



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

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

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

04/02/2016

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

The proceedings are 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**

Peter Black <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Janet Finch–Saunders <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur (yn dirprwyo ar ran Gwenda Thomas) Labour (substitute for Gwenda Thomas)
Mike Hedges <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Mark Isherwood <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Gwyn R. Price <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Lindsay Whittle <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales

**Eraill yn bresennol**  
**Others in attendance**

Anthony Barrett	Swyddfa Archwilio Cymru Wales Audit Office
Dominic MacAskill	Unsain Unison
Alan Morris	Swyddfa Archwilio Cymru Wales Audit Office
Martin Peters	Swyddfa Archwilio Cymru Wales Audit Office
Alison Ward	Is–gadeirydd SOLACE Wales/Cymru Vice–chair of SOLACE Wales

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

Sarah Sargent	Dirprwy Glerc Deputy Clerk
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Alys Thomas	Y Gwasanaeth Ymchwil Research Service
Elizabeth Wilkinson	Clerc Clerc
Katie Wyatt	Cynghorydd Cyfreithiol Legal Adviser

*Dechreuodd y cyfarfod am 09:02.*

*The meeting began at 09:02.*

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

[1] **Christine Chapman:** Welcome everybody. Bore da. Can I welcome you all to the Assembly's Communities, Equality and Local Government Committee? We've had apologies today from Gwenda Thomas, and John Griffiths, again, is attending in her place.

09:03

### **Y Bil Llywodraeth Leol (Cymru) Drafft: Sesiwn Dystiolaeth 1—SOLACE Draft Local Government (Wales) Bill: Evidence Session 1—SOLACE**

[2] **Christine Chapman:** The first item today is an evidence session on the draft Local Government (Wales) Bill. So, we are taking evidence today and our first witness today—. I'd like to give a very warm welcome to Alison Ward, vice-chair of SOLACE Wales and also chief executive of Torfaen County Borough Council. So, welcome, Alison.

[3] **Ms Ward:** Thank you very much.

[4] **Christine Chapman:** You've sent a paper. Members will have read it very carefully, so, if you are content, we'll go straight into questions.

[5] **Ms Ward:** Yes, that's fine, thank you.

[6] **Christine Chapman:** I just want to start off, Alison. To what extent do you think is SOLACE content with the aim of the draft Bill to create new local government areas and councils, and also to establish a new and reformed legal framework for local democracy, accountability and performance?

[7] **Ms Ward:** Well, that's a very big question to start, isn't it? [*Laughter.*]

[8] **Christine Chapman:** We've got lots to talk about here. [*Laughter.*]

[9] **Ms Ward:** Broadly, SOLACE is not against the concept of local government reform. I think we recognise that capacity is a real issue within local authorities. We have some large authorities, but most authorities are medium-sized to small. Whereas, before austerity, it was manageable to work on those units, it's now becoming quite difficult to manage. So, as austerity goes on, and we have no belief that it's going to stop anytime soon, it's going to be very difficult to manage, as we take more and more cuts. So, we recognise that it's appropriate to have a reform of local government.

[10] We are concerned that some of the councils will be very large. So, maybe they're too small at the moment—they could get very big indeed. The main concern there is about the distance between the people who we are serving and the administration and democracy arrangements in the new councils. So, I think what we would like to see are very clear arrangements for there to be a connection between the people who are being served and the organisations. We note the proposals around community area committees, but we are concerned that may just add another layer of bureaucracy when we've already got a lot of layers of bureaucracy. We do wonder whether it might be more appropriate perhaps to look at the role of community councils. This is a once-in-a-generation opportunity to look at democratic arrangements. Would it be better to strengthen community councils and to have very direct lines of accountability between them and the new authorities rather than putting another layer in with a community area committee?

[11] **Christine Chapman:** I know we want to look at the issue of community councils later on. So, perhaps we'll park that one for the moment.

[12] **Ms Ward:** Okay, right.

[13] **Christine Chapman:** I think Gwyn had a question on some of the issues you started to raise there.

[14] **Gwyn R. Price:** Yes. Good morning.

[15] **Ms Ward:** Morning.

[16] **Gwyn R. Price:** Could I ask whether SOLACE believes that the provisions within the draft Bill have the potential to create councils that are well led and citizen-centred with a strong organisational culture focusing on performance, innovation and staff engagement?

[17] **Ms Ward:** Well, that's what we want those councils to be. We don't think that will happen by accident. I think it's very, very important that we get the right people to lead the organisations and that those organisations are set up at the beginning with the right culture. I think there's something that we could be thinking about in Welsh Government now in terms of some of the capacity we have to develop the leaders of the future. We've got four years before these councils will come into being. It would be nice to think that at least some of those councils would be led by people home grown in Wales, but I think we need to be much more organised about what Welsh Government and Wales want in the leaders of the future and be very clear about what those skills and abilities are, and that we are already developing people into that. I don't think we are at the moment—it's quite haphazard. It's not easy to get people to come from elsewhere into Wales, for a number of reasons, and part of that is around the status and remuneration of chief executives. It's a real issue. If we're not going to get people from outside, we must grow our own, and they must have the right mindset.

[18] **Gwyn R. Price:** Could you expand on your comment about the impact of proposals on morale in local authorities and how you believe the morale and energy of authorities can be maintained and whether you think the draft Bill takes this into account?

[19] **Ms Ward:** I don't think the draft Bill takes this into account. I think it's a very serious issue. Obviously, we don't know what's going to happen in the elections, but even if we get a plain line of sight after May and its four years—

[20] **Gwyn R. Price:** Five.

[21] **Ms Ward:** However. It's 2020 we're looking at, aren't we, for the new authorities? We're really going to have to think about how we're going to keep people. We are losing people through the fact that we're taking costs out. People are thinking, if they're in their 50s, 'Well, I might as well go now. I don't see a future.' I'm more worried, actually, about not having enough people to run the council by 2020 than having too many.

[22] **Lindsay Whittle:** With experience.

[23] **Ms Ward:** Yes, it is a real issue, and I'm very concerned. People just feel knocked from all sides, and I'm really concerned about that. The Bill doesn't address it. The bit I'm particularly concerned about is the bit between 2019 and 2020, when you've got a new shadow authority. So, what's going to happen to the authorities that are effectively dying? How are you going to keep people to run those, with members who are not going to be serving in the next administration? It's going to be a real issue.

[24] **Gwyn R. Price:** You think your door will be knocked down sometimes by so many applications that it could leave you short of experience.

[25] **Ms Ward:** Yes, as we had the interjection from the left there, yes—experienced people who are going to lead this change, because leading change is really hard and you've got to have a lot of experience to be able to do it effectively.

[26] **Gwyn R. Price:** Thank you.

[27] **Christine Chapman:** John, you had a supplementary.

[28] **John Griffiths:** Yes. I wanted to go back, Alison, to what you said initially about accepting the need for change and fewer authorities, because I think, for a long period of time, many people had come to the view that fewer authorities were necessary. For example, finding 22 sets of top-quality officers for social services and education was very difficult and becoming increasingly so. As you've pointed out, austerity is with us and likely to be with us for some time, so the case is obviously strong for change, but although very many agree on the need for change, not so many agree on what the final map should be, and what the number of authorities should be. So, I wonder if I could just tease out anything further you might be able to say—you know, are 22 are too many? You've said that you think that some of the proposals are in danger of creating authorities that are too large. We had the Williams commission with a certain number, and the Minister has formed a subsequent review. Could you help us at all in terms of where you think the optimum range might lie?

[29] **Ms Ward:** I can't be drawn on that, I'm afraid, because I represent chief executives who have a range of different views on that, and I would only be giving you my own view, and that wouldn't be appropriate. I don't think

we're saying that it's impossible to run very large councils, but we do have to be careful about, if they are going to be very large, how we're going to manage the democratic arrangements effectively so that people have a voice in communities. You know, how is a council that's serving over 500,000 people going to be really effective in dealing with parks and street scene, and those kinds of issues? How is that going to be managed in a way that local people feel that they're being listened to?

[30] **John Griffiths:** Okay. Just finally on that, then, Chair: so, with some of the large authorities that are proposed, it's not that you think that they wouldn't be viable and able to fulfil their functions with due efficiency and effectiveness, but that, at that more local level, there would be issues in terms of engagement and participation with local communities. It's something more of that nature in terms of your concerns, is it?

[31] **Ms Ward:** I would say so. My council serves just over 90,000 people, and my councillors are very closely connected to what's going on in their wards, and they are able to pick up the phone to me and say, 'Alison, what are you going to do about the potholes outside No. 5?', you know. That can't possibly happen in a big council like that. So, how are those issues going to be—? How are members who are representing people in those councils going to be able to understand the local issues, and how are they going to be able to effectively make sure that things are being done about them? I think that's where we need to think very carefully about where that accountability sits.

[32] **Christine Chapman:** Okay. Mike, you had some questions.

[33] **Mike Hedges:** Yes, I've got a couple of questions that are suggested and a couple that aren't. I think I'll start with the ones that aren't suggested. Mr Simpson came to speak to us many years ago now, when we were first talking about local government and that collaboration was the way forward. What he said was that what the right size for education is is not necessarily the right size for running parks and local planning. Would you agree with that?

[34] **Ms Ward:** Yes, I would. I would indeed. I think, for education, we've now got the wider arrangements for school improvement and they're bedding in, but by and large, they're working pretty well. My own background, as you know, is around the management of social services, and certainly, you need a wide strategic view on those kinds of issues. I think there are a lot of things that can be done at a very local level—parks, bowling



greens, public toilets, street scene—that could easily be done on a community council basis.

[35] **Mike Hedges:** Well, we're getting there now, aren't we, with councils?

[36] **Ms Ward:** Yes.

[37] **Mike Hedges:** We also know that, last time, when we went from 22 to eight local authorities, it should have been easy to fill the directors' posts for education and social services because eight were going into 22. We both know that an awful lot of directors of education and social services disappeared and retired. I think that two directors of social services went on to be directors of the new authorities, and I think it was only one director of education. If we lost that when we were going up in numbers, isn't there a danger of doing something exactly the same when we're going down in numbers?

[38] **Ms Ward:** I don't think there should be any assumption that there will be enough quality people to fill the jobs. Because of the age profile of our workforce there will be a lot of people thinking, 'This is the time when it would be appropriate for me to retire and do other things.' I'm sure it's not popular in this room, but we don't pay well in Wales at a senior level, and that is a reality. So, if you can work in Bristol, why would you work in Merthyr if you get paid £50,000 a year more? So, it is a real issue.

[39] **Mike Hedges:** Because, in parts of London, you're paying £0.5 million for the sort of house that, if you lived in Torfaen, you could buy for a fifth of that. I think that's perhaps one of the reasons why people might want to live in Torfaen rather than in London, for example.

09:15

[40] **Ms Ward:** Yes, but you could live in Torfaen and work in Bristol or Gloucester, and I think London is a particular example, as well. I also go back to my earlier point that I think the best route for Wales is to grow our own, effectively, and we don't do that very effectively at the moment.

[41] **Mike Hedges:** I tend to agree. We have in your case, haven't we?

[42] **Ms Ward:** Well, there we are. [*Laughter.*] Self-taught.

[43] **Mike Hedges:** And, of course, others who could've been are now in the Assembly. You talked about community councils and expanding them. As you know, community councils vary in size dramatically. I think that you've got those in the low hundreds and you've got those in the high thousands.

[44] **Ms Ward:** Yes.

[45] **Mike Hedges:** I mean, you obviously wouldn't want to give very small community councils very large powers when, quite frankly, they employ a part-time clerk whom they don't pay very much and that's about all, and they give out small grants to local organisations. What size do you think a community council would need to be before you started giving it additional powers?

[46] **Ms Ward:** Well, I think that's very difficult, because it depends on the rurality of the area. You would probably need less for Torfaen than you would for Powys, just because of the geography—or fewer, I should say. But in terms of very small ones, I think my point is that we've got a blank canvas here. We've got a once-in-a-generation opportunity to design something new and it seems to me that a lot of the Bill is thinking, 'Well, these are the things we've got that we've got to keep and how can we bolt them together?' instead of thinking a bit more radically. So, I would suggest that, if we made larger community councils with greater capacity and better support, a lot of the very local things they could be dealing with, as long as there are clear lines of accountability to the larger councils.

[47] **Mike Hedges:** Isn't that returning to pre 1996 with districts and counties? I think that people misunderstood local government reorganisation in 1995–96 and this idea that merging the councils would make everything wonderful. I think it was done by people who didn't understand and know what they were doing, and all of a sudden, we ended up where we ended up. Aren't you actually—. If you're asking for this, you've got big community councils—perhaps one for Pontypridd, one for Llantrisant—and we're actually going back to pre-1973 with urban and rural district councils and big county councils.

[48] **Ms Ward:** Well, you will know that reorganisation goes around in circles. What I would say is that I wouldn't suggest that all of the, what you might call district council functions would necessarily sit at a very local level. Waste, for example, is something where you really do need a strong strategic focus. But there are some very minor things—well, they're not minor to local

people, they're really important to local people—the things that cause Members the most telephone calls and e-mails, which are probably things that are very minor in terms of the work of the council. You know that very well, I'm sure.

[49] **Mike Hedges:** Yes. I know that now, very well. And I'm sure most people sitting in this room know very well. It's knotweed, dumped rubbish, fly-tipping and potholes. They tend to take up a huge amount of—. I know at least two other people in this room for whom it makes up a lot of the information coming into us, and I'm sure it probably covers an awful lot more.

[50] The final point I was going to raise with you is that waste, in England, has already gone to the county councils, hasn't it? So, what powers currently held by district councils in England, would you not give to large community councils in Wales?

[51] **Ms Ward:** Well, I think I would turn the question around and ask what powers would you give to them.

[52] **Mike Hedges:** Okay, please do.

[53] **Ms Ward:** I think you could have a very effective area-based working system, where you have local operatives, street-scene operatives, effectively, who're responsible for a particular geographical area—quite a small one. People see them every day, just like a police community support officer, and people can say, 'This needs doing and that needs doing', and they're accountable to very local politicians. And, I think, anything that's strategic can go up to the larger councils, but those things are best dealt with at the most local level possible.

[54] **Mike Hedges:** Would you be able to give us a list—not necessarily now—of what you think should be done with those large community councils?

[55] **Ms Ward:** By all means, I'm happy to do that.

[56] **Christine Chapman:** Yes, if you could ponder on that, Alison, and perhaps write to us, that would be useful. Okay. If we could move on now then. Mark, have you got some questions?

[57] **Mark Isherwood:** Yes. Could I follow up on that, initially?

[58] **Christine Chapman:** Yes.

[59] **Mark Isherwood:** That local person you just referred to, like a PCSO, I know the Williams report that triggered all this off also talked about co-production, and I know some local authorities in Wales have been piloting ideas around the Western Australian model of local area co-ordination with people just like that, but doing more than being a conduit to receive messages and report them back to their political leadership, they would also co-ordinate the people in their communities and try and reconnect. Given that that was the other big part of the proposed equation, how do you feel that could be adopted within this?

