



Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Y Pwyllgor Plant a Phobl Ifanc
The Children and Young People Committee

Dydd Mercher, 16 Hydref 2013
Wednesday, 16 October 2013

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

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

These 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

Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
Suzy Davies	Ceidwadwyr Cymreig Welsh Conservatives
Rebecca Evans	Llafur Labour
Bethan Jenkins	Plaid Cymru The Party of Wales
Ann Jones	Llafur (Cadeirydd y Pwyllgor) Labour (Chair of the Committee)
Lynne Neagle	Llafur Labour
David Rees	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Simon Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Jeff Cuthbert	Aelod Cynulliad, Llafur (Y Gweinidog Cymunedau a Threchu Tlodi) Assembly Member, Labour (Minister for Communities and Tackling Poverty)
Jo-Anne Daniels	Cyfarwyddwr Dros Dro, Isadeiledd, Cwricwlwm, Cymwysterau a Chymorth i Ddysgwyr Interim Director, Infrastructure, Curriculum, Qualifications and Learner Support
Mark Drakeford	Aelod Cynulliad, Llafur (Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol) Assembly Member, Labour (Minister for Health and Social Services)
Owen Evans	Cyfarwyddwr Cyffredinol, yr Adran Addysg a Sgiliau Director General, Department for Education and Skills
Vaughan Gething	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog Trechu Tlodi) Assembly Member, Labour (Deputy Minister for Tackling Poverty)
Albert Heaney	Cyfarwyddwr Gwasanaethau Cymdeithasol, Plant a Theuluoedd, Llywodraeth Cymru Director of Social Services, Children and Families, Welsh Government
Peter Jones	Pennaeth Cyllid Head of Finance
Huw Lewis	Aelod Cynulliad, Llafur (Y Gweinidog Addysg a Sgiliau) Assembly Member, Labour (Minister for Education and Skills)
Mark Osland	Dirprwy Cyfarwyddwr Cyllid, Yr Adran Iechyd, Gwasanaethau Cymdeithasol a Phlant Deputy Director of Finance, Department for Health, Social Services and Children

David Sissling	Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol/Prif Weithredwr, GIG Cymru Director General for Health and Social Services/Chief Executive, NHS Wales
Kenneth Skates	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog Sgiliau a Thechnoleg Assembly Member, Labour (Deputy Minister for Skills and Technology)
Martin Swain	Dirprwy Gyfarwyddwr, Plant, Pobl Ifanc a Theuluoedd Deputy Director of Children, Young People and Families
Gwenda Thomas	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog Gwasanaethau Cymdeithasol Assembly Member, Labour (Deputy Minister for Social Services)

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

Michael Dauncey	Y Gwasanaeth Ymchwil Research Service
Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Sarah Hatherley	Y Gwasanaeth Ymchwil Research Service
Marc Wyn Jones	Clerc Clerc
Sian Thomas	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:30.

The meeting began at 09:30.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Ann Jones:** Good morning and welcome to the Children and Young People Committee. May I just do the usual housekeeping rules? May I ask you all to switch off your mobile phones, as they affect the translation and the broadcasting? We operate bilingually. As you know, it is channel 1 for translation from Welsh to English and channel 0 gives the floor language for amplification, should you need it. We are not expecting the fire alarm to operate, but if it does, we will take our instructions from the ushers. As I always say, you can follow me out—I will be one of the first to leave the building. The assembly point is by the Pierhead building, should we need it. We have not received any apologies, although Suzy Davies and Keith Davies are both running late this morning and will join us later. I always ask this of Members: do you need to declare anything that you have not already declared on the register of Members' interests? I see that you do not.

09:31

**Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2014-15: Sesiwn i
Graffu ar Waith y Gweinidog
Welsh Government Draft Budget Proposals for 2014-15: Ministerial Scrutiny
Session**

[2] **Ann Jones:** The first substantive item that we are going to look at is the scrutiny of the Government on the draft budget proposals. For our first session this morning, I welcome the Minister for Communities and Tackling Poverty, Jeff Cuthbert; Vaughan Gething, the Deputy Minister for Tackling Poverty; Peter Jones, the head of finance at that department; and, Martin Swain, who is the deputy director of children, young people and families. Do I have all those titles right? I see that I do. That is always a good start.

[3] Minister, because time is against us—we have roughly an hour—I wonder whether we could go straight into some questions. There are quite a few questions that we have on your portfolio, so, if that is okay with you—

[4] **The Minister for Communities and Tackling Poverty (Jeff Cuthbert):** We are entirely in your hands.

[5] **Ann Jones:** Thank you. Bethan, do you want to start?

[6] **Bethan Jenkins:** Roeddwn i am ofyn am edrych yn strategol ar y portffolio hwn. Fel yr ydym wedi gweld, fel Aelodau'r Cynulliad, mae lot o'r cyllidebau wedi newid yn sgîl y newid gweinidogol, gyda chi yn awr fel Gweinidogion. A allwch chi esbonio sut yr ydych yn cyfathrebu â'ch gilydd a hefyd â'r portffolios eraill i sicrhau bod yr hyn yr ydych yn ei wneud yn gynaliadwy i'r dyfodol a bod elfen strategol i'r hyn y mae'r Llywodraeth yn ei wneud fel un endid? Rwy'n credu bod lot o bobl yn dal yn credu bod y Llywodraeth yn gallu gweithio mewn seilos unigol, felly byddai'n ddiddorol gwybod sut yr ydych wedi dod i benderfyniadau.

Bethan Jenkins: I wanted to ask about the strategic approach of this portfolio. As we have seen, as Assembly Members, many of the budgets have changed as a result of the ministerial changes, with you now as Ministers. Can you explain to us how you communicate with each other and with the other portfolios to ensure that what you are doing is sustainable for the future and that there is a strategic element to what the Government is doing as one entity? I think that many people still believe that the Government can work in individual silos and, therefore, it would be interesting to know how you came to decisions.

[7] **Jeff Cuthbert:** Thank you very much for that question. It is a very good question to start with, because my department, with me and the Deputy Minister, is very much a cross-cutting department. That point was made very clear to me when we were appointed by the First Minister. Working with other Ministers is absolutely crucial on the whole issue of sustainable development: for example, the tackling poverty action plan is a cross-departmental, whole Welsh Government commitment. We are working, of course, within a very difficult financial situation. We know that, by 2015-16, our budget will be reduced in real terms by £1.7 billion compared to what it was in 2010-11. So, it is absolutely essential that all departments, in terms of the cross-cutting themes of tackling poverty, for example, work very much together. We must also work with the key partners outside Government—local government and the third sector are those that I would single out, and, of course, the health service.

[8] Local government will be having its announcements today on its funding for the next financial year. We have good ideas what it will be. It will require some fairly careful thinking by those key partners as to how they are to deliver our shared priorities. Discussions will

continue so that key Government policies can be delivered, either directly by us or by our partner organisations.

[9] We have reviewed our expenditure over the spending review period. We believe, even though we could certainly spend more money, were it to be there, that the programmes that we are going to deliver are practical, fundable and deliverable.

[10] **Bethan Jenkins:** A allwch esbonio neu ehangu tamaid bach ynglŷn â pha broses yr ydych wedi ei defnyddio i benderfynu ar y blaenoriaethau yn sgîl y toriadau? Yn amlwg, byddai'n rhaid i chi fod wedi penderfynu lle roedd cyfran o'r arian yn mynd o gymharu â thynnu arian o'r cyllidebau eraill. A allwch chi esbonio i ni sut y gwnaethoch chi hynny?

Bethan Jenkins: Can you just explain or elaborate a little on what process you have used to decide on the priorities as a result of the cuts? Obviously, you would have had to decide where some of the money was going to go as compared to taking money from other budgets. Can you explain to us how you did that?

[11] **Jeff Cuthbert:** The process is the normal one—I receive advice via submission folders from my officials. Where it is just a question of readjusting budgets without fundamental change, officials will advise me on that matter. Any major transfers have to be approved by me. What is crucial is that we now have a very good relationship with all other Ministers. Where there are major contributions to be made by other Ministers, such as on education, employment and skills—all of which contribute in a very direct way to tackling poverty, shall we say?—then those discussions take place. Within the tight financial framework that we have, it is as open, transparent and practical as we can make it.

[12] **Bethan Jenkins:** Yn olaf, ynghylch y dirprwyathau a oedd yn bodoli cyn i chi gael eich swyddi fel Gweinidogion, a ydych chi'n ymwybodol o'r hyn sydd yng nghyllideb 2014-15, ac a ydych wedi edrych arno? A ydych chi'n hyderus eich bod yn gallu cymryd hynny ymlaen fel Gweinidogion?

Bethan Jenkins: Finally, regarding the financial delegations that existed before you took up your posts as Ministers, are you aware of, and have you looked at, what is in the budget for 2014-15? Are you confident that you can take that on as Ministers?

[13] **Jeff Cuthbert:** Yes.

[14] **Ann Jones:** We will move on to children's rights, starting with Lynne and then Rebecca.

[15] **Lynne Neagle:** Thanks, Chair. There has been a substantial reduction, which is some 70% in real terms, in the budget for children's rights over the next two financial years, yet this period coincides with the full implementation of the duties under the Rights of Children and Young Persons (Wales) Measure 2011. How are you going to marry that big reduction with the need to fully implement the Measure?

[16] **Jeff Cuthbert:** It is a stark picture; we do not deny that. It is as a result, of course, of the settlement from the UK Government that changes have to be made. However, what we have been looking at is trying to ensure to the very best of our ability—in collaboration with the key partners that I have already indicated, which include the third sector—that front-line services are affected as little as possible. So, we have certainly looked at where we can make savings in terms of administration and where projects are coming to a natural end, or where we can do things in a different way—£500,000 used to be spent on work that will have come to an end, being funded from other BELs, or as one-off costs for sustainable resources. There are a number of examples that I could send to the committee, if you would find that helpful.

[17] In the case of Funky Dragon, it knows that the current funding arrangements will come to an end in October next year—that is £400,000. We are now discussing how the sort of work that it does on young people's participation can be done in a different way, together with a range of organisations. Funky Dragon is well aware of this; I do not know whether it is content, as it has not come back to me. It might do that, or it might lobby other Assembly Members. However, at this stage, those discussions are under way. We are determined that the front-line services for young people are affected as little as possible.

[18] **Lynne Neagle:** Thank you. One of the things that the committee asked for from your department was a copy of the due regard analysis conducted for the budget. You will be aware that openness around things like children's rights impact assessments has been an issue that this committee has raised with you previously. We have not had the due regard analysis. Is that something that you are willing to provide to the committee?

[19] **Jeff Cuthbert:** I am not aware that there is something that we have not provided you with that you have asked for. I would be grateful for the details so that I can look into it. I can say, in more general terms, that equality impact assessments on children's issues are not required under current legislation. We are moving towards phase 2 next year, and we are considering whether we should have a children's rights impact assessment introduced at that point. If there are matters on which we have not given you the information that you have asked for, I would be very grateful for the details.

[20] **Ann Jones:** We will try to find that for you.

[21] **Bethan Jenkins:** May I just ask why you did not carry out a children's rights impact assessment?

[22] **Jeff Cuthbert:** There is no requirement. All Ministers must have regard for the United Nations Convention on the Rights of the Child in all their policy planning. However, there is no requirement at this point to do it in that way, but that does not mean to say that we will not do it in the future.

[23] **Bethan Jenkins:** It is only that, when we asked Huw Lewis, the previous Minister, he said that he would be comfortable with providing those details. So, we assumed then, I think, that those impact assessments did take place.

[24] **Jeff Cuthbert:** Okay. I cannot really comment on that, but if the word used was 'comfortable', it does not mean the same as 'we are doing this', but I will check on that for you and give you further information.

[25] **Ann Jones:** We will follow that up with you. Thanks very much, Minister. Lynne, you had a question.

[26] **Lynne Neagle:** I have just one final question on the Measure. Presumably, your department has undertaken some sort of analysis of what the costs will be of implementing the Measure fully. Is that information that you would be prepared to share with the committee?

[27] **Jeff Cuthbert:** I think so, in due course. Clearly, we have to do a cost analysis on everything new, so I am quite happy to share that information at the earliest opportunity.

[28] **Lynne Neagle:** Thanks.

[29] **Ann Jones:** Rebecca is next.

[30] **Rebecca Evans:** You have described how your portfolio is cross-cutting and how you discuss things regularly with other Ministers, so I have two questions for you. Could you describe to us the discussions that you have had with colleagues regarding budget allocations for the implementation of the Measure under their portfolios? Also, what discussions have you had with the Deputy Minister for Social Services to ensure that there is coherent financial planning for children and young people's care and support?

[31] **Jeff Cuthbert:** In terms of your first question, discussions are ongoing on a regular basis. There are not firm conclusions reached at this point. I am a little loath to say what spending decisions or decisions on budgets might be reached by other ministerial colleagues. Those are questions best put to them. However, I will come back to you as soon as we have clarity on that.

[32] **The Deputy Minister for Tackling Poverty (Vaughan Gething):** In terms of discussions with the Deputy Minister for Social Services, as well as informal and formal discussions about complementary parts of the portfolios, those discussions are continuing in a number of different areas. For example, the future of the children and families organisation grant, how we will take that forward, and how that affects families, is an ongoing conversation, as well as some of the areas that have an impact, such as Flying Start and Families First, and the interaction between the different portfolios. That is part of the regular conversations that we have in Government to ensure that there is still a coherent approach to what we are doing.

[33] **Ann Jones:** Okay. Are you happy with that, Rebecca? Okay, we will move on to some questions on Flying Start. Simon is next, then Aled.

[34] **Simon Thomas:** Diolch yn fawr. **Simon Thomas:** Thank you. I will start with Dechreuaf gyda Dechrau'n Deg, gan yr Flying Start, which you have just mentioned, ydych newydd ei grybwyll, Ddirprwy Deputy Minister. What evidence did you Weinidog. Pa dystiolaeth a oedd gennych have in drawing up this budget that the wrth lunio'r gyllideb hon fod y cynllun Flying Start scheme offers value for money? Dechrau'n Deg yn cynnig gwerth am arian?

[35] **Vaughan Gething:** We are undertaking an ongoing analysis and evaluation of Flying Start and, over the next three or four months, we will have a wider range of evaluation about the outcomes of Flying Start itself. You may have seen the statistical release that came out in September about Flying Start and its various impacts across Wales, in which I have taken particular interest. On Monday of this week, a qualitative report was published on 60 high-need families and their experience of Flying Start. So, as well as the anecdotal evidence, and the evidence that we have from the different account managers who work with Flying Start in each particular local authority area, we have had the statistical release—again, we had to look again to make sure the evidence was objectively sustainable and robust—and, for me, that has been especially interesting. I am sure that Martin will tell you that, since my appointment, I have been very clear that I am interested in outcomes, and I am interested in what our current evidence tells us, both about good practice and where that exists, and where practice is not the best practice—that is not to say that there is no beneficial effect, but it is about recognising that, actually, for the bottom third of Flying Start performers, we need to look at what they are doing and how they could get into the top third, and, even with people in the middle, it is not just about saying, 'Well, you are fine; let us leave you alone'. I see it as a process of continuous improvement, and I want to see the very best practice being shared. Some of that is about how the services are organised, where the services are generally co-located in the one setting and how the different teams work together, and how much of this you can actually put into a system, rather than just relying on the individual practice of one particular individual.

[36] So, I would say that we are getting more evaluation evidence about Flying Start, and,

if you look at the statistical release, I think it tells you a number of very positive things that it already has achieved, as well the honest reflection that there is still room for improvement—and, for me, that is a positive thing. In the conversations that I have had with officials in Welsh Government, as well as with people leading Flying Start teams on the ground, there has been a recognition that they can do better, and they want to do better as well. I find that quite refreshing. There is honesty about what we are doing and what we could do in future.

09:45

[37] **Simon Thomas:** You mentioned the two reports. The latter, which was recently published, suggested that there were other things that needed to be done to support families in the Flying Start cohort that Flying Start was not providing at the moment, such as additional support or link-ups to other agencies. You said clearly there that there is more to be learned in terms of best practice and, presumably, therefore, in terms of getting the best value from the additional funds that this budget places in Flying Start going forward. What changes might happen to the Flying Start programme to reflect those lessons in terms of the best use—as the Minister has just said—of a diminishing allocation of resources to this area in Wales?

[38] **Vaughan Gething:** There are two things. First, making best use of the resources that we have, and ensuring that best practice becomes standard practice. The second is about the use of the money. The money that has gone into Flying Start for the coming budget round is to expand the programme to deliver the manifesto commitment. That money is for new settings to be created. You have seen that that is both revenue and capital funding. Part of the challenge in ensuring that Flying Start works is to develop trust with people, so that they engage with you. Then you have to ensure that you have the right sort of agencies becoming engaged and develop partnerships between those agencies. To be fair, that was one of the challenges at the outset of Flying Start, whereas now, when you meet people at Flying Start settings, they are very enthusiastic about dealing with different partners.

[39] **Simon Thomas:** To be absolutely clear, the capital resources here are for the new, expanded programme.

[40] **Vaughan Gething:** It is to help expand the programme. We do recognise that, when you look at the communities that Flying Start is serving, poorer communities across Wales do not all have facilities that are there and ready to go for Flying Start. Sometimes it is about refurbishment, and sometimes it is about the creation of new facilities. Given that you need settings that people can easily access, they must be within easy reach with a pram rather than three bus rides away. Those are important considerations when you settle on creating a Flying Start setting. The links between Flying Start settings and the primary schools that the children will go on to are important too. That does create some issues. You cannot just say, 'We can create this programme with no capital spend'. So, the new capital spend that you will see in there is about ensuring that we can have enough settings to deliver the expansion in the programme. That is a separate point, I think, to how you ensure that you get best value from spend and improvement.

