



Cynulliad Cenedlaethol Cymru The National Assembly for Wales

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol The Communities, Equality and Local Government Committee

**Dydd Mercher, 13 Mehefin 2012
Wednesday, 13 June 2012**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

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|----------------------|---|
| Peter Black | Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats |
| Janet Finch-Saunders | Ceidwadwyr Cymreig Welsh Conservatives |
| Mike Hedges | Llafur Labour |
| Mark Isherwood | Ceidwadwyr Cymreig Welsh Conservatives |
| Bethan Jenkins | Plaid Cymru The Party of Wales |
| Ann Jones | Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair) |
| Gwyn R. Price | Llafur Labour |
| Kenneth Skates | Llafur Labour |

Eraill yn bresennol
Others in attendance

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|---------------|--|
| Jon Beynon | Y Gangen Polisi Chwaraeon, Llywodraeth Cynulliad Cymru Sport Policy Branch, Welsh Assembly Government |
| Debra Carter | Llywodraeth Cynulliad Cymru Welsh Assembly Government |
| Gwyn Derfel | Ysgrifennydd, Uwch Gyngghair Cymru Welsh Premier League Secretary |
| Jonathan Ford | Prif Wethredwr, Cymdeithas Bêl-droed Cymru Chief Executive, Football Association of Wales |
| Dr Huw Jones | Prif Weithredwr, Chwaraeon Cymru Chief Executive, Sport Wales |
| Huw Lewis | Aelod Cynulliad, Llafur, Gweinidog Adfywio, Tai a Threftadaeth Assembly Member, Labour, Minister for Housing, Regeneration and Heritage |
| Carl Sargeant | Aelod Cynulliad, Llafur, Gweinidog Llywodraeth Leol a Chymunedau Assembly Member, Labour, Minister for Local Government and Communities |

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

| | |
|----------------|--|
| Sarah Bartlett | Dirprwy Glerc Deputy Clerk |
| Bethan Davies | Clerc Clerk |
| Gwyn Griffiths | Uwch Gyngghorydd Cyfreithiol Senior Legal Adviser |
| Leanne Hatcher | Dirprwy Glerc Deputy Clerk |
| Rhys Iorwerth | Y Gwasanaeth Ymchwil Research Service |

Marc Wyn Jones

Clerc
Clerc*Dechreuodd y cyfarfod am 8.58 a.m.
The meeting began at 8.58 a.m.***Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Ann Jones:** Good morning and welcome to the Communities, Equality and Local Government Committee. I remind Members that we are in a formal session. Headsets are available for translation from Welsh to English on channel 1 and channel 0 is for amplification of the floor language. Can everyone please switch off their mobile phones and pagers so that they do not interfere with the broadcasting or translation equipment? We are not expecting the fire alarm to operate as a drill so, if it does, we will take our instructions from the ushers, but for you to know, the assembly point is by the Pierhead building. We have had apologies this morning from Rhodri Glyn Thomas, and also from Mark Isherwood who will join us later. Do Members wish to declare any interests that they have not already declared in this inquiry? I see that they do not.

8.59 a.m.

**Ymchwiliad i Uwch-gynghrair Cymru—Sesiwn Dystiolaeth
Inquiry into the Welsh Premier League—Evidence Session**

[2] **Ann Jones:** It is my pleasure to welcome the Minister for Housing, Regeneration and Heritage and his officials, and Dr Huw Jones from Sport Wales. We thank you for your paper. We are pretty tight on time, so do you have any brief opening remarks to make or do you want to go straight into questions?

[3] **The Minister for Housing, Regeneration and Heritage (Huw Lewis):** I am happy to go straight into questions.

[4] **Ann Jones:** I will start then. Perhaps you could tell us how the £800,000 that Sport Wales has allocated to football—and this question is probably for Dr Huw Jones—has been spent. How is the Welsh Football Trust spending that £800,000?

9.00 a.m.

[5] **Huw Lewis:** Huw can come in in a moment, but I want to make some preliminary remarks on this. On this sort of spend and the priorities of Sport Wales and the Welsh Government, we are clearly about development at the grass roots, the future, and reaching out to groups within Welsh society that have perhaps traditionally not been drawn into the fold when it comes to particular sports. The Welsh Football Trust is very much about that kind of work. However, to provide more detail, Huw, it is over to you.