[60] **Ms Ward:** One of my other roles in the past has been as a non-executive director of the Institute of Customer Service. I've done a lot of work around customer service, and it's absolutely clear that the more you devolve power to people who are actually on the front line, the better the customer service is and the more satisfied people are. So, I would certainly think that there could be a model where you could actually have local officers, operatives, whatever you call them, who have a great deal of discretion, and have a very local budget, maybe just for a ward, and that would actually be much more effective at targeting local need and sorting out the niggling problems that take a lot of time for democratic representatives. I think in that way you could actually then have a lot more space and capacity to deal with strategic issues politically, because in my experience—and I've been a chief exec for 11 years—an awful lot of my members spend an awful lot of time dealing with very community-based issues, and they don't have that capacity to really think strategically. So, I think that model would be very effective, but you'd have to be able to devolve enough power to that person on the ground to be able to make decisions on the ground.

[61] **Mark Isherwood:** Yes. Well, that's very refreshing. Thank you. That was the answer I'd hoped you'd provide, and it also reflects my previous professional experience as well as my practical experience in this role. You refer in your evidence to

[62] 'concerns about the potential plethora of bureaucracy and the cost of maintaining and supporting',

[63] for example, community area committees. Could you expand on that

concern?

[64] **Ms Ward:** I think I said I the evidence that, if you look at the number of democratic representatives for one small community, it's bewildering, for Wales, because just at the moment, you've got a community council, you've got a local council, you've got regional AMs, you've got a local AM, you've got an MP, you've got an MEP. All of those people are serving one particular community. I think the point we were trying to make in the evidence was that, if you then put an area committee on top of that, you've got another layer of bureaucracy that you've got to service and pay for and take people's time up dealing with. If we've got an opportunity to repaint the canvas, isn't that the time to think about the cost of that? I realise that, a lot of it, you can't do anything about, but there are some things we can do something about, I think.

[65] **Mark Isherwood:** You state again in your evidence that an alternative to creating area committees would be

[66] 'to redesign the relationship between Community Councils and the new local authorities, with powers of delegation aligned with clear lines of accountability for delivery and cost effectiveness.'

[67] Again, could you expand on that? Do you see delegation possibly running both ways?

[68] **Ms Ward:** Well, more down than up, I would suggest. But I think that, at the moment, community councils and local authorities are kind of islands. So we can decide that we want to work together, but there's no obligation to do so and there's no line of accountability either way. For example, my council, obviously, like all other councils, is desperately trying to cut costs so we can protect front-line services. There really isn't any reason why we should be running things like public toilets. But you have to negotiate that with the community council, and they have to think about whether they want to take on that responsibility, and they can just say, 'No, it's your deal, you deal with it.' I think we need a much clearer line where some duties belong to you, some duties belong to you, and there's a clear line of who's ultimately accountable and who's delegating to whom. That isn't there at the moment. They're islands, basically, and that's what I think we could address through this Bill.

[69] **Mark Isherwood:** And again, the other way around, why do you believe

that further delegation of powers to community area committees would deliver streamlined, cost-effective and fit-for-purpose governance?

[70] **Ms Ward:** Well, in my experience, the more layers of governance you put in, the less likely it will be streamlined or cost-effective. So, I would suggest a community area committee would bring in, as I understand it, a lot of people from other organisations. You've already got that strategically with the public service board, do you want that again at a lower level? How is that going to work? Who's going to be on those community area committees? I think we said in the evidence that it's quite important that the people who are on there are accountable back to organisations, because I think if you start getting local warriors on there, they can be very focused on single issues and they can be extremely disruptive if they want to be. So, I just question what that's going to add in terms of streamlining and accountability, if you're bringing in people from all sorts of organisations. I do completely believe in collaboration and working together, and that that is greater than the sum of the parts, but I think you've got quite a strong focus at the public service board level to do that at a strategic level. I'm not sure, if you start trying to plan things again at a local level in that way, that you're going to make it easier to run things.

[71] **Mark Isherwood:** Finally from me, you referred to collaboration again, and I remember being here in 2005 talking about Beecham. You referred to toilets, and I can see very much the argument for giving that control to the community council, but, playing devil's advocate, what about, whether we have mergers or not, regional commissioning, where you might bring in a third-party body or even a commercial body to deliver services regionally, by contract, to a network of authorities?

[72] **Ms Ward:** I think it depends on the scale of what you're talking about. Toilets were just an example, but there are lots of others—parks, bowling greens, the greening and cleaning of local streets. I tread very carefully here, because I know there's a lot of ideology, politically, that says, quite appropriately, that there shouldn't be outsourcing—and I know the unions would say that—but there are certainly services that you could outsource if you wished to do so politically, around waste and waste collection and those sorts of things. But I think you need to be very careful about outsourcing things that are very local and very important to local people.

[73] **Mark Isherwood:** In my area, there's a threat of public toilets being closed unless the communities take them on. It's more of a threat than an

opportunity, and the communities currently don't really have the critical mass to do that. More imaginative solutions, I think, are what the Wales Audit Office is asking local authorities to look at at the moment, to do things differently.

[74] **Ms Ward:** Well, I think it's a circular argument, really, isn't it? I think that's what I'm saying: if you just leave the current arrangements in place and you add another layer on top, it won't work. If you're going to redesign it, then redesign it properly.

[75] **Mark Isherwood:** Okay. Thank you.

[76] **Christine Chapman:** Janet, have you got any questions?

[77] **Janet Finch-Saunders:** Good morning.

[78] **Ms Ward:** Good morning.

[79] **Janet Finch-Saunders:** Could you expand on the need for parameters? In your evidence, you've mentioned that there need to be parameters around the dialogue between a council and a community in respect of improvement requests.

[80] **Ms Ward:** Yes, I think that was specifically around the improvement requests. We can see the merit of the suggestion, and we think it's a very positive one, but you can get very passionate people who are very focused on a particular issue that's of interest to them, and matters desperately to them, and doesn't necessarily matter desperately to the rest of the world. I think it's a question of—. If you're going to put formal machinery around that, so that people must comply with requests, it has to be proportionate. I can think of things that are in my vicinity at the moment that, if people felt they could put formal machinery around that, they would take up an immense amount of officer time. Well, that's fine once, to have the debate, but if it can keep coming back in a slightly different form, it's going to become vexatious quite quickly, and that doesn't serve all the people who are not interested in that particular issue, who we also have a duty to serve. So, I think it's really important to get that right.

[81] I think we also said in our evidence that, if the wish is that there be a public debate that people can see on a particular issue, then it is really important that that's a two-way street and that there are rights and

responsibilities. I certainly, where I sit as a chief executive, get an awful lot of people e-mailing me about their rights—‘You must do this, you must do that, why haven’t I got this?’—but I get very few people e-mailing me about their responsibilities.

[82] **Janet Finch–Saunders:** Of course.

[83] **Ms Ward:** Snow-clearing is a classic, isn’t it? Everybody expects the council to clear the snow right up to their gate if there’s heavy snow, and we seem to have completely lost this idea that you might actually go out with a shovel and clear your neighbour’s bit as well. It’s just a really classic example, I think, and this rights and responsibilities agenda is very difficult. So, I’m just a bit worried that that mechanism could turn into table-thumping on a very narrow issue.

09:30

[84] **Janet Finch–Saunders:** Thank you. Could you explain why you believe that improvement requests would best be dealt with by community area committees?

[85] **Ms Ward:** Assuming we have community area committees, I think a lot of them are probably going to be around fairly local issues. I wouldn’t anticipate we’re going to get too many from people saying, ‘We’re not happy with your eligibility criteria on social care’ or ‘We’re worried about the way you deal with special educational needs’. It’s more likely to be ‘Why are we going to cut down the trees in the park?’ And if that’s going to be the case—and I may be doing the public a disservice, but that’s just the benefit of my experience—in that case, I don’t necessarily think you would want a very large council spending a lot of officer time dealing with the question of the trees in the park. You would if it was eligibility criteria for social care, obviously.

[86] **Janet Finch–Saunders:** Finally, in the Bill in its current form, I think there is a wide contention, really, that community councils are badly in need of a further review. I mean, if you look at the hundreds of uncontested seats we see; you know, democracy has gone out of the window. Do you think the Bill in its current form—do you think there’s a mechanism there that brings the community council reform in parallel with the local government reform, you know, of the county councils?



[87] **Ms Ward:** No; I think we tried to make that point in the evidence that this is the opportunity to have a broad brush, and we think it's tinkering rather than looking at the whole picture.

[88] **Christine Chapman:** Okay. John.

[89] **John Griffiths:** Just a question on the legislation itself, Alison, in terms of improvement notices. Much of the detail will be brought forward by Ministers in regulations subject to approval by the Assembly. Are you content that that's the best way of taking the legislation forward as far as improvement notices are concerned?

[90] **Ms Ward:** I think we're generally concerned that there's an awful lot of power that Ministers can issue by guidance generally in the legislation. This has to be futureproofed. You know, hopefully this legislation will be in place for many years; we don't know who the Ministers are going to be. However we design this legislation, it's really important that there can be no question of there being any political interference in things that are to do with governance, or any personality issues for things that are to do with governance. So, if there is going to be ministerial guidance on any of the issues in the Bill, we think it's really important that there are effective parameters around that—around when Ministers can and cannot issue guidance and what appropriate circumstances there would be. And I see very little of that in the Bill at the moment on a number of issues.

[91] On the workforce issues, it seems to me—I know we're straying, sorry, Chair, slightly from the question—it seems to me that, as written at the moment, a Minister could, in respect of a particular authority, decide to issue guidance to which the authority must take notice, which would effectively take over the powers of the chief executive with regard to the workforce. That's fundamental, and yet there are no parameters around the basis upon which that guidance can be issued. So, generally, we're a little concerned about some of those issue.

[92] **John Griffiths:** So, you feel in general, then, Alison, that this legislation as currently framed is in danger of giving too much power to Welsh Government Ministers in terms of the day-to-day running of the local authorities.

[93] **Ms Ward:** Well, I was asked—because I'm also, for my sins, the employers joint secretary for the workforce partnership council—I was asked

before this Bill was issued what my views were on the workforce powers, and I said I thought they were, potentially, with the wrong Minister, draconian—that there are no parameters around the circumstances in which that guidance can be issued, that that guidance can relate to a particular local authority and that the powers that the Minister can decide to take on via issuing this guidance would be equivalent to a head of paid service currently, in terms of recruitment, in terms of training of staff and in terms of organisation of staff. As I read that, a Minister could actually say, ‘This is going to be the structure, this is how you’re going to recruit these people and these are the people you’re going to recruit’. Well, I would be very concerned about that.

[94] **John Griffiths:** Would you give any other examples of areas where you think this legislation would give that sort of power to Welsh Ministers, or is it mainly those workforce examples?

[95] **Ms Ward:** No, there are—. Sorry, this is a very big piece of legislation; I’m just trying to remember where else it occurs. But, certainly, in the evidence, we have pointed out other areas. Sorry, I can’t find it right now, but there are certainly other areas in our evidence we’ve pointed out where there are not enough parameters. I think another one that springs to mind is the setting of objectives for chief executives. It appears from the way that the Bill is drafted at the moment that a Minister could actually issue guidance around a negotiation between the leader and the chief executive about their objectives. Now, that’s pretty serious interference in the running of a sovereign body in my view. Again, as I remember it, there weren’t any parameters around—. Local authorities didn’t have to be failing in any way, either in governance or performance, for those powers to be issued. With some of the things that have happened in Wales—and I’m not commenting at all on any individuals—you can imagine a situation where Ministers would want to get engaged in a debate between the leader and the chief executive, if the Minister didn’t think the leader was being strict enough with the chief executive, or the Minister didn’t like the leader and felt the chief executive was being badly treated. In my view, that’s completely inappropriate for a Minister to get involved in, unless the authority is failing so badly in governance that the Welsh Government feels it has to take over the local authority as a whole, and that’s a different issue.

[96] **John Griffiths:** Okay, Chair.

[97] **Christine Chapman:** Okay. Peter.

[98] **Peter Black:** Thank you, Chair. I need to declare an interest as a member of the City and County of Swansea. Alison, you've just highlighted a number of issues around where the Bill is very prescriptive. There is a very clear vision for local government in this Bill, and there's a lot of rhetoric about empowering local councils. But, do you think the danger is that in trying to deliver that vision, the Minister, or his or her successors, might be seeking to effectively run councils the way they want them run, and have too much prescription in how councils are being run, trying to get a uniform council for each area of Wales, rather than actually allowing councils to develop in their own way?

[99] **Ms Ward:** I think there's a real danger of that. As I said, I think it's really important that this Bill is futureproofed for whatever arrangements come in the future, because these arrangements may be in place for 10, 20, 30 years, and we don't know what Ministers we will have in that time, and what their views will be. So, on the one hand, there's some very welcome freedoms and powers—the powers of competence, ability to do more innovative things around trading—which are very welcome. A lot of the suggestions around better governance, I think, are entirely appropriate and fine around peer review, self-assessment; all of those things are absolutely fine. But, the other side of the coin, as I've just said, is that there are very specific pinch points, if you like, where Ministers can get right into the heart of an organisation and be very prescriptive about what people do. I don't think there's an appropriate balance there. If Ministers are going to be able to exercise those powers, we should be really clear under what circumstances, and under what parameters they can be exercised.

[100] I spoke to a senior civil servant the other day; we were just chatting about the Bill, and he said to me, 'Well, Ministers have to exercise powers reasonably.' That's all very well to say, but if they don't, it's a long, hard journey to challenge them. You don't want to be in a situation where you have to judicially review a Minister because you feel he or she is being unreasonable about something that they're requiring a local authority to do. You want it to be built into the legislation so that it's very clear on the face of the legislation what they can and can't do under what circumstances.

[101] We completely accept at SOLACE that there will be authorities that fail and that don't perform, that have poor governance, and it's quite appropriate then for Welsh Government to get involved to sort that out. Most authorities are not going to be in that situation, but this covers all this authorities under

all circumstances.

[102] **Peter Black:** Wouldn't it be particularly difficult for a local authority to use public funds to judicially review a Minister who was seeking to intervene in it? Would that cause problems for the auditor, for example?

[103] **Ms Ward:** It's hugely problematic, yes, and hugely reputationally damaging to everybody concerned as well. So, it's much better to have it clear on the face of the legislation, and then there can be no argument about it. Just to say somebody must exercise their powers reasonably—and, actually, it doesn't even say that in the Bill; that's common law, if you like, or administrative law, rather—I don't think that's very appropriate.

[104] **Peter Black:** For all the rhetoric about empowering councils around this Bill, does the Bill actually give you any more responsibilities and powers—these new councils? Is there any devolution of power from here down to you?

[105] **Ms Ward:** I'm not entirely sure that—. It is welcome to have clear powers of competence and I wouldn't want to suggest that it's not. I'm not sure that there are an awful lot of things in this Bill that I would be empowered to do as a chief executive that I can't already do at the moment. For example, my authority already has a trading company with Monmouthshire and Gwent—well, not with Gwent Police, but with Monmouthshire—and we already exercise those powers and we can do that under the existing legislation. So, I think the main thing will be that the authorities will be much bigger, so there will be a more equal debate, perhaps, between Ministers and some of the leaders in the new authorities than there can be between a small authority and a Minister. But in terms of hugely additional powers, no, there aren't hugely additional powers.

[106] **Peter Black:** That is one advantage to the size, but there are disadvantages to the size, which we've already discussed as well. But if you've got that greater clout because you're a bigger authority—maybe one of eight, or maybe more, whichever number we finally settle on—is the discussion still unequal because of the way this Bill is framed?

[107] **Ms Ward:** Yes. If your question is, 'Does it give us a huge amount of power that we haven't got already?' then no, I don't think it does.

[108] **Peter Black:** No. Okay.