[41] There are conversations that account managers in Welsh Government have with people who run the settings about what constitutes best practice. We are considering what we do in terms of the national learning sets as well. I met a number of Flying Start co-ordinators across Wales early on in my appointment, and I have gone out to visit them. If members of this committee want to see some of the value in Flying Start, as well as looking at what is in reports, it is well worth visiting a setting yourselves to hear directly from parents what their experience has been and what they have seen for their child. However, I do not want to make definitive statements about, 'This is the absolute value of Flying Start', until we get to the end of the process of evaluation. We do not think that we will have all of those reports until December. I recognise that there is more that we can do. I am interested in what will come at

the end of December, and then there will be a conversation with Welsh Government officials and people running settings about the lessons that that gives us, how that will be rolled out, and what we then expect to see from the programme to ensure that the good practice that I have already seen and the life-changing impact that Flying Start has had are seen more regularly in each community that it continues to serve.

[42] **Simon Thomas:** I think that the committee will be coming back to look at evidence at some stage.

[43] **Ann Jones:** Angela has a supplementary question, and then we will go to Rebecca, before I move on.

[44] **Angela Burns:** I have a brief question. Flying Start has been run by the Government now for a considerable number of years, and while I accept that you are changing it and improving it all the time, can you point to any areas where you can empirically show that the investment in Flying Start has led either to a decrease in the levels of poverty in an area or to an increase in educational attainment? This is about the tangibility of it.

[45] **Vaughan Gething:** The statistical release is, I think, especially helpful in looking at where children have met or have exceeded their child development goals, or where they are within one age band of that—where they think that that is still pretty much on track. Across Wales, 55% have met or exceeded their child development goals in a Flying Start area, and I think that it is 82% or 83% that are within one age band. So, that gives you a range of evidence about what Flying Start is achieving in those Flying Start areas. The evaluation that we are having done should help to demonstrate what the comparator would be if Flying Start did not exist in those communities. Again, when I look at that statistical release, I am looking at what happens in the next year and the year after that, and I am obviously able to compare. While they are different cohorts, you still want to be able to see a real and tangible improvement in outcomes for those children.

[46] A point that I have made since being appointed is that I am obviously interested in the outcomes for children, but I am also interested in the outcomes for parents. I want to see what the impact is for parents as parents, because part of the programme is parenting support, and I also want to see what the outcome is for parents as individuals, for themselves—what they want to do and for their own skills to be addressed as well. So, the impact that you have on the parent is not something that you just want to see at that point, when the child gets to the age of three and goes to the foundation phase, because we know that, in looking at one of the big areas for tackling poverty and closing the attainment gap, while some of the learning outcomes are about effective classroom practice, a large amount of what leads to learning outcomes is the learning environment outside of the classroom as well. If you do not engage parents at an early stage and sustain that engagement and interest in their child's development and education, then you are not likely to see sustained progress in closing that attainment gap. So, that is why I look at child development goals and why I am increasingly interested in the outcomes for parents and whether we are seeing their sustained interest in their children's education. So, there is more than one focus when we look for the value of Flying Start.

[47] **Ann Jones:** Minister, do you have anything to say?

[48] **Jeff Cuthbert:** Yes, I just want to quickly support the points made. Thank you for letting me come back in, Chair. A report was published on Monday on the findings from Flying Start—it is the most recent one—and that showed that parents benefited from a boost in confidence and wellbeing, as well as improved parenting skills. Indeed, it has often been reported that the children engaged in Flying Start have enhanced speech, literacy and numeracy skills. You may have heard Huw Lewis, the Minister for Education and Skills, make it clear last night in a statement that raising attainment is a key objective in his

portfolio. That is just an example of the cross-departmental working on this matter. I know that Flying Start is for children up to the age of three, but, nevertheless, kids get older, and we have to build on that work.

[49] **Rebecca Evans:** The previous evaluation of Flying Start showed that breastfeeding and immunisation rates were lower in Flying Start areas than in other areas. Despite these being identified by the Welsh Government as key indicators of success, how will the additional funding allocations address these issues?

[50] **Vaughan Gething:** The additional funding is not linked to addressing those issues. There are two different things to this. One is the additional funding to expand the programme to be put it into new areas of communities in need, and the other is the point about improving on what you already have. To be fair, I would expect to see Flying Start areas having lower rates of immunisation and breastfeeding at the outset. We are talking about the most deprived communities in Wales, so it would be unusual if, at the outset, they had higher than average immunisation and breastfeeding rates. So, the point would be how you shift community thinking in practice. Angela Burns made the point that the programme has been here for a number of years, but changing the whole culture of a community and its attitude in this area is not something that can happen over a couple of years. That would be unfair, and you would essentially be setting the programme up to fail. However, it is an area on which there is a direct focus from our point of view.

[51] To link this with the tackling poverty action plan, we have asked our local authority champions to focus on low birth-weight babies, and to work with colleagues in health boards in looking at effective practice and how you can influence behaviour pre-pregnancy, during pregnancy and immediately afterwards. That then links in with the early years pathway of Flying Start. So, changing the culture and those attitudes is important, but that is not all what Flying Start is for.

[52] In terms of looking at the value of Flying Start more widely, one of the things that I find of most interest is the reports back from schools—whether they are able to tell you which children have been to Flying Start and those who have not. The children in the school will be from a fairly similar background, but they may be able to point out and understand who the Flying Start children are because of their greater confidence and social awareness and their readiness to learn. I know that Simon Thomas and the committee might want to look at Flying Start in more detail in the future, and I very much welcome that. I would be very happy to engage with the committee as and when you do that.

[53] **David Rees:** Chair—

[54] **Ann Jones:** Please be brief, David, because this is Aled's questioning session as well.

[55] **David Rees:** On that particular point, you say that you can identify whether children come from Flying Start or not—those from similar backgrounds. There is also a situation where one side of the street is in a Flying Start area and the other side of the street is not. Are you looking at expanding it so that that type of divide does not happen?

[56] **Vaughan Gething:** This is always the challenge when you have an area-based programme, because whenever you draw a boundary, there will be someone on the wrong side of it from their point of view. I have had some correspondence on this and, to be fair, there is an outreach element to Flying Start; people can be referred to the service, and it is about understanding how that works effectively. To be fair, it is a conversation that I have had with officials and with some of the Flying Start managers about how we manage that. However, there has to be an honest point here as well that because you have a finite amount of money and it is not a whole-Wales programme, wherever it is targeted, that means that

someone else will not have it. The reason we are expanding Flying Start is that we think it is a good programme and that it helps to change the lives of children and parents. That means that, until it is expanded, some people who do not have it now will not have it, and even when they do—when it reaches one in four children in Wales at the end of this Assembly—I would still say that there will be other communities that could and should benefit from it, but you cannot get everything with the money that we have. I think that there is an important point about being honest with people about that. You have to make a decision about where to implement it and where not to in order to make sure that you have a coherent programme. However, the point about outreach is well made and it is one that is certainly in my mind, and in the minds of Minister and officials, as to how we try to ensure that people who should benefit from Flying Start can do.

[57] **Ann Jones:** Minister, very briefly, and then I am coming to you, Aled.

[58] **Jeff Cuthbert:** I will keep it very brief. I have been harangued on this point by councillors, certainly in Caerphilly, and my response is, 'First of all, let us have some credit for the schemes that are in place and the benefit that they bring to thousands of children and families across Wales'. However, the Deputy Minister is quite right: we have to work within the resources that we have and focus the money that we have. I answered a question from Mike Hedges in Plenary before the summer break on this very matter, and I was able to report to him that there was a project under way in Swansea that is looking at how easy it is to passport the scheme into non-Flying Start areas where there were families in genuine poverty, and I am awaiting the outcome of that research.

[59] **Ann Jones:** I call on Aled, who has waited patiently.

[60] **Aled Roberts:** Rwyf i am wneud un pwynt. Roedd siroedd yng Nghymru a oedd yn cynnig Dechrau'n Deg ar draws y sir, a swyddogion Llywodraeth Cymru a fynnodd ein bod yn symud i weithredu o ran ardaloedd. Felly, mae tystiolaeth bod y cynllun wedi gweithio mewn rhai siroedd, ac eto, Llywodraeth Cymru a newidiodd y rheolau. Fodd bynnag, pan oedd Gwenda Thomas yn rhoi tystiolaeth y llynedd, dywedodd hi y byddai arolwg hydredol yn cael ei gynnal cyn i'r ail gam gael ei weithredu, ac y byddai'r arolwg yn cael ei gyhoeddi yn y gwanwyn. O'r hyn rwyf yn ei ddeall, rydych chi, Vaughan, rwan yn dweud mai ym mis Rhagfyr y bydd yr arolwg hwnnw ar gael. Ar ba sail a thystiolaeth, felly, yr ydych chi wedi gweithredu? Un o'r problemau yr oeddem ni'n eu gweld fel pwyllgor wrth edrych ar Dechrau'n Deg yn wreiddiol oedd bod arfer da a bod enghreifftiau ardderchog o'r ffordd roedd y cynllun hwn yn gweithredu, ond nid oedd y patrwm yn union yr un fath ar draws Cymru. Yr hyn a oedd yn ein poeni oedd bod y Llywodraeth yn estyn y rhaglen hon heb gael tystiolaeth gadarn o ran arfer da.

Aled Roberts: I just want to make one point. There were counties in Wales that offered Flying Start across the county, and it was Welsh Government officials who insisted that we move to implement it on an area basis. Therefore, there is evidence that the scheme has worked in some counties, but it was the Welsh Government that changed the rules. However, when Gwenda Thomas gave evidence last year, she said that there would be a longitudinal survey before the second phase would be implemented, and that that survey would be published in the spring. From what I understand, Vaughan, you are now saying that that survey will be available in December. On what basis and evidence, therefore, have you implemented this? One of the problems that we saw as a committee when we looked at Flying Start originally was that there was good practice and there were excellent examples of the way in which this scheme operated, but the pattern was not consistent across Wales. What bothered us was that the Government was expanding this programme without robust evidence in terms of good practice.

[61] **Vaughan Gething:** This comes back to some of the points made earlier by Simon

Thomas—and I am trying to be honest—about the recognition that there is more that we can do to ensure that best practice becomes standard practice in every area. If you look at the statistical release, you can see that it recognises that there are differences between county areas in Flying Start. There is a bit of a warning about the statistics in relation to, I think, Monmouthshire and Powys, where only 50 or 60 children are engaged, so it is a fairly small cohort of children that you are looking at. However, across Wales, I recognise that there is unevenness in outcome. When you look at that statistical release again, you will see that it does demonstrate that there is value in the programme and, to be perfectly honest, it is a Government commitment to ensure that Flying Start is doubled over the course of this Assembly. I think that the evaluation evidence that we have to date demonstrates that there is value in what Flying Start can do. Part of our job is to ensure that that value is enhanced and that we see less unevenness in the programme. I am quite happy to be upfront about that. Again, if you spoke to Flying Start staff themselves, they would want to improve their practice and look at what other people are doing. It is actually very motivating to meet staff who work in those settings because they can see directly the benefit of what they do.

10:00

[62] To deal with your other point about having a county-wide Flying Start, part of the value of Flying Start is the enhanced health visitor service, and so health visitor numbers are capped at 110, which is significantly lower than what normal numbers would be. To fund that—which is our commitment: to ensure that the health visiting service is more intensive—is something that I do not think we could commit to doing over a whole-county area. That is why Flying Start is targeted in particular areas where the income benefit data demonstrate that there is real poverty within family groups.

[63] **Aled Roberts:** That was done in some areas where the threshold was need rather than postcode.

[64] **Ann Jones:** Shall we move on to David, on child poverty?

[65] **David Rees:** Good morning, Ministers. In June, the Department for Work and Pensions released figures that show, unfortunately, that Wales had the highest number of child poverty households in the UK, with 33%. There is clearly a long way to go, because we want to eradicate child poverty by 2020; that is the Welsh Government's ambition. In your paper, the main programme you have identified for tackling child poverty is Families First. Do you have measures to assess whether that is actually doing the job it is supposed to do to tackle child poverty? In your tackling poverty action plan, have you actually identified any specific areas that are focused on child poverty?

[66] **Vaughan Gething:** Thank you for the question, David. Families First itself is a new programme, and we will have evaluation on this within a period of months. I think it is during the spring—is that when we are due to have the Families First evaluation, Martin?

[67] **Mr Swain:** There is one next year and one the end of this year.

[68] **Vaughan Gething:** So, over the end of this year and the start of next year there will be objective evaluations of Families First, and those will be made available, so the wider public will be able to see those. Anecdotally—because this is where we are with evidence from local authorities—it is fair to say that, initially, there was resistance to having this team-around-the-family approach and actually using Families First funding to try to gather in different agencies to support families in need. Yet, now, there is not a single local authority that is not happy and signed up to this being the right way to do this, and to this being an improvement on where they were. That is really important, because we are talking about authorities regardless of their political make-up; they are all signed up to this approach being

taken. There is a significant amount of money being invested, and so, I am, as with Flying Start, really interested in looking at what that evaluation tells us. Again, I expect that there will be some unevenness in the picture. I will be interested in what it tells us about what has been achieved and then about how we improve what has been achieved.

[69] Looking at child poverty as the coherent aim and goal to be reduced and eliminated, Families First is an obvious area to look at because of all it provides and, if you like, the comparator in England would be the Troubled Families programme. I am concerned and unhappy about the title of that; I think it gives the wrong sort of impression. Also, you have to look at a range of other measures. Flying Start is one of them. The closing of the attainment gap is another, and the speech the Minister for Education and Skills made last night is especially helpful in terms of reiterating the whole-Government approach that is being taken, because the tackling poverty action plan recognises that you must have a range of interventions and measures to effectively tackle poverty, and to tackle child poverty you have to tackle the poverty of the parents, the family group and the community group in which they exist. The programmes we have on tackling worklessness and creating the 5,000 work and training opportunities are still especially important in this regard as well. I think the fact that there is a coherent, whole-Government approach is something that is very much a part of the child poverty strategy itself.

[70] I could go through a range of those commitments if you want me to, but [*Interruption.*]—yes, I can see the Chair—but I actually think we have a pretty good story to tell about where we are and the approach that we are taking. That does not mean to say that we should be complacent about what we are doing, because there has to be the honesty to recognise what we can do with the powers, the budget and the levers that we have, and to recognise those elements that are outside our control. We also have to be honest about whether we think we have done enough with the levers that we have available to us. That is what I am interested in doing. Later this week, the Milburn commission on child poverty and social mobility will be reporting, and I look forward with interest to reading what he has to say and what the commission has to say about the different approaches to tackling poverty across the UK. That will be useful for us in giving some critical awareness about the success or otherwise of our current approach.

[71] **Ann Jones:** Simon has a question on this point.

[72] **Simon Thomas:** I just wanted to follow up on this. The Deputy Minister mentioned Families First and said how important it was. He also said that the studies were coming in at the end of this year/next year. However, the analysis that we have of your budget shows a real-terms cut of 3.4% in Families First, so, on what basis have you made the decision to cut that budget?

[73] **Vaughan Gething:** It comes back to the point that the Minister was making about the budget strategy and the wider honesty of the context that we are in. For the next year, the savings in Families First are being made through a range of internal efficiencies and potential delays in some implementation, but, actually, it will fund the programme across every local authority area. It is more difficult in 2015-16, but, again, there is no point in trying to say otherwise. We know that the budget will reduce even further, as there is another cash reduction in 2015-16, and the pressure across all programmes is very real, but the choices that we are making are about where to spend money and where to prioritise it. It does mean that, looking back at the earlier conversation about the children's rights budget line, we made a choice to put money into a programme that is directly helping children in a difficult situation.

[74] **Simon Thomas:** So, in terms of the choices you make, will you make them on the basis of the evaluation, rather than on the basis of more anecdotal evidence, which seems to be the evidence that you have so far for some of these programmes?

[75] **Vaughan Gething:** I think that that is rather unfair. Families First is a new programme, so you would not expect to see objective evaluation until after a similar sort of time, and we will have an objective evaluation of evidence available to us at the end of this year and at the start of the next, and, of course, that will inform the decisions that we make in the future. It would be pretty odd if we had an evaluation and decided to ignore every single part of it. It is about learning lessons for how we improve practice, but it is also about the point that, when you spend money to support families in this way, you want to see what the outcome is. You want to understand and improve on that. The evaluations are of real value in doing that. However, we are not going to have any less of a commitment to trying to support families living in poverty in dealing with a number of difficult factors that many of us have raised, because, if we just decide to come out of that area, we all know that we are not going to see child poverty improve and we are not going to see our commitment to tackling poverty being made real at all. So, this is one of our key programmes to do it.

[76] **Jeff Cuthbert:** This session is about budget scrutiny, and I just want to re-emphasise the point that we are determined that, whatever changes we have to make because of a reducing budget over the next few years, we will minimise the impact on front-line services as far as possible. This will impact on a number of organisations, undoubtedly. For example, very shortly, I shall be announcing the outcome of the refreshing of the relationship with the third sector, and many of those organisations impact on this work. What is crucial, and what should happen in the best of times, is that there is greater collaboration between organisations that are doing more or less the same thing. That will now have to happen as a result of reduced spending. Hopefully, we are doing it in a joined-up way that is fair and equitable.

