, it has to continue. That has to continue, and that is what I have said. This is going to take a long time—to me, three or four years is a long time—and they have to continue to rise to the financial challenges. Regardless of Williams and regardless of looking at mergers, they have to keep their focus on improving their services, and the only way that they are going to do that, particularly in the current financial climate, is by having better integration and better collaboration. I think that local service boards have a huge part to play in this, in the single integrated plans, and, obviously, the future generations Bill is going to be introduced by my colleague Jeff Cuthbert next month. So, it is about keeping that local service board agenda going forward, too, because, again, I can think of north Wales in particular—perhaps because I know that one best. The LSBs across north Wales have really embraced that agenda and taken it forward.

[403] **Jenny Rathbone:** So, are there financial incentives to work across local service boards?

[404] **Lesley Griffiths:** Could you say that again, sorry?

[405] **Jenny Rathbone:** Are financial incentives provided to work across local—

[406] **Lesley Griffiths:** I think that, certainly, they come up. We have the ESF funding, which does not apply right across—you know, there are certain areas of Wales that do not get that. However, I think that that is one incentive.

[407] **Christine Chapman:** Right, okay. I know that Members did indicate early on the sorts of areas that they were interested in, so I want to make sure that everybody gets an opportunity. I will come to every Member for you to put your questions, but bear in mind that we have limited time and we need to ask the questions. I think Mike wanted to come in next.

11:45

[408] **Mike Hedges:** Have we moved on to finance, Chair? May I ask a finance question?

[409] **Christine Chapman:** Yes, you can move on.

[410] **Mike Hedges:** You have talked about merged authorities, and voluntary merging. If local authorities merge voluntarily, will they set a uniform council tax, or will they set their own individual council tax? As I am sure you are more than well aware, neighbouring authorities can have a variation in council tax of £200 to £300.

[411] **Lesley Griffiths:** I will ask Debra to answer this.

[412] **Ms Carter:** The question of different council taxes is something we recognise fully. The way that we deal with it will be, again, a matter for consultation. However, there should be no presumption that the way in which things have been dealt with in the past would be the way they would be dealt with in the future. The authorities will have to operate as a single authority within the local government finance requirements. So, we would not have a mixed picture around different authorities doing different things.

[413] **Mike Hedges:** Just to summarise what you said: if there is a merger of two authorities and I were a band D council tax payer, it does not matter in which of the old authorities I lived in, I would pay exactly the same.

[414] **Ms Carter:** I do not think that you can say something as definitive as that at the moment, because—

[415] **Lesley Griffiths:** No, you cannot.

[416] **Mike Hedges:** So, you may allow differential council tax for band D within the same merged authority.

[417] **Ms Carter:** Well—

[418] **Mike Hedges:** One of those has to be right, does it not?

[419] **Ms Carter:** You have differential council taxes within authorities at the moment for different communities anyway, but the new authority will set its council tax on a particular basis across the authority. What we cannot say at the moment is how that system will operate, because that is something that would have to be worked through in the White Paper and the consultation subsequently.

[420] **Leighton Andrews:** So, is this where the financial incentive comes in to merge?

[421] **Ms Carter:** Potentially.

[422] **Lesley Griffiths:** Yes, potentially, it could.

[423] **Leighton Andrews:** In that case, I want to ask another question.

[424] **Christine Chapman:** I will bring in Leighton in and then Peter on this point.

[425] **Leighton Andrews:** Before you publish the White Paper, will you carry out a comprehensive equalities assessment of the impact of councils that decide to merge on the finances of adjacent councils?

[426] **Lesley Griffiths:** Yes, we would have to.

[427] **Peter Black:** The Williams commission report looked at this council tax issue, and there was an aggregation. So, for example, as I understand it, if you aggregated Neath Port Talbot and Bridgend, Neath Port Talbot's council tax would go down 4.5% and Bridgend's would go up by about 4.8%. So, are you proposing to introduce some sort of mechanism whereby there would be a dampening effect over a period of time, which would ease those variations in terms of the merger process?

[428] **Ms Carter:** There are any number of options, I think, for how the council tax might

operate in the new authorities, and those are things that will be looked at as part of the consultation. So, it is not just that there is one mechanism or that it is just about equalising; there are a number of approaches that will need to be looked at.

[429] **Peter Black:** So, the key question here is that, if there was a dampening effect brought in, or any other sort of mechanism, is there additional money to do that, or would you do what has been done in the past and top slice from the revenue support grant to fund that mechanism?

[430] **Lesley Griffiths:** We have not looked at that level of detail at the moment.

[431] **Jocelyn Davies:** It would be a disincentive to merge, rather than an incentive to merge.

[432] **Christine Chapman:** Mark, do you want to come in, or has your question been covered?

[433] **Mark Isherwood:** I would like to ask a question, if I may. The WLGA rightly stated that any debate about the future of local government must include

[434] ‘a robust analysis of financial implications of any structural change’.

[435] So, let us be clear—the Williams commission report did not contain that.