[6] **Dr Jones:** When we allocate funding to the governing bodies of sport, it is allocated on a block grant basis. We do not allocate funding for particular purposes that we set out. That money is provided to the Welsh Football Trust, which will come forward with a plan for delivery. That plan is related to issues such as the development of coaching, increasing participation among players, and accrediting clubs so that we improve the quality and quantity of boys, girls, men and women who play the game. I will not go through the figures, but I think that you can see from the Welsh Football Trust's evidence what it has achieved over the past three or four years. That is really significant. Just looking at the coaching

figures, the number has increased from just under 4,000 coaches to nearly 11,000 coaches in the past four years. That is hugely significant. That shows the impact on Welsh football generally. We can see that coming through in the national team. A lot of the work that has been done by the Welsh Football Trust has significantly improved the way in which we actually play the game. Fifteen or 20 years ago, we were still kicking the ball up in the air and playing the long ball game and so on. Now, we are up there with the best when it comes to how we want to play the game. That augurs very well at all levels of the game.

[7] **Huw Lewis:** As Huw says, there is much to praise about the investment that we have made in the football trust. Another little statistic to ponder upon is that, largely down to the work of the trust, the number of women and girls in football has increased by 30% over that time period. Over the past five years, around £4.7 million has been channelled through the trust.

[8] **Peter Black:** The amount of money that Sport Wales has given to the Welsh Football Trust has fallen from £1.1 million to £800,000, as I understand it. How do you measure the impact of the money that you give to the Welsh Football Trust? In particular, how do you measure the impact of those changes in expenditure and grant?

[9] **Dr Jones:** There are two different things here. I am not sure that the figures that you have just quoted are absolutely right, Peter. The figure of £800,000 that we were asked about is the block grant that we provide to the trust, which has not changed. Some of the figures that you have relate to our investment in football generally rather than just the Welsh Football Trust. There are elements of funding that go out to clubs following applications to us for development grants through the community chest initiative, which we have established in every local authority in Wales. That is to provide kits, coaching support and so on. So, the total amount of money going into football is around £1.3 million.

[10] **Peter Black:** When Jonathan Ford gave evidence to us, he stated that there is very little going into sporting infrastructure from the Welsh Government. He said that that needs to change, that he needs more money and that he needs the Welsh Government to invest in football so that he can help this country to be healthier and happier. How do you respond to his comments that your investment in sporting infrastructure is inadequate and that, with more funding, he could significantly improve the lives of people in Wales?

[11] **Huw Lewis:** As could we all. I am sure that I could make a very powerful case using the same logic. The Welsh Government and I are always alive to the need for better sporting infrastructure. Various initiatives are in the pipeline and are being discussed at the moment. I know that Jonathan Ford and his colleagues are particularly interested in the potential of things such as third and fourth generation pitches. On the face of it, it seems that these things open up all sorts of extra options, particularly when it comes to broadening the use of top-class facilities. These are the sorts of facilities that really can open up all sorts of opportunities for the community in which the facility is embedded. That dialogue with football, as with all sports and their governing bodies, has to be a two-way dialogue in terms of facilities and the future. It is not just about the Welsh Government coming along with capital investment and leaving it to organisations just to have fun with those facilities; it is also a question of who is engaged, how we change the profile of the people who are going to benefit, how we get more people to benefit and how we get people from hard-to-reach groups and communities to benefit from this. In football, for instance, I would be very interested in asking questions about how we get more women and girls involved, how we get more kids from underprivileged backgrounds involved and what the connection with the community would truly be. It has to be of a different order if we are to engage in big capital investment.

[12] **Peter Black:** The comparison that Jonathan Ford made is that football was the poor relation to rugby and that the Welsh Government and the trust have been more focused on

investing in rugby than in football. Do you accept that criticism?

[13] **Huw Lewis:** Jonathan's remarks echoed around Welsh public life for a short period and it provoked us to investigate this and to get to the bottom of the figures. In fact, over the last five years in terms of direct Welsh Government investment, football has, through the trust in the main, benefitted to the tune of four times more funding than rugby. Having said that, I am now concerned that the rugby fraternity will be coming to us. [*Laughter.*] Football has done four times better than rugby in terms of monetary Government investment.

[14] **Dr Jones:** Jonathan sent you the supplementary note, which identified that £1.3 million went into football into the last financial year, compared with £555,000 into rugby. So, those are the facts. To go back to your original question, Peter, if we had 56 governing bodies of sport around this table, they would all make exactly the same point as Jonathan, so I do not blame him for doing that.

[15] **Ann Jones:** We did have to ask that question, because it winged around in public life for some time, as you said.

[16] **Huw Lewis:** But it does turn out to be arithmetically incorrect, by some degree.

[17] **Ann Jones:** Good; that is what we need to know.

[18] **Bethan Jenkins:** Rydych yn dweud eich papur nad yw Uwch-gynghrair Cymru yn cael unrhyw gymorth ariannol gan Lywodraeth Cymru. A allwch esbonio pam fod hynny'n wir? A ydych yn credu bod rôl i Lywodraeth Cymru neu Chwaraeon Cymru o ran cefnogi Uwch-gynghrair Cymru mewn unrhyw ffordd yn y dyfodol?