[77] **Ann Jones:** David, you have a question, and then I will go to Lynne.

[78] **David Rees:** Thank you for those answers. You have already highlighted the local authority aspects. A survey by Loughborough University has identified that child poverty costs £1.4 billion a year—it is a huge amount of money. So, what discussions are you having with the Minister for local government? Clearly, we are going to see today the impact of the cuts coming down from Westminster on local authorities, effectively. What discussions are you having with the Minister for local government to look at how you are working with local government to ensure that these types of programmes are supported by local government?

[79] **Vaughan Gething:** I met the tackling poverty champions in local authorities over the summer, and I was very pleased by the constructive nature of those conversations. They are all signed up to the same agenda; they are all signed up to achieving the outcomes of the tackling poverty action plan, and that is important, to ensure that we are not running at cross purposes to local government. So, I have had direct conversations with local government, and I have had conversations with the WLGA as well about supporting that agenda. I have also met a number of local authority figures other than the champions over the summer, and I am again pleased that they appear to be heading in the same direction and are also supportive of these programmes, Families First and Flying Start. They are very supportive of those in practice.

[80] The conversations that we have had with Government colleagues, including the Minister for local government, have complemented that as well. It is not just local government, of course, because I have had conversations with the Minister for health about how the different portfolios all have an impact on this particular area. The tackling poverty action plan recognises that health inequalities are a big challenge and a big problem, as is access to services across a wide range of areas. Part of the point that I have been trying to make while talking to people is that, right across the whole of the public service, everyone understands that there is less money; it is still about what choices we will make and what priorities we will choose with regard to how money is spent to try to deliver on this agenda.

So, there will be an ongoing conversation with colleagues in local government about making sure that the indications that they gave over the summer about this being a priority are made real in the budget decisions they make. However, we cannot know that until the settlement is announced and people get into making decisions that I understand perfectly well will be incredibly painful. It does not matter what political shade you are in local government, I recognise that every local authority has very difficult choices to make, but I want to see the commitments over the summer made real in the budget round that comes up and then in the outcomes that that money produces for children and families living in poverty.

[81] **Ann Jones:** Lynne, you have a point to raise.

[82] **Lynne Neagle:** Yes. One of the things that will have the biggest impact on the number of children living in poverty in Wales is the UK Government's welfare reform agenda. I know that the Welsh Government is very keen to do what it can to mitigate the impact of those changes. Can you tell us how that has been reflected in this budget?

[83] **Jeff Cuthbert:** Yes, you are quite right. As you have alluded to, it is not a devolved matter, but we have decided that we cannot just sit back and allow the worst excesses of the welfare reforms to bite in Wales and do nothing about it within our resources. So, we are determined to provide whatever support we can; for example, for those affected by the bedroom tax. During the earlier discussion, the Deputy Minister mentioned the work that we are doing on tackling workless households, with the 5,000 job opportunities that, incidentally, are for anyone aged 16 plus within a workless household where no-one has been in work for the last six months. So, on a regular basis, we are discussing, first of all, with Department for Work and Pensions officials how it could affect, say, our passported benefits, such as free school meals and a variety of benefits that are Welsh Government benefits that were linked to the older type, if you like, of welfare benefits and how universal credit might impact on that. Those discussions are ongoing. We have made some progress in terms of clarity, but we have a way to go yet.

[84] **Ann Jones:** We have another couple of areas that we want to touch upon, so I will ask for some briefer answers so that we can hone in on some of the financial implications. Suzy, you are going to ask about advocacy.

[85] **Suzy Davies:** Yes. I will wrap up everything that I want to know in one question, if that is okay, Minister. You will be aware that the Welsh Government has come in for criticism over a significant period regarding the resources and services provided to vulnerable children and their families in terms of independent advocacy. I am pleased to see that some extra money has been put into the budget on this one, but I am also mindful of your comments regarding pressures on the budget. Most of the new money seems to be going towards the MEIC helpline project. It is an unevaluated project, so I would like to know why you have chosen to put money into something when you do not know how effective it is. Secondly, can you tell us where the rest of your budget goes in the advocacy line? Thirdly, I appreciate that this goes across more than one portfolio area, so how are you leveraging your budget line for advocacy in with the equivalent lines in health and education so that they work coherently to provide independent advocacy for vulnerable children?

[86] **Jeff Cuthbert:** In terms of your final point, the Deputy Minister and I are meeting to discuss a number of things with Gwenda Thomas, the Deputy Minister for Social Services, and this will be one of those items, as to how we can work on a cross-departmental basis.

[87] An evaluation of MEIC is under way, and we will have the outcomes of that in due course. You are quite right to say that MEIC, which is the advocacy and advice helpline for children and young people, is quite a well-used service. We have seen year-on-year increases from 2010 to 2012. There has been a quadrupling of the number of young people using that

service—in fact, it exceeds a quadrupling. The main issues that young people tend to raise are relationships and mental health issues.

[88] **Suzy Davies:** Sorry, Minister, but can you put some figures on that? You have said that there has been a quadrupling, but how many kids are using this line?

[89] **Jeff Cuthbert:** Okay, that is fine. I skipped over the direct figures, but I will happily give them. In the final quarter of 2010, 630 used it, but, in the same quarter in 2012, it was 2,827, so you can see that my mathematics is correct, as that is more than a quadrupling of it.

10:15

[90] **Simon Thomas:** The Minister for education would be proud of you. [*Laughter.*]

[91] **Jeff Cuthbert:** Absolutely. I suffer from dyslexia, so sometimes my writing and reading can get messed up, but figures are okay. MEIC is a valuable service and it has provided essential support for young people over those years. There are other online services, such as CLIConline, that provide, not identical, but similar types of advice and support for young people. One of the discussions that we are having is on the scope for amalgamating those services, so that it becomes a bit more of a one-stop shop. That has some budget implications, in that we ought to have some savings and scale as a result of that. However, more importantly, if we can achieve that while at the same time bringing services like that together that benefit young people, that has to be a plus.

[92] We take advocacy very seriously, and that is why the children's commissioner's budget is not going to be touched for the next two years; it will remain at a consistent level. We are aware of his report, and the Government will be considering the implications of the report and will be responding in due course. Advocacy remains a key feature of our work with children and young people.

[93] **Suzy Davies:** If I could just pin you down on one bit of it, how much of the money that is not being spent on MEIC is being put towards meeting the 30 recommendations put forward on advocacy in the last few years, most of which the Government has accepted?

[94] **Jeff Cuthbert:** I will turn to Martin, who can clarify the details. I like my officials to do something at these meetings. [*Laughter.*]

[95] **Suzy Davies:** I would also make the point that the children's commissioner does not do individual advocacy, which is what we are talking about here.

[96] **Jeff Cuthbert:** I know that, but he raised advocacy very strongly at the last meeting that I had with him; it was a key issue for him.

[97] **Suzy Davies:** I am sure that he did.

[98] **Mr Swain:** In terms of the independent advocacy that is provided by social services departments, which was the main subject of 'Missing Voices', it is a statutory duty on local authorities, and money was transferred into the revenue grant some years ago. So, in a sense, they have had the money in the local government settlement to fund those services. The point that the commissioner made in his report was about inconsistency of provision, and that is the work that we are looking at currently. It is now going to be driven by Gwenda Thomas's department, because it relates to statutory social services functions. It is very different to MEIC, however. MEIC is an early intervention advocacy service, and I think that the commissioner would agree that, if you were to take MEIC away, you would end up with more children and young people potentially needing more complex advocacy services in the longer

term.

[99] **Suzy Davies:** No-one has yet told me what you spend your non-MEIC money on.

[100] **Mr Swain:** On advocacy?

[101] **Suzy Davies:** From your portfolio, Minister.

[102] **Mr Swain:** One of the things that we do use a small amount of money for is to support the work of the expert advisory group. I am sure that you will remember that, in 'Missing Voices', the children's commissioner was very critical of the National Independent Advocacy Board, the former independent advocacy board. Ministers at the time took the decision to change the shape and create a new expert group, chaired by Mike Shooter. That group has been under way and we support Mike's work, because it is an unpaid post, but the work of that group requires some research and evaluation work around what is happening on advocacy, so a small amount of money goes into that. We also support a providers' network with a small amount of money, but the majority of it goes into the MEIC service.

[103] **Suzy Davies:** So, you are not being asked for funding for school advocacy programmes or the programmes that we talked about with social services just now?

[104] **Mr Swain:** School advocacy would be a matter for the Minister for education, in the same way that health advocacy and mental health advocacy would be a matter for the Minister for health.

[105] **Suzy Davies:** However, as you said, Minister, you are working together to make sure that those work more effectively.

[106] **Jeff Cuthbert:** Indeed we are. It is quite a detailed question. May we write to you to make sure that there is clarity on that point?

[107] **Ann Jones:** That would be helpful. Angela is next, with questions on preventative spend.

[108] **Angela Burns:** Yes. Thank you for your paper. Preventative spending is one of the key themes that the Finance Committee is following through, and I am sure that we would all appreciate that, if we can prevent poverty, we are already winning, rather than going around trying to mop up the consequences afterwards. Can you give us a little bit more detail about how much of your budget is being dedicated to preventative spend in terms of child poverty? You also touch very lightly in your paper on prevention being an objective for Families First and Flying Start. Do you have any other policies that you are looking at in terms of real preventative spend?

[109] **Jeff Cuthbert:** I will bring the Deputy Minister in now. As you say, Families First and Flying Start are probably the key preventative programmes that we have. It is important that these programmes are there, because if we can improve the life chances of children and young people, then as they become adolescents and adults their opportunities to progress in life are far greater. That is why the cross-departmental work on the attainment gap—I am sorry to refer again to the speech yesterday by the Minister for Education and Skills in which he talked about the focus on that gap—is so important to us.

[110] One of the issues that I will refer you to in terms of prevention is the tackling workless households programme. I have already spoken about its details, so I will not repeat them. I will let the Deputy Minister speak now.

[111] **Vaughan Gething:** If you look at annex 1 of the evidence paper, you will see that of the £125 million, nearly £120 million is preventative spend. I would see Flying Start and Families First as preventative spend. Funds in other parts of the portfolio link into that—for example, the Communities First pupil deprivation grant match funding—to provide more money for schools operating in Communities First areas. So, again, that is preventative spend. It depends on how you want to define it, but I would say that Flying Start and Families First are certainly preventative spend programmes. The money that we spend, and the effort that we put into closing the attainment gap, is preventative spend, as well as being part of mainstream education. The money that you see in the play and childcare strategy is for developing effective play and childcare strategies—that is partly about preventative spend and prevention, because we know that if we are able to provide quality childcare and meet our aspirations in the early years and childcare plan, we will have an economic enabler for working parents and for parents who want to access training opportunities.

[112] Actually, a large amount of what we do and what we are concerned about and how we influence our colleagues in Government in terms of the way that they spend their budgets is preventative spend. It is not just about this budget—it is the work that we are doing and the coherence that we should have across Government. Through the delivery of the tackling poverty action plan we are trying to channel money into prevention as much as into anything else. It is about preventing future poverty as well as mitigating current poverty. I see all of this falling within the preventing poverty bracket.

[113] **Angela Burns:** That is true, but you use the word ‘if’, which is an interesting word. The children’s commissioner has raised concerns about the impact that the Government is having in terms of reducing child poverty levels. I appreciate that Families First is a new programme, and it is only right and proper that programmes should be trialled, evaluated and then either jettisoned or invested in.

[114] My concern about Flying Start, for example—I think that my colleague Simon Thomas raised this earlier—is about the empirical evidence and the success of it. We have the worst child poverty levels in the UK. Tackling this has been a very strong and right policy aim and objective of Government for the past decade. However, there is a saying that you can keep throwing money at the wall and hope that eventually some of it will stick, or you can start thinking outside the box. That is why I am interested in preventative spend and whether or not you feel confident that the programmes you are currently running will start addressing this. Is Families First another policy that will be evaluated? When will there be a really good, hard look at Flying Start? If that does not work and we are not breaking this terrible cycle that we are in that is going to get worse—I freely admit that, because times are very tough; the cycle has not been broken for the last decade—are you really convinced that this will give you value for money and that it will achieve that objective?

[115] **Vaughan Gething:** I am very positive about Flying Start and the value that it provides. I think that it is a good use of public money. I think that it would be unfair to try to link Flying Start to the overall figures on child poverty in Wales and say that if those figures do not move, it is because Flying Start has failed. I think that that would be unfair.

[116] **Angela Burns:** I completely accept that. I meant just in those Flying Start areas.

[117] **Vaughan Gething:** I appreciate that you did not quite say that, but I would not want to get lost in that because it is actually about the evaluation of the programme and the value that it has. Of course, there is an honest conversation to be had about all the other factors that affect child poverty and the number of children living in poverty; it is not all just about our Flying Start programmes. The biggest area of the country that has the biggest child poverty problem is London, where four in 10 children live in poverty. Again, there are huge inequalities in the city of London.

[118] When you have the evaluation evidence that comes out from Flying Start, I will be very happy to come to committee again to discuss it. I have no problem at all with that, to look at what we are doing and to understand what our response as a Government is going to be to that evaluation evidence. I am very happy to do that, because it is about the value of the money that we are spending and the outcomes that we get from the public money we spend on over half of the people of Wales; whether we are happy that those are the right outcomes; whether we are happy that it is the best use of money; and whether we are taking on board areas where we can improve money. That is the approach that we are taking. In the times that we are in, we have to do it. Even if the times were good, we should be doing that, but the times that we are in mean that we cannot just say that we will keep on spending money and keep on throwing money at things. I do not think that we are throwing money at Flying Start. I think that we are putting money into a programme where the current evidence tells us that it is having a real impact. I am very happy to come back again to have another discussion at some point in the new year when all that evaluation evidence is available.

[119] **Angela Burns:** That is absolutely great. I just want to be crystal clear, because we would like to come back to review the monetary spend and outcomes versus the money put in. So, really, we are talking about just two key policies. Do you have any other policies? We did write and ask you for details of all the policies that you would term as 'preventative', but you have only mentioned that in terms of those two. Is there anything else we should be looking at in terms of preventative policy?

[120] **Vaughan Gething:** We have two major programmes here: Families First and Flying Start. When you look at the budget that this department has, you will see that a huge chunk of the budget that we have goes into that spend—

[121] **Angela Burns:** You have answered the question; it is just those two.

[122] **Vaughan Gething:** When you go across Government to look at what it is doing, you will know that there are large chunks of what else we do that is preventative spend. It would not be fair to say that there are only two policy areas that the Welsh Government has that are preventative spend—

[123] **Angela Burns:** I know that and I shall be asking that of the other Ministers. I am asking about it within your department.

[124] **Vaughan Gething:** Within our department, the two major areas are these two, but we have a cross-cutting portfolio, so part of our job is about influencing and working with colleagues in Government. So, I think that it would be rather unfair to say that there are only two things that we are doing that are targeted at preventative spend.

[125] **Jeff Cuthbert:** You can argue that our work with credit unions is preventative.

[126] **Angela Burns:** Absolutely.

[127] **Jeff Cuthbert:** You can argue that our work on welfare advice is preventative, although it may not be directly relevant to this committee. So, there are a number of areas, but, as the Deputy Minister said, I discuss regularly with the Minister for Economy, Science and Transport the employability schemes and how they are impacting and how we are helping to create the right sort of jobs for young people. This will be a major part of the future generations Bill. Likewise, I also discuss with the Minister for Education and Skills the expansion of Jobs Growth Wales into our portfolio area as part of the tackling poverty agenda. So, there are a number of cross-cutting themes, but those are the two big ones that sit solely within our portfolio.

[128] **Ann Jones:** We have a couple of minutes, and Keith wants to come in. We are probably not going to do justice to this whole area, but we will have a stab at it and see where we go.

[129] **Keith Davies:** Diolch, Gadeirydd. Rwy'n ymddiheuro am fod yn hwyr y bore yma; roedd yn ddwy awr i ddod o Lanelli. Gofynnaf gwestiwn am ofal plant. Rydych yn sôn yn eich adroddiad eich bod yn aros am gyfle i gael cyllid o Ewrop. A ydych yn mynd i gyflawni'ch amcanion heb gael yr arian ychwanegol hwn?

Keith Davies: Thank you, Chair. I apologise for being late this morning; it has taken me two hours to come from Llanelli. I am going to ask a question about childcare. You say in your report that you are waiting for an opportunity to obtain European funding. Are you going to deliver your objectives without this additional funding?

[130] **Vaughan Gething:** The opportunities for European funding are hugely important in terms of the priorities that we have set for the next round. So, I am positive that we will find an extra source of money to go into developing childcare. However, if you look at the whole of the early years and childcare plan, you will see that it is not just about European moneys. There are ongoing conversations with colleagues in economy, science and transport about stimulating the childcare market, but you have to see it as a joined-up whole. The childcare sufficiency assessments that are taking place will give us, again, a better picture of where need and demand are and where there are gaps in childcare provision. We also expect them to tell us where we are on the current position of affordability, because some of the key challenges that we face in childcare—and you will be aware of this—are the affordability of current provision, the volume of current provision, and whether it is in the right place and whether there is enough of it in the right place, and the flexibility of it to match the patterns of working parents and parents who want to access work and training opportunities. Some of that is about what we already have.

10:30

[131] So, in Flying Start areas, if we have high quality childcare, we need to look at how we ensure that that is delivering against the needs of Flying Start parents. If we look at what we are already doing with the education offer that we have—not just in terms of its educational value, because some people see it as childcare—we have to ask whether that is flexible enough and whether it is at where we want it to be at present. So, some of what we are looking at is about understanding where we are with our current problems and about looking at the expansion that we will have.