[436] In consequence, as you confirmed in response to me in the Chamber some weeks or months ago, the WLGA had asked the First Minister for a meeting to discuss this, and he had agreed to consider a cost evaluation that the WLGA would obtain. It has now commissioned that cost evaluation from the Chartered Institute of Public Finance and Accountancy. Given the precedent with police mergers, for instance, where a predecessor to this committee obtained an independent cost evaluation that showed that deficits of between £78 million and £120 million made the whole merger process unviable, and led to the UK Home Secretary scrapping the plans at that stage for police mergers, is it not irresponsible to be moving ahead before such a robust cost evaluation has been received and properly considered?

[437] **Lesley Griffiths:** No, I do not think that it is irresponsible at all, because, unless you are saying differently, I have not come across anybody who thinks the status quo is the right way forward. I think everybody accepts that we have to have change. As I said, the First Minister will be addressing many of these concerns when he does the Welsh Government’s response on 8 July.

[438] **Mark Isherwood:** I think that you are avoiding the question. This is not about whether we have change—this is about the robust foundations for that change, and that begins with the costs of those changes. If the objective is to deliver better and more cost-effective services, and we have not yet got the evidence base to establish whether that will be the result or how long it would take to achieve that—because the evidence of mergers across all sectors is that, even when they are successful, they take many years to generate savings that can then be diverted to services—I again ask, is it not irresponsible to be pushing ahead until you have that robust evidence base?

[439] **Lesley Griffiths:** Sorry, I thought I had answered the question. I said: ‘No, I do not think it is irresponsible’.

[440] **Mark Isherwood:** Well, it is irresponsible, but I will move on. When are you going to reply to this committee’s December report on collaboration in local government, which included evidence regarding the duties on councils to undertake a cost-benefit analysis on any

expenditure or restructure, and looked at issues such as cost curves and other duties imposed upon them?

[441] **Lesley Griffiths:** Chair, I thought I had responded; I accepted all six of the recommendations in principle. I have responded.

[442] **Christine Chapman:** Yes, the Minister has responded.

[443] **Mark Isherwood:** I have not seen that; I apologise if you have.

[444] **Christine Chapman:** We will make sure that we will get that note for you, Mark.

[445] **Mark Isherwood:** Thank you. How, then, do you respond to the points made in that report regarding the need for cost-benefit analysis and cost evaluation, not as a theoretical concept but in accordance with the law?

[446] **Lesley Griffiths:** I have a copy of my response here. I have, as I said, accepted or accepted in principle all six of the recommendations. I did note that we would take the findings of this committee's report into account in formulating our response to the broad report of the commission. Does that answer your question?

[447] **Mark Isherwood:** So, you will take it into consideration in your response to the broad report of the commission. Okay, that is not specific, but—. Do you recognise that if councils merge or they merge departments between different councils—. I understand that it is currently illegal for a merger to go ahead if one body was to inherit a deficit from another body, unless the Welsh Government agrees to underwrite that deficit. This, I understand, prevented previous mergers; you mentioned Powys council and health board. There have been similar mergers that have not gone ahead with councils in the Valleys, I believe, in the recent past on that basis. In such circumstances, is the Welsh Government now stating that it will underwrite such deficits, and what costings has it therefore undertaken?

[448] **Lesley Griffiths:** You mentioned Powys. The Minister for Health and Social Services and I have asked for a specific piece of work to be done around Powys, and that will report to us at the end of the year, because that was an issue with the previous proposed merger, as you said. I do not know the answer to that, because we have to look at this as a separate piece of work. However, I am very happy to send a note, Chair.

[449] **Christine Chapman:** Okay, if you would.

[450] **Mark Isherwood:** Will the Welsh Government be carrying out a robust costing of the likely responsibility it will have to undertake to underwrite deficits, if its merger agenda goes ahead on the scale proposed?

[451] **Lesley Griffiths:** Yes, that is a piece of work that we are looking at.

[452] **Mark Isherwood:** Is that before you bring legislation forward?

[453] **Lesley Griffiths:** We are looking at that piece of work at the current time.

[454] **Christine Chapman:** Again, we are running short of time and there is an awful lot that we need to cover. Are there any other further questions on the Williams commission? I know that we have touched on other things, but before we move on to financial challenges, which I know we have touched on, I call on Peter.

[455] **Peter Black:** The WLGA and the Auditor General for Wales suggested that

proposing merging authorities on the current boundaries was a lost opportunity, and that, instead, we should be looking more fundamentally at what Welsh local government should look like in the future. Do you agree that you are missing an opportunity in terms of making sure that you actually have authorities that will last for more than one decade in terms of reflecting proper communities?