[109] **Christine Chapman:** Peter, before you move on, I think Alun's got a supplementary on this and then I'll come back to you.

[110] **Alun Davies:** Yes, thank you, Chair. I'm surprised by your answer to Peter Black on that. I'm surprised you're so cool on the general power of competence, because I would have thought that that's a big step forward for you.

[111] **Ms Ward:** We welcome it. I'm not suggesting we don't welcome it—we do. But I'm not sure how much—. I think people maybe overestimate what we can't do at the moment. We can do quite a lot under our current powers. So, it is very welcome and it would certainly enable us to, perhaps, do more in a commercial sense, but—

[112] **Alun Davies:** It certainly gives you far more elbow room in terms of using some creativity, if you like, in local government, because one of the challenges facing local government at the moment is dealing with the current structure of public finances in a way that both maintains provision of services, but also does so in a way that meets the demands of the current austerity-driven economic and financial powers. Now, I would have expected—and I'm a bit disappointed actually—that local government would have said, 'Yes, give us a general power of competence; give us the opportunity to use some real creativity to look beyond our own borders to look at what can be done in delivering local services in different ways'.

[113] **Ms Ward:** My answer to you would be: I think we are pretty creative and we do do a lot of innovative things with the powers that we have. So, I'm not sure how much more we would do with the power of competence that we can't do at the moment.

[114] **Alun Davies:** So, would you seek additional powers?

[115] **Ms Ward:** We welcome additional powers.

[116] **Alun Davies:** But would you seek additional powers?

[117] **Ms Ward:** I think they're being suggested and we welcome them.

[118] **Alun Davies:** Would you like to see additional powers that are not being suggested in the current draft Bill?

[119] **Ms Ward:** We're not suggesting that, no.

[120] **Alun Davies:** So, you don't have any ambition to accrue powers in local government that you don't currently hold today.

[121] **Ms Ward:** What I'm saying is that the powers that we have at the moment we use very creatively and very innovatively.

[122] **Alun Davies:** I understand that, but the question was, Mrs Ward: this is a Bill, which, as you've said, could set the framework and the structures for local government over an extended period of time, so, do you, as the representative of chief officers of local government in Wales, seek to have additional powers taken from this place, or from London for that matter, and given to the new units of local government?

[123] **Ms Ward:** There are lots of ways in which we're already doing that. For example, we're negotiating a city deal at the moment, which would give us different powers. I'm not sure how much this Bill needs to give us additional powers, beyond what's in the Bill, to do what we need to do.

[124] **Alun Davies:** I'm still not sure whether you're saying 'Yes' or 'No'. It's a fundamental issue, because if we're seeking to strengthen local government, you can do that in two ways: the bigger units give you more financial muscle and the ability to do more. That's fine. And then, of course, the powers.

09:45

[125] Now, you're cool on the general power of competence, and that's fine. If that's your view, that's absolutely fine. I would have expected you to be a bit warmer about it, but we'll leave that for now. So, we're looking now at any additional powers, because we hear politically the arguments in this place, and particularly in the Chamber, that local government should be empowered to do more and to be more powerful. So, I'm asking you: do you seek additional powers? And you seem to be saying 'no'.

[126] **Ms Ward:** I think my answer is that that is a question that is better put to the Welsh Local Government Association than to chief executives.

[127] **Christine Chapman:** I think that's quite clear, Alun. So, I'll move back to Peter.

[128] **Peter Black:** I'll follow up on that, actually. Do you think that—given you're a bigger authority, you have a lot more financial clout—do you think it would then be appropriate for you to take on, say, some funding streams or some powers that the Welsh Government have at the moment? I'll give you an example of that: regeneration funding streams, which you might have a better idea of how they should be spent locally than maybe through the Communities First areas or other areas, which is being done at the moment, or maybe a more strategic role in transport, that sort of thing. Just a couple of ideas as to how local authorities could be better empowered if they were set up in this way.

[129] **Ms Ward:** Certainly, in terms of south-east Wales, and probably, also, as I understand, the Swansea area, I think the city deal will play into all of those issues, because regeneration and transport are all very much tied up with that. If a city deal is signed, then an awful lot of that funding that Welsh Government certainly put into transport—into the metro for south-east Wales, for example—would be going into the city deal, and that would become part of a partnership arrangement.

[130] Let me try and answer this as a chief executive, not as a politician. My answer as a chief executive is that, should those powers be given to these larger authorities, I am confident that chief executives and their officers would be able to exercise them effectively at that scale.

[131] **Peter Black:** Okay. That's—

[132] **Ms Ward:** I think that's the best way I can answer it. Is that okay?

[133] **Peter Black:** That is fine. It's difficult to talk about the political arrangements in the Bill. I've got a question here that I'm meant to be asking you—I'll ask you anyway, but I'm not expecting you to answer it—in terms of: do you believe that the requirement for candidates standing for election as leader to prepare a manifesto is appropriate and necessary?

[134] **Ms Ward:** Again, it's basically up to the WLGA, I think.

[135] **Peter Black:** No, I know. I understand it, but I thought I—.

[136] **Christine Chapman:** Mark, you had a supplementary on this.

[137] **Mark Isherwood:** Yes. The two previous sets of questions were about whether you thought you should have more powers. More to the point in my mind is it's not so much powers as matters over which you have power. Do you feel there are more matters that could be delivered locally, and should they be exclusively delivered by local authorities, or community councils, or should the local authority perhaps have also an empowering role for communities?

[138] **Ms Ward:** I think there's a huge role for the third sector. I think we're very good in Wales about talking about how much we value the third sector, and we're not terribly good at actually having some clear strategic arrangements on the ground that are universal across Wales. So, third sector involvement, really—I know the Wales Audit Office are doing some work on this at the moment—is quite patchy and it depends on the relationships on the ground. So, I think there could be much more of a role for the third sector in delivering services on behalf of local authorities.

[139] In terms of what powers could we—

[140] **Mark Isherwood:** Matters.

[141] **Ms Ward:** Sorry, what matters we could be dealing with. I think local authorities—. There's a lot of supposition, isn't there, that the private sector somehow are better at running things than public services. I don't think that is the case; I think that local authorities have actually proved themselves to be pretty competent in running a whole range of services, and I'm sure there are an awful lot of services we could be running that we don't at the moment. I don't think there's any question in terms of executive capacity and ability to run a whole range of things.

[142] One of the things I know that my colleagues are extremely frustrated with, and so am I, is that we get a large part of our funding through grants, and we are told, in minute detail sometimes, how to run those services and how to account for them. If you take a lot of the services around Families First, Communities First, Supporting People, Flying Start, all of those big, big grant areas, we're given the money, sometimes very late in the day, and we're told exactly how to spend it, exactly how to account for it—we have to account for it four different times. We could have that money in the revenue support grant and we could just run those services perfectly effectively through our own corporate planning arrangements. I cannot understand why—apart from the fact that I understand that Ministers want to keep a very



close grip on some of those things—we can't just get on with that.

[143] **Mark Isherwood:** But also there is meant to be a separation between a grant recipient body providing corporate services and programme delivery in community empowerment models and, sometimes, is that not getting blurred rather than having that power being used to empower those communities, which was originally the ethos behind, certainly, Communities First and arguably all the projects you mentioned?

[144] **Ms Ward:** Absolutely. I just think we've got this very tight, rigid control from the top that doesn't have any logic behind it in terms of the people who ought to be planning and running those services with the money available.

[145] **Mark Isherwood:** Quite. There's also—should we design the system backwards?

[146] **Ms Ward:** Well, we could do. [*Laughter.*]

[147] **Christine Chapman:** Can I just check—? Alison, you've talked about Welsh Government, you know, their planning and you've talked about Communities First and other projects. Are you saying that you'd agree that the Welsh Government—the strategic approach they had was okay but that the actual way it was done—. Can you distinguish between the issues you have there?

[148] **Ms Ward:** Yes, I think—.

[149] **Christine Chapman:** Because obviously there is—Welsh Government want to decide what strategies they have in place—

[150] **Ms Ward:** There seems—

[151] **Christine Chapman:** —the mandate for this.

[152] **Ms Ward:** Sorry. There seems to be a kind of duality in the thinking at Welsh Government, from my and my colleagues' perspective, that, in some areas, there seems to be a reluctance to set strategic direction and, in other areas, there seems to be a wish to control very tightly what happens on the ground. I think what we would like to see is very clear strategic direction on every issue that we deal with: you know, some very clear principles and high-level strategic parameters and then the freedom to get on and deliver it

however we think appropriate.

[153] **Christine Chapman:** Okay, so you're looking at a sort of inconsistency then. I think that's what's coming—. Right.

[154] **Ms Ward:** Absolutely—micromanagement in some places and not enough strategic direction in others.

[155] **Christine Chapman:** Okay, thank you. We've got fewer than 10 minutes. I want to bring Lindsay in now because you had some questions.

[156] **Lindsay Whittle:** Thank you, Chair. Good morning, Alison. How are you? I'm very interested in lots of your comments—. Sorry, Chair, could I first of all, as well, declare an interest as still a councillor on Caerphilly County Borough Council, where I was until 8 o'clock last night, by the way? I think it's very important—the relationship between the leader and the chief executive of local authorities, and the executive members and the senior officers. I notice in some of your evidence you perhaps suggest supporting assistant executive members—lots of members of the public don't like leaders and executive members because they think they're overpaid, but they do actually work extremely hard, and with larger authorities they will work harder still. How could you overcome the public perception—would you have any ideas to suggest to people to overcome the perception that these people are actually not doing very much when we all know that they are?

[157] **Ms Ward:** That's a very big ask, to change the public's view of politicians. I'm not sure I can manage that. [*Laughter.*] The reason that we say that we would support the assistant executive members is that I think we feel it's very, very important that we have young councillors coming through who are going to be trained to be the executive members of the future. Because it has been a bit haphazard in the past—we don't get enough young councillors and, when we do, they're just required to serve their time on the backbenches, and, sometimes, you want to be bringing them into the executive early on. So, I think that's why we particularly support that.

[158] I think, probably, executive members of local authorities, cabinet members, don't say enough to the public about what they do strategically. They're very good at saying, 'I got this pothole sorted out for you and I got this hedge cut back for you'. The main part of their job is probably deciding on the strategic direction of the finances of the council, but they're not very good at telling people that. I think webcasting of council meetings is going

to help, because people can see very directly what people do, but I think the onus is on members to actually think about how they're going to publicise, as politicians, what they're doing. We've just done our latest corporate plan in Torfaen and we've said to the—. In past years, it's probably just been an officer-put-together plan that the members have rubber-stamped. We've said very clearly, 'Make it your manifesto, because then you can say, "This is our corporate plan".' For the first time, our deputy leader actually presented the plan as the deputy leader of the council, rather than me presenting it as chief executive, and I think that's the kind of way we need to go.

[159] **Lindsay Whittle:** Okay, thanks. There's a whole debate there, but I'd better move on, Chair. [*Laughter.*]

[160] **Christine Chapman:** I know Janet and Alun want to come in.

[161] **Lindsay Whittle:** Oh, sorry.

[162] **Christine Chapman:** No, Lindsay, carry on—

[163] **Lindsay Whittle:** I wanted to expand on some of the evidence. I was going to ask you about section 104, which required Ministers to, perhaps, intervene and issue guidance on setting objectives for chief executives, but you've covered that in your response to my colleague John Griffiths. But, on section 103, where chief executives must be provided, according to the Bill, with sufficient funds to discharge the various functions, I think you're voicing your concern about that. I think there's an issue there with the wording, because some chief executives, and you've been very delicate in not naming any, will build empires, and it is the duty of the local member to ensure that empires are not built beyond all reason. What would you suggest would be a suitable wording in the Bill to address that issue, please?

[164] **Ms Ward:** I thought the wording was rather strange, because, purely just reading it with a legal interpretation, my view was it gave the chief executive, basically, the power to go and see the leader and say, 'You need to spend more on social care—give me the money.' I thought that was how it read. I'm sure that wasn't the intention. The leader might decide that they don't want to spend more money on social care; they might want to put it all into potholes, and that's their democratic right. So, I think it needs to narrow down the things that the chief executive can request of the council that are necessary to do the job. So, it's something around—if the members say, 'We want to—' I don't know, '—spend another £2 million on road improvements',

I think the chief executive should be able to go and say to the leader, 'I need x resources; if you want to spend £2 million on road improvements, I need this many more staff'. That's fine; it's not fine for the chief executive to say, 'You're not spending it on road improvements; I need to spend it on social care.'

[165] I don't think it is about personalities. I think it's just about being very clear about what the leader's role is and what the chief exec's role is. We welcome the fact that we're going to change from head of paid services to chief exec, because 'head of paid services' has always seemed like a diminution of the chief exec's role, and it is more than just running the staff. But I think there could be more clarity in the Bill about what the leader's role is and what the chief exec's role is, so there can be no argument about where those boundaries lie.

[166] **Lindsay Whittle:** Could I thank Alison for that? It's back to my earlier question about the relationship between chief executives and leaders. Where it works, it works really well; where it doesn't work, it hits the headlines, and that's important.

[167] **Ms Ward:** Could I just say, I think the actual magic of any local authority is whether the leader and chief executive can work together? If they can't, the organisation will never run.

[168] **Christine Chapman:** Okay. Janet, any quick questions? We've got a couple of minutes and we have to—

[169] **Janet Finch-Saunders:** I just want to expand on a point about the work that cabinet members do, and the leader. I'm a previous cabinet member myself, of course, of Conwy County Borough Council. It's a well-remunerated role, but I believe that there should be some kind of appraisal of the work you do. All staff working for local authorities are appraised, right up—or right down from your level to front-line workers. Do you think there's enough scope within the Bills coming forward, the mechanisms there, to actually ensure that cabinet members are democratically accountable? It moves on from what you said before about how they're not publicised enough. I believe there should be a responsibility, because it is—. I know myself, when I was in cabinet, some of us would work very hard and some would, actually—. It was a, you know—. I do believe that there needs to be—.

10:00

[170] I think you need to be able to do the role—not just because you’re politically put there, in terms of your politics, it’s knowing that you’ve got somebody in that post who’s capable of doing the role. But then how do you appraise them? Do you think there’s anything there in the Bill that addresses that?

[171] **Ms Ward:** There are the bones of it, but it needs fleshing out, I think. I agree with you—and, again, I’m straying into territory that’s not really my territory—that there’s more politics around choosing cabinet members than there is around ability.

[172] **Janet Finch–Saunders:** Ability and skill.

[173] **Ms Ward:** Yes. I wouldn’t choose my chief officers in the way that the leader chooses his cabinet, if I can put it like that. But one has to be realistic; politics is always going to play a part. So, I guess it’s about, when you’ve chosen people, making sure that they’re appropriately trained and that they are appropriately appraised and, if they have weaknesses, that those are addressed and it’s not just, ‘Oh well, you’ve not done very well; never mind.’ It’s how we’re going to train people to do that better.

[174] **Janet Finch–Saunders:** Of course. Do you think that’s the leader’s role, or do you think it’s a bit—?

[175] **Ms Ward:** I think it’s the leader’s role, but I think the leader needs appropriate support to enable him or her to carry it out effectively.

[176] **Janet Finch–Saunders:** I was going to say, yes. Do you think the leader of a local authority should also face that kind of scrutiny as well, and accountability?

[177] **Ms Ward:** It’s who appraises the leader, isn’t it, I suppose. But, yes.