[132] There are other specific programmes as well, such as the out-of-school childcare grant that allows greater wrap-around provision to be made available both in and out of term time. I visited one of those settings in the summer. I was very impressed with the quality of provision, but the challenge is how we ensure that we have more of that, bearing in mind the budgetary constraints that we have. A large part of this will be in the private or voluntary sectors. We know that we are not going to deal with and meet our aspirations on childcare just by having maintained settings run by the public sector. There has to be an involvement with the private sector, with co-operatives and social enterprises, as well as with people running straight, normal businesses. So, there is quite a lot of work to be done. European funding is part of the solution, but certainly not all of it.

[133] **Jeff Cuthbert:** On this point, Chair, 20% of the European social fund aspect of European funding must be targeted at tackling poverty programmes. Why do I say that? Because this is linked. In terms of our broader tackling poverty programme, the best way, of course, of getting people out of poverty is getting them into employment. That is the easy thing to say, although it is true. Therefore, childcare becomes critical in this and it is another

example of cross-departmental spending. If our tackling workless household projects are to be successful, we need to have half-decent childcare arrangements. I am convinced that my department effectively spends in terms of ESF—it is my job to make sure that that happens. That is part of our approach.

[134] **Keith Davies:** Un peth arall sydd yn eich adroddiad yw eich bod yn tynnu'r arian yn ôl i gael cofnodion troseddol ar bobl sy'n gweithio ym maes gofal plant. A ydych wedi gwneud asesiad o effaith hynny?

Keith Davies: One other thing in your report is that you are taking the money back to have criminal records checks on people who work in childcare. Have you made an assessment of the impact of that?

[135] **Jeff Cuthbert:** Yes, we have. The change in process is about portability. People who have a criminal records check can apply to have it made portable. In other words, they will not have to be reassessed if they go into a different setting. We expect that to result in considerable cost savings. That is a matter that we will keep under careful consideration.

[136] **Ann Jones:** Running three minutes over is not bad. Thank you very much for that. Minister, there are a number of points on which you are going to supply the committee with information and the clerks will indicate to you what they are. The Deputy Minister has agreed to come back to look at Flying Start in the new year, or whenever, so we look forward to that. I thank you both and your officials for coming today and giving us your answers on your part of the budget. Thank you very much.

[137] **Jeff Cuthbert:** Thank you. I am glad that you did not take long, because my meetings are back-to-back—I now go straight into another committee.

[138] **Ann Jones:** There you are. We are all being very disciplined this morning.

10:33

**Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2013-14: Sesiwn i
Graffu ar Waith y Gweinidog
Welsh Government Draft Budget Proposals for 2014-15: Ministerial Scrutiny
Session**

[139] **Ann Jones:** We will now move on to the next session with the next set of Ministers—the Minister for Education and Skills, Huw Lewis, and the Deputy Minister for Skills and Technology, Ken Skates. They are not here at the moment, but they should be coming in now.

[140] May I remind Members that the Deputy Minister for skills is here for the post-16 part of the budget and not the skills agenda part of it? I will also remind him of that. That part sits with the Enterprise and Business Committee.

[141] Good morning, Ministers. I am sorry that we are running slightly late, but we will try to make some time up. I welcome the Minister for Education and Skills, along with the Deputy Minister for Skills and Technology, Ken Skates. I was just informing the committee that the Deputy Minister for Skills and Technology is here for the post-16 education part of the budget only and not for the skills agenda part, which sits with another committee. So, we will try to keep our questions purely on our remit. You are joined at the table by Owen Evans, who is your director general in the Department for Education and Skills and by Jo-Anne Daniels, who is the interim director for infrastructure, curriculum, qualifications and learner support. Crikey. [*Laughter.*] I believe that you also have officials sitting on the sides: Brett Pugh is a group director for school standards and workforce group and Carla Lyne is the

deputy director for finance and corporate services. Between you all, we should have some very good answers to the questions that the committee will pose.

[142] Minister, if you are happy with that, we will move straight to questions. There are a number of areas that we want to cover, the first one being the protection for schools through the local government main expenditure group, and that question will be from David.

[143] **David Rees:** Clearly, you have a large budget allocation, and you have identified three areas that you want to focus on: the education priorities of literacy and numeracy and the link between deprivation and attainment. Last night, you clearly highlighted where you want to focus in the coming year. However, some of that depends upon local authorities delivering in the schools, which is outside your budget remit, because that is allocated within the local government's budget. How do you influence that, because I have heard from local authority areas that they may not implement the 1% increase that has been allocated? So, how confident are you that that will be done? If it is not done, what actions will you want to take?

[144] **The Minister for Education and Skills (Huw Lewis):** It is important to recognise the difficult context that we are in. Reductions to my departmental expenditure line in this draft budget amount to around £77.6 million next year and nearly £55 million in the year after that. This is a context that puts us in a pressurised environment, and that pressure is shared by local government. In my conversations with the WLGA and others, it has been clear that there has been a sustained commitment throughout the Assembly term, thus far, to the 1% uplift. That has been monitored and evidenced, and it is being delivered. Local government is in no doubt—I am sure that I have left no doubt—that we expect to maintain that 1% uplift for schools. That involves difficult decisions that have to be made elsewhere, obviously. No local authority has yet signalled to me that they will have any difficulty with delivering on what is a manifesto commitment that the Welsh people endorsed. However, I will be keeping a very close eye on that and I will be working closely with local government across Wales to make sure that we maintain that position. Good dialogue and good lines of communication are the best defence against the pressures that we are under. I intend to be vigilant around that agenda.

[145] **David Rees:** Have your budget allocations, therefore, been premised on the 1% uplift being allocated to the schools?

[146] **Huw Lewis:** Yes. That is all part of the package of the budget lines that you see before you. Although there is no budget line for the 1% uplift, as such, it is built in.

[147] **Simon Thomas:** You mentioned the monitoring of this spend; for clarity, do you do that, or does the Minister for Local Government and Government Business do that?

[148] **Huw Lewis:** We do that. Am I right in saying that?

[149] **Mr Evans:** We keep an eye on it, but the central monitoring is done by central finance and local government. So, we have reports on it, and we have had reports, for example, this year, last year and in previous years to make sure that the 1% is protected. We spend money through schools through a number of sources—sub-expenditure groups, the pupil deprivation grant and indirectly through other pots. We look across our own budget as well, to make sure that we are protecting spending across the round, because, of course, 1% protection is not specifically in the revenue support grant.

[150] **Simon Thomas:** I want clarity between the 1% and schools and all of the other things, such as the pupil deprivation grant and everything else, that you are putting into the system, so that you are able to see that very clearly.

[151] **Huw Lewis:** There is clarity on that. It is important to realise—Simon makes an important point—that the 1% uplift is not the same thing as the RSG. The commitment is to grow the schools budget by an additional 1% over changes to the Welsh block, and there is an identifiable additional £70.6 million in the RSG over the next two years to cater for that. We will monitor that through the delivery of the annual returns.

[152] **Ann Jones:** We are going to move on to the pupil deprivation grant. I have Aled first and then Rebecca.

[153] **Aled Roberts:** Wrth gwrs, rwy'n croesawu'r ffaith bod y grant yn cynyddu, ond a oes asesiad wedi cael ei gynnal gan eich adran chi o effeithiolrwydd y grant? A oes gennych unrhyw bryderon am y canllawiau presennol, os ydych yn anfodlon â'r ffordd y mae'r grant wedi gweithio hyd yma?

Aled Roberts: Of course, I welcome the fact that the grant is increasing, but has there been any assessment by your department of the effectiveness of the grant? Do you have any concerns about the current guidelines, if you are dissatisfied with the way in which the grant has worked so far?

[154] **Huw Lewis:** It is worth pointing out first of all that we pretty much have consensus across the Assembly in terms of a point of principle on the pupil deprivation grant. On the important question that Aled asks, though, it is a little early to answer, in that we have only had one run-through of the pupil deprivation grant thus far. I was, however, sufficiently concerned about the guidance surrounding the PDG in its first year to ask officials to tighten the guidance, so that we will see, as the increased spend flows through next year—a very welcome doubling of the pupil deprivation grant—a demand on schools to base in evidence the spend that they undertake on behalf of those pupils. This is a very direct uplift for schools, and it is very important that we can be sure that it is actually combating that gap in attainment that we see for the pupils on free school meals. A lot of effort has gone into strengthening the guidance, making sure that workshops are being run over the last few months for headteachers and for others in LEAs. We have had conferences to explain that we will expect to see, first of all, a system that is more accountable than it was prior to this, and that is directly connected to evidence-based measures. We have pointed schools particularly in the direction of the Sutton Trust toolkit, which I think is widely accepted as being the best set of tools out there for educationalists in terms of interventions that really make a measurable difference to the attainment of the pupils that we are talking about here.

[155] **Aled Roberts:** Gan adeiladu ar bwynt David Rees, mae perygl, wrth gwrs, wrth i'r grant ddod trwodd, y bydd rhai cynghorau, neu rai cynghorwyr, yn teimlo o achos bod arian ychwanegol yn dod i mewn i addysg drwy'r grant, nad yw'r gofynion ynglŷn â chodi'r grant 1% cymaint ag yr oeddent. Pa gamau ymarferol y byddwch yn eu cymryd os ydych yn darganfod bod rhai cynghorau nad ydynt yn cadw at yr addewid maniffesto ynglŷn â chodi gwariant yr ysgolion?

Aled Roberts: To build on the point that David Rees made, there is a risk, of course, as the grant comes through, that some councils or councillors will feel that, because there is additional money coming in to education through the grant, the requirements in terms of raising the grant by 1% will not be as great as they used to be. What practical steps will you take if you find that some councils do not keep to this manifesto commitment in terms of increasing school expenditure?

[156] **Huw Lewis:** As I mentioned, there will be constant dialogue and proper annual monitoring of the 1% uplift. If any local authority officer or politician is under the impression that the uplift in the PDG is a get-out-of-jail-free card when it comes to the 1% commitment, I will disabuse them of that very rapidly. The 1% uplift is a manifesto commitment. The Welsh people voted for it, and the Welsh people will get it.

[157] **Rebecca Evans:** When Estyn looked at the raising attainment and individual standards in education in Wales programme, it said that

[158] ‘additional funding intended for supporting disadvantaged pupils is often used to raise achievement generally rather than to tackle the specific needs of disadvantaged pupils’ and specifically those on Free Schools Meals.’

[159] How will you ensure that the pupil deprivation grant is different?

10:45

[160] **Huw Lewis:** Focus. RAISE taught us a lot. It was, to be blunt, in my view, something of a scattergun approach. It did not focus down on particular pupils or particular programmes of activity. It was not monitored tightly enough, and its efficacy was not sufficiently well measured. The pupil deprivation grant will be a very different beast. My intention is that we will ruthlessly get a grip of the value for money that we are getting out of the pupil deprivation grant and that every partner involved needs to understand that this is a specific programme aimed at pupils in a specific situation, and that we expect that it shall be spent on specific types of activities that we know, through evidence, produce an uplift in attainment. I think that I have run through some of those previously, Chair.

[161] **Rebecca Evans:** The Welsh Government is keen for the pupil deprivation grant to deliver for looked-after children. What do you expect the educational impact to be on looked-after children?

[162] **Huw Lewis:** It should be similar. I think that there is around £1.7 million within the pupil deprivation grant that is specifically flagged for looked-after children. We should be looking for similar sorts of results. There are, of course, additional difficulties in terms of monitoring looked-after children, because they can often be very mobile and turn up in one educational context and then move to another fairly rapidly. However, schools will have to demonstrate that the gap in attainment between looked-after kids and other children has decreased over the first three years of the PDG, up to 2015. We will expect evaluative reports from the regional consortia, which, of course, will be up and running properly by next spring, together with an analysis of how that expenditure has impacted on those educational outcomes. So, we will demand that report back. We do recognise that there are additional sets of issues around looked-after children, as opposed to simply those children within the free school meals category, but we do have as high expectations of what should be delivered in terms of the PDG for those kids as we would for anyone else.

[163] **Ann Jones:** I have Simon wishing to come in on this point, and then Bethan, before we move on.

[164] **Simon Thomas:** I am just looking at the budget for the pupil deprivation grant. Clearly, we are looking at the draft budget for next year, but we are also looking at the outline budget for the following year, which has the pupil deprivation grant across the two years there. That would suggest to me that this is a settled part of the way that you are going to address your priorities in education, regardless of any political settlement that might be achieved. Of course, there is one difficulty there, because the passport into the pupil deprivation grant comes through free school meals, and in that period of time you are going to see some significant changes, perhaps, around the benefit entitlement. So, what modelling are you doing now to ensure that you can still deliver to the aims that you say in this budget that the pupil deprivation grant is aimed at?

[165] **Huw Lewis:** That is a very important and difficult question. I will be completely honest about it. I know that there has been constant contact between officials in my

colleague's department, the Minister for Communities and Tackling Poverty, and Whitehall about how exactly the universal credit will impact upon this, with free school meals being a passported benefit, if you like, and us building the pupil deprivation grant upon that measure. It is not just on free school meals; it is also about looked-after children. That is also a part of what we measure here. Frankly, I wish we had Iain Duncan Smith here to explain to us exactly how universal credit will be rolled out. It seems that the news is constantly changing, and we can only hope that, in terms of UK Government decision-making, good sense will prevail. We are not alone in this. England, Scotland, Wales and Northern Ireland are all in a similar circumstance in terms of passported benefits like free school meals. I would like to think that it is unimaginable that any Secretary of State would bring established systems like this crashing down across the UK.

[166] **Simon Thomas:** Yes, well, I am afraid that it is all too imaginable. We have to think about whether the Welsh Government is doing other modelling around poverty targets, if you like, or some kind of modelling that means that you could maintain this policy, post universal credit and post all changes. I know that this is getting towards the end of the Assembly term, but it is outlined as being a central part of your spending to address what you mentioned last night about attainment and deprivation.

[167] **Huw Lewis:** Absolutely. In realistic terms I think that we are fairly safe in terms of the ground that we tread upon through the rest of this Assembly term. My judgment of the universal credit is that it simply will not happen within that time frame. However, you are right to be concerned. We would be left in a situation where we would have to rely on secondary proxies, if you like, if we could not use the free school meals measure; we would be looking at area-based measures similar to the ones we use for Flying Start allocation for instance. I do not think there would realistically be anything else that we could use, unless we required some kind of means-testing measures to be undertaken by local authorities, and I do not think that that is realistic.

[168] **Bethan Jenkins:** My question goes back to the looked-after children issue. In a certain local authority, courses have already been cut for looked-after children with regard to tutoring for GCSEs. The tutor who talked to me said that that person will not now be able to complete their GCSEs, which is tragic. If the pupil deprivation grant has educational outcomes for looked-after children, what you are doing, in talking with the local government Minister, or local government leaders, to try to plug the gap, effectively, of courses that are currently being taken away as we speak, regardless of the work that the Welsh Government is doing on this particular area?

[169] **Huw Lewis:** There is an uplift here. If measures like this are being taken in local government, I, like you, would want to ask some very searching questions of that local authority about what exactly it is up to. No reports like this have reached me as yet; I would be curious to know exactly where Bethan is hearing this, as it is a rather disturbing tale. We are talking about a doubling resource for these children coming through next April—no cuts; a doubling of the resource. These children should be prioritised and the Government has made that very clear. I would be extremely disappointed if there was no replacement activity, if you like. If a local authority was changing the emphasis of the kind of support it offered looked-after children, that would be one thing, and I would be quite happy to discuss that, but if simple cuts were happening in the face of the actual uplift being 100%, I would want to know what the hell was going on.

[170] **Ann Jones:** Aled wants to ask a very brief question, as does Angela, but we do have to make some progress.

[171] **Aled Roberts:** I was just wondering, on that point, whether there is a potential disconnect because corporate parenting panels within local authorities look at the educational

attainment of looked-after children but, of course, they come within social services. The grant goes directly to the schools, and it may be that the corporate impact with regard to strategies for looked-after children is being siloed a bit. That might be something that perhaps needs to be discussed with the Deputy Minister for Social Services.

[172] **Huw Lewis:** Absolutely; I will take that on board and attempt to get to the bottom of that as quickly as I possibly can. Aled is quite right; I think he probably points to the most likely cause of the problem.

[173] **Angela Burns:** My quick question just builds on that, in relation to children or young people with special educational needs. You are putting the £4 million or so post-16 SEN budget into the RSG, so how will you be able to monitor that the occurrence that Bethan has spoken about with looked-after children does not occur with children with special educational needs and that local authorities go and spend it elsewhere?

[174] **Huw Lewis:** This is a question of vigilance, monitoring and good lines of communication. As you say, we are going to go through quite a change in terms of how the money and lines of responsibility flow as regards post-16 SEN. I know that many committee members are very concerned that we make sure that that transition goes smoothly and that there is no game-playing on the part of local government in terms of the support for that group of young people. I share your concern. As of yet, I have no reason to suppose that anything nefarious is going on, but it will be monitored very closely.

[175] **Ann Jones:** We will move on to literacy and numeracy.

[176] **Bethan Jenkins:** I want to ask about literacy and numeracy with regard to the funding allocation. I know that £7 million was announced in January for the national support programme to help schools and teachers implement the annual testing. Do you believe that this is enough funding for the long term or do you foresee long-term investment in this area, given the emphasis that the Government has placed on it? My concern is that, as I understand it, the financial inclusion unit will not be receiving any more money in the future—that is in your budget. If this is a priority for your Government, how are we going to be able to embed financial and literacy skills if some of the funding will not exist in the future?