Bethan Jenkins: You say in your paper that the Welsh Premier League does not receive any financial support from the Welsh Government. Can you explain why that is the case? Do you think that the Welsh Government or Sport Wales has a role in supporting the Welsh Premier League in any way in the future?

[19] **Huw Lewis:** As I have said, support for football in Wales is channelled through Sport Wales and, in the main, through the Welsh Football Trust. The Welsh Premier League is something of a unique organisation in terms of the way in which most countries would organise their football structure. It is engaged with the professional game and the primary focus for us, quite rightly, is in expanding the grass roots of the game. You can see that evidenced through the way in which the football trust has had some clear successes that it can talk about in terms of the way in which it has expanded the talent base for Welsh football quite markedly over the last few years. So, in the best of all possible worlds, I suppose the Welsh Premier League and others could be talking about deserving direct Welsh Government support, but I do not know whether that is necessarily the first priority. I think that we have our priorities straight on this.

[20] **Bethan Jenkins:** Diolch am yr ateb hwnnw. Rwy'n cydnabod yr hyn yr ydych wedi ei ddweud. Ond, wrth inni gymryd tystiolaeth, mae nifer o bobl wedi dweud wrthym fod Gogledd Iwerddon, er enghraifft, wedi ymrwymo i fuddsoddi £36 miliwn i ddatblygu stadia yn ei huwch-gynghrair. Hefyd, pan aethom i Lanelli, dywedodd llawer o'r bobl a ddaeth i roi tystiolaeth inni pe bai mwy o help llaw yn cael ei roi i Uwch-gynghrair Cymru, byddai mwy o chwaraewyr ifanc yn dod i chwarae i'w timoedd. Ar hyn o

Bethan Jenkins: Thank you for that answer. I recognise what you are saying. However, in giving evidence to us, many people have told us that Northern Ireland, for example, has committed to investing £36 million in developing stadia in its premier league. Also, when we visited Llanelli, many of the people who came to give evidence told us that if more help was given to the Welsh Premier League, more young players would come to play for its teams. At present, many older players who have been playing in English

bryd, mae nifer o chwaraewyr hŷn sydd wedi bod yn chwarae mewn cynghreiriau yn Lloegr yn dod i orffen eu gyrfaedd yn y byd pêl-droed yng Nghymru. Rwy'n deall bod angen buddsoddi arian mewn pêl-droed i bobl ifanc a menywod ar lawr gwlad, ond mae'n rhaid edrych hefyd ar yr hyn sy'n digwydd o fewn Uwch-gynghrair Cymru yn fwy manwl.

leagues come to finish their careers in the Welsh football world. I understand that money needs to be invested in football for young people and women at grass roots level, but we must also look at what is happening within the Welsh Premier League in more detail.

[21] **Huw Lewis:** There is nothing wrong with taking a closer look, and I will just say a few words on this in general terms. I cannot speak for the Northern Ireland Executive. It seems like it has been engaged in a remarkably large capital investment, and good luck to it on that. What I would say is that Welsh football is a little more complicated than Northern Irish, English or Scottish football. There is more to Welsh football than the WPL, obviously. I am not trying to decry its role in any way at all. There are also larger clubs, such as Swansea, which you could say is at the very top of the pyramid.

[22] **Mike Hedges:** I would say that.

[23] **Huw Lewis:** Absolutely, Mike; I knew that you would. There is also Cardiff. These clubs feed through very different lines of communication, in terms of where a player's career path might take him, and what championships they might want to be involved in. The WPL is involved in a very different sort of game. Obviously, I am interested in supporting capital investment in sport wherever we can do that. In this atmosphere of very constrained Government budgets, however, every single conversation has to be a two-way conversation. For a considerable time, this will not be about the Government descending with cheques and capital investment, and handing these things over. This has to be a conversation about the benefits that the wider community of Wales might reap from such investments, and what those governing bodies—in this case, the WPL—might be able to change, in terms of their ability to reach out to more and different people.

[24] **Dr Jones:** Y cwestiwn y dylem ei ofyn a cheisio ei ateb wrth ymateb i'ch cwestiwn, Bethan, yw: beth fyddai'r rheswm y tu ôl i ariannu Uwch-gynghrair Cymru? Beth fyddai'r pwrpas o wneud hynny? Mae gennym ddau amcan. Un ohonynt yw cael mwy o blant, pobl ifanc ac oedolion i gymryd rhan mewn chwaraeon, a phêl-droed yn arbennig yma. Yr amcan arall yw codi safonau. Felly, beth fyddai pwrpas ariannu Uwch-gynghrair Cymru o ran cyfrannu at un neu ddau o'r amcanion hynny? Yr ateb yw bod ffyrdd gwahanol o gyflawni'r amcanion hynny: drwy'r ymddiriedolaeth, fel y dywedodd y Gweinidog, a thrwy awdurdodau lleol, ond nid drwy'r uwch-gynghrair. Rwy'n cydnabod ein bod am weld arian yn cael ei fuddsoddi mewn cyfleusterau yn yr uwch-gynghrair, ond mae hynny'n fater i'r uwch-gynghrair, ac nid yn fater i'r sector cyhoeddus ac i ni fel sefydliad yn unig.