[178] **Janet Finch–Saunders:** On that one, too often we hear the argument, ‘Well, the elections are in five years’ time and the leader will be judged in five years’ time’; well, a lot can go wrong in five years.

[179] **Ms Ward:** That is the argument, that the ballot box is the decider, but appraisal is not just about holding people to account, it’s about helping them to find out areas for development and then seeking support. I don’t see why

that shouldn't be appropriate for any politician.

[180] **Lindsay Whittle:** Chair, best practice: I used to appraise all Caerphilly cabinet members, and they used to appraise me, every year.

[181] **Christine Chapman:** Very good. A good example.

[182] **Janet Finch-Saunders:** So, we need more consistency.

[183] **Christine Chapman:** Okay. Look, I'm going to draw—. We've gone a little bit over time. Have you got a very quick question, Alun, because if not, we need—?

[184] **Alun Davies:** I never have quick questions, Chris.

[185] **Christine Chapman:** No, I know, I'm just—. Because we've got another panel coming in shortly, so.

[186] **Alun Davies:** Okay. I was just reading through your evidence—we're very grateful to you, Mrs Ward, for the evidence you've provided—and you go into a lot of detail about some points, such as the role of returning officers and the rest of it, with a long explanation about the remuneration of chief officers, which, obviously we'd expect. The first three or four paragraphs, where you deal with the overall vision, seem—. I felt you were trying to say very little at all, quite honestly, you know:

[187] 'we are not in favour of change for change's sake',

[188] 'We do not believe that reorganisation...is in itself a silver bullet',

[189] 'We are concerned...longstanding uncertainty'.

[190] I don't know, from that, where you actually stand, I'm afraid. I know you're going to be reticent about getting involved in the cross-fire about some of these issues, and I can understand that reticence, but I'm anxious to understand how you would characterise this Bill, because this is going to create the context for your work for the rest of your career, and probably most people's careers. So, it's a fundamental piece of legislation, and I'd be surprised if the chief officers in Wales wouldn't have more profound views on it, quite honestly, and I'd be pretty disappointed as well, because we've had a debate now and a discussion about the advice you give to leaders, the advice

you give to executive members, and the support that you give to them; now, using all of that executive experience, in those three or four paragraphs I would have expected to have had a view that would characterise the Bill. I wouldn't expect you to say that you're in favour of this new greater Gwent business, or whatever, or that you're opposed to it, or whatever. I wouldn't expect you to go into that detail, but I would expect you to characterise the Bill in a more profound way, and I was wondering if you could do that for us this morning.

[191] **Christine Chapman:** Alison, obviously, we are running very short of time, so you're going to have to characterise it in a very brief way at the moment. We have covered some of this, but, very briefly, where do you stand on the Bill?

[192] **Ms Ward:** Could I just make a point that might assist in wrapping this up quite quickly? We are doing a full response to the consultation, which is due, I think, on 15 February. The evidence that we put together was for this committee in the time available to do it. So, there will be a more comprehensive response from SOLACE coming through by the end of the consultation date, but you'll appreciate that we have to consult with 22 colleagues on everything we say, and this was what we could put together in the time available to come to this committee. So, can I suggest, Chair, that that's probably the best way to actually answer some of the questions?

[193] **Christine Chapman:** Okay. Thank you very much. That's fine. Can I thank you, Alison, for attending today? I think we've had an excellent discussion. So, we will send you a transcript of the meeting so that you can check that you are happy that there's no inaccuracies. So, thank you for attending. Okay, we'll now have a short break. Can you return at 10.15 a.m.? Thank you.

*Gohiriwyd y cyfarfod rhwng 10:05 a 10:17.  
The meeting adjourned between 10:05 and 10:17.*

**Y Bil Llywodraeth Leol (Cymru) Drafft: Sesiwn Dystiolaeth 2—Swyddfa  
Archwilio Cymru  
Draft Local Government (Wales) Bill: Evidence Session 2—Wales Audit  
Office**

[194] **Christine Chapman:** Our second panel this morning—if you remember,

we are scrutinising, we are looking at, we're taking evidence on the draft Local Government (Wales) Bill. So, our second panel this morning is the Wales Audit Office. Can I give a very warm welcome to our visitors? First of all, Anthony Barrett, Wales Audit Office, Alun Morris, Wales Audit Office, and also Martin Peters, from Wales Audit Office. So, welcome to you all.

[195] Members will have read the paper that you have submitted very carefully, so we will go straight into questions. Okay. If I can just start, the Bill will contain updated and modernised provisions for how local government bodies should account for their spending and also detail how accounts will be audited. We know that these are going to be consulted on separately, but could you expand on any recommendations regarding these provisions? Who'd like to start?

[196] **Mr Barrett:** Thank you, Chair. I think there are some absolute givens, some absolute essentials, in terms of what those provisions should include. They should include an annual audit of the accounts, but also consideration of the arrangements that bodies have in place to deliver value for money in what they do. And also, vitally, I think, the provisions need to ensure the independence of the auditor general in terms of the work that he or she does going forward, and I think that is a fairly fundamental issue, to make sure that the auditor general can act as he or she sees appropriate, given the particular circumstances. So, I think those are two particularly overriding provisions that we would expect to see.

[197] **Christine Chapman:** Okay. Thank you. I'll move on, then, to other questions, and if you want to get—. Alun, you had some questions, I think.

[198] **Alun Davies:** Thank you very much. The letter from the auditor general says, in paraphrase, that this Bill doesn't represent significant change in terms of local government. Of course, the Minister thinks it does. I was just wondering why you didn't see that it did promote significant change.

[199] **Mr Peters:** I think that what we were saying here was that it didn't represent significant change in terms of local government finance. It was particularly in relation to that. Clearly, it will be a significant change in terms of the geographical structure and governance arrangements for local government. So, if we gave the impression that it's not significant change, that's not what was meant—

[200] **Alun Davies:** 'Substantive change' were the words you used.



[201] **Mr Peters:** It was really in terms of local government finance. The provisions there, I think they're in Schedule 2, were really place-holding provisions—it wasn't changing from council tax or anything—

[202] **Alun Davies:** So, it's just in that narrow sense.

[203] **Mr Peters:** Yes.

[204] **Alun Davies:** In terms of delivering on the Minister's vision, the Minister—as we all know; we've heard the speeches, I don't think we need to hear them again—outlines a vision for a very different delivery of services. Put the structures to one side, if it's possible to do that for a moment. I'm just wondering, from your perspective, from the Wales Audit Office perspective: do the mechanisms that the Bill seeks to put in place provide the platform or the foundation for that step change in delivery?

[205] **Mr Morris:** I think, in many respects, it does, and the comments that we've made in our response and that we will be making in response to the consultation on the Bill highlight the areas where we think perhaps there are some areas that require a bit of strengthening, some areas where there might be some unintended consequences as currently drafted. So, I think in terms of the overall platform the Bill provides and, as you say, the change that we recognise is needed in the way public services are delivered in response to the current financial climate and other changes that we are seeing as a society, I don't think we see anything fundamentally in the Bill that doesn't provide that platform. Our concerns are more around some of the detailed aspects to make sure that that platform is the strongest possible and provides the soundest possible basis for that. But, broadly, I think that what we see here would support the kind of change that is being considered.

[206] **Alun Davies:** Okay. In terms of the shadow authorities that are being put in place and the rest of it, you are content with the mechanisms of regulation there.

[207] **Mr Peters:** It seems an appropriate way forward. If all the functions and arrangements in relation to shadow authorities were on the face of the Bill, the Bill would be very large indeed. There's clearly a balance to be struck between scrutiny of those provisions—. Putting them in regulations does, I suppose, raise the problem that they could go through the Assembly without much scrutiny. It might—. Well, clearly, it's for the Assembly to decide how

much scrutiny it wants to provide, but it would seem appropriate to look at them to some extent.

[208] **Christine Chapman:** Okay. Gwyn, you've got some questions.

[209] **Gwyn R. Price:** Thank you, Chair. Following on from finance, the year leading up to the implementation of the new local authority structure, 2019–20, is a significant spending year with the merger proposals. In this year, local authorities will spend £54 million to £90 million in key areas. Is it reasonable for local authorities to fund this expenditure?

[210] **Christine Chapman:** Who'd like to take that?

[211] **Mr Barrett:** If provisions such as those in the draft Bill become law, then, in the legal sense, it's reasonable. But I think if you're talking about 'reasonable' in the more general sense, in terms of affordability, that is really a matter of merit, of Government policy, and it's probably not something that we as the audit office would comment upon.

[212] **Gwyn R. Price:** Do you think it's realistic to ask local authorities to do it then?

[213] **Mr Barrett:** I think, particularly in that crunch year, it is a matter of timing. I think the overall quantum isn't the issue; it's the one of timing, and it's the fact that there's the peak in 2019–20. My expectation is that, as councils currently do, they will need to manage their medium to longer term financial position, and it may be that it provides an opportunity to use some reserves. Reserves can't be used on an ongoing basis; they have to be used for one-off things. This may be something that reserves could be built up for and used to deliver. Or there's the other side of borrowing that could be used to fund some of that. The issue with that then is that you're borrowing and the impact that might then have on future generations through repayments. But I would see it as part of the normal financial management that exists within local authorities at the moment.

[214] **Gwyn R. Price:** So, you do think it's realistic.

[215] **Mr Barrett:** I think that the sum is probably towards the higher end of that range, but I think it's probably a realistic estimate of the amount of money that's required.

[216] **Christine Chapman:** Okay?

[217] **Gwyn R. Price:** Thank you. Yes.

[218] **Christine Chapman:** Peter.

[219] **Peter Black:** The regulatory impact assessment and the appendix contain estimates for various consequences of the draft Bill, such as 'percentage reduction in administration posts',

[220] 'estimated number of staff required to travel further'

[221] and

[222] 'percentage of senior management team who are new to local government in Wales'.

[223] Is there appropriate evidence for how these estimates have been reached?

[224] **Christine Chapman:** Martin.

[225] **Mr Peters:** I think the regulatory impact assessment is quite clear in some cases in saying that it's assumptions rather than giving a source for an empirical exercise. It's really a matter of—. Well, they're probably—. There are reasonable assumptions rather than direct evidence for some of the figures, and I think one of the ones that are quite clear is the assumption about the ages of senior officers. Again, the impact assessment does talk about a need for further work to firm figures up. So, I think that that's reasonable. To be fair, a regulatory impact assessment can't be based on 100 per cent knowledge of what's going to happen. There do need to be some assumptions made. So—

[226] **Peter Black:** Are you aware of any audit work from the 1995 reorganisation that might form the basis for a judgment on this?

[227] **Mr Peters:** To be honest, I'm not, off the top of my head. I do recall, from the reorganisation in England, that there was some work done on modelling the finances. I don't know to what extent the Audit Commission followed that up with reviews of how good that modelling was, but it's something that we could look into, perhaps, and let you know.

[228] **Christine Chapman:** I'll just bring Mike in because I think he may want to, and I'll come back to you then, Peter.

[229] **Mike Hedges:** One thing I do know is that the last local government reorganisation cost 5 per cent of the budget of Swansea council when it was created. You mentioned English changes. Have any of the unitary authorities in England merged? I've seen counties being split, counties and districts being joined, and a district being merged into counties. People are taking those numbers whereas, of course, with county councils providing 80 per cent to 90 per cent of all services, merging districts is not quite the same as merging unitary authorities. So, are you basing it on the merger of any unitary authorities in England or in Scotland?

[230] **Mr Morris:** I think you're right to say that the picture in England is more complex, and they tended to be mergers where a county has been abolished at the same time as creating a new unitary. So, I think direct comparisons are difficult. You might look at some mergers of districts, but, again, district councils in England are very different to unitary authorities in Wales in terms of their scope and remit.

[231] **Mike Hedges:** Williams, in his—I'll use the word 'wisdom', decided to look at Cornwall, for example, where it merged districts into an existing county council. So, 80 per cent of services stayed in the same place, and he then did calculations from there. Hopefully, you're not following the same model.

[232] **Mr Peters:** I'm not aware of any English unitaries that have merged.

[233] **Mike Hedges:** There aren't any.

[234] **Mr Peters:** No. Right. [*Laughter.*]

[235] **Christine Chapman:** That was a trick question.

[236] **Mr Peters:** I'm glad I got that one right.

[237] **Christine Chapman:** Okay, Mike. Peter, back to you.

[238] **Peter Black:** Just following on from that, obviously, there's very little audit evidence that will give us any surety or confidence in the RIA. So, would

the Wales Audit Office be looking to do that sort of work as this progresses or once this is finished? Will this be an important area of work for you?

[239] **Mr Barrett:** I could anticipate a scenario where we would want to look at the costs that are being incurred on reorganisation as part of a value-for-money study. If, for example, there isn't a basis for data in Wales and the examples from England aren't comparable, it would seem to be a useful exercise to be able to do something like that to provide a basis for any further structural changes that might occur in other parts of the public sector in Wales.

10:30

[240] **Peter Black:** Okay. One of the key areas of concern, I think, for a lot of people in terms of this reorganisation is council tax harmonisation and the impact on pension funds, particularly. There are a lot of people taking early retirement as a result of that. Do you think the regulatory impact assessment adequately accounts for those key areas in terms of its costings?

[241] **Mr Peters:** I think, in terms of council tax alignment, the regulatory impact assessment doesn't say very much. I don't think that's necessarily inappropriate, because a lot of the questions around that do relate to the decisions of the new authorities and it is difficult to pre-empt those, or to pre-guess those, really. I suppose there is an issue of the assessment perhaps not identifying a figure for the administrative cost of that sort of alignment work, I couldn't see that in it, and that would be appropriate. But, it probably isn't something that is an enormous figure, in itself.

[242] **Mr Barrett:** No, and there's also the issue with any transitional arrangements that might be placed in terms of that alignment and the financial impact of that. That's not specifically considered in there, either.

[243] **Peter Black:** The Williams commission had a stab, a very, very rough and ready stab, at what harmonisation would look like if you just put them together, before you made any political decisions in terms of, 'Well, how much is it going to cost to deliver services in the future, et cetera?' There was some element of that in the 1995 reorganisation, but my recollection is that the biggest harmonisation issue there was council rents. That was a big issue in Swansea and a lot of other ones. I'm just wondering, is there any audit work you've done in terms of either of those from 1995 that might help to understand how this will work in terms of the present reorganisation?

[244] **Mr Morris:** Not that I'm aware. It's something that we can look back at to see what there is. I'm personally not aware that there was any detailed work undertaken.

[245] **Mr Barrett:** We will take a look at that, yes.

[246] **Peter Black:** In terms of the pension funds, do you have any concerns about the impact on pension funds in terms of reorganisation?

[247] **Mr Barrett:** Not particularly, I think there are issues in terms of mergers of pension funds or pooling of pension funds, et cetera, but those are very much separate from any local government reorganisation and could take place in the short term, or could wait until after reorganisation. So, I don't see any particular issues. The only issue there might be around pension strain would be as a result of redundancies, and the financial impact on the authorities of having to pay into the pensions.

[248] **Peter Black:** I was trying to avoid using the term 'pension strain', but yes, I understand.

[249] **Mr Barrett:** Sorry. [*Laughter.*]

[250] **Peter Black:** That's fine. Okay, thanks.

[251] **Christine Chapman:** Okay?

[252] **Peter Black:** Yes.

[253] **Christine Chapman:** Janet.

[254] **Janet Finch-Saunders:** I've lost my page, sorry. Where am I? What page?