[177] **Huw Lewis:** There are two things here. The first thing to be clear about is that the funding for literacy and numeracy runs across a number of budget lines. A good chunk of it, for instance, is within the curriculum and assessment BEL. I could ask officials to explain to you exactly what is identifiable within that for the literacy and numeracy programme. Secondly, it is important to understand that there were some upfront costs around setting up, for instance, the literacy and numeracy tests. Having to do those for the first time this year, these are additional expenses, as opposed to this becoming an embedded routine way in which schools are expected to operate. Much of this, as it becomes mainstream, to run the literacy and numeracy framework, should become routine around the operation of schools. It is all within the context of spend on the school effectiveness grant, the pupil deprivation grant doubling, the targeted support for literacy and numeracy, which is identifiable, all being taken together. If you add that together, you are talking about an additional £100 million or so that you could label or allocate as being directed at these sorts of measures.

[178] I am confident that we have the resources within the system to maintain the priority on literacy and numeracy—in fact we will only focus down more and more upon those sorts of activities in terms of what we expect—particularly from regional consortia and their activities as they connect to school improvement.

[179] **Bethan Jenkins:** To clarify, the £7 million would be a one-off spend and, as regards the future, the cost of the schemes that you mention would be embedded within what the

budget is already.

[180] **Huw Lewis:** No. I think that I will turn to Owen for the technical details about the money.

[181] **Mr Evans:** Thank you, Minister. I might also bring in my colleague Jo-Anne on this. The first thing to say is that within a shrinking budget, we are reallocating money towards literacy and numeracy—it is continuing the Minister's campaign to raise standards. As to the £7 million on things like the national support programme, there were a lot of upfront costs in getting that up and running, but this is just part of the ongoing programmes that we will be running on literacy and numeracy. We are at quite a critical stage with the literacy and numeracy framework becoming statutory as of September. This is now embedding itself across curricula, across the way that schools are working. We will keep a pretty sharp focus on how we are spending literacy and numeracy funding in the future. As the Minister said, it is quite a significant amount of money across a number of budgets.

[182] **Bethan Jenkins:** What about the financial inclusion unit? I am curious because, obviously, that would help teachers on the front line. If that money does not exist in the future, then they will not have that support. I was wondering whether that would be done in a different way, instead of the money coming through the unit.

[183] **Mr Evans:** I will cover that. There are a couple of things that we are doing. Financial inclusion and numeracy are different. The financial inclusion programme was a time-limited one, designed to embed that type of activity. We hope that that has now happened. On numeracy, we are doing some new things as well. One of the things that we have been looking at from the other side is on the skills front—how do we enliven and enrich curricula for young people to make them understand the context of what they are learning. For example, in September, with the CBI and others, we launched a programme to bring employers into schools to help with numeracy. There are other vehicles under way to try to make sure that we embed proper numeracy skills within young people. Jo-Anne, I do not know whether you wish to comment.

11:00

[184] **Ms Daniels:** The Welsh financial education unit that you have referred to has operated for a number of years. It was always intended to be a time-limited programme and it came to an end in August this year, as planned. As part of the close-down of that programme, the resources and materials that were used by the unit staff have all been made available to schools on loan in Wales. So, those resources have not been lost. They are there for schools to draw on. In addition, financial skills and understanding of money is now a core component of the literacy and numeracy framework. Within the numeracy elements, there are specific references to children understanding money and financial concepts. So, we think that we have an extremely strong mechanism to embed those financial skills into the core curriculum. The national support programme is a four-year programme to help schools implement the literacy and numeracy framework in all its aspects. So, the national support programme will provide support to schools on all aspects of numeracy, including the aspects of the LNF that relate to financial education and finance skills. As the Minister has mentioned, our funding for the national support programme is intended to increase this year and in future years because we recognise the needs of schools and the support that they need to embed the LNF properly.

[185] **David Rees:** Minister, in your speech last night, which has been reported quite a lot this morning, you highlighted the fact that you have the plans in place for literacy and numeracy now, but that there was chronic inconsistency in delivering some of the programmes across Wales. Do you believe that the budget allocation you have in the national support programme and, perhaps, the teaching and learning budget, which I see is for

continuing professional development and which has decreased by £2 million, is sufficient to support teachers and develop the skills among teachers across the curriculum? You are right that literacy and numeracy covers the whole curriculum. Is that a sufficient budget allocation to provide that support for staff in their continuing professional development process?

[186] **Huw Lewis:** We are under pressure and, of course, it would be great to have more resources, but I think that we have prioritised sufficiently within the budget to make sure that we can meet these strategic goals. In terms of teachers' skills, for instance, I have ensured that the Master's in educational practice programme—which is a unique programme as it only happens in Wales—will be available to all the newly qualified teachers that want to take it up. So, we should get near to 100% coverage of that. The national support programme, as you say, is more widespread and covers all schools and teachers. I believe that will be sufficiently resourced, and it is worth mentioning that it is also unique to us. This is something that is happening in Wales and not elsewhere. I think that we are clearly showing that, within the very difficult constraints that we are facing here, we are attempting to prioritise the skills of teachers and their ability and capacity to deliver on the programme. I will be looking carefully at the results of a snapshot of the foundation stage, incidentally, which is currently under way. I have asked Professor Iram Siraj-Blatchford to take a look at that, because I have concerns about the consistency of application, particularly of the foundation phase across the country. She will be reporting back, I believe, in the spring. I will need to take a fresh look at just what kind of capacity building measures we have in place for those particular teaching staff.

[187] **Ann Jones:** Suzy, you have a brief question.

[188] **Suzy Davies:** Minister, you mentioned earlier that, because of the way in which literacy and numeracy spending is now embedding across the piece, some of this money will now be found in the curriculum and assessment budget expenditure line. You also said that, perhaps, one of your officials might be able to elaborate a little on that if we have time. Chair, if not—

[189] **Ann Jones:** No, we will have a note on that if that is possible.

[190] **Huw Lewis:** Yes, sure, of course.

[191] **Suzy Davies:** Would that be okay? You also mentioned helping teachers deliver this through the new system, yet we have significant drops in resource for teacher development and support, in the foundation phase and in the 14-19 learning pathways. It strikes me that a lot of emphasis on literacy and numeracy is going into curriculum and assessment. I want to know how that BEL is divided up between what it is going to do for literacy and numeracy and all the other stuff that it is expected to do on qualifications? I will take a note on that.

[192] **Huw Lewis:** We will very happily supply a note on that specific point.

[193] **Ann Jones:** The Minister's paper refers to it in quite some depth. We will revisit the Minister's paper, and if we think that there are still some issues that we need to look at, we might write to the Minister. However, I am not going to write to the Minister before that, because his paper is quite detailed. We will have a look at it later. I am desperate to move on. We have some big areas on which we need to tease out some answers, one being capital funding.

[194] **Lynne Neagle:** There is a sizeable cut to the amount of capital funding available to the education and skills capital allocation. How confident is the Government that you will be able to deliver on the twenty-first century schools programme with that level of cut?

[195] **Huw Lewis:** The overall capital budget cut, for the Welsh Government as a whole, is

a third, which is drastic decision making on the part of central Government. There is no change, however, in terms of the indicative allocations for this at the moment, although I do anticipate, of course, that we will have to re-profile the way that we move ahead with the twenty-first century schools programme. This is strategic spend, though, and it is also tied up with work around the local government borrowing initiative, and I am confident that we will keep on track with the capital spend on schools across Wales for the rest of this Assembly term.

[196] **Lynne Neagle:** So, you are confident that the Government will be able to deliver on the 161 projects and £700 million investment by 2022.

[197] **Huw Lewis:** Yes. It is realistic, I feel. I have set aside new money in this budget, as I say, to support the local government borrowing initiative for the programme. That includes £1.75 million for next year and about £4 million for the year after. That will bring forward between £170 million and £180 million of capital. In terms of the schedule, at present we are looking at completing the programme two years ahead of schedule, in fact. As I say, this is strategic spend. It has been prioritised. Within the education portfolio, this is the capital programme that matters the most. I will make sure that we keep on track with it. Do you have anything to add, Owen, in terms of the profile?

[198] **Mr Evans:** We have had to adapt. There is less capital in the system. We have introduced the local government borrowing initiative, as the Minister said. Whereas the re-profiling due to the capital cuts meant that we were having to push it off a little further, the local government borrowing initiative has allowed us to bring it back on track. I appeared in front of the Public Accounts Committee recently, and was asked about a commitment and whether we would get everything finished on time. I have been involved in many big infrastructure projects, so I am always loathe to give absolute guarantees, but the Minister is very clear that we must deliver on the capital spend that we have profiled, and we will be working with local authorities to make sure that that happens.

[199] **Lynne Neagle:** Finally on the local government element, there is a risk that, as local government budgets are squeezed, it might find it difficult to deliver its match-funding element. What sorts of discussions are going on at Welsh Government level to ensure that that does not happen?

[200] **Huw Lewis:** As soon as those announcements are made later on today, we will step up the work with local authorities in terms of making sure that their commitment remains solid to the twenty-first century schools programme. As I say, signals are good with what has happened over the summer. There has been pretty intensive contact over the summer between my officials and local authorities and between me and local authority leaders. I have detected an ongoing commitment that is undiminished to the schools programme. It is something that is almost a national consensus, in terms of making a quantum shift, if you like, in the quality of school buildings across the country. There are pressures out there—we recognise that. Again, dialogue and vigilance are the things that matter the most in making sure that it is delivered.

[201] **Ann Jones:** Keith, did you have a supplementary question?

[202] **Keith Davies:** My supplementary question was what Lynne asked. Like David Rees earlier, I have had local authorities saying, 'There is going to be big pressure on us and education seems to be protected'. Of course, when they get their budgets today, the county treasurer will say, 'Well, the revenue costs of the capital allocations will be...', and I think that we need to keep a careful eye on it, because the twenty-first century schools programme could be slowed down because of what might happen today.

[203] **Huw Lewis:** We do not want that to happen and when we get clarity later on today, then the work begins in terms of making sure that that dialogue with local authorities is updated in the light of what the Minister for Local Government and Government Business has to say.

[204] **Ann Jones:** I want to make an appeal about time, again, as we are up against the clock. On preventative spend, we have Rebecca and then we have two biggies that we want to cover.

[205] **Rebecca Evans:** I am interested in your preventative measures to give children and young people the best start in life. We have discussed the pupil deprivation grant, but in your paper to us, you also talk about the school effectiveness grant and grants that support the education of Gypsy and Traveller children, as well as ethnic minority children. As an example of an outcome, you cite increasing young people's chances in the labour market. How do you estimate the level of expenditure that you are preventing in the future, given that many of these preventative measures will not reap the benefits for many years to come?

[206] **Huw Lewis:** I know that Ken would like to comment on some of these issues. When it comes to preventative spend, it would be easier to identify areas in my portfolio that are not connected to preventative spend. You could make the argument that everything that is connected to education and skills is, in a sense, preventative spend, most particularly, I think, in terms of the efforts that we put into the early years and foundation phase, and also, as you mentioned, to assist those young people who are in danger of becoming not in education, employment, or training and those who are on the periphery of the system—Gypsy and Traveller children being one such group. We have made sure that that is a protected budget this year. I will just bring Ken in now, because I know that he wants to comment further on post-16.

[207] **The Deputy Minister for Skills and Technology (Kenneth Skates):** It is very difficult to model specifically the savings for every department over the course of a lifetime in terms of preventing people from becoming NEET. You will be aware that we have launched the youth engagement and progression framework. We set the target at 9%—the proportion of 16 to 18-year-olds who are NEET—and we know that the cost over a lifetime of being NEET is something in the region of £160,000. It is interesting that the latest research from the University of York suggests that the estimate for across the UK in terms of resource cost is now standing at something in the region of £77 billion, which is enormous. That has major implications for Wales, as well. It also carried out some modelling that suggested that intervention that is quantifiable at around £7,000 can prevent a young person at risk of offending from costing the taxpayer £2 million.

[208] It is difficult to map against every department and every area, what the savings are, but we do have the overall figures. Through the youth engagement progression framework, with the brokerage that will take place, the lead worker and the tracking system, we will be able to reduce that proportion of young people who are NEET and consequently make considerable savings to the public purse.

[209] **Ann Jones:** We are going to move on to Qualifications Wales and the revised Welsh baccalaureate and then we still have post-16 education to go, and a number of Members want to speak on both of those issues. Suzy, do you want to start on the Welsh baccalaureate or Qualifications Wales?

[210] **Suzy Davies:** Just to move on from my earlier question, I can see from the curriculum and assessment BEL that there is extra money, or it looks like additional money there, which seems to come primarily from 14-19, previously the foundation phase and a couple of other BELs. Elements of that, of course, will then go down next year on curriculum

and teaching and leadership action, but where money seems to be going in is on the qualifications action side of things. There is an extra £0.5 million next year to deal with the changes in the new board. I wanted to ask you whether you are conscious that these figures might reflect a change in emphasis from what is in the curriculum, what people are learning, to the pieces of paper that they get at the end.

11:15

[211] Secondly, when it comes to the Qualifications Wales body, we are not going to be finished with that this year and there is extra money coming next year for that. So, are there any implications for the business model itself in this delay of the £0.5 million? What is going to happen if, when this body is ready, it does not get the income from the rest of the UK that you anticipated that it would get from other bodies taking up its services? At the moment, you have only £0.5 million going in, on the basis that you are going to get money from people buying its services. What if that take-up does not happen?

[212] **Huw Lewis:** I think that it is £600,000 going in this year.

[213] **Suzy Davies:** Sorry, yes, it is £600,000.

[214] **Huw Lewis:** That is there to support the change in the programme. We have had our review of qualifications and that very clearly pointed out the need that we have in Wales for a body like Qualifications Wales, analogous to the Scottish Qualifications Authority. We are going to need that, there is no doubt about it at all, given the way that England in particular is heading off in all sorts of exotic directions as regards qualifications, which seem to change on a daily basis.

[215] You are right; there is £600,000 funding for the costs that will be incurred this year. As regards the set-up and running costs of the new body, that will have to be a part of the next budget round, but that is for next year and, of course, will be scrutinised as part of the Bill that would be necessary to set it up. I am not in a position to speculate on the future business model of how well we will be able to do in terms of selling qualifications or awarding across the border or indeed anywhere else in the world—

[216] **Suzy Davies:** However, you have got an indicative drop for next year. It is not a huge one, admittedly, but it is going down 3%.

[217] **Huw Lewis:** Is that right?

[218] **Mr Evans:** I will bring in Jo-Anne, if I may, on this, Minister, as well. The original plan was to have an SQA model, but it is now morphing into a two-stage process where, to begin with, we would set up Qualifications Wales as an independent body as a regulator of it all. We are currently consulting on what the roles and duties of that organisation will be. When we have got the consultation back, processed what people are saying and come to a final decision, which the Minister will make, then we will be in a better position to know what the likely business model for that organisation will be. We have indicative costings that we have been working on as officials, but until we get the consultation back, we will not be in a position to confirm that it is 'yes' or 'no'. The next phase will be moving possibly towards the SQA model. That is when we would look at it and the business model would adapt again towards income from across the border and things like that. However, in the first instance, we will be funding this body on the basis of a stand-alone organisation as an independent regulator.

[219] **Suzy Davies:** So, all the figures that we have are for Qualifications Wales part 1.

[220] **Huw Lewis:** Yes.

[221] **Mr Evans:** I do not know if Jo-Anne wants to come in.

[222] **Ms Daniels:** Just to clarify on the figures, the budget for qualifications remains unchanged in 2014-15. In 2015-16, it increases by £600,000, so there is no reduction in the budget over—

[223] **Suzy Davies:** But the BEL goes down.

[224] **Ms Daniels:** No, it does not. It goes up in 2015-16 by £600,000.

[225] **Suzy Davies:** Not the whole of the curriculum and assessment—

[226] **Ms Daniels:** No, the qualifications BEL, which is the funding for the current qualifications activity.

[227] **Suzy Davies:** Right, that is probably not a BEL; it is SPA I must be talking about then, is it? Sorry, you will have to excuse me, I am still trying to get on top of the jargon on all this. [*Interruption.*] Thank you for that, but I understand what you are saying, which is the important thing.

[228] **Aled Roberts:** Rwy'n deall bod yr amserlen neu'r modelu wedi newid, ond rhan o'r adroddiad a gafwyd gan Huw Evans oedd bod angen darbwyllo prifysgolion yn arbennig fod cymwysterau newydd yng Nghymru yn dderbyniol. Rwy'n meddwl bod y cyn-Weinidog wedi awgrymu bod gwariant o £0.25 miliwn wedi ei glustnodi ar gyfer strategaeth gyfathrebu. A yw'r amserlen wreiddiol dal yn bodoli? Nid oes codiad yn y gyllideb ar gyfer y flwyddyn nesaf, felly, a fydd gwariant o ran cyfathrebu? Rwy'n credu bod nifer o bobl yn pryderu nad oes strategaeth gyfathrebu wedi cael ei gweithredu erbyn hyn. A gaf i hefyd ofyn hyn? Mae sôn am y fagloriaeth newydd a fydd yn ei lle erbyn mis Medi 2015. A oes oblygiadau ychwanegol ar ysgolion, ac, os oes, pam nad oes cyllideb wedi gael ei chlustnodi ar gyfer unrhyw fath o ofynion ychwanegol?