[456] **Lesley Griffiths:** I think that I covered this before in the form-follows-function debate. I disagree; I think that one of the reasons Williams brought forward the proposals to merge was to reduce complexity. It also frees up leadership capacity, if you like. I mentioned before that I do not think that local authorities are resilient at the moment and I do not think that there is the capacity either. I think that you may have heard the First Minister saying that in his own council, two social workers went off sick and the department was near collapse. We cannot have that. So, I think that the most important thing that we can do is make the structural change work for longer than a decade. I do not want to be going through this again in a decade; I want this to last for several decades. That is why the commission said that the structural change must enhance coterminosity and coherence.

[457] **Peter Black:** Okay, but within those coterminous boundaries, there are communities that would belong better together if they were not involved in this merger. I will give you an example in my own region—the Swansea valley communities and Pontardawe communities would fit far better with Swansea than they would with, say, Porthcawl or Pyle. Do you not think that you should be looking at trying to establish authorities based on communities that actually have coherence as the best way of delivering effective services?

[458] **Lesley Griffiths:** I think that we want to look at the relationships between local authorities and communities as part of the reform. What you are talking about would be major reorganisation and that is not what Williams brought forward. What was brought forward was a proposal to merge, not for—.

[459] **Peter Black:** But Williams is not a bible; Williams is a point of view and you are opting for the easy option instead of looking for something that is a more lasting reorganisation.

[460] **Lesley Griffiths:** Sitting here, it does not feel like an easy option. However, I think that that is why the First Minister has said that we will listen to whatever comes forward. If local authorities come forward with—. If we look at the map that Williams brought forward and we work on that as a template, if there are reasons brought forward not to have that map, then obviously we will listen to them, and as we go forward with consultation, we will listen as part of that process.

[461] **Peter Black:** However, you are still looking at merger rather than reorganisation in those reasons.

[462] **Lesley Griffiths:** Yes, we are.

[463] **Peter Black:** So, you are not actually reflecting proper communities; you are actually lumping together communities that do not really belong together.

[464] **Lesley Griffiths:** Well, you know, it is about ensuring that all communities within an authority have an effective say. When people are asked whether they feel part of their community—. A feeling of community is really important, and I know from the letters that the First Minister has had from members of the public in the light of the Williams commission that that feeling of community is very important. We are not looking at a major reorganisation here; we are looking at mergers.

[465] **Peter Black:** You have some time, so why do you not get the boundary commission to look at the proposals to see whether it can improve on them?

[466] **Lesley Griffiths:** Sorry, I missed that about the boundary commission.

[467] **Peter Black:** Given that you have some time, why do you not get the boundary commission to have a look at the proposals to see whether they can be improved upon?

[468] **Lesley Griffiths:** Yes, we can certainly ask the boundary commission for its view.

[469] **Christine Chapman:** Obviously, there is consultation over the summer and we know about 8 July. I want to move on. If we get a chance, we can go back to some of these questions, but I really want to move on now, so I am going to keep to the sections that Members asked for. Leighton, did you have anything else on financial challenges?

[470] **Leighton Andrews:** I just want to pick up the point that you are not heading towards a major reorganisation. Williams does advocate a reduction of 22 to a dozen or so. That is pretty much a major reorganisation, I would say.

[471] **Lesley Griffiths:** Sorry, it was not on the—

[472] **Leighton Andrews:** Peter was talking about communities and boundaries; I understand what you are saying, but any kind of shake-up of that scale is major and it will have financial implications. Last week the leader of the Welsh Local Government Association said that he was concerned about additional responsibilities being piled on local authorities at a time of financial stringency. Are there areas that you feel that local government has currently ventured into that perhaps go beyond their real responsibilities and maybe should not in future be carried out by local government as a compensation for that?

12:00

[473] **Lesley Griffiths:** No, I would not say that I can think of anything at the moment.

[474] **Leighton Andrews:** What about economic development, for example?

[475] **Lesley Griffiths:** My own council in Wrexham, for instance, has a very good economic development department and, as a local Member, I very rarely hear criticism of economic development. However, under this portfolio, I have heard of economic development being criticised in some areas. However, as I said, the First Minister has told local government that once it is more resilient and has more capability, he will look to see what we could develop from here rather than the other way around.

[476] **Leighton Andrews:** However, is there not a danger then that if you allow councils to merge in a kind of bottom-up approach, you end up with a situation where you do not necessarily have the kind of resilient local authorities that you want? I know that you will have the ultimate say over whether authorities are allowed to merge, but might it not be better to defer decisions until a proper framework or map has been agreed on the basis of manifesto commitments?

[477] **Lesley Griffiths:** I think that the First Minister will probably address some of that in his response on behalf of the Government.

[478] **Jocelyn Davies:** It is a long statement he is making [*Laughter.*]

[479] **Lesley Griffiths:** It is, is it not? It is very difficult because obviously some parts of

local government and politicians and the public are saying, ‘You need to get on with this’, but that is what I am saying—we really need to get it right. I know that the Williams commission said that we should have a map in place by Easter. I did not agree with that and neither did the First Minister. A lot of discussions are going on and there are political discussions going on. Obviously, we are a minority Government and we have to have that political consensus. I know that the First Minister has engaged with other political parties—[*Interruption.*] He has engaged with all political parties, but the Conservative party was not interested—apart from gerrymandering a couple of local authorities for itself, it was not interested in entering those discussions—[*Interruption.*] The First Minister has engaged with all political parties here and I will repeat that the Conservatives were only interested in talking if they could gerrymander two local authorities. He has had very constructive discussions with the Welsh Liberal Democrats and with Plaid Cymru and it is very important that we have those discussions.