[255] **Peter Black:** Nineteen.

[256] **Janet Finch-Saunders:** Thanks. Right, the auditor general stated he was not in a position to offer definitive views on costs included in the regulatory impact assessment part 2. Has your position changed in terms of being able to offer a view on the figures?

[257] **Mr Peters:** Essentially, I don't think it has. The part 2 assessment seems less complete than the part 1, but part 1 is probably the more significant document, anyway. There are examples of figures that are identified for one thing, but are not for others. For example, the Welsh Government's figure for producing guidance for self-assessments, £12,000: there isn't, say, an equivalent figure for peer assessments, and that does raise queries as to whether that's complete, or whether one figure is covering several things and it's just that descriptions are a bit odd. That does lead to some uncertainty, so our view is that we can't say it's definitively right or wrong; we couldn't do anyway, because this is estimates and assumptions. But, overall, taking the impact assessment as a whole, it doesn't seem unreasonable.

[258] **Janet Finch-Saunders:** Okay. Also, the auditor general commented it was not apparent what lies behind the figures. Can you expand on that?

[259] **Mr Peters:** Yes. I suppose it comes back to the earlier point of estimates. If you take the estimate of a 10 per cent to 20 per cent reduction in admin posts, clearly, with a reduction in the number of authorities from 22 to eight or so, you would expect there to be a combination of admin functions on a geographical basis, which should lead to some growth in economies of scale, but larger authorities are going to need larger admin functions, so it wouldn't be just a simple arithmetical halving of the numbers. So, when there's a figure of 10 per cent to 20 per cent, it isn't explained where that really comes from; there's reference to the KMPG report, but I don't think it's a direct reference to it. The workings aren't shown completely, but they don't seem to be unreasonable figures, given a sort of common-sense approach.

[260] **Janet Finch-Saunders:** The KPMG report that you refer to did identify that £151 million of the savings could be achieved pre any mergers. Do you believe that local authorities have had the leadership and guidance from the Minister in terms of, 'Come on; let's get on with it now'? There's £151 million that could be saved to the public purse in terms of administrative costs. We know that we're in an ad hoc situation at the moment. There's a lot of front-line workers out there very concerned about local government reform as we move forward, but this was a report that identified £151 million of savings a few months ago, and yet, we have no knowledge that anything has changed, that local authorities are actually working to that and how that's being monitored.

[261] **Mr Barrett:** Certainly, from my experience, I think authorities are taking opportunities now, particularly perhaps with an eye to reorganisation, to make some savings, to make some decisions about posts and senior posts and filling them or not filling them. And those are savings. Now, whether you can directly attribute those to local government reorganisation, or it's just good management within the authorities, I think is debatable. But, certainly, there are examples of authorities, also because of the austerity agenda et cetera, making decisions to deliver things in different ways, with a view to providing quality services and at a cheaper price. So, there is some impetus from within local government on that. Clearly, reorganisation would provide a much bigger lever to enable those gains to be achieved.

[262] **Janet Finch-Saunders:** Okay. And, whilst you're here, talking about community councils now, I have quite a lot of approaches from all over Wales in terms of transparency and accountability in community councils. I've felt for a long time, when you look at the number of uncontested seats—hundreds of them across Wales—that community councils are badly overdue for reform. Do you think this Bill—I asked the previous witness—is a lost opportunity as community council review and reform haven't been included as part of this? Part of the objectives of the Bill is to give community councils more responsibility, but yet the structure of community councils at the moment is very badly flawed and, of course, we have a distinct lack of transparency and accountability. How do we address that?

[263] **Mr Barrett:** I don't have a particular view on the structure of community councils. I am aware from work I've directly done of some of the issues that exist within community councils around governance and management and administration. In my experience, they tend to be smaller community councils, and, obviously, I recognise that they sometimes struggle for membership, but also struggle to get the administrative support they need. The idea of creating larger community councils would seem to address some of that but may well bring other issues with it. But, on the whole issue of transparency and openness, particularly when you get down to the very local level—and I see community councils doing excellent work, very visible work—we get quite a bit of correspondence that says, 'I've asked the community council. They're not telling me what's going on'.

[264] So I think there is scope to try and improve that, but I'm not sure exactly what the answer is, other than around training and development of members and encouraging people to participate. There is a level of interest and engagement amongst the public. I was at a community council recently



presenting a report and there were, I think, 40 members of the public at that community council meeting—I've been to council meetings where there aren't 40 members of the public—because they were genuinely interested in what was going on. So, I think there is an opportunity to give them greater powers to be able to deliver things.

[265] **Christine Chapman:** I've got, on the original question, Mike and Mark with supplementaries. So, we'll take those.

[266] **Mike Hedges:** You've talked about administrative cost savings in larger authorities, but you've got examples, haven't you, because you've got Manchester, you've got Birmingham, you've got Glasgow—how do their administrative costs compare? If you're making these savings—. And also Cardiff, which, even though it's changing, the size of Cardiff is roughly the size of an average one of the new councils being created. You know that sort of information, so surely you can model it from the administrative costs of those, and that should give you a number.

[267] **Mr Peters:** I would have thought that that's what the Welsh Government has done.

[268] **Mr Barrett:** I would expect Welsh Government to do that. I'm not aware of—we haven't done any analysis on the councils in England, to look at that. Clearly, as Martin's already said, large authorities by their nature need more support than smaller authorities. There are economies of scale to be gained, particularly when you're joining authorities together.

[269] **Mike Hedges:** That's an interesting statement. If it happens, we will see whether you're right.

[270] **Mr Barrett:** I said that there should be economies of scale, not that there would be. We have seen examples before where things come together and, also, things change, and if authorities have a general power of competence and decide to do some different things, they may well need some additional admin support, et cetera, to do those things. So, we're not necessarily comparing like with like as we go forward.

[271] **Christine Chapman:** I've got Mark, and I think Peter wants to come in. Mark, do you have a supplementary?

[272] **Mark Isherwood:** Yes, on that point, we've heard evidence from

previous inquiries that there are different cost curves, different cost benefits, different models of productivity, according to local demographics, geography and other factors. So it's not an absolute science.

[273] You referred to some local authorities doing things differently in order to drive greater efficiencies. You've started a series of reports, such as the December report on leisure services. I think you identified 18 local authorities had reduced expenditure. Despite that, 14 have seen an increase in usage, whereas you gave examples of those who'd increased expenditure and seen falling usage. But we heard earlier from SOLACE that decisions over, for example, outsourcing are political decisions, therefore not so much audit decisions. I would perhaps contest that, but where does your role as auditors stand given the political aspect to doing things differently?

[274] **Mr Morris:** In terms of the political policy decision, that, in black and white terms, is outside the auditor general's remit. However, it is not quite black and white. Where we do have a role is to look at whether it was soundly based; is it based on the powers that the local authority has? Does it reflect legislation? That will become increasingly significant as the Well-being of Future Generations (Wales) Act 2015 takes effect in the future, because that has some fundamental provisions about decision making by local authorities, even at the policy level, in which we will have a role in commenting on how they've gone about it, and what the systems and processes are to ensure that they have applied the principles within that legislation. So, we do have a role in ensuring, or providing assurance, that the decisions taken are soundly based, and then our second role is to look at how effectively those decisions are implemented and put into effect. That's often where you get these huge variations—is the way that that systems and arrangements are implemented actually delivering the maximum benefit? That can vary enormously from one body to another depending on how they go about it, what their levels of capability and competency are, what their actual systems and arrangements are and how they're affected. So, we do have a role, but we have to be careful that it doesn't stray into the commenting on policy and political policy making.

10:45

[275] **Mr Barrett:** Just to re-emphasise, I think, it's absolutely right in a democracy that political decisions are taken. The important thing is that the people taking those decisions have the full information available to them to take those decisions. So, for example, if I take a very simplistic example: the

possibility of outsourcing a service—information's provided that says, 'Actually, this will be a bit cheaper and the quality won't be impaired', and the decision makers take the view, 'We don't want to outsource'. They're taking that in the full knowledge of what the position is. If, however, they've been presented with options that don't include all the options, then that does cause a problem for us as auditors, because they haven't necessarily acted reasonably in having all the information provided to them.

[276] **Mark Isherwood:** Thank you.

[277] **Christine Chapman:** Peter.

[278] **Peter Black:** Just coming back to these efficiencies of scale. Clearly, there will be efficiencies of scale in terms of staffing et cetera and how you organise your services, but there are also major difficulties. ICT systems may not be compatible. You may have a situation where both Swansea and Neath Port Talbot—one's got council housing outsourced, one hasn't and there's a whole range of differences. Do you think the regulatory impact assessment takes sufficient account of those differences in actually calculating the costs and the benefits of this particular reorganisation?

[279] **Mr Peters:** Well, there's a question of where you stop, really.

[280] **Peter Black:** We have to stop where the costs—

[281] **Mr Peters:** You could spend a very large amount of resources on trying to model all these issues, and no doubt it would identify further costs and, in some cases, identify further savings. So, it's really a question of: is the exercise proportionate? From what we've seen, I wouldn't say that it's obviously not. Clearly, it could go further and be refined but it's not so rough and ready as to not be fit for purpose.

[282] **Peter Black:** If I had a regulatory impact assessment in front of me, and it says it has x amount of benefits, I would expect it to have taken into account all of the potential costs as part of that—you don't think that's reasonable.

[283] **Mr Peters:** Well, all the material costs—all the costs that would lead to you making a different decision—yes. But, with a huge exercise like this, I think one has to be realistic that one isn't necessarily going to identify all the costs.

[284] **Peter Black:** ICT is a major cost. You know, you're talking tens of millions of pounds. It's not something you can easily dismiss.

[285] **Mr Peters:** No, indeed, and the RIA includes figures for ICT costs. Whether the figures underlying those stack up, we don't know. We haven't audited the RIA and I'm not sure that it would be helpful to do that.

[286] **Peter Black:** It would be helpful for me, but carry on. [*Laughter.*] Okay, thanks.

[287] **Christine Chapman:** Okay, thank you. Lindsay.

[288] **Lindsay Whittle:** Thank you, Chair. The Auditor General for Wales stated in his written evidence that he thought that provision of a general power of competence was 'appropriate'. It's not exactly the most exciting word in the world—sounds a bit like my school reports. I wonder if you could perhaps expand on that view, please.

[289] **Mr Barrett:** I think it's because the auditor general has talked about the need for transformation and for things to be done differently. We think the general power of competence would be helpful in facilitating some of that innovation and service delivery, and perhaps more broadly in building prosperity and other aspects of wellbeing. We understand that, in England, it's been useful in providing facilitative conditions for small businesses to operate and flourish, and it may also facilitate providing a wider range of discretionary services, i.e. those that the authority would charge a fee for. So, we do think it would provide those greater opportunities.

[290] **Lindsay Whittle:** So, would there be any risks associated, perhaps, with the conferral of general powers then, and how do you think the Bill takes account of those?

[291] **Mr Barrett:** There are risks around general competence, particularly around issues such as either additional taxation or, indeed, circumventing existing statutory provisions through the power of competence. The Bill protects against those, but there are some more subtle risks arising from public law, which the Bill itself doesn't explicitly address, and which I could basically summarise as: a general power of competence does not give an authority the power to do anything it wants. It still has to operate within the principles of public law. It has to act reasonably; it has to act rationally and

within the Wednesbury principle, for example.

[292] So, those more subtle aspects aren't particularly laid out in the Bill, but the general risk areas are. So, there are some risks and we do see authorities, even within the current regime, exceeding their authority and not actually providing—I talked about providing enough information to help decision makers et cetera. Things have to be rational and have to be reasonable, even within a general power of competence.

[293] **Mr Peters:** Could I just add to that? Anthony mentioned that there are aspects, particularly public law, that the Bill doesn't address. It probably wouldn't be appropriate for the Bill to try to do that. I think it would lead to all sorts of problems. I suppose, really, some of the biggest risks arise, perhaps, with the smaller bodies, which don't have their own in-house legal advice, which may be confused about phrases in the Bill, such as doing 'anything that individuals...may do'. I think that may be a bit misleading because, as Anthony said—well, almost said, I think—individuals can be impetuous and they don't have to demonstrate that they're acting rationally, but public bodies do within the rules of public law. The Bill won't affect that situation.

[294] To address that, rather than trying to do it in the Bill, I think it's probably best to try and address it through some really good guidance as to what is reasonable use of the general power of competence and examples of what isn't. That could both discourage inappropriate use and it could, perhaps, encourage appropriate use. I think there's an opportunity there.

[295] **Lindsay Whittle:** You suggested that reports on fitness for competence would be more cost-effective than amending the scope of audit work. Could you explain what you mean by 'fitness for competence'?

[296] **Mr Peters:** This comes to the audit criterion that's mentioned in the Bill, that if a community council wishes to resolve that it has competence, it has to have unqualified audit opinions for two years. Our concern is that audit opinions are not designed for that purpose—audits aren't designed for that purpose. That's not to say that an audit opinion is not a relevant factor to take into account, but it's not the whole story.

[297] We could, potentially, expand the scope of audit to provide more assurance around the ability of a council to take on competence, but that would be an extension of work and it would have a cost. It might be better,

and this is only a suggestion, to have a somewhat more targeted approach so that if a council wishes to take on general competence powers, it obtains a report that assesses whether it's in a good position to do that, rather than relying on a generic level of work that's done across all authorities, many of which may not be interested in taking on competence.

[298] **Lindsay Whittle:** That's interesting, because we had a brief discussion earlier about community and town councils—well, it didn't mention town councils, but they're almost the same thing, aren't they—and you said that audit arrangements are not suitable to determine whether a community council meets the competency requirements. I'm aware from personal experience that there are many community and town councils throughout Wales that want to do things, but it's not within their power of competence. But they don't have the advice, really—the professional advice—that they really need. I'm wondering how we could resolve that. Of course, there are huge swathes of Wales that don't even have community and town councils, and I think there's possibly another Bill there for any political party that's listening. I'm wondering what your thoughts are on that.

[299] **Mr Peters:** I sympathise with the position that community councils find themselves in. Public law is a complex area, and I can see that understanding the limits of their own powers can be quite daunting. There is perhaps a role there for the Welsh Government and perhaps the associations of local authorities to provide more guidance to help councils with those issues, particularly if councils are taking on general competence; I think that would increase the need for that.

[300] **Lindsay Whittle:** Okay, thanks.

[301] **Christine Chapman:** I don't know whether you had any further questions.

[302] **Lindsay Whittle:** Not on this issue.

[303] **Christine Chapman:** John, you've got a supplementary.

[304] **John Griffiths:** I just would like to probe a little more in terms of the general power of competence of the principal authorities. I think we heard a view from the chief executives of local authorities earlier that, perhaps, that general power, as proposed in this legislation, will not, in fact, enable authorities to do that much more than they are currently able to do, whereas

I think there is another view that it would be important in terms of allowing new methods of delivery, innovative approaches and new thinking that could actually produce different delivery. I just wonder whether you could say a little more than you already have in terms of how significant this proposal for general competence is within this legislation.

[305] **Mr Barrett:** I think—Martin may have a view, as well—it's a significant proposal. I think the idea of providing general competence will enable some authorities to do things differently—to take some risks. We've, as an organisation, talked about the need to take well-managed risks. One of the risks is that you act outside your authority. A power of general competence would provide a greater opportunity to do innovative things within the legal framework that exists. I can imagine some authorities will grasp that and run with it; I can imagine other authorities may be a little bit more reluctant. It may well need one authority to start doing it, taking some risks and starting to deliver for the others to say, 'Actually, we've got this power of competence; we should be using it to do things a bit differently'.