Aled Roberts: I understand that the timetable or the modelling has changed, but part of the report that was given by Huw Evans was that there was a need to convince universities, in particular, that new qualifications in Wales are acceptable. I think that the former Minister suggested that expenditure of £0.25 million had been put aside for a communication strategy. Is the original timetable still in existence? There is no increase in the budget for next year, therefore, will there be expenditure in terms of communication? I think that a number of people are concerned that no communication strategy has been implemented by now. May I also ask this? There is talk of the new baccalaureate that will be in place by September 2015. Are there any additional implications for schools, and, if so, why has no budget been allocated for any additional requirements?

[229] **Huw Lewis:** There is resource allocated for a communications strategy. Aled is right to point to this—it is a very, very important aspect of the work that we need to undertake here. As with all shifts in qualifications—and we are moving towards a Welsh system of qualifications: we will have differences in our GCSEs, we are not going down the path of taking out the AS level, for instance, and our system will have much more in common with, for instance, that of Northern Ireland, than it will with England, as things roll out over the next couple of years—it is very important in that context to make sure that everyone understands, that employers, pupils, parents and teachers themselves understand the reasons for this, and that everyone is reassured that the rigour within our qualifications remains completely undimmed and undiluted. So, there is resource set aside for a communications strategy, which we need to undertake in order to explain and carry people with us.

[230] I will just ask Owen about the technicalities of how the money is allocated here.

[231] **Mr Evans:** It is happening. We have a conference on qualifications on 11 December, which I would welcome anyone to attend. At that conference we will have representation from the CBI, the UK Commission for Employment and Skills, and others. We have already got working groups working with practitioners, actually, on the rolling out of the new qualifications. One of the things the Minister is very keen on is that we do not replicate some of the mistakes that others have made in the past, and actually deliver this with the professions properly, so they can do it in time. We are already in quite significant discussions with the UK bodies, involving Oxbridge universities, the higher education sector, and Universities UK. Next week we have the UK Commission for Employment and Skills in Cardiff, and Huw Evans will be presenting to it on the new qualifications model, and there will be senior business leaders there from across the UK, so it is happening.

[232] **Huw Lewis:** I think it is also worth pointing out, Chair, that, over the last few weeks, we have had both Oxford and Cambridge universities give us a bit of a free supplement to our communications strategy as regards the AS element of post-16 study, quite unequivocally pointing to the Welsh model as being superior.

[233] **Aled Roberts:** May I just follow up on the baccalaureate—the most robust qualification from September 2015—because part of the problem, of course, is that, financially, it does not accord with the academic year? Have resources been identified for the more robust programme? I take it that additional resources will be required within schools, et cetera, and probably set-up costs as far as the WJEC—

[234] **Huw Lewis:** You are talking about next year's budget now, are you not?

[235] **Aled Roberts:** Yes, but it will actually be for introduction—any preparatory work that is required in next year's budget.

[236] **Huw Lewis:** Well, we are not scrutinising next year's budget now, are we, Aled? *[Laughter.]*

[237] **Aled Roberts:** From April 2014.

[238] **Huw Lewis:** Oh, sorry. I do beg your pardon. Owen?

[239] **Mr Evans:** I will pass this over to Jo-Anne, if I may.

[240] **Ms Daniels:** The revised Welsh baccalaureate is for introduction, as you have said, from September 2015. We are currently going through the process of reviewing the existing baccalaureate, looking at what changes we need to make. We have already announced that one of the most significant changes will be the requirement for English or Welsh GCSE, and also numeracy GCSE at the general level of the Welsh baccalaureate. We will be consulting further with stakeholders over the next year on more detailed aspects of the design of the new qualification, ensuring, as has been mentioned, that HEIs are involved in that and that employers are involved in that. Large number of schools already take up the Welsh baccalaureate, so we would not expect that to result in any additional burdens on them, and, throughout the design process, one of the things we will be looking to ensure is that the Welsh baccalaureate is deliverable by schools, and, if it does create any additional requirements of them, that those are proportionate to the value of the additional learning that young people are required to undertake in order to achieve the qualification.

[241] **Keith Davies:** Yn dilyn ymlaen o **Keith Davies:** Following on from that, if the

hynny, os yw'r fagloriaeth newydd yn dechrau ym Medi 2015, mae angen hyfforddi athrawon yn y flwyddyn sy'n dod, sef 2014. Pa gorff fydd yn dyfarnu ar gyfer y fagloriaeth newydd? Ni fydd gennym y corff newydd yng Nghymru, felly corff yn Lloegr fydd yn ei ddyfarnu. Y pwynt pwysig arall yw bod angen trafodaeth gyda UCAS ynglŷn â faint o bwyntiau bydd y fagloriaeth yn ei chael. Nawr, mae'n cael yr un nifer o bwyntiau â gradd A ar gyfer lefel A, ond, os byddwch yn ei newid a rhoi graddau i'r fagloriaeth newydd—

new baccalaureate starts in September 2015, teachers will have to be trained next year, that is, 2014. Which body will award the new baccalaureate? We will not have the new body in Wales, so it will be an English body that awards it. The other important point is that discussions are needed with UCAS regarding how many points the baccalaureate will have. Now, it has the same number of points as an A grade at A-level, but, if you are going to change it and give new grades to the new baccalaureate—

[242] **Ann Jones:** That is not what we are scrutinising; we are scrutinising the budget. I know what you are saying, but it is the budget that we are scrutinising.

[243] **Keith Davies:** Yes, but, if the schools and colleges are starting in September 2015 on a new qualification that is totally different to the existing qualification, then there needs to be a full set of training for teachers and lecturers. Is that in this budget?

[244] **Ann Jones:** There you go. [*Laughter.*]

[245] Suzy has a quick supplementary question and then you can roll the two up together, because we desperately have to get to post-16 education. You are not getting away with it; we are going to ask you questions on post-16 education, but we have to finish on time as well.

[246] **Suzy Davies:** Yes, could you answer them together, because they are very much on the same point? I can see that, for next year, there is an extra £0.5 million for Welsh baccalaureate teaching and development, but, at the same time, £2 million came out of the other elements of teacher development and support. So, what will be losing out in order to finance the Welsh baccalaureate teaching and development?

[247] **Ms Daniels:** New specifications for qualifications are introduced periodically. A couple of years ago, for example, we had revised specifications for English and we have more recently had revised specifications for mathematics. Awarding organisations often undertake training to ensure that schools are aware of the differences between specifications. Schools are used to dealing with changing requirements in qualifications. Having said that, we are currently undertaking some work to identify what particular pressures the revised GCSEs and the revised A-levels that will be coming into place in 2015, alongside the Welsh baccalaureate in 2015, will place on the teaching workforce and what we will need to do then to support it to be able to deliver that effectively to ensure that learners get the deal that they should get in terms of the experience of that qualification.

[248] **Ann Jones:** Okay, thanks. We will move on to post-16 education. We have about six minutes, so we are probably not going to do it justice, but we will have a go at this and then we might send some more questions up. Angela, Bethan and Simon have questions on this point.

[249] **Angela Burns:** I have three questions. The first is: in front of the Finance Committee, the further education institutions were very concerned about the drop in their budget. They had had indicative figures of a 1% increase, but it turned out to be a 1.5% decrease. Did you consider offering them the same protection within the budget streams that you have offered to education within schools—that is, the 1%? If not, what was the thinking behind that? That is question 1.

[250] **Kenneth Skates:** First, I would expect further education institutions to make strong representations; that is natural. With regard to the 1% increase turning into a 1.5% reduction, that has very much been discussed and debated, but that was, of course, because of cuts passed on to us by the UK Government. I should point out that we remain clear in this draft budget that our priorities are schools, health and universal benefits. As a result of that, in relation to the FE sector, it has not been possible to apply the same protections afforded to schools. We have been completely open about the stark reality of the challenges ahead for further education institutions and about the difficult decisions that we are facing, but it is important to point out that we will be protecting the provision for 16 to 19-year-olds and we expect further education institutions to maintain provision for those adults considered most vulnerable. We have also had numerous discussions with ColegauCymru and meetings with leaders of further education regarding this matter.

11:30

[251] **Angela Burns:** Turning to question 2, you said that you cannot afford the same protection to FE, and it has just shy of a £50 million subtraction from its budget. I have read your papers to see where that money is going, but can you tell us what you think will be affected the most, and what impact this will have on the new initiatives such as the youth progression framework, because, of course, FE institutions are very involved in providing education opportunities to prevent people from becoming not in education, employment and training and trying to get them back into education?

[252] **Kenneth Skates:** Absolutely, yes. The target for reducing the proportion of NEETs to 9% is contained within budgets. That can be delivered. The youth engagement and progression framework can be delivered through existing resources—it is more of a case of utilising what we have better. In terms of the reduction, it is less than £50 million. I know that you said that it is just shy of £50 million, but I think we need to be realistic about the figures here and not overestimate or over-amplify the challenge.

[253] The other important point to this is that further education has undergone a transformation that has put it in a far more robust and resilient position to deal with the challenges that we face, and we have delivered on the transformation a year ahead of schedule, which, in turn, has released quite considerable savings.

[254] **Angela Burns:** Would that reasoning, then, that the transformation agenda has made them leaner and meaner, also apply to the £20 million cut to the higher education budget? Again, higher education institutions have a part to play. [*Interruption.*] He is the Minister for education and I am the shadow Minister for education.

[255] **Ann Jones:** He is here to do post-16 education and not higher education. I made that quite clear at the start.

[256] **Angela Burns:** Sorry, I was under the impression that higher education fulfilled some of the skills agenda.

[257] **Ann Jones:** Yes, but we do not do skills—skills is part of the Enterprise and Business Committee's remit. You can ask the Chair to go there; you are allowed to go in.

[258] **Angela Burns:** Okay. I am disappointed not to be able to really understand where this money is going and the effect that it will have, because the whole thing is totally intertwined.

[259] **Ann Jones:** Bethan is next.

[260] **Bethan Jenkins:** I have two questions. Following on from what you said with regard to adult education, it just dawned on me that you could not demand as a Minister that certain courses would be protected within adult education, or that would jeopardise the Office for National Statistics classification, would it not? My second question was with regard to the equality impact assessment. I have had representations from the University and College Union, which is concerned about the cuts in FE with regard to how it will affect not only those taking the courses, but also, potentially, the staff in those colleges, because FE providers will change contracts based on the budgets that they will get from the Welsh Government and that may have a detrimental impact on those delivering the courses in their everyday lives. I was wondering, therefore, whether you had taken that into account in the impact assessment with regard to this budget.

[261] **Kenneth Skates:** In terms of provision first of all, we will be monitoring what provisions are provided to adult learners. In terms of the most vulnerable, we are determined to see further education institutions continue with their provision for the most vulnerable. There is no doubt that this is a challenge for further education institutions, and we expect there to be difficulties in meeting the financial challenges. That is why we are in discussions with them over the impact, or potential impact, on staffing arrangements. We have invited ColegauCymru to form a sub-group to discuss this with us, and meetings are being scheduled as we speak.

[262] **Bethan Jenkins:** A sub-group on the impact on staff?

[263] **Kenneth Skates:** Yes.

[264] **Bethan Jenkins:** What about the impact assessment? Did anything come up at that stage?

[265] **Kenneth Skates:** Would you like to take that, Owen?

[266] **Mr Evans:** First of all, to reiterate, you are absolutely correct that we cannot mandate. In fairness to the further education sector, it has been the sector that has been very closely aligned to Government policy. I think that it is quite a mature sector and it behaves very rationally.

[267] We did do an impact assessment. The problem is that we did an impact assessment of all the cuts that we are talking about, but we had to make choices. What we are working on with further education now through the sub-group is how we minimise the impact that it is going to have on learners, because that is our major priority. We have also had very constructive dialogue with UCU. This is fairly painful for all concerned, but I think that it is incumbent on all of us as officials, politicians and the further education sector to try to manage it as best we can.

[268] **Bethan Jenkins:** Sorry, I have one quick question. Will this sub-group be looking specifically at the cuts that are going to be put into FE and how they will affect the staffing structures, the contracts and the terms and conditions, or will it be wider than that? It is just to clarify that.

[269] **Mr Evans:** The overall concern that we have is about learners. So, we are trying to make sure through the sub-group that there is little impact on learners, but that will drill down to the topics that you have raised and will try to flesh out exactly what this is going to mean on the ground.

[270] **Bethan Jenkins:** If we could get more information on that, that would be very useful.

[271] **Mr Evans:** We could provide a note.

[272] **Ann Jones:** If we could have a note on that, we would be very happy. I call on Simon, but we must finish by 11.40 a.m., because we have kept the other Ministers waiting.

[273] **Simon Thomas:** I will be as brief as I can, therefore. I really want to understand, however, how you can say that 16 to 18 provision is protected in this budget when there is an overall cut. You have just said that you cannot mandate and, in fact—[*Interruption.*] Okay, that is a point that we will come back to. However, we will be giving more freedom to this sector if the legislation that you have asked the Assembly to approve goes through. So, when you say that it is protected, how is that done, because this is not evidenced very easily in the draft budget? I would like to understand that.

[274] My second question, which I will ask now for expediency, is about the education maintenance allowance and its role within this as well. That is a kind of demand-led budget, so I assume that you cannot do much with that, but how does the EMA relate to protecting 16 to 18 within this budget?

[275] **Kenneth Skates:** Shall I take the EMA one first? The cost of the EMA scheme for the financial year 2014-15 is going to be within budget. On the impact of EMA, we know that something in the region of 30% of students who received their final year EMA in 2010-11 progressed to higher education. We have already had, through Estyn, a report in July 2011 that showed that EMA had encouraged learners to attend regularly and to work hard on their courses. A second independent evaluation of EMA is under way and a final report is due in summer 2014. That evaluation will look at how effective the scheme has been and whether the funding can be better targeted. On the first point, do you want to come back on that, Owen?

[276] **Mr Evans:** If I may, Deputy Minister. We fund 16 to 18 rather differently because, of course, we have sixth forms within the equation. We have a standard rate for education for subjects going through 16 to 18 because we have a statutory function to provide reasonable provision for that age. So, that is funded through a methodology that is understood. For example, if a student were to go to an FE or sixth-form college, provision is made to pay for that. However, of course, the problem with that is—and this is why the sub-group is important—about how we manage the cuts elsewhere in further education.

[277] **Simon Thomas:** Yes, because you could be cutting teaching staff elsewhere and that could impact on this cohort. As it is not very clear in the draft budget, could we just have a note explaining how that is done and how you can say in your budget narrative that you are protecting this spend in the context of the wider cuts?

[278] **Ann Jones:** Thank you very much. We have one minute left to go, but we are already five minutes over. There are a number of points that I think that you are going to respond—

[279] **Bethan Jenkins:** Are we going to write—there is another issue in their evidence about saving money through legislation, potentially?

[280] **Ann Jones:** Yes, we will write to you with some of the issues that we have not managed to get through, because we knew that we would not get through all of the issues. May I thank you both and your officials for coming? As I say, we will send you a copy of the transcript and all the points that you are going to send us information on. The committee will break now until 11.45 a.m.

Gohiriwyd y cyfarfod rhwng 11:39 ac 11:44.

The meeting adjourned between 11:39 and 11:44.

**Cynigion Cyllideb Ddrafft Llywodraeth Cymru ar gyfer 2013-14: Sesiwn i
Graffu ar Waith y Gweinidog
Welsh Government Draft Budget Proposals for 2014-15: Ministerial Scrutiny
Session**

[281] **Ann Jones:** We will reconvene our meeting. If you have switched your mobile phone on, I ask you to make sure that you have switched it off again, please. For our third session, we are delighted to have the Minister for Health and Social Services, Mark Drakeford, and the Deputy Minister for Social Services, Gwenda Thomas, with us. They are accompanied by David Sissling, Mark Osland and, sorry—

[282] **Mr Heaney:** I am Albert Heaney and I will be just sitting on the sideline.

[283] **Ann Jones:** Okay, that is fine. Thank you very much for coming and thank you for your paper. Sorry that we are running late. The committee will have to be disciplined now because the Ministers have to go at 12.30 p.m. We have a number of areas that we want to cover, and the first one is on the health and social services spend. Lynne, you are going to take that question.

[284] **Lynne Neagle:** Minister, you alluded in your paper to difficulties with tracking expenditure on children, with most of the money going into the health board budgets. Is the Welsh Government taking any steps to monitor expenditure for children in the health budget?

[285] **The Minister for Health and Social Services (Mark Drakeford):** Health boards, when they report on their budgets after the year end, identify some specific spend that is for children and for children's services. In the last financial year, that amounted to some £215 million, but that does not capture very large amounts of spend on children; it does not capture spend in general practice, in dentistry, or in emergency medicine, for example. The basic principle, as committee members will know, is that for local health boards, trusts and for Public Health Wales, we provide them with an allocation, and it is largely for them to prioritise and make decisions. When I give Velindre NHS Trust an allocation, I do not tell it how much it must spend on lung cancer or bowel cancer; it is up to it and its clinical leads to make those determinations.

[286] **Angela Burns:** I take the point that you make, but do you have a concern at all about the proposed reduction of some £10 million in the spend that is being prioritised for children and young people?

[287] **Mark Drakeford:** It is always very important to keep an eye on the way that money moves within budgets and to see whether there are reasons behind changes that we would have concerns about. The explanations for that marginal shift are probably many in number. They are partly, I think, to do with the shift towards prevention and some success in that field. We also need to recognise that the birth rate in Wales has gone down in each of the last three years. On any one of us, the NHS spends its money in the first two years of our lives and the last five years of our lives, and in between, for those of us who are lucky enough, the NHS does not spend that much at all. If you have a falling birth rate—a 1% fall in the last 12 months—there are simply fewer children of that very young age and there will be expenditure consequences of that.