[480] **Christine Chapman:** I really want to move on, so can we leave Williams? We have a great opportunity on 8 July. We have started the process here, but obviously we will be in a better position then. Leighton, did you have any questions on financial challenges?

[481] **Leighton Andrews:** I asked my questions on financial challenges.

[482] **Christine Chapman:** Fine. Mark, did you want to ask any further questions on that?

[483] **Mark Isherwood:** I have just one question. How do you respond to representations made to me by local government leaders—on both the executive and the elected sides—that the uncertainty being caused by the Williams proposals, and the Welsh Government’s response so far to those at a time of financial stringency, is preventing them from taking measures that they feel would have been prudent at a local level? I cite, for example, the council merger between legal departments in Flintshire and Denbighshire. They also told me that this is impacting on their capital investment, again because of the uncertainty, where they may take decisions that they will have to unwrap when the Welsh Government finally pushes ahead with its preferred map.

[484] **Lesley Griffiths:** You said ‘finally pushes ahead’—we are told to take the time to get it right, but now you are saying that we should get on with it. What we said is that we will continue to look at collaboration and continue to look at having shared services. Just because Flintshire and Denbighshire were not part of the preferred map from the Williams commission, it does not mean that they should not be having those discussions. The leaders have not raised that specific point with me. If they want to, they can, but, regardless of the Williams proposals, they still need to be looking at providing better, more sustainable and robust public services for the people of Wales. They must not take their eye off the ball just because of Williams. The whole discussion around structure is really not helpful sometimes. What they need to be looking at is better performance, better delivery and better scrutiny—not everywhere, but in parts.

[485] **Mark Isherwood:** If, in doing so, they identify solutions that would be deliverable, legal and supported by their members, and they are prevented from pursuing those because of alternative views, is that not a concern?

[486] **Lesley Griffiths:** I do not see that they are being prevented from doing anything.

[487] **Mark Isherwood:** However, if they are talking about having to decide where to commit public money, in accordance with the law, subject to proper cost-benefit analysis, and that that may mean following a route that differs from that which they are subsequently told that they must follow, they cannot do it.

[488] **Lesley Griffiths:** I am not telling them that they cannot.

[489] **Christine Chapman:** It is a consultation.

[490] **Lesley Griffiths:** Yes. The point is completely irrelevant because I am not telling them that they cannot.

[491] **Mark Isherwood:** You effectively are, because they cannot spend the money on that restructure.

[492] **Lesley Griffiths:** They can.

[493] **Mark Isherwood:** They cannot, because you may require them to undo it.

[494] **Lesley Griffiths:** They can.

[495] **Christine Chapman:** Jenny—a question, please.

[496] **Jenny Rathbone:** If council A is collaborating with council B at the moment, but then it is decided that council B will be amalgamated with council C, that does not prevent council A and council B's collaboration from continuing.

[497] **Lesley Griffiths:** Absolutely not.

[498] **Mark Isherwood:** Yes, it does—[*Inaudible.*]

[499] **Jenny Rathbone:** The Minister has just—

[500] **Christine Chapman:** Can you clarify Mark's point?

[501] **Lesley Griffiths:** It does not prevent them from doing that.

[502] **Christine Chapman:** We will make sure that we have a note on that for Members' benefit and clarification. We have covered collaboration and have had quite a lot of information there, so we will move on to scrutiny. Janet had a question on scrutiny.

[503] **Janet Finch-Saunders:** When we have taken evidence of late, we picked up on Williams, and we have also had the ombudsman and auditor general looking at scrutiny—. It is fair to say that you spent £360,000 in 2012-13 and another £300,000, but my experience of scrutiny in local government, and certainly in audit committees, is that many taxpayers and householders in Wales feel that there is a lack of a joined-up approach to this. What is your reaction to the findings in the auditor general's recent report on local government scrutiny arrangements?

[504] **Lesley Griffiths:** I very much welcomed his report. It was a shame that there was not more of a fanfare around it. I thought it was a very good report. There has been a substantial increase in the visibility of scrutiny over the last couple of years. Improved scrutiny is absolutely vital in having improved public services. The two go hand in hand. I am actively considering the best way to further support improvements. You mentioned the scrutiny development programme; I have given £660,000 over two years. We have had a couple of major scrutiny conferences, one in north Wales in Llanrwst, I think, and one in Cardiff. I spoke at both. It was a pity that the partners that we have in terms of scrutiny—we have the Centre for Public Scrutiny and Cardiff Business School involved—did not have some sort of impact when the auditor general's report was published. We could have—. I think it was a really seminal report that got lost.