[306] **Alun Davies:** That's so disappointing, isn't it?

[307] **Mr Barrett:** What's that, sorry?

[308] **Alun Davies:** Well, that the Wales Audit Office doesn't believe that all local authorities would either understand or appreciate it, and would need to follow a crowd, in some ways.

[309] **Mr Barrett:** I think that's perfectly natural behaviour for organisations. There is, invariably, one that takes the lead, and others that say, not unreasonably, 'Well, in some respects, let's let them make the mistakes and we'll learn from those mistakes'. What would be disappointing would be if no authority used the powers available to them to do things; that would particularly concern me. I think if you just have one or two, start tipping things over and start delivering services in different ways with better quality and cheaper, then we'll be saying to the other authorities, 'Why aren't you doing something, because there's an opportunity here that you should be taking?'

[310] **Alun Davies:** I'm not convinced.

[311] **Christine Chapman:** Okay. Right, John, did you—?

[312] **John Griffiths:** I don't know whether—

[313] **Mr Barrett:** Did you want to add something on that, Martin?

[314] **Mr Peters:** All I was going to say is that it's, perhaps, understandable that there is caution among local authorities, because they've had a salutary experience with the LAML case with the earlier wellbeing powers. It looked like a new world of being able to do more things. With London Authorities Mutual Limited, they had an adverse case, which, I think, dampened their enthusiasm for that kind of innovation. So, I think, as Anthony says, examples of successful use will help encourage use of the general competence power. But, clearly, if there are problems, that can put authorities off.

[315] **Christine Chapman:** Okay. Lindsay, any further questions?

[316] **Lindsay Whittle:** Chair, I've had an opportunity to ask. We have seven more sets of questions; perhaps it'd be wise if we moved on. We've only got 15 minutes. It's up to you, as Chair, obviously.

[317] **Christine Chapman:** Okay. Mike, do you have any questions?

[318] **Mike Hedges:** I have a couple of questions, not necessarily related to what's on the sheet here. Peter Black talked about ICT earlier, an area I have some interest in. The difficulties of ICT are that people have long-term contracts and people have software contracts that are based on the number of users. So, you don't make any saving, do you? If you have two authorities with 1,000 people and one authority with 2,000 people, if they're all using the same software, the total cost is exactly the same. So, there's a whole range of these that come through. There's also processing capacity. If you've got to process enough payroll for 10,000 or 20,000—for two lots of 10,000 or one lot of 20,000, you still need the same amount of processing capacity. I find difficulty in seeing where the ICT savings are and how you calculate those ICT savings. Maybe you can send us a note or tell us now how you get to those.

11:00

[319] **Mr Barrett:** I can think of a couple of things immediately—on the licences, for example. When you're going and you're buying 1,000 licences, you will be quoted a price. If you were able to buy 2,000 licences, you'd



probably get a slightly cheaper price per licence in terms of the scales. So, there might be opportunities to start renegotiating contracts. There are different suppliers out there—they can go to different suppliers. There will be issues about the long-term nature of contracts, and some may have to run, but opportunities should be taken to renegotiate. The assumption of 1,000 users from each one coming together doesn't look at the reduction in admin and support that might be required to have some reductions.

[320] **Mike Hedges:** The Welsh Purchasing Consortium, at least in theory, ensures that the purchasing capacity of all local authorities in Wales is used, so the savings would not occur, would they?

[321] **Mr Barrett:** Again, I think there is some opportunity for some renegotiation on some of those things, but where you're going through a central portal to purchase those, then there's unlikely to be a reduction in those.

[322] **Mike Hedges:** I've sat listening to a company telling us about all the savings that could be made on purchasing. All of a sudden, when they discovered that the Welsh Purchasing Consortium was engaging in a substantial amount of savings—and Peter Black was there being told exactly the same things; not with my level of scepticism, but he was being told exactly the same things—there was an acceptance of that. Then, all of a sudden, they said, 'Oh we can't do this. The Welsh Purchasing Consortium are negotiating. The savings we thought were going to come aren't going to come.' Have you looked at the Welsh Purchasing Consortium and the savings they achieve?

[323] **Mr Morris:** We're in the early stages of a study that is looking at procurement in Wales. It is looking at the consortium and looking at procurement at a national and local level and how effective the current arrangements are. So, that is a value-for-money study that the auditor general is currently undertaking. As I say, it's at the early stages, but we'll be doing that work over the year, and that will give us a much better picture of how effective national arrangements are, how they are used and how they facilitate effective procurement by individual bodies within Wales in local and national government.

[324] **Mike Hedges:** This is a slightly different question to the last one from me. Mark Isherwood mentioned outsourcing. My experience of outsourcing was 'tender low and claim' and that, once you destroy the local authority's

ability to provide a service itself, then they've got no option but to come back to you. Don't you see a problem with that—with the intention to outsource?

[325] **Mr Barrett:** I think it very much depends on the market and the extent to which there might be other suppliers. I have seen examples of authorities outsourcing, experiencing problems with that outsourcing and then bringing the service back in and, to a certain extent, using the learning they got from the way in which the service was delivered by the private company to facilitate better service delivery internally. But, clearly, if you completely outsource something and you then maintain no expertise in that internally, it becomes very difficult to bring it back in. You can outsource it to somebody else, but it does become difficult to bring it back in.

[326] **Mike Hedges:** Okay, that's me done.

[327] **Christine Chapman:** Okay, thanks. Sorry—Alan.

[328] **Mr Morris:** If I could just add one small point on the ICT question, today, the auditor general is publishing a report on Natural Resources Wales—the establishment of that organisation. I think there are some very interesting lessons in terms of how they've gone about addressing quite a complicated integration of multiple ICT systems. We've seen evidence that they are delivering their solution at a lower cost than they had initially anticipated. They've done some quite innovative things. So, I think there are examples out there that can be learned from and used by local government as it goes through those complicated ICT mergers as well.

[329] **Christine Chapman:** Okay, thank you. John.

[330] **John Griffiths:** In terms of Part 5, and improvements to governance, you're concerned that provisions giving regulation-making powers to Welsh Ministers might adversely and unreasonably impact on the independence of the audit office. Could you expand on that, please?

[331] **Mr Barrett:** Yes. I'm sure Martin can provide some detail, but, in looking at section 143 in particular, and the relevant functions as defined, our concern is that Welsh Ministers will be able to tell the auditor general when he can do an audit and a study of particular councils, and what information he must share with Estyn and Welsh Ministers through CSSIW. To us, it does not seem appropriate that Welsh Ministers should tell or be able to tell the auditor general when he can do an audit or a study of councils.

Among other things, it seems to defeat the whole concept of issuing immediate public interest reports, which, you'll be aware, we've done on a number of occasions, because Welsh Ministers would, under these regulations, have the powers to say when things get done.

[332] **Christine Chapman:** Okay, John?

[333] **John Griffiths:** So, in your view, there shouldn't be provisions in this legislation dealing with those matters at all, or should they be of a different nature?

[334] **Mr Peters:** I think the first subclause—that we should have regard for the need for co-ordination—is appropriate; clearly, co-ordination is helpful in terms of making life as easy as possible for local authorities and any audit body, and it is something that we already do through the inspection Wales group. But to be told when we can do things is a significant encroachment on audit independence, as Anthony's explained.

[335] **John Griffiths:** Okay. Moving on, another thing the draft Bill does is to deal with a number of areas relating to regulators, including this provision for combined regulators assessments. Again, in terms of your concerns regarding these provisions, could you expand on them and, in particular, would you like to see amendments to those provisions?

[336] **Mr Barrett:** I'll provide a general comment first in terms of—. The combined assessment concept is inherently inefficient in our view. A more simple description for it might be drafting by committee, and, in our experience, that's not as effective as it could be. But it's actually a bit more complicated than that, with three bodies being required to try to carry out reviews jointly and then to have agreement between the three about the programme of work that needs to be done, about the analysis of the results, about how the analysis should be written up in the report, and then about how comments from the authority concerned and relevant third parties are dealt with. And, on that last point, I think it sometimes gets overlooked that the auditor general doesn't just write a report and then publish and be damned. The auditor general goes through a very rigorous process of ensuring with third parties and others that the reports are factually accurate, particularly with individuals or organisations that might be subject to public criticism. So, we therefore have to give those parties the opportunity to comment on the report. I think some of those issues are—. I don't think that's the best way to deal with how we could or should be more joined-up

and more co-ordinated. Do you want to say anything in terms of the detail?

[337] **Mr Peters:** Yes, we think, in terms of a better approach, it would be to have one body responsible for the assessment, but to require that body to take account of the other two bodies' views. As it is the auditor general that looks across the range of functions of local authorities, it does seem sensible to make that one body the auditor general. That's not to say that Estyn's work and CSSIW's work are not crucially important. Clearly, education and social services are hugely important and we have to take account of those things in assessing local authorities.

[338] **Mr Barrett:** Yes, and I think, in terms of potential changes, we'd suggest replacing or recasting section 124 so that it provides for an assessment by the auditor general, requiring the auditor general to take account of relevant regulators' work, and that to mean Estyn and CSSIW.

[339] **John Griffiths:** Are these issues that concern you in terms of the independence of the audit office, or is it more about some of the practical matters that you referred to, or is it both?

[340] **Mr Barrett:** Some of it is independence. If we have to agree a combined assessment, when we might have Estyn/CSSIW taking particular views because of their areas of expertise and us taking a broader view because of the things we've looked at, you know, part of me thinks there's a risk that a report will never be produced, because we won't be able to agree on something. The reality is we would, but it's just inherently inefficient, in our view, to require that agreement and that level of working together.

[341] **John Griffiths:** So, in effect, it's all the practical aspects that would make it—

[342] **Mr Barrett:** We already work, to a large extent, in that way in terms of sharing information and working together. We've done joint reports before and joint working. But the way it currently operates, it's very flexible and we're able to operate within that very efficiently.

[343] **John Griffiths:** Okay. One final matter, if I might, Chair. Wellbeing objectives and the corporate plans: again, you have concerns that those wellbeing objectives are not at one with priorities in corporate plans. Could you, again, expand on those concerns a little?

[344] **Mr Morris:** Yes. We do have a concern here. Section 112 of the draft Bill requires councils to prepare corporate plans that include a statement of the council's objectives under the Well-being of Future Generations (Wales) Act 2015—no, sorry, that includes the council's priorities. Separately, it then goes on to say that it should also include the wellbeing of future generations objectives. To us, that creates an impression that you might have two separate things: you might have the council's priorities on one hand and the objectives that they have set under their duties under the wellbeing of future generations Act on the other. To our mind, that should be one thing and that was certainly the intention of the wellbeing of future generations Act.

[345] The way it's written at the moment suggests that they might be different and we think that there's an opportunity here to make sure that the aspirations of the wellbeing of future generations Act of having a coherent set of objectives that reflect local needs and so on is fully reflected and is this gold thread, if you like, throughout all the planning. There's a slight risk here that that might be interpreted as something separate to the council's own priorities. So, that's our concern. There's an opportunity here just to clarify that there isn't that separation of different sets of priorities.

[346] **John Griffiths:** Okay, thanks very much.

[347] **Christine Chapman:** Okay. Thanks. Just to remind Members, we are now coming to the end of the meeting, but I know Mark wants to come in, I think, and Alun.

[348] **Mark Isherwood:** Yes. Staying with part 5, can you expand on why the auditor general believes that peer assessment should aid improvement as well as diagnosis, and why resource limitations regarding peer review might impact on this?

[349] **Mr Morris:** On the first part of that, we do have a bit of a concern that there's a heavier requirement on assessment and review. Self-assessments of the authorities are required, peer assessment, there's then the proposal for combined assessments by the auditor general and the other inspection bodies, and there's a provision for further reviews by the Welsh Government commissioning its own reviews of governance. To our mind, that's potentially quite a heavy regime of assessment and review that doesn't, perhaps, place enough emphasis on providing support for improvement. In particular, peer assessments can be quite effective in providing that kind of critical friend support, and I know that's part of the intention, but we feel there's a risk

here that the peer assessment is seen as yet another bit of external diagnosis, rather than something that helps the body to identify the cure. So, that's our broad concern in terms of the provision.

[350] Our second concern is that we know that the pool of potential peers to be involved in these kinds of activities is not large, and it's just a slight concern as to where are we going to get all these peers from to carry out these periodic peer assessments, and some concerns about their training, ensuring that they are the right people to deliver the job. So, it could, potentially, be quite a challenge to ensure that there is that sufficient, appropriate pool of peers available to do this. We know, from our own experience—we have occasionally used peers in our own work to supplement our own staff and others, and it can be difficult to find people who can free up the time. These are busy people. Even if they are retired, often they have other lines of work and they're involved in other activities. It could be quite challenging to make sure that we've got the capacity within and perhaps beyond Wales to service that requirement.

[351] **Mark Isherwood:** Would you agree that making time to embed cultural performance management can actually save time?

[352] **Mr Morris:** Indeed. And, again, I think that goes back to the first point of to what extent is the peer assessment there to provide another diagnosis, or is it really part of the active support and development of the authority's arrangements to make sure that they are as effective as possible? We think the balance is perhaps not quite right at the moment.

11:15

[353] **Mark Isherwood:** The final one is the auditor general's comment that certain costs, such as self-assessments, are incomplete.

[354] **Mr Peters:** I think we've spoken about this already in that, for example, there's an identified cost for the Welsh Government's guidance, but no actual identification of the cost for authorities undertaking the self-assessments themselves. I think the RIA says that it's assumed that this will be outweighed by the removal of duties from the 2009 Measure. Well, that might be the case, but it isn't the most transparent way of presenting things.

[355] **Mark Isherwood:** I won't go further; time's too short. Thank you.

[356] **Christine Chapman:** Right. Okay. Well, we haven't any other questions, so could I thank all of you for attending today? We will send you a transcript of the meeting so that you can check for any inaccuracies, but thank you for attending. Thank you very much.

[357] **Mr Barrett:** Thank you for your time.

11:16

**Y Bil Llywodraeth Leol (Cymru) Drafft: Sesiwn Dystiolaeth 3—  
Cynrychiolwyr o'r Undebau Llafur  
Draft Local Government (Wales) Bill: Evidence Session 3—  
Trade Union Representatives**

[358] **Christine Chapman:** We move on now then to our final witness and final panel, from Unison. Okay. If I can move on now then to a final panel today. We are, again, to remind Members, taking evidence on the draft Local Government (Wales) Bill, so this is the evidence session with Unison. Can I give a very warm welcome to Dominic MacAskill from Unison? Dominic, we've read the paper that's been sent; Members will have read it, so we'll go straight into questions, if you're okay with that.

[359] I just want to start off. I wonder whether you could explain the extent to which the information contained in the regulatory impact assessment that goes with the draft Bill—whether you think it provides sufficient empirical evidence to support the merger of local authorities.

[360] **Mr MacAskill:** First of all, thanks for inviting me—well, Unison to send somebody here. Apologies from Margaret Thomas. She would have liked to have given evidence in person because of the importance of this particular Bill. Also, apologies for sending you a slightly dated report. I think Unison, as other trade unions, and, I imagine, the Assembly itself, is grappling with the ever-increasing demands of devolution. So, we are trying to get up to speed, and we will be making a submission on the Bill, which will be available in a week or so's time for this committee's information.