[288] **Angela Burns:** The area where I have a degree of concern, because it impacts on not just the health chances of a child, but, for example, their educational chances, is where you need to engage with the health service in terms of paediatric care in order to achieve a

diagnosis, for example for autism, that will then enable that child to access health, social services and education. So, I did a quick survey of the three counties that are in the Hywel Dda area, and it was interesting that Carmarthenshire, Ceredigion and Pembrokeshire have three very different ways and very different levels of interface with health provision in order to diagnose autism. Autism just happened to be one I chose at random.

[289] If you are looking at value for money—and our previous Ministers have all talked about the cross-cutting nature of Government—how can you monitor the elements of the health spend that are required by children in those kinds of situations that will, in effect, help to save spend in the long term in other areas? How do you monitor the differences when one county insists that it cannot make a diagnosis without a paediatrician involved, but another county says that it can? That is where health spend, value for money and measuring of outcomes surely comes into play. I appreciate that it is a matter for the health board to decide how to spend the money, but that is just the situation within one health board and I am sure that that is replicated throughout Wales. You have all of these different ways of doing things. I am sorry if that was a very long-winded question.

[290] **Mark Drakeford:** No. Thank you. I will probably ask the Deputy Minister to talk about autism specifically, but I think that you make a very good general point. Where spend is directly under the control of the local health board or the national health service, it is relatively easier to make sure that some of that preventive spend is applied across Wales in the way that we would want it to be applied. For example, the neonatal hearing screening programme is entirely delivered by the NHS. We know that it identified 37 babies last year, within the first eight weeks of their lives, who had a hearing problem; and by the time that those babies were less than 11 weeks old they already had the hearing help that they needed, hearing devices and so on. When it is in your own hands it is easier to do. When you are talking about working across boundaries, we know—and I would recognise—that there is a variation in service that comes when you have to negotiate with different local authorities, and different third sector organisations sometimes. Autism is probably one of the least satisfactory areas in terms of a cross-Wales equality of provision.

[291] **The Deputy Minister for Social Services (Gwenda Thomas):** I think that we identified some issues with regard to consistency and timelines being met with regard to the action plan. You will know that we are refreshing the strategy at the moment. A new plan will be published early next year, and stakeholders have been brought in as part of this consultation. The issue with Hywel Dda Local Health Board is improving, I think. We know that the Petitions Committee, for example, also looked at this. I was able to respond to the Petitions Committee, bringing it up to date with regard to the diagnostic situation there, and it has been quite pleased with that update. However, that is not to say that that is where it needs to be. However, there is a commitment to improving. One of the things that the new action plan will do, when it is published very soon, will be to ensure consistency across the board in Wales. That is one of the main priorities.

[292] **Angela Burns:** My only point on that was that I used that as an example. It is about how you can monitor your part of the budget when it has to go into such a cross-cutting area. For young children, that is so important because those kinds of things will affect so many of their life chances.

[293] **Gwenda Thomas:** Yes. I think that it is possible to demarcate in certain circumstances. For example, we can identify what is being spent on adoption and fostering or on looked-after children, but the priorities and the principles that we have developed for social services is that we look at children as part of their families and communities. Therefore, within programmes such as the integrated family support service, it really benefits the children but it also provides support for parents. It is quite acceptable to have a budget like the one for IFSS, which is £4.5 million a year, that does not intricately demarcate the actual

expenditure on children because it is part of the needs of families. I think that that is the positive point of it, and that is why it is succeeding.

[294] **Ann Jones:** We will move on to childhood immunisation and screening programmes. David has a question.

[295] **David Rees:** Good morning, Ministers. Childhood immunisation and screening programmes, I understand, come under the 'Promote Healthy Improvement & Healthy Working' action under the public health and prevention spending programme area. It has actually gone down for next year from £6.3 million to £4.9 million. Recently, we have seen the outbreak of measles in my area. We have even seen that happening again in the last week or so. Therefore, immunisation clearly is going to be a major element, and you have also included new immunisation programmes. Do you have sufficient money in the budget to deal with all of the new and these probably increased cases, to hit the 95% target for measles, for example, for all children and for both sessions, not just the first one?

[296] **Mark Drakeford:** We think that we do. We have £7.9 million in the budget next year for vaccination and immunisation programmes. In the review of the health budget that was undertaken over the summer, there were the extra vaccination programmes that we are introducing this year: rotavirus for very young children; the flu vaccine—but that is a nasal spray in fact, not a vaccination—for 2 and 3-year-olds; and for children in year 7, the reformed vaccination programme for meningitis C. We think that all of those things together are capable of being supplied within the £7.9 million that we now have in the budget for those things.

[297] We are determined to reach the 95% level of vaccination in MMR for both courses. We are at that level now at the younger age. In the last two quarters in Wales, no doubt partly as a result of the outbreak in Swansea, the numbers have gone up right across Wales, in terms of immunisation. The biggest increase is at age 16. So, we now have over 90% of 16-year-olds who have had the first MMR vaccination. That is not enough; we need 95%, and we need 95% at both stages. However, that is a substantial increase in take up over two quarters at that age range. So, based on a combination of the extra publicity that an outbreak brings, extra efforts through Public Health Wales and the boost to the budget for immunisation, we are confident. We have the money and we certainly have the determination to do it.

[298] **David Rees:** I would like to clarify one point. Is that £7.9 million all for immunisations, and is there a percentage breakdown that applies to children?

[299] **Mark Drakeford:** The vast bulk of it is for children. There are some small extra sums in there for the new vaccination for 70 and 79-year-olds for shingles, and there is a reform in the way that first-year university students are being immunised against meningitis. So, there are some small parts of the budget that go elsewhere, but the vast bulk of it is for children.

[300] **Simon Thomas:** Hoffwn ofyn am un cynllun sydd wedi ei glustnodi yn benodol, sef Cynllun Gwên. Rwy'n meddwl bod hwnnw'n cael ei gadw yn wastad ar £3.7 miliwn o flwyddyn i flwyddyn yn y gyllideb hon. Fel pwyllgor, rydym wedi edrych ar y Cynllun Gwên. Er bod tipyn o glod i'r cynllun, roedd nifer o bobl yn dweud ei fod, yn y bôn, yn ffordd ddud o ddarparu fflworid i ddannedd plant, a bod ffyrdd gwell, o bosibl, o wneud hynny. Sut ydych chi'n

Simon Thomas: I would like to ask about one scheme that has been earmarked specifically, namely Designed to Smile. I think that that is kept at a consistent £3.7 million per year in this budget. As a committee, we have looked into Designed to Smile. Even though there was praise for the scheme, a number of people said that it was, essentially, an expensive way of getting fluoride onto children's teeth, and that there were, possibly, better ways of doing that.

monitro bod gwerth am arian yn y cynllun? Ar hyn o bryd, mae'n gynllun eithaf llafurus. How do you monitor value for money with this scheme? It is, currently, quite laborious.

[301] **Mark Drakeford:** Rydym yn monitro'r cynllun drwy'r amser, ac mae mw nag un peth yn mynd ymlaen ar hyn o bryd i fonitro'r hyn rydym ni'n ei wneud gyda'r cynllun. Rydym yn hyderus iawn bod y cynllun yn gwneud gwaith arbennig o dda. Trof i'r Saesneg i sôn am y manylion. **Mark Drakeford:** We monitor the scheme all the time, and there is more than one thing going on at present to monitor what we are doing with the scheme. We are confident that the scheme is doing very good work. I will turn to English now to give you the details.

[302] We are very confident that the scheme is doing very good work. It currently operates in over 1,200 nurseries and schools. It has over 78,000 young people involved in it. It is, essentially, a way of getting fluoride onto the teeth of children who would not see fluoride on their teeth, or tooth brushing, at all, without it. The latest figures show that the oral health of children in Wales has improved by 6%, but they are preliminary findings, and I will get into trouble if I try to put too much weight on them. However, the preliminary findings show that in the Designed to Smile schools, the gain is 17%. If that were the case, in some ways, the scheme is almost like the holy grail of health inequalities, because so many health inequality schemes end up improving the health of everybody, and the gap between those who most need the health and those who least need it stays stubbornly wide. Designed to Smile looks as though it has succeeded, not simply in improving the oral health of all children, but of the children who need it the most.

[303] There are two monitoring schemes going on at the moment. One is through the in-house oral dental health unit that we have here, but we have also commissioned Cardiff University, through a research arm there, to look at the efficiency and effectiveness of the scheme. The scheme costs 13p per child per day, and if it is succeeding, as we hope it will, then it will be money well spent.

12:00

[304] **Simon Thomas:** Roeddwn yn ymwybodol o'r gostyngiad cyffredinol o 6% yn lefel y pydredd. Nid oeddwn, a bod yn onest, yn ymwybodol bod prawf bod ysgolion Cynllun Gwên yn well ar y fath raddfa. Felly, hoffwn bwysleisio pa mor bwysig ydyw bod cynllun sydd wedi cael ei glustnodi fel hwn yn dangos hynny. Felly, os oes unrhyw wybodaeth bellach y gallwch ei rhoi i'r pwyllgor, byddem yn falch o'i gweld. **Simon Thomas:** I was aware of the general reduction by 6% in the level of dental disease. I was not, to be honest, aware that there was proof that Designed to Smile schools were better on such a scale. So, I would like to emphasise how important it is that any scheme that has been earmarked like this one shows that. So, if there is any further information that you can provide to the committee, we would be pleased to see it.

[305] **Mark Drakeford:** Rydym yn gwybod bod y ffigurau go iawn yn dod mas yn rhan gyntaf y flwyddyn nesaf. Rydym yn hyderus, ond nid ydym yn gwybod yn hollol glir eto beth fydd effaith y cynllun. Wrth gwrs, pan ddaw'r ffigurau'n ôl, gallwn eu rhannu â'r pwyllgor. **Mark Drakeford:** We know that the real figures will come out in the first part of next year. We are confident, but we do not know clearly yet what the impact of the scheme will be. Of course, when the figures come out, we will be able to share them with the committee.

[306] **Keith Davies:** Un peth bach; bwm mewn dwy ysgol, un yn sir Gâr a'r llall yn y Fro, yn edrych ar y cynllun, sy'n dda. Yn yr ysgol yn sir Gâr, roedd deintyddfa mewn fan **Keith Davies:** One small thing; I went to two schools, one in Carmarthenshire and the other in the Vale, to look at the scheme, and it was good. At the school in Carmarthenshire, there

yno. Roedd y plant yn mynd i mewn i honno. Beth sy'n digwydd gyda hynny? A yw'r fan yn mynd o gwmpas os oes problem gyda'r plant?

was a dental surgery in a van there. The children went into the van. What is going on with that? Does the van visit if they see that the children have a problem?

[307] **Mark Drakeford:** Roedd y fan yn gwneud beth maent yn ei alw'n *dental fissure sealing scheme*, sy'n mynd gyda *Designed to Smile*. Mae'n rhywbeth gwahanol hefyd. Gyda rhai plant bach sydd â'r problemau mwyaf, maent yn rhoi rhywbeth ar y dannedd—*dental fissure sealant*. Mae'n eu helpu yn fwy na brwsio'r dannedd bob dydd yn unig. Dyna roedd y fan yn ei wneud: rhywbeth ar ben y cynllun.

Mark Drakeford: The van was doing what is called dental fissure sealing, which is a scheme that goes with *Designed to Smile*, but it is also a different thing. With some small children who have the greatest problems, they put something on their teeth—dental fissure sealant. That helps more than just brushing their teeth daily. That is what the van was doing: something in addition to the scheme.

[308] **Rebecca Evans:** You referred to health inequalities and your efforts to reduce them. Since there is no specific budget for fair outcomes for all, how can you demonstrate that you are reducing health inequalities among children and young people specifically?

[309] **Mark Drakeford:** There is always a debate, I think, between whether you have a specific budget for reducing inequalities or you regard it as the mainstream business of everything that we do. When I used to go around parts of the Welsh NHS with Peter Townsend, when he was helping us with our formula reforms here, people would try to talk to him about the tiny bit of extra money that we were providing for health inequalities, and he used to get very impatient with them and say, 'Don't talk to me about the £5 million extra you are getting; talk to me about the £500 million that you have every year, and show me how you are using those mainstream budgets to provide the most help where help is most needed'. On the whole, I think that he was right; what you need to do is not to rely on some small, separate budget for health inequalities, but put the effort into the whole budget.

[310] One of the reasons that I am particularly keen on vaccination programmes, and the reason we found the money in a very difficult period indeed for the extra vaccinations that we are introducing this year, is that they are probably the single most demonstrated form of health inequality action we have, because they really do reach those children in the community who might suffer more from the types of illnesses that would otherwise be there. In the 1960s, 800 children died from measles every year. It is almost impossible to imagine, now, is it not? Eight hundred every year across the United Kingdom died from measles, and last year, I think that it was one. Those children died at a class gradient. That is, more children from less well-off households died than did from better-off households. There is a lot that we can do, but I think that mainstreaming is the way to do it.

[311] **Ann Jones:** Deputy Minister, did you want to add something?

[312] **Gwenda Thomas:** Yes. I think that, in aspects of this, we can claim to be ahead of the UK, if you think of the Rights of Children and Young Persons (Wales) Measure 2011 and the duty on Ministers to consider the rights of children in policy development and all that we do. As a result of that legislation specifically, all budgetary decisions will, in turn, affect children's rights, and I think that each and every Minister and Deputy Minister has to have that in mind in developing policy and in considering the budgets.

[313] **Ann Jones:** We are going to move on to what I think will be a quite substantive item, namely child and adolescent mental health services. Bethan, you are starting on this, then Aled and Rebecca, and then we will see how we go.

[314] **Bethan Jenkins:** Rydym yn cydnabod bod y portffolio hwn yn derbyn swm mawr o arian, ond ynghlwm â hynny, y cwestiwn mwyaf am y rhan hon o'r gyllideb yw'r un am werth am arian, oherwydd rydym yn clywed bod llawer o wasanaethau yn gallu bod yn wahanol dros Gymru gyfan. Y cwestiwn cyntaf gennyf i yw: sut yr ydych yn rhoi polisi yn ei le i atal ac ymyrryd yn gynnar, a beth yw'r blaenoriaethau yn y portffolio i sicrhau bod hyn yn effeithiol?

Bethan Jenkins: We recognise that this portfolio receives a large sum of money, but tied in with that, the biggest question about this part of the budget is on value for money, because we hear that a great many services can be different across Wales. Therefore, the first question from me is: how do you put prevention policies in place for early intervention, and what priorities are there in the portfolio to ensure that this is effective?

[315] **Mark Drakeford:** A ydych yn sôn am faes iechyd meddwl?

Mark Drakeford: Are you talking about the mental health field?

[316] **Bethan Jenkins:** Ie.

Bethan Jenkins: Yes.

[317] **Mark Drakeford:** I have a particular view about the way that child and adolescent mental health services need to be structured. It is very consistent with what we have; we have a four-tier system. My view is that, with any child who is being thought of as in need of help from the formal mental health system, the system should ask itself once, twice, and probably three times before it draws that child into the formality of mental health services. For me, help should be offered at the lowest appropriate level that a child needs, and that means that we start with those services that are the most universal, and we try to see that the children get the help that they need from the help that any other child who might have a mental health need would be able to use. Those are things like: school-based counselling services; mental health first aid, in which we are delivering more training to use workers in the youth service, to be able to identify and respond to children who may need help; and Meic, which you were talking about earlier today, which is a universal service that any child could use. You should only move a child up through the system when you are certain that you are not able to provide what that child needs at a lower level of help.

[318] We have a four-level service, and by the time you get to level 4, you are talking about in-patient services for some children who have very particular mental health needs. I am very keen to see that we have as consistent an approach of that sort across Wales, and that we have services across Wales that allow mental health practitioners to exercise their skills in that way. By the time you get to level 4, we have a unit in north Wales and a unit in south Wales providing broadly similar sorts of services.

[319] I acknowledge that, in the middle range, in levels 2 and 3, there is some variability between services that are provided in different parts of the country. In a way, it goes back to Angela's point that these are almost always services that are shared between the health service and social services departments on the ground, often with third sector organisations around the table as well. Achieving consistency can be more of a challenge the more players you have in the field.

[320] However, we spend £51 million on CAMHS every year. We monitor it very closely. When I was able to announce £0.25 million extra for eating disorder services a couple of weeks ago, it was very much with the purpose of that bit of extra money being able to help people to re-engineer the biggest service they provide, so that, for example, in cases such as the 11 children who were sent across our border last year for eating disorder services, more could be looked after closer to home and in Welsh services, and could bring the money that is being spent elsewhere with them to invest even more in the services that we provide.

[321] **Bethan Jenkins:** Obviously, I welcome that announcement.

[322] I just wanted to ask about communicating with other Ministers, because, in the field of mental health, for example, I know that some of us—well, I have—had been asking for more self-esteem and confidence lessons in school, so that we can circumvent their having to access the health service at all. I just wonder how you talk to other Ministers about that preventative work, which you have mentioned you are prioritising, so that we see fewer young people having to access the budgets that you are speaking about here today.