[505] **Janet Finch-Saunders:** With all the training and money spent, how do you get it into the mindset of elected representatives that they are there to ask the difficult questions and to challenge for the best value of the spending of the taxpayers' pound? I have too much experience of people who frankly do not want to rock the boat, offend officers or offend the political executive. We hear a lot about cuts, but a substantial amount of money in Wales is going into local government. Yet, we never hear too much about the waste and overspending that happens frequently and the misspending in local authorities. When that happens—and we live in a society now where people are aware when something crops up on the radar because of the technology and the instant media that we have now—people get really concerned, and a lot of my casework is where there is general unhappiness with how local authorities take forward lessons learned from overspends and bad spending. It seems to be across many authorities; we have had the examples in Carmarthenshire. Local government in Wales over the past two years has concerned me, with the lack of recognition of transparency, financial probity and democratic accountability. Quite often, there are cases where e-mails are not responded to and there is this general lack of what I call 'robust scrutiny'. You have thrown lots of money at it, but how on earth do you expect this to be resolved, given the financial challenges facing us? We hear very little, only that everything in the garden is rosy, but there are many authorities in Wales, if you look back at some of the auditor general's report, that are quite an embarrassment. It is not good where you have good local authorities that are doing their best and that are—

[506] **Christine Chapman:** Janet, could the Minister reply, because I think that you have now encapsulated your thoughts?

[507] **Janet Finch-Saunders:** The point is that this is a really serious issue. It is a very large budget portfolio; it is the second largest in terms of the spend of this Welsh Government. When I had a portfolio—I am in no doubt that Mark finds this—we had lots of representation on abysmal scrutiny going on in local authorities, especially around auditing and on the spending of taxpayers' money.

[508] **Christine Chapman:** What is your question, Janet?

[509] **Janet Finch-Saunders:** On the numerous times we have raised it, it has been very much a case of saying, 'Well, it is up to local authorities'. At some stage, Minister, where do you assume responsibility for the scrutiny within local government?

[510] **Christine Chapman:** Minister, would you like to answer that question?

[511] **Lesley Griffiths:** You are quite right. I made the exact same point that you are making to the WLGA at its conference, and it is a matter for it. I am trying to support better scrutiny through the ways that I have just mentioned—through supporting the scrutiny development programme. You are quite right: it is up to local councillors to scrutinise their executive board et cetera on behalf of the public and their electorate. I will give you a classic example. It is important, as part of that scrutiny, that the public is involved, and that the public feels involved. If you look the recent survey on this issue, I think that it was 25% of the people who felt that they could effect change in their local community.

[512] On budget setting, the current year that we are in is the first year in which they had a large cut to their funding. So, I said to them that they really needed to engage with the public at a level they had never engaged at before. About six weeks ago, I wrote to all local authorities asking how they have engaged with the public, and it is really patchy, again. You have a couple of councils that stand out in the way that they engaged—Monmouthshire is one, and Cardiff is another. Others did very little engagement. That should be scrutinised, but it is not my role to scrutinise it. I will share the best practice with them and ask them why these local authorities were so far ahead of the others. So, it is down to councillors to

scrutinise their own local authority and executive board on such issues, and you are right that it is patchy. As I said, I raised exactly the same point as you raised at the WLGA conference.

[513] **Janet Finch-Saunders:** What are you going to do as the Welsh Government Minister for local government?

[514] **Lesley Griffiths:** We monitor it, and we support good scrutiny. The Centre for Public Scrutiny is launching financial scrutiny guidance tomorrow. So, we are supporting them to improve their scrutiny. It is up to all the councillors to scrutinise; it is not my role to scrutinise local authorities at that level.

[515] **Christine Chapman:** Mark has a supplementary question on this, and then I will move on to Peter on the issue of transparency.

[516] **Mark Isherwood:** Would you consider guidance to local authorities such that a monitoring officer should not be privy to a complaint against a member accused of overzealous scrutiny, so that that monitoring officer can advise, intervene and, hopefully, prevent that matter from developing into something far greater? You may be aware that there is one case in Wales that has already cost millions to the public purse, which is still, potentially, rumbling on. The monitoring officer, who was not privy to the matter himself, was required to sign a complaint, thereby removing him from a role that could have prevented this going the way that it has gone.

12:15

[517] **Lesley Griffiths:** Chair, I am aware of that.

[518] **Christine Chapman:** Yes, I do not think that you need to answer that, Minister.

[519] **Lesley Griffiths:** I do not think that I could comment at all.

[520] **Christine Chapman:** I understand that this is ongoing, so we will leave that one, Mark. Okay. Peter is next.

[521] **Peter Black:** To be fair, Minister, Swansea engaged quite well on its budget too. It is not in my political control, but I thought—

[522] **Lesley Griffiths:** No. Across Wales, I have asked all 22 authorities and two jump out at you.

[523] **Peter Black:** I just thought I would mention that to you.