[361] It's a good track record that this committee has of inviting trade unions to give evidence. Trade unions in the public sector are, I think, a particularly important stakeholder in three senses: one, in providing the public services—and so we've got a real interest in ensuring that we retain

good conditions, and good career progression and career development for retention, and safe working environments. But we also believe in the importance of providing good quality services, because we use the services. We live in the communities that we provide services for, and also we're taxpayers and electors as well, so we do want efficiencies and effective and sustainable services going forward. So, that's the caveat to our involvement in giving evidence today.

[362] We have been cautious in terms of the organisation in local government in Wales. We have been critical since 1996 of the 22-authority model. We thought it was devised less out of the empirical evidence of the benefits and more out of political expediency. So, our concerns around the restructuring of local government in Wales this time around—. We have similar—. We don't want to repeat the same concerns that we had back in 1996.

[363] We also represent a whole wide range of different opinions as well. We're organised in 22 local government branches, and some of those branches have the opinion that they want to keep their council as it is; others think they should merge with their neighbour, or with their next two neighbours. So, we haven't actually got a clear position in terms of the blueprint ourselves. So, what we decided to do was to set some clear, broad objectives, and one of those is one that seems to make sense in terms of the relationship between health and local government. So, we supported the commission's view that any restructuring of local authorities should bear in mind the structure of health bodies. So, we believe that any restructuring should be within the footprint of the existing health bodies.

[364] The other requirement was that—. Size isn't everything in terms of councils, and therefore we wanted to see clear evidence in terms of the benefits of the specific proposals around each merger, not just taking a one-size-fits-all approach, albeit, I think, with regard to the Welsh Government's assessment and the more cautious WLGA assessment, that there is consensus that there will be significant savings to be made from—

[365] **Christine Chapman:** So, you are satisfied, then, with the evidence that's come forward.

[366] **Mr MacAskill:** No. I think we can see there is a broad support in evidence in terms of macro savings from a restructuring process, but that isn't—. We also want to have sustainable and responsive local government



structures going forward as well, and there's been less information in terms of how that will work and how communities will benefit from those changes.

[367] **Christine Chapman:** Okay. John, did you want to come in on—?

[368] **John Griffiths:** Yes. Perhaps moving on to staff issues, if that's all right, Chair.

[369] **Christine Chapman:** Yes. Fine.

[370] **John Griffiths:** Obviously, change—potential change, proposed change—can be very unsettling for the staff and everybody involved in running local authorities and delivering the services. I wonder if you could give us your on-the-ground view, as it were, Dominic, in terms of those factors at the moment. How are they playing out, and what is the impact of these proposals on staff and delivery at the current time?

[371] **Mr MacAskill:** Well, I think any change is unsettling, and the fact is that we've had these discussions over a number of years now, and even at this stage it's not fully clear and finalised, and so the uncertainty will remain until, I assume, after the Assembly elections, when a firm position would be taken, and then our members and staff generally will be able to then focus on what will be concrete decisions. But I think there are opportunities as well as threats around any restructuring. One of the main concerns of our members and workers generally in local government is the fear for the sustainability of local government in the future. I think that's why we've had an open mind and been broadly supportive of this restructuring process, because we see that standing still in the 22 authorities is probably unsustainable and just a recipe for a slow decline. So, something needs to be done to create that sustainability, with the funding situation for the foreseeable future being pretty bleak.

[372] We also have, unfortunately, in the 22 authorities, had 22 different ways of dealing with staffing issues in detail. Although we're all subject to England-Wales collective bargaining, that collective bargaining is not very prescriptive in terms of the detail. For instance, collective bargaining says that there should be job evaluation in the 22 authorities, and way back in the mists of time we had discussions with the WLGA and Welsh Government about introducing one job evaluation scheme to be administered across Wales. The WLGA at the time didn't agree with that; I think they regret at their leisure that they didn't. And so we've got 22 different ways of assessing

that. So, the opportunity with the restructuring is that we can revisit that, and we've only just really sorted that so it's not really something I say with great delight and anticipation. But we really need to try to get some consistency across local government in terms of how we treat workforces, and I think there's also an opportunity, with the health and local government connection, of linking in across the public services generally in Wales. It would be easier, if local government got its act together, to make that an easier proposition.

[373] So, it's a very broad question and it's a very broad answer, because there's a role for the staff commission, which we've been generally supporting, because the staff commission could be a body that could oversee the development of an all-Wales job evaluation process.

[374] Now, the fact that it's already been done once, albeit in 22 different ways, should mean that it won't take as long and be as complicated as it was, because it's taken about 10 years to actually get from the decision to do it to completion in all 22 authorities. The vast majority of local authorities used a similar job evaluation scheme, so, although they've interpreted it in slightly different ways, the parameters are much the same. What that would allow is then in Wales you'd have a very clear idea of what a social worker is paid, what somebody in planning is paid, what an accountant is paid, et cetera, whereas at the moment it's 22 different varieties of that.

[375] But also the fear in terms of restructuring is that, when you do merge, you have a harmonisation process as well, and in past restructuring we've harmonised upwards. The danger is, in tight budgets, and the fear from members is, that that will be compromised and be more likely to harmonise in the middle at best, and at the bottom at worst. In terms of our members, who have suffered four, five years of either pay freeze or pay control—the relative value of their jobs has gone down significantly—to have the prospect of further diminution of their pay and terms and conditions is a fear. So, one of the things we're clear on is that, when we have restructuring, we'd like to see harmonisation upwards.

[376] I think there are potentials for that, because, in response to another question, I'm sure, about the potential in terms of savings and potentials in terms of finance in local government, I think there are ways of finding new income streams and new efficiencies in order to ensure that staff are appropriately rewarded. We're not looking for special treatment—we just want jobs that people are attracted to come to because they have reasonable

pay, reasonable conditions and they have good career prospects, so that we can retain a good quality of staff in order to produce the world-class public services that we all desire and strive for.

[377] **John Griffiths:** Can I just follow that up? Just to ask, Chair, it's obviously very important to maintain morale through all of this—staff morale and morale within local authorities so that they can get on with the very important job of day-to-day delivery of services. In terms of what you've mentioned, Dominic, and in terms of anything else that is relevant, are there any specific arrangements that you would like to see put in place now to address issues, to give confidence and to maintain morale through this difficult period? Are there any specific arrangements that you could point to for the committee?

11:30

[378] **Mr MacAskill:** I think the sooner we get clarity as to where we're going and that's firmed up so that it's not an ever-moving picture—I think that's the first instance. I think the sooner we can get the staff commission actually producing clear guidance in terms of expected processes with regard to the restructuring process, which we will obviously be involved in through the workforce partnership council, in hopefully influencing to make sure that that is as positive as possible—. So, what Welsh Government says in terms of reassurance—and I know that there has been reassurance in terms of statements from the public services Minister around wanting to ensure that we have high-quality terms and conditions for staff to attract people; I think those statements are useful. I think one of the other fears is that, in the period between now and any restructure, there will still be the 22 different responses to the developing financial crisis, and one of the symptoms of that is more outsourcing of council services, which is fragmenting the delivery, but is also fundamentally undermining the pay and terms and conditions of staff who are outsourced. So, statements around wanting to retain services in-house, wanting to retain well-qualified and well-supported, directly employed staff to provide those services—statements like that in the interim—would be very useful.

[379] We're very concerned—. I'm sure there will be other questions around the move towards co-operatives and community mutuals, but we're very concerned about that step, because, although it's better than outsourcing a service to a company that intends to top-slice and make profit out of it, it's still fragmenting services; it still potentially puts at jeopardy staff's pay and

terms and conditions, because these will be separate companies. They'll be controlled by boards of directors whose requirement will be towards the survival of that company, not retaining best pay and terms and conditions, and there'll be all sorts of other pressures on them. So, although we've had a clear commitment against privatisation from Welsh Government, or positive statements about it, it's been replaced by another form of outsourcing, which is equally of concern to us. The other experience of setting up community mutuals and co-operatives is (a) that there isn't the capacity out there for the governance and the running of such new bodies, and, when they are created, they are subject, within time, to the market, and could be taken over by private companies, and so it's just a delayed step towards privatisation.

[380] **Christine Chapman:** Thank you. John, any further questions?

[381] **John Griffiths:** No, that's fine, thanks, Chair.

[382] **Christine Chapman:** Shall I move on to Janet then, because I think Lindsay—? Janet.

[383] **Janet Finch-Saunders:** Overall, what impact does Unison foresee the merger process having on service delivery?

[384] **Mr MacAskill:** Well, I think the caveat is really on how well that merger process is put in place. I think, in terms of—. As I say, our general position around the merger process is supportive of the need to restructure local government, and the reason for that is that the 22 model was probably not sustainable, and certainly isn't sustainable within the current financial climate. And, so, the opportunity of mergers is providing better scale and creating more sustainability in terms being able to, within that, ensure that you have the proper training, the proper career development positions in place for staff, because the smaller you are, the less able you are to have that reassurance for staff and for services.

[385] One of our criticisms of outsourcing as well is around the quality and around being able to maintain good staff and to ensure that training is consistent and of high quality and that there is career progression to ensure that people are retained, because retaining good staff and experience is key to delivering good services. There are potentials around getting some consistency and some transparency around service delivery as well—consistency in terms of the support that the services have, and that could be through I.T. At the moment, procurement of I.T. is sometimes joined-up with

other authorities, but a lot of the time it's taken on an individual authority basis and it's only later, when you're looking to share services, that you realise that they're not compatible and it creates more problems and it's inefficient.

[386] **Christine Chapman:** Can I just interject there? What about lessons—and I think you did touch upon it—learnt from the 1995–96 reorganisation on service delivery? Do you have any thoughts on that and whether Welsh Government is actually responding to that?

[387] **Mr MacAskill:** 1996 was difficult and more complex because you had different types of authorities merging together, and they provided different services and so the complexity of that process was much greater than what we expect this time. So, I'm hoping that you won't need to learn all the lessons from the 22, because they're not applicable. But in terms of how, in 1996, they actually dealt with the staffing issues, it was exemplary and there was commitment to redeploy and there was commitment to protect, and that's reassured people and it meant that, in terms of communities' experience of services, they didn't really notice, prior to 1996 and post 1996, so, that transition was pretty smooth.

[388] The decision in 1996 for the 22 is a lesson to learn and not to repeat because it was perhaps due less to empirical evidence and more to political expedience, but the actual process of transitioning services during that period, I thought, was good practice. So, I think we could learn a lot from that and certainly our input into the staff commission will be to draw their attention to those experiences, because it is important, as has been alluded to by John's question. We do need to deal with staff morale over this change period, because no matter what change it would be, there would be concerns about it and reassurance would help in terms of protecting services.

[389] **Christine Chapman:** Okay. Janet.

[390] **Janet Finch–Saunders:** On that, directly to the question: how is staff morale and mood at the moment—because we have concerns—as it's going to be affecting so many of our key front–line workers, delivering really vital services? How would you say the mood and morale is currently?

[391] **Mr MacAskill:** I think it varies tremendously from authority to authority and within departments of authorities. I think it's not helpful that this is hanging over them without any real clarity and firm decisions. But I think that

that is more at the back of their minds. I think what's at the forefront are decisions that are being taken now, and there have been difficult decisions in local government in Wales. Albeit Welsh Government has protected expenditure to local authorities—more so than in England—we have lost around 25,000 jobs in councils in Wales over the past five years, and so a lot of our members are feeling additional stress from having to do more with fewer resources, albeit some of the services have become more efficient and have managed to grow their capacity even with limited funding. But we've also got some authorities whose response is to outsource almost everything from leisure services to museums and libraries. We've got even a consideration of outsourcing the whole of adult services out of local authority control. These things are not happening because there is a particular strategic position in Wales about how we should deal with the crisis; it's happening in different authorities because different discussions are taking place and different conclusions they're coming to about what the future delivery of service should look like, and that's the most worrying aspect for our members.

[392] **Janet Finch–Saunders:** Thank you. And the final question: to what extent is the impact on service delivery fully considered in the regulatory impact assessments?

[393] **Mr MacAskill:** Well, I think this is the empirical evidence that we are asking for. There isn't the detail there that we would like to see in terms of each of the proposals. As I said, they seem to—. You look at the proposed map; it does look a bit like we're going back to 1996, where we decided we wouldn't go for the 22 model and we would just go for a county council model, and I suppose there's something to be said for that, because it means that people recognise those as communities. But the macro detail hasn't then been followed up with a clear look at how services are delivered in those 22 authorities and how they would be improved by merging them within the footprints that we've seen. Whilst not necessarily expecting that to have been there in detail in the first draft, I think we would have expected significant work to be done on that prior to the final decision on the blueprint.

[394] **Janet Finch–Saunders:** Thank you.

[395] **Christine Chapman:** Mike.

[396] **Mike Hedges:** Can I start off by declaring an interest as a Unison member?

[397] **Christine Chapman:** I should declare an interest as well, I'm sorry.

[398] **Alun Davies:** Well, in that case, I'll declare an interest as well, as a member of Unison.

[399] **Mike Hedges:** The questions I've got are all along the same line. What's your view on the proposals in the draft Bill regarding the transfer of staff? I heard your concerns about harmonisation, and I think you can take it from the people who talked to us earlier that their calculations have all been based on an average of not everybody going up to the higher level. I think we can take those for granted. I also know that job evaluation in Swansea and Neath Port Talbot came up with entirely different answers for social workers and for library staff—one a winner in one authority and a loser in the other for both of those. So, what progress are you going to make with harmonisation to ensure that people don't all of a sudden find local government reorganisation means they've just lost £5,000?

[400] If we have a merger of local authorities, there are only three things that can happen to staff: they can either be transferred, retire, or be made redundant. On retirement last time, lots of people took retirement because they got enhancement and no actuarial reduction. What do you think is going to happen this time, assuming enhancement is almost certainly not going to occur? Will there be a pressure for actuarial reduction, which can have a serious effect on people's pensions? And I assume you'll be fighting against any compulsory redundancies.

[401] **Mr MacAskill:** In terms of the estimated cost for harmonising staff over into the new structure, it's inadequate. I think something like £3.5 million was the figure.

[402] **Mike Hedges:** That's probably enough for Swansea.

[403] **Mr MacAskill:** And you've alluded to the costs other than harmonisation, in that there are expected to be considerable efficiency savings from the generation of the new authorities, and what that means is fewer people employed by councils to deliver their services to communities, and fewer staff means you certainly have to have a mechanism for moving them out of the organisation. As a trade union, which is interested, in that there are three aspects of stakeholding—so, this is not just a parochial answer about wanting the best for our members; it's wanting the best for our

services and communities going forward—there is nothing to be gained from reducing the pay and terms and conditions of members who are currently providing services to communities.

11:45

[404] It will just demoralise and it will just cause problems in terms of retaining those people. So, you may not have a problem in terms of reducing your staff in the long term because people will just leave because the pay and terms and conditions and the career structures are just not worth their while committing themselves to local government.

[405] So, there are clear potentials in terms of financing local government with this restructure, because you can review your council tax rates—you're going to need to harmonise your council tax rates. Now, Unison did do some calculations on this: if you harmonised council tax upwards within those blueprints, you would generate over £90 million a year for local authorities. Now, that's not very palatable for a council tax payer who is currently paying the lowest rate. So, for example, if you're living in Newport and you're harmonising up to Blaenau Gwent's council tax levels, you wouldn't necessarily be very happy. But why should somebody in Newport be paying less than somebody in Blaenau Gwent for the services they receive?