[323] **Mark Drakeford:** I think that there is barely a Minister at the Cabinet table that I do not talk to about issues of mental health and preventative steps that can be taken by them. I talk quite often to Edwina Hart, in her capacity, because of what we know about employment and mental health, and the costs to the Welsh economy of people who need time off because of mental health issues. I have been in a number of conversations recently with John Griffiths, as the Minister with responsibility for sport, about canals and the Rivers Trust, because it has a positive programme with the Welsh ramblers association as well, which is about getting people just to be out in the open air and near water. We know the effect that that has on people who have low-level mental health conditions, such as anxiety and so on, and the contribution that such initiatives can make. I talk to Huw Lewis regularly about counselling services at school level and the contribution that they make to mental health. So, I think that it is a good point that you make. As I say, I can barely think of anybody around the table who I feel that the work that they do and the work that we do do not come together around the mental health agenda.

[324] **Bethan Jenkins:** ‘Together for Mental Health’ brings CAMHS, adults and older people’s services together, but we know that CAMHS does not receive as much funding within that round. Do you believe that that would pose a problem in any way for prioritisation and value for money?

[325] **Mark Drakeford:** I think that it is a conundrum. It is something that you always have to think about. On the whole, I am a firm believer in some of the work that, in many ways, the Deputy Minister has led on, in trying to create all-age services and thinking that age itself is not always the best determination of a service that somebody might need. So, that is the approach being taken in the social services Bill. It was the approach taken in the mental health Measure. However, you still want to make sure that within an all-age service, where there are particular needs or groups, you still have a capacity to try to make sure that you can track money and be reassured that the service those people need is being given. So, you will know that we recently extended the age range of CAMHS from 16 to 18. I think that that is the right thing to do. However, I had an interesting conversation recently about a 17-and-a-half-year-old young man who did not want to be admitted to an adolescent mental health unit. He wanted to be admitted to an adult ward because he felt that that is where he would be comfortable. That is where he felt he was in his life course. In the end, quite rightly, his voice prevailed. He went where he felt the service would be right for him. So, it is an all-age service with some proper sensitivity to making sure that the age-specific things that people need do get the proper attention.

[326] **Gwenda Thomas:** I agree.

[327] **Aled Roberts:** Rydym wedi cael tystiolaeth, fel pwyllgor, bod CAHMS yn fodel eithaf meddygol. Rydych wedi esbonio’r pedwar cam sydd yn y gwasanaeth. Wrth dderbyn hefyd fod penderfyniadau yn cael eu cymryd ar lefel y byrddau iechyd, a oes gennych chi unrhyw bryderon wrth i’r galw gynyddu? Roeddwn i mewn ysgol

Aled Roberts: We have had evidence, as a committee, that CAMHS is quite a medical model. You have explained the four steps within the service. In accepting also that there are decisions that are taken at a health board level, do you have any concerns as the demand increases? I was in a school last week where it was evident that the number of

wythnos diwethaf lle'r oedd yn amlwg bod nifer y plant sy'n dioddef o ADHD yn cynyddu. A oes unrhyw dystiolaeth, a beth allwch chi ei wneud i sicrhau, wrth i'r galw gynyddu, nad yw'r trothwy, hwyrach, ar lefel 3 neu 4, fel nad yw pobl yn cwyno bod y gwasanaethau arbenigol hynny ar lefel 2 i fynd i lefel 3 yn cael eu cwtogi gan y byrddau iechyd?

[328] **Mark Drakeford:** Rwy'n becsu am y model meddygol sydd, ambell waith, yn rhy gryf yn CAMHS. Pan oeddwn i'n siarad am geisio cadw pobl ifanc ar waelod y lefelau hynny, roeddwn yn mynd ar sail y profiadau sydd gennym yn y maes gwaith cymdeithasol. Mae mwy y gallwn ni ei ddysgu o'r maes hwnnw pan ydym yn darparu gwasanaethau i bobl ifanc sy'n dioddef o broblemau iechyd meddwl.

children with attention deficit hyperactivity disorder is increasing. Is there any evidence, and what can you do to ensure that, as that demand increases, the threshold is, perhaps, not at level 3 or 4, so that people do not complain that those specialist services on level 2 to level 3 are being cut by the health boards?

Mark Drakeford: I am concerned about the clinical model, which, sometimes, I think is too robust in CAMHS. When I was talking about trying to keep young people on the bottom levels, I was drawing on the experience that we have in the social work field. There is more that we can learn from that field when we are providing services for young people who have mental health problems.

[329] We have a number of safeguards that we have built into the system specifically in relation to ADHD. It is a sharply rising strand in the work of CAMHS. Somewhere between 17% and 30% of referrals to the bottom level of CAMHS are from young people who are identified as having ADHD. By the time you get to consultant-led services, nearer to level 4, it is over 40%. One of the safeguards that we have put in is that if medication is to be prescribed, and NICE guidelines say that medication is our first approach, that can only be prescribed by a specialist and can only be re-prescribed by a specialist. In the last financial year in Wales, we spent over £880,000 on the two drugs that are most often prescribed for young people identified as having ADHD.

12:15

[330] So, we have to look very carefully at that and keep it under careful review to make sure that those children who need the help get it and get it in a timely fashion, and that they get the right help. However, we must not draw into services a group of young people who, in a different era, would have had their behaviour thought of in a different, non-medicalised way. It is very important to be alert to the danger that you posed in the first part of your question.

[331] **Aled Roberts:** Are you satisfied, given that this can lead to budgetary pressures with regard to prescription and medication, and to reliance on heavier-end services? There does not seem to be consistency across Wales with regard to the use of multidisciplinary teams and, in some areas, there is an overreliance on a purely medical model.

[332] **Gwenda Thomas:** I refer again to the integrated family support services. This is essentially an early intervention programme, as well as embracing the whole family. So, the value of the service for early identification of issues that can affect children is very important indeed, and the fact that there is a statutory obligation to refer at that point.

[333] I also circulated to committee during the scrutiny of the social services Bill, the care plan and the proposals for it. A big step forward here is that we are looking at the needs of children, and I understand that some will need to be reached outside of the immediate area of IFSS. Nevertheless, moving forward with care planning requires a multidisciplinary approach, looking at all of the need. For example, if there is a mental health need, then there is a plan for

that, and, if necessary, a plan for special educational needs. All of that has to come together in one plan, so that nothing is lost and nothing falls through the gap. I think that that will be a huge step forward.

[334] Also, the uniform assessment process, and the intention of it will be to ensure consistency of assessment and eligibility criteria for services for disabled children. We have gone into that and, no doubt, we will again. I think that the integration of the teams working around families with complex needs is helping the process, but I understand that not all children live within that family unit. Nevertheless, the principles of the care planning will extend to any child who is assessed as having a need for care and support.

[335] **Ann Jones:** Rebecca has very helpfully said that her points have been covered. So, Lynne, do you have a question on social services spend?

[336] **Lynne Neagle:** Yes, thank you. A great chunk of the funding for social services goes out through the rate support grant, and this is the first year that we will not have relative protection specified by the Welsh Government for social services spend. How confident are you, given the pressures on local government, that social services funding will be protected, and what steps is the Government planning to take throughout the year to monitor social services spend?

[337] **Gwenda Thomas:** We know that the principle by which local government is funded in Wales is on an unhypothecated basis. Therefore, it is up to local authorities to decide on their priorities and how they are going to fund their services. It is encouraging to note that, having looked back and monitored the built-in 1% protection for local government, every local authority in Wales spent more than the 1% protection. There were variations in the amount of that spend, but they did spend that money on children's services, as was intended.

[338] The £50 million budget announcement by the Finance Minister in partnership with Plaid Cymru and the Liberal Democrats gives us the opportunity now to look at how that money will be distributed. I know that it is not confined to children's services, but I think that we would want to build some assurance into that. We would want local authorities to show, in the way that they apply for that money—if that is the way that we go—that there will be in-built assurances that the money will be spent for the purpose for which it is intended.

[339] **Lynne Neagle:** Thank you.

[340] **Simon Thomas:** A gaf i ddilyn i fyny ar gwestiwn Lynne? Yn benodol, rydych chi wedi sôn sawl gwaith, Ddirprwy Weinidog, am wasanaethau integredig cymorth i deuluoedd a pha mor bwysig y maent. Wrth geisio dilyn pethau drwodd, rydym yn gweld bod lot o bethau a oedd yn eich cyllideb chi wedi cael eu symud i gyllidebau eraill, o ran cefnogaeth i atal tlodi a phethau felly. Mae'n anodd weithiau i weld hyn i gyd. Er eich bod wedi cynnal lefel y gwariant, ym mha ffordd fyddwch chi'n monitro hyn a chael yr adborth i ddangos bod yr arian yn cael ei wario yn y ffordd integredig yr ydych newydd ei hamlinellu? Nid yw'r arian wedi ei glustnodi fel y cyfryw.

Simon Thomas: May I just follow up on Lynne's question? Specifically, you have mentioned a few times, Deputy Minister, the integrated services for families and how important they are. In trying to follow things through, we see that there is a lot from your budget that has been moved to other budgets, in terms of anti-poverty support and suchlike. It can be very difficult sometimes to see all of this. Even though you have sustained the level of expenditure, how will you monitor this and get the feedback to show that that money has been spent in the integrated way that you have just outlined? The money has not been earmarked as such.

[341] **Gwenda Thomas:** Mae hynny wedi digwydd oherwydd bod y portffolio wedi ei rannu; mae rhan o'r cyllid wedi mynd i bortffolio arall. Rwy'n falch iawn bod hynny wedi bod yn llyfn ac nad oes problemau wedi digwydd wrth drosglwyddo'r cyllid. Mae hynny'n dda o beth. Rydym, wrth gwrs, yn hollol ymrwymedig i weithio ar y cyd, ar draws y portffolios, er mwyn gwneud yn siŵr bod yr arian yn cael ei wario yn y ffordd orau i blant. Mae rhan o'r portffolio yn fy mhortffolio i o hyd, fel y gwyddoch. Rwy'n edrych am y ffordd orau i wario grantiau er mwyn gwneud yn siŵr eu bod yn bwydo i mewn i fwriadau'r Bil, a bod hynny'n gyson. Mae'n rhaid i ni weithio yn ôl portffolios, ond nid yw hawliau plant yn rhywbeth y gallwn ei anwybyddu. Mae'n ofynnol i ni, fel Gweinidogion, weithio nid yn unig o fewn ein portffolios ein hunain, ond ar draws portffolios er mwyn gwneud yn siŵr bod hawliau plant yn flaenoriaeth a bod yr impact ar y polisiau yn cael ei ystyried yn y broses.

[342] **Bethan Jenkins:** Ddirprwy Weinidog, rydych yn dweud hynny, ond, yn ei dystiolaeth y bore yma, dywedodd Jeff Cuthbert, y Gweinidog Cymunedau a Threchu Tlodi, nad oedd ef yn ymwybodol bod ei adran ef wedi gwneud asesiad o ran hawliau plant. Roedd hynny yn ein poeni ni fel pwyllgor. Rydych chi'n dweud yr hyn sy'n iawn, ac rwy'n cytuno â chi yn hynny o beth, felly pam nad yw pob Gweinidog, neu adran, yn gwneud yr asesiad hynny, a pham nad yw Gweinidogion yn ymwybodol o ba un y mae'r asesiad yn digwydd ai peidio? Mae hynny'n rhywbeth at eich sylw chi, os mai hon yw blaenoriaeth y Llywodraeth.

[343] **Gwenda Thomas:** Mae'n hollol ofynnol ein bod ni'n ystyried hawliau plant, ac mae'n ofynnol ar swyddogion i ystyried yr impact wrth roi cyngor i Weinidogion, gan wneud yn siŵr eu bod yn gallu dangos i Weinidogion, wrth iddynt gynnig y cyngor hwnnw, eu bod nhw hefyd wedi ystyried yr hawliau hyn. Nid oes symud o hynny—mae'n ofynnol ac mae'n gyfraith yng Nghymru.

[344] **Ann Jones:** Thank you very much. This is the final question, because I know that we are running out of time. It is a question from Suzy on the Children and Family Court Advisory and Support Service.

Gwenda Thomas: That has happened because the portfolio has been split; some of that budget has gone to another portfolio. I am very pleased that that has been smooth and that there have been no problems in transferring the funding. That is a good thing. Of course, we are totally committed to working jointly across the portfolios to ensure that the money is spent in the best possible way for children. Part of the portfolio remains within my portfolio, as you know. I am looking for the best way to spend grants in order to ensure that they feed into the intentions within the Bill, and that that is consistent. We have to work according to our portfolios, but children's rights are not something that we can ignore. It is a requirement for us, as Ministers, to work not only within our portfolios, but across portfolios in order to ensure that children's rights are a priority and that the impact on policies is considered as part of the process.

Bethan Jenkins: Deputy Minister, you say that but, in his evidence this morning, Jeff Cuthbert, the Minister for Communities and Tackling Poverty, said that he was not aware that an assessment had been made of children's rights by his department. That gave us cause for concern as a committee. What you have said is right, and I agree with you, so why is not every Minister, or department, not doing those assessments, and why are Ministers not aware of whether they are being undertaken? That is just something for your attention, if this is a priority for the Government.

Gwenda Thomas: We are required to consider the rights of children, and officials are required to consider the impact as they give advice to Ministers, as well as to ensure that they can show Ministers, in giving that advice, that they have also considered these rights. There is no getting away from that fact—it is a requirement and it is the law in Wales.

[345] **Suzy Davies:** Thank you, Chair. I have a couple of quick questions on CAFCASS. I notice that the money that has been allocated to CAFCASS has not changed at all this year. I am sure that the service would say that it is not enough, but, in terms of pressures on the budget more generally, it has been lucky to keep the same amount of money. Are you looking for any specific improvement to justify its keeping that level of money and, if so, what? Secondly, as a wider consideration, in the current atmosphere, there is a drive for more children to move out of the looked-after children system into the available-for-adoption system. When that happens, some of the ultimate applications as a result of that are more likely to be challenged, if you are talking about a faster system. What thought have you given to the level of work in court reporting that will have to come either directly from CAFCASS, or specialist legal advice that will have to be given to social workers within the other part of spend—I cannot remember what it is called now, but the general children in social services spend—and whether there will be any future implications for the CAFCASS budget? It will have extra work in the future if adoption is speeded up; that is what it boils down to.

[346] **Gwenda Thomas:** I have been happy with the improvement that we have seen in CAFCASS. I must take the opportunity to say that. The way that the numbers of children waiting have come down, and the way that CAFCASS has worked with the advisory group and with the judiciary, have been like a breath of fresh air to me, really. There is now this positive contact between the judiciary in Wales, CAFCASS, me as Minister, and the advisory group. I think that that has come about because we have set up the family justice network to complement the work of the Family Justice Board. I do not have time to go into all of the history of the Family Justice Board and the review, but the review and its findings were welcomed, and it was recognised that a faster process for court needed to be achieved. I met with the head of the family division in Cardiff, who was quite impressed with what is happening in Wales and the way in which we are moving this forward.

[347] On the issue of the CAFCASS budget, it is what it is. It is the best that we can do in these circumstances. I know that it will be spent wisely. However, the development of the court work and the faster system has to be a part of that—and it is. The feeding in of the family justice network to the work of the board will be very much part of that. Of course, there will be specific responsibilities for local government to identify the children, to develop the care planning, and to make the decision as to what is in the best interests of the child, and then CAFCASS Cymru will be the organisation that prepares evidence for the court. So, all of that has to come together, and I am delighted that we have this very good relationship now between CAFCASS Cymru, Association of Directors of Social Services and the Welsh Local Government Association, which have also worked together as part of this system to ensure that the one hand knows what the other is doing, and that one complements the other. However, I think the fast-forward procedure, if you like, for court is important. There can be very few exceptions to that time limit, but there can be exceptions where there are complex needs and where there is a need for more time to consider the best interests of that child. Off the top of my head, I think that those exceptions can only be granted for a maximum of eight weeks at a time. So, there is monitoring of the way that exceptions are put in place, but I believe that the improvements in the system—I am sure that you were as delighted as I was to see a 33% increase in adoption orders in Wales—are down to the integrated working that I have mentioned, and the new system with CAFCASS.

[348] I hope that what I say is helpful, but, if you would like more information on the network and the work of the board, CAFCASS Cymru and the ADSS have a seat on the board, which feeds in the information from Wales and also brings information back to us. So, we are on top of this. The hugely important thing is that we achieve permanency for those children as soon as possible, and that they are not kept in care for one day longer than they need to be.

[349] **Suzy Davies:** I am pleased to hear what you have just said, but I am just looking for

some reassurance. The potential for more contested cases, and therefore more work, is likely to be on the horizon, so will you be factoring that into your budget decisions for future years?

[350] **Gwenda Thomas:** As I said, built into the system—and it is the judiciary, at the end of the day, the court, that makes the decision. We have to see that the work of local authorities and CAF/CASS feeds into and meets the requirements of the court, but the ultimate decision—I need not tell you, Suzy—is for the court as to what ultimate order is made. I do think that thought has been given to that, and I have mentioned the time extension. That is non-devolved, of course, but our way of feeding into that is to ensure that the work of our network involves the judiciary, which is something really new and which was necessary. So, we do have the judiciary as members of that network. I have been pleased to meet with some of them and to see that commitment. It was something that did not happen previously.

12:30

[351] **Suzy Davies:** Thank you.

[352] **Ann Jones:** Okay. There we are, 12.30 p.m.; you get the gold stars for being the best. Thank you both very much for coming, I know that you have a busy afternoon ahead of you, and I am sure that other committees will want to talk to you about the budget. Thank you, both, and we will talk to officials about the additional information that you have offered to provide. That will be very helpful.

12:31

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

[353] **Ann Jones:** I move that

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

[354] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:31.
The public part of the meeting ended at 12:31.*