[524] In terms of transparency, you wrote to me recently to say that 354 of the 735 community councils now have a website. Given that this is a legal responsibility, what are you doing to make sure that the other 52% comply with the obligation that they now have under the Local Government (Democracy) (Wales) Act 2013?

[525] **Lesley Griffiths:** You will be aware of the funding that we have given them.

[526] **Peter Black:** Yes, I am aware of that.

[527] **Lesley Griffiths:** We have issued guidance to them, and it is an ongoing piece of work to ensure that they all have a website, particularly if they have accepted the funding [*Laughter.*] So, it is something that we are continuing to monitor at the moment.

- [528] **Peter Black:** Yes, but, clearly, you are coming up against the hard core now.
- [529] **Lesley Griffiths:** Yes [*Laughter.*]
- [530] **Peter Black:** What sanctions do you have at your disposal to make sure that they comply with the law?
- [531] **Jocelyn Davies:** Do you think that the Minister could give us a list of all of those that have already got one.
- [532] **Lesley Griffiths:** A list of the 735. You would like a list, would you?
- [533] **Jocelyn Davies:** Certainly those that have had the money and do not have a website. We would like to see those.
- [534] **Lesley Griffiths:** Okay, I will send a list.
- [535] **Peter Black:** What sanctions are available?
- [536] **Ms James:** Well, we have not commenced the provisions in the democracy Act yet—they are still to be commenced—because we have been giving the community councils time to set up the websites and use the funding that the Minister has provided. Also, we have to ensure that the roll-out of broadband has taken place—superfast broadband to some of the areas across Wales. [*Laughter.*] We have had that discussion with One Voice Wales. So, the ultimate sanction of not having one in place once we have commenced would be through the audit of community councils.
- [537] **Peter Black:** Presumably, if you have given them a grant, they have a website.
- [538] **Ms James:** Yes.
- [539] **Lesley Griffiths:** Yes.
- [540] **Peter Black:** Yes. You do not have any exceptions.
- [541] **Lesley Griffiths:** I cannot think of any off the top of my head, but I will send a list.
- [542] **Peter Black:** I assumed that that was the case. I am aware of one council that decided not to apply for a grant.
- [543] **Lesley Griffiths:** There are some community councils that have not applied.
- [544] **Peter Black:** Yes. Do you think that the information that they provide should be bilingual?
- [545] **Lesley Griffiths:** Sorry, could you say that again?
- [546] **Peter Black:** Do you think that the information that community and town councils provide should be bilingual?
- [547] **Lesley Griffiths:** It does not change the existing requirement in relation to bilingual publication.
- [548] **Peter Black:** That is not referred to in the draft guidance, though, is it?

[549] **Lesley Griffiths:** No.

[550] **Ms James:** We are consulting on the guidance, so we are prepared, as part of the consultation, to take comments on board.

[551] **Lesley Griffiths:** I have also had a conversation with the Welsh Language Commissioner about this, because it was not included in the first set of standards, and I understand from her now that it will not be included in a rolling programme, either.

[552] **Peter Black:** That is interesting. I will move on to the next question in this part of the session, which is about the remuneration of chief executives. Minister, we asked you this question in the Chamber about what happened in Caerphilly where, effectively, it is now advertising a temporary chief executive post on a higher salary than the permanent post, and you said at that time that the independent remuneration panel for Wales was considering that issue, but post the advert. Do you think that there is a case for reviewing the process whereby these sorts of adverts should be approved by the independent remuneration panel in advance?

[553] **Lesley Griffiths:** It is my understanding—if I can just mention Caerphilly council in particular, as Peter has done—that it consulted on this and it is advertising the chief executive role within the salary bands agreed at its full council meeting in January 2013. Obviously, we have had an interim chief executive. I think I am right in saying that, for personal reasons, he chose to take a lower salary. So, this job is now being advertised on a decision that was taken back in January last year.

[554] **Peter Black:** So, is the requirement that it should consult before advertising, in general?

[555] **Lesley Griffiths:** You think I need to look—

[556] **Peter Black:** Is it a requirement that it should consult before—

[557] **Lesley Griffiths:** Yes, that is the requirement.

[558] **Ms James:** It applies where the proposal is to vary the chief executive's pay by more or less than what is on offer to other employees.

[559] **Christine Chapman:** Would you like to ask a question on council tax? Peter, is there anything that you want to ask on that?

[560] **Peter Black:** I thought that we were doing the ethical framework first, on the grounds that I have not yet found the question on council tax.

[561] **Christine Chapman:** All right. Leighton, do you wish to come in?

[562] **Leighton Andrews:** No.

[563] **Peter Black:** In terms of the council tax reduction scheme, following the task and finish group's review, what is the basis on which it was decided to continue with the current arrangements? You did carry out a consultation on this issue. Was it the case that you felt that you did not want to revisit that until after the next Assembly elections?