[406] I think there are opportunities in terms of—. Although there is a progressive nature to council tax, it's not perfect by any means. There are not enough higher bands for council tax. I know I'm going a bit off track here, but this is the point I'm making: if you're going to enforce difficult decisions on staff, you should be prepared to make difficult decisions to fund services properly and sustainably into the future. So, additional bands on council tax would allow you to raise more money and you'd save money because you'd be paying less out on council tax benefits because you'd be able to reduce the level at the other end. So, what we'd want to see is harmonisation upwards, and that would assist, but it could be run alongside this all-Wales job evaluation process, which would start meaning that you would have one grade for social workers across Wales et cetera.

[407] In terms of the cost with regard to redundancies and early retirements, that's one of the reasons why, in our submission—and we've been consistent on this—we wouldn't like to see the restructuring of councils done out of existing council budgets, because there is an initial hit in terms of financing restructuring. There are some long-term gains, and I think the



audit looks at a sort of a four-year clawback in terms of the costs of restructuring, and then you're into benefit from there on. But those costs are significant, and that's why we've suggested that there should be a sort of invest-to-save model, where you pump prime the restructuring of councils to ensure that you can properly finance the redundancy schemes and the early retirement schemes. I think this is where the staff commission again could come into it, because, unfortunately, we've got different approaches in the 22 around early retirement, around redundancies, and some are worse than others.

[408] So, there could be a general model in terms of best practice in terms of dealing with staff, because it is an important thing. Not only do you want to just do the mechanisms of transferring and merging—you want to have successful services afterwards, and you want to have the experience of the services over that transition period for the community as if nothing had happened, as happened in 1996. If you start cutting people's pay, if you start laying off people and creating real hardships without any proper safety net, which you get through redundancy and early retirement, then you'll get increased demoralisation, which will have an impact on service delivery, no doubt.

[409] **Christine Chapman:** Thank you. I know Mark had a supplementary. I need to go back to Gwyn then. So, Mark, do you have a supplementary?

[410] **Mark Isherwood:** Firstly, a very quick observation—having been involved with the mutual and co-operative sector for 35 years as an employee and volunteer, I'm conscious it does generally have a good reputation for pay and conditions, absenteeism and retention levels. That's just an observation because I'm very affectionate towards the sector—I won't say more at this point. The key point was about job evaluation and I note your call for an all-Wales job evaluation. As somebody who's been involved, actually, on the union side, negotiating up to ACAS level to secure a job evaluation scheme in the past, I'm conscious that what you describe as a presumption of upward harmonisation goes against the grain of what you're also describing as weighting for the job, based on responsibility levels et cetera. It can be the case that people will go up, because the job will be rated higher, but if you happen to find yourself being paid more than the rated position, my experience is that you either get a pay freeze, rather than a reduction, or, perhaps, a below-inflation or below-general increase until the others catch up with you. You can't presume harmonisation if you believe in job evaluation as you describe it.

[411] **Mr MacAskill:** Just to clarify that I'm a great fan of co-operatives and community mutuals as well, but just not providing local government services on a big scale. The value of co-operatives and community mutuals is a bit like what housing associations were in the old days—they provided very bespoke and expert services in particular areas. I'm all in favour of councils working with co-operatives and community mutuals, but not outsourcing and creating new bodies to take on services that are currently being accountable through the democratic structures in local government. So, what is to be gained? That's the main concern I have, not anything against co-operatives and community mutuals, in essence.

[412] You really are correct in terms of the job evaluation process, and it's one of those things where we were driven forward, from a trade union point of view, and Unison in particular, by our equality agenda. We're passionate about getting equal pay in public services, and local government in particular. The mechanism to do that is through job evaluation. But, the impact when you have limited budgets is exactly as you say; when you draw the line, some will go up, some will stay the same and some, unfortunately, will go down. It's how you treat those people who go down that is an important factor. Obviously, if cost is no object, then you can introduce job evaluation without any pain at all.

[413] I suppose the point I'm making around harmonisation is that the assumptions are based on the costs, and they're based on, 'We're basically going to take the middle line and that's the cost of harmonisation'. Harmonising upwards is: you would take the higher assumption and that would be the basis in terms of the pot in which you would then apply job evaluation. That means that the line that you draw when you've actually completed a job evaluation process will be slightly higher, so the people who end up losing out will be fewer. But, I think job evaluation does give some objective reasoning why you've lost money, whereas an underfunded harmonisation will just be saying to people, 'We're reducing your pay because that's all we think you're worth', without any empirical evidence around comparators with other jobs.

[414] **Mark Isherwood:** Thank you.

[415] **Christine Chapman:** Gwyn.

[416] **Gwyn R. Price:** Good morning, how are you? Can you outline your

experience to date of working with the non-statutory staffing commission, which was established in September 2015?

[417] **Mr MacAskill:** Very limited, because it's only just starting to do stuff. In fact, it was only in December that they, I suppose, formally put their plan together. So, September was, I suppose, for them, about getting to know each other and starting to connect with the stakeholders, particularly the workforce partnership council, which is the primary reference point of the staff commission. So, the trade unions have met and entered into discussions with the staff commission, as part of when they came to the workforce partnership council, but also we've met with them separately. I met with representatives of the staff commission around the issue of zero-hours contracts—I think it was earlier on this week, although it may have been at the end of last week. So, there is already engagement, but it's really too early to say how it's working, because they haven't actually produced anything yet; it's just discussions and engagement.

[418] In terms of non-statutory and statutory, I think there are advantages for non-statutory in terms of being able to decide on the range of your coverage and what you engage and don't engage with, but it does limit the ability of the staff commission to intervene directly. Obviously, Ministers can take advice from the staff commission when it is non-statutory and then issue very clear guidance themselves, but some would say that that could be used subjectively or differently than was intended by the staff commission. So, generally speaking, Unison has been in favour of the move towards a statutory body, but we were keen to get the staff commission up and running. That's why we support the non-statutory position in the interim.

[419] **Christine Chapman:** Before I bring Peter in, I know that Alun had a supplementary or perhaps another question. Did you want come in on that?

[420] **Alun Davies:** No.

[421] **Christine Chapman:** Right, okay. Peter.

[422] **Peter Black:** I think you've asked in the past for a statutory staff commission. Now that this draft Bill provides for it, are you content that it's what you need and want and that the provisions will allow it to function in the way that it should do?

[423] **Mr MacAskill:** I think the key for us with the staff commission is its

relationship with the workforce partnership council. I know that Wales is unique in having that tripartite engagement. There have been critics of it and some would say it could have been more productive than it has been, but it is a model that I think has real potential in terms of ensuring you get that engagement in those three parties. That's why the link between that body and the staff commission is important to maintain and retain going forward, even when it's a statutory body.

[424] There's real potential for Wales to do something really different with public services, and I think a staff commission that covers not just local government—. In the past, in 1996, they established a staff commission just to look at that local government reorganisation. This covers the whole of the public sector in Wales. So, our vision is that we have—. We share the vision that was first articulated by Rhodri Morgan of one public service for Wales, and I think the staff commission is potentially the first tangible step towards that vision. We've had that vision just hovering there for about 10 years without any real mechanism to move forward practically. I suppose I would like to see, in the future, local government not being the cinderella service in terms of public services, and a one-public-service vision, which could be driven forward by the staff commission, could be a move towards that happening, with a much more consistent approach to how you treat public servants across the public sector. So, yes, there's lots of potential, but the relationship with the workforce partnership council is key.

[425] **Peter Black:** Okay, thanks.

[426] **Christine Chapman:** Okay. Lindsay.

[427] **Lindsay Whittle:** Good morning. What role should the public services staff commission play in relation to equal pay and the grading structure of local authority officers? I'm mindful of the fact that, recently, Caerphilly County Borough Council and Blaenau Gwent County Borough Council tried to merge their social services, but the main stumbling block there was the grading structure and no-one was prepared to either bring some staff down—clearly no-one wants that—or, on the other side, bring other staff up.

[428] **Mr MacAskill:** This has been one of the stumbling blocks for shared services in the past. I think this is one of the things where restructuring local government provides that opportunity, because you're going to get three authorities merging together with different rates of pay and different assumptions being made in their job evaluation processes. You're going to

have to go through that pain anyway, so why do it seven, eight, nine—or however many authorities are created—times in different ways, when we could actually do it with an all-Wales job evaluation process.

12:00

[429] How that could happen is: the staff commission enters into discussion and develops and chooses the job evaluation scheme that would be operated in Wales. I would assume the most obvious thing to do is you choose the scheme that is being used by the majority. I think probably about 18 of the 22 authorities have used the Greater London Provincial Council scheme. So, you'll probably use that, although there is an NJC scheme, which is being used by one or two of the authorities in Wales.

[430] They won't be determining necessarily the pay lines, but what they could do is: they could have benchmark professions and jobs, which would be desirable to be consistent across Wales. The social work profession is an obvious choice, but there are a number of other professions where you would want to have some consistency across Wales. They could be benchmarked; so, when the job evaluation process is then implemented in those new authorities, you would decide on the grades and jobs relative to those benchmark grades.

[431] We have still got collective bargaining around pay in Wales. It's part of the England and Wales NJC; so, we're all working from the same spinal column points on the pay scale. So, that makes it more straightforward than if we had local bargaining. So, there's going to be disruption anyway. There's going to be a need for the new authorities to review their job evaluation even if they just did it on their own. So, this is a major opportunity for Wales to do something joined up and get some consistency across the board.

[432] **Lindsay Whittle:** That's going to be a bit of a rough ride, though, with respect. There are going to be grievances and appeals procedures, and other trade unions involved. How many years do you think it will take to resolve that?

[433] **Mr MacAskill:** Well, hopefully not the 10 years it's taken to get to where we are now. A lot of the time and effort that was spent was around developing how you would implement it in your authority. So, 22 different versions of how you interpret the job evaluation scheme; 22 different versions of how you have an appeals mechanism, who does the appeals, and

how you involve the staff in those appeals. So, you take away that because you'd just be doing that on one basis, which would then be applied across the eight or nine new authorities. Because you're doing just one, there would be a clearer drive towards getting that completed, whereas some of the authorities—and I could single out names—some authorities have only just implemented their job evaluation now, at the back end of the ten-year process. They would get caught up with that timescale and that immediacy of needing to get it sorted, if you do it in one. If you leave it to each of the authorities, you may find that this drifts on within their authority, with people being retained on their existing pay and terms and conditions or harmonised in some blunt way, because of budgetary pressures, with the need to conduct a job evaluation process sometime in the future—and it probably would be some time in the future. If we had this as part of the actual process and agreement for the restructuring—that job evaluation needs to be in place—then put a timescale and drive it through. That could mean it can happen within a proper transition period, not a ten-year period.

[434] **Lindsay Whittle:** Can I ask, Chair, briefly, on equal pay—? I mean, we're 40 years on from that Act. We haven't fully resolved that yet, have we?

[435] **Mr MacAskill:** Well, this is what job evaluation does. That's the reason why it's so worth while; it is an objective measure. Okay, when you apply a job evaluation, it's an individual interpretation of it; so, there is some subjectivity that comes into it, but it's the best tool that we have at the moment for ensuring that the value of the job is recognised and the pay goes to it. Therefore, irrespective of whether it's a man or a woman doing that job, you get paid for the value, not for the gender.

[436] **Lindsay Whittle:** We'll see.

[437] **Christine Chapman:** Okay. Mark, did you have any questions?

[438] **Mark Isherwood:** Thank you. Yes, I did. What are your views on the proposed power for Welsh Ministers to issue guidance to public bodies about workforce matters, even when there's no need for a local authority to be failing in some respect for these powers to be exercised?

[439] **Mr MacAskill:** I think this is the issue about trying to get consistency. If there was an agreement that the staff commission was to develop an all-Wales job evaluation process, unless you had that authority to direct, and unless Ministers directed a new authority, you can say, 'Well, that's all very

interesting that new job evaluation scheme you've developed and I share your aspiration for having consistency across Wales, but, unfortunately, we're not ready to do that in x new council, so we're going to ignore it'. But I also don't want to see, and Unison doesn't want to see Welsh Government taking over, or the staff commission being too prescriptive. We do need local accountability and local democracy to apply in those new councils, because that is the strength of our public services—the relationship they have with communities. But I think it's important that we have a certain amount of best practice, a certain amount of imposition of matters that assist in getting that consistency and continuity and quality across Wales. So, not as a general rule, but for very specific workforce issues, yes, I think it is relevant.

[440] **Mark Isherwood:** Any legislation will need absolute clarity to ensure that it delivers, as you said, for instance, on an all-Wales evaluation scheme, but it should not allow a Minister to intervene otherwise, unless there was failure.

[441] **Mr MacAskill:** We have collective bargaining, we have the terms and conditions that are determined by the collective bargaining in England and Wales, which are our current main conditions. So, there are considerations. Local authorities are also guided by those terms and conditions, as well as in future, potentially, by directives on workforce matters, which could be around the two-tier code, it could be around a new job evaluation scheme. I think that's fine, and then, within that, there will be, as there are at the moment, abilities to set their own rates, potentially, around anti-social payments, around shift allowances and other such things. So, I imagine the picture won't change drastically, even with new powers through that Bill, but, yes, I agree they don't need to interfere with current existing collective bargaining and that needs to be clearly expressed in the Act, and I suppose they need to be reasonably well defined.

[442] **Mark Isherwood:** What range, do you believe, of public bodies to which the guidance can be issued should we have?

[443] **Mr MacAskill:** Well, as I said, Unison's view is that we want to move towards one approach to public sector in Wales. So, ideally, what a staff commission would produce would speak across boundaries, so into health, into local government. I would be happy to see a job evaluation scheme that not only covered local government staff—and I'll put in chief officers; let's have a job evaluation for chief officers, rather than each council bringing in their own consultants to assess what they should be paid. Let's have a

consistent approach to chief officers in local government. But our view is that we should eventually be moving towards a job evaluation process that covers the public sector, and our view is that the public sector should include universities and colleges as well that are, at the moment, standing outside of it. All the scrutiny on chief executives' pay—have you seen how much a vice-chancellor gets paid now? They just set their own remuneration and, I think, a figure that keeps having noughts on the end of it.

[444] **Mike Hedges:** And chief executives of health boards.

[445] **Mark Isherwood:** I think the legislation doesn't quite extend to incorporated bodies, but that's a matter for outside of this committee.

[446] **Christine Chapman:** Okay. Well, I think we've come to the end of our evidence session, Dominic, so can I thank you very much for attending? It's been a very comprehensive session and it has been very helpful for us in our deliberations. So, thank you, Dominic.

[447] **Mr MacAskill:** Thank you for the invite, again, to give evidence. We do welcome those opportunities.

[448] **Christine Chapman:** You're welcome. So, we will send you a transcript of the meeting, the Record, so that you can check if there are any inaccuracies. Thank you for attending.

[449] **Mr MacAskill:** Thank you very much.

12:10

## **Papurau i'w Nodi Papers to Note**

[450] **Christine Chapman:** Before we close the public part of the meeting, there is a paper to note.



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

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

*Cynnig:*

*Motion:*

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

*accordance with Standing Order  
17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[451] **Christine Chapman:** Could I now ask the committee whether you're happy for us to move into private session so that we can discuss the evidence? Okay.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:10.*

*The public part of the meeting ended at 12:10.*