[564] **Lesley Griffiths:** We decided to continue with the arrangements that are currently in place because we think that they provide stability to local authorities and to the recipients of council tax support. I also took into account what was going on in England. You will be aware that we had one national scheme, but England has had myriads of schemes. There were

some serious impacts experienced in England. Over 2 million low-income households are faced with having to pay more in council tax bills and the impact that that was having. They saw a rise in the number of people contacting citizens advice bureaux. There was a 30% increase in the number of liability orders issued by magistrates courts for non-payment of council tax, and there was the administrative burden of having to issue and collect small-value bills. So, all of the information that came to me, following that review, suggested that we should continue. So, the decision was to continue for two years, at least.

[565] **Peter Black:** Your consultation made it clear that, in the medium term, the actual subsidy—the extra money that you would have to put in, as the Welsh Government, to continue that—would be quite unaffordable. You were talking about doubling the £22 million over a few years to continue with the present obligations. So, what is the long-term future of that scheme?

[566] **Lesley Griffiths:** The reason why I said that I would do it for two years is because, obviously, I cannot speak for the next Government. Certainly, what we are doing for the next two years is fully funded. The impact of rises in council tax is obviously down to local decisions, and that is what we see, because the case load is not moving very much at all; it is very static. I could do it only for those two years. I think that what we have done now is fully costed and supported.

[567] **Peter Black:** So, you are leaving it to the next Government to carry out that fundamental review.

[568] **Lesley Griffiths:** It will be a decision for the next Government.

[569] **Peter Black:** Have you taken account of Gerry Holtham's paper on this issue? He makes a number of suggestions as to how you can relieve the burden on the council tax reduction scheme.

[570] **Lesley Griffiths:** Yes. We certainly looked at that. I am very happy with the decision that I have taken now.

[571] **Peter Black:** Yes. I can understand that. I am just—

[572] **Lesley Griffiths:** However, it will be for the next Government.

[573] **Christine Chapman:** I know that Jenny has asked to come in on the community safety side, but if any other Members want to come in on anything else, we have a few minutes. I will call Jenny first.

[574] **Jenny Rathbone:** We obviously have very little time left, but, on community safety, you will be aware of the publicity surrounding misguided young people who have been persuaded to go off to another country to fight someone else's war. The problems that this leaves for us in this country is a rise in Islamophobia and potential hate crimes, as well as the need and obligation to keep our young people safe and to ensure that they are not being paid—as that is clearly what has happened—to get involved in someone else's civil war. I just wondered whether you could say a little bit about this because it is such a subject of current concern.

[575] **Lesley Griffiths:** Yes. Obviously, this is a part of my portfolio, from a community safety point of view and resilience, and another part comes within the portfolio of Jeff Cuthbert, the Minister for Communities and Tackling Poverty. You will be aware of the urgent question in Plenary and what we are doing to address this.

[576] **Jenny Rathbone:** Yes.

[577] **Lesley Griffiths:** It is, obviously, an area of concern. I stood in for the First Minister yesterday, and I said during the First Minister's questions that I do not think that Cardiff is particularly a hotbed, as I think that we are seeing this radicalisation right across the UK. We have had some funding from CONTEST, we have had the Prevent funding, and we are doing a huge amount of work in our schools and in further and higher education. We have a programme that goes out right across our high schools, and I know that some of the universities have a named person now to address some of these issues. Jeff Cuthbert said in his answer yesterday—and I have said so, too—how important it is that we work with communities and with community leaders, particularly Muslim community leaders. I visited a mosque to have discussions with community leaders. I think that that work now is so important, and perhaps we need to increase that level of work also.

[578] **Jenny Rathbone:** Yes. The specific problem in my constituency is continuing false allegations against a particular mosque in my community, based on absolutely nothing and the work of journalists who have not even bothered to go to talk to the appropriate people, with pictures being put up in the same context as the talk about what is going on in Syria. It is very, very worrying, and there is clearly heightened concern that this could lead to stupidity and hate crimes against people who are entirely innocent and actually performing an exemplary community duty.

[579] **Lesley Griffiths:** Yes. The media clearly has a role in it, and, obviously, we have the hate crime strategy that Jeff has launched. There is a huge amount of work going on. The First Minister chairs the resilience forum and I attend, given my portfolio responsibility. I think that we have one coming up, actually, before the end of this term, so it is something that I am sure we will be discussing.

[580] **Christine Chapman:** I am not sure whether Jocelyn or Mark wanted to come in.

[581] **Jocelyn Davies:** In answer to somebody else, the Minister mentioned the future generations Bill, so I thought that I would leave it there.

[582] **Christine Chapman:** Fine. Mark, did you want to come in on anything?

[583] **Mark Isherwood:** I think that the point that Jenny made is very valid, particularly with regard to the Equality Act 2010. My understanding would be that, if a newspaper was publishing false allegations based upon presumptions and prejudices without evidence, it may well be in breach of the legislation. So, what role, if any, might the Welsh Government have in ensuring that justice was served in that respect?

[584] In terms of local government and the Public Services Ombudsman for Wales's role, the outgoing ombudsman highlighted to this committee his concern about cases—complaints by councillors against councillors—that have gone on for a long time that he said should have been nipped in the bud. How, if at all, is the Welsh Government monitoring his guidance for local authorities that they should no longer spend more than £10,000 either funding the legal costs of a member or funding the legal costs of a council that may be acting against a member?

[585] **Lesley Griffiths:** On my views on the ombudsman's comments, I wrote to the committee Chair on 12 February. There were a number of points in Mr Tyndall's letter. Obviously, we have a new ombudsman coming at the beginning of August, and I think that the committee should discuss those directly with the ombudsman.

[586] **Mark Isherwood:** What about the Equality Act question?

[587] **Lesley Griffiths:** Sorry, the Equality Act question would be something for Jeff Cuthbert. He has the equalities portfolio, but I would be very happy to ask the Minister to send a note.

[588] **Christine Chapman:** Members, are there any other questions at all for the Minister before we move on? Janet, do you have one?

[589] **Janet Finch-Saunders:** What plans do you have for the future for reviewing the whole remit, really, of community councils?

[590] **Lesley Griffiths:** Community councils. I want to do a piece of work around community councils. We have 735 community councils. I have some figures that I thought the committee would be interested in. We have 735 town and community councils. The smallest serves a population of 179 and the largest serves a population of 45,145. We have 8,069 community councillors. There is a piece of work that I have asked officials to look at. I am interested to know how many county councillors are community councillors—

[591] **Janet Finch-Saunders:** Quite a few.

[592] **Jocelyn Davies:** As many as possible.

[593] **Lesley Griffiths:** I would think that it would be the majority. I intend to have an in-depth look at the role and function of town and community councils.

[594] **Christine Chapman:** Do you have any idea of a timescale on that, Minister?

[595] **Lesley Griffiths:** No. It was not something that the Williams commission looked at. It is just something that I would like to look at. We are going to have a consultation in the autumn this year around community governance and co-production, so perhaps it is something that we could look at then. However, I will be going out to consultation in the autumn on that.

[596] **Janet Finch-Saunders:** The reason for me asking the question is that I would like you to look at how they set their precepts. In my own constituency, we have just had a 75% increase in one precept—a 75% increase. Clearly every tier of governance in Wales—and there are five of them—costs the taxpayer. With the precept, people now are starting to ask questions what—. I think in my own—forgive me—it is quite a lot; it is £70 a year or something. That is a lot for somebody on a pension. People are wanting to know more about what community councils are doing. There is also transparency—allowing minutes and agendas to be published. People are starting to ask more questions, so the governance side is really important.

12:30

[597] **Lesley Griffiths:** Three town and community councils in Wales spend over £1 million a year. That is a huge amount of public funding.

[598] **Janet Finch-Saunders:** Another question that I have—

[599] **Jocelyn Davies:** What is the gender—

[600] **Christine Chapman:** Janet, can you be—. We will have come to the end then.

[601] **Janet Finch-Saunders:** I put a question in to the Minister about what the balance in

reserves is. I know of local authorities that have a couple of hundred thousand, but there may be some that have only £30. However, the point is that if you look at that across Wales, it is important that you know how it is being spent.

[602] **Lesley Griffiths:** Yes. May I just pick up on Jocelyn's point, because you know that I am big on diversity and improving diversity? Sixty-eight per cent of community councillors are men, 80% are aged over 50 and 99.5% are white. I was going to ask committee members if they could name their community councillor.

[603] **Jocelyn Davies:** I do not have one.

[604] **Peter Black:** I do not have a community councillor.

[605] **Christine Chapman:** I used to be one.

[606] **Lesley Griffiths:** So did I.

[607] **Christine Chapman:** Peter, do you have a question?

[608] **Peter Black:** I think that you may need to give us a note. Can you tell us how many of the community council seats have been long-term vacant? Secondly, on the figures that you have just given on the breakdown of community councillors, can you give a comparative breakdown for county councillors?

[609] **Lesley Griffiths:** Can we do that?

[610] **Ms James:** Yes, we can do that.

[611] **Lesley Griffiths:** If I may just say, at the last elections, almost 70% of seats were uncontested and there were no candidates in a further 12% of seats. Only one in five seats were filled through public poll.

[612] **Christine Chapman:** We are going to finish now, because we have come to the end of the session. Minister, I thank you and your officials for attending. We will send you the transcript of the meeting, so that you can check it for accuracy. Can you send some of the information that we have requested and liaise with our clerks on that?

12:32

Papurau i'w Nodi Papers to Note

[613] **Christine Chapman:** For the committee, there is a number of papers to note for information. The next meeting is on 3 July when we will hold a general scrutiny session with the Minister for Culture and Sport, consider the scope and approach to the domestic abuse, gender-based violence and sexual violence (Wales) Bill, and also consider the forward work programme for the autumn term, including work on scrutiny of the draft budget 2015-16.

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

[614] **Christine Chapman:** I move that

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

[615] I see that committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:32.
The public part of the meeting ended at 12:32.*