Dr Jones: The question that we should be trying to answer in responding to your question, Bethan, is: what would be the rationale behind funding the Welsh Premier League? What would be the purpose of doing that? We have two objectives, one of which is to encourage greater participation by children, young people and adults in sports, and football in particular in this context. The other objective is to raise standards. Therefore, what would be the purpose of funding the Welsh Premier League in terms of contributing to either one or both of those objectives? The answer is that there are different ways of achieving those objectives: through the trust, as the Minister said, and through local authorities, but not through the premier league. I recognise that we want to see money being invested in premier league facilities but that is a matter for the premier league, and not only a matter for the public sector and us as an institution.

[25] **Huw Lewis:** Quite so.

[26] **Mike Hedges:** I think that this is not just about the Welsh Premier League. I would like to start off by saying that football reaches some of the hardest-to-reach groups of young men far better than anything else in Wales. I was saying this to someone in Merthyr, where the Georgetown boys club has done a tremendous job over the years. Some of the people there come from the most disadvantaged backgrounds in Wales. I am sure that you are as aware of that as I am.

9.15 a.m.

[27] The development has to be in 4G pitches. This does not apply only to Welsh Premier League clubs, but the benefit that that could bring to communities. What strategies do you have to develop 3G and 4G pitches across Wales, either alongside Welsh Premier League clubs or in large parts of Wales where there are no Welsh Premier League clubs, in order to get more young people active and involved? As someone who has been active in local football for many years, I know that, quite often, the football season takes place in September and early October and then in March and April, with a big unofficial winter break, caused by the weather.

[28] **Huw Lewis:** These are very real issues for us to face up to. First, you are right, Mike, that the ability of football, alongside other sports, to reach out to people who might be offered life chances through sport that they would never otherwise access, is very real and has been going on for generations, and it is something that we should cherish and invest in.

[29] This is not just about infrastructure and investment; it is also very much about the people-centred investment that we have been talking about, and I am very proud of that. Increasing the number of coaches, for example, will, over time, do more than any amount of investment in pitches, grandstands and changing rooms and all the rest of it. Once we have that level of coverage of good coaching throughout Wales, you have the single most important factor in place.

[30] On the 3G and 4G pitches, I recognise that we are talking about an investment that is new and has multiple advantages in terms of the amount of traffic that they can take; they are weather-proof to a large extent and can be available 24 hours a day, 365 days of the year. There really is something there for the Welsh Government to take up. Things are at an early stage in terms of what I can say here this morning, but I want you to know that we see the advantages of the 3G and 4G pitches, but there is a two-way conversation to be had on that as well. It would be entirely self-defeating, in my view, if there were to be heavy Welsh Government investment in such facilities without the conversation being had on how the community would benefit from what it was to receive. We could ask, for example, ‘Which new kids are you going to reach out to now that you have this fantastic facility and, if you team it up with floodlighting and so on, how will you ensure that women and girls are also a part of what you are doing in terms of footballing in your community?’. All those conversations must be had and must go alongside any kind of investment in 3G and 4G pitches, just as they would with regard to any other capital investment.

[31] **Dr Jones:** If I could add to that, there is a real contextual issue that we have to think about in relation to this. The first is the fact that virtually all of these pitches are within the ownership of local authorities. At the moment, there are around 110 artificial pitches in Wales. The majority are sand-based artificial pitches, which have been provided mainly for reasons related to hockey. There are only around 60 or 70 hockey clubs. So, there is a real disconnect between what we have and what we need. The first thing that we need to do—and we have been working with representatives of football, rugby and hockey on this—is develop strategic thinking on what is needed where: where does hockey need its pitches? Where does rugby need pitches for training and where does football need its pitches? The majority of

those will be 3G pitches, simply because of the amount of football that takes place there, but there are strategic issues that need to be looked at.

[32] Secondly, and this news will not be new to you, local authorities are going to be suffering real challenges over the next few years in terms of funding, particularly in asset management. They will have to look at the rationalisation of assets. It is within that context that some of these decisions will have to be made. If more artificial pitches are to be created and maintained, then, almost certainly fewer grass pitches will be maintained. There has to be that financial deal. If I were the local authority chief executive, that is the kind of question that I would be asking in terms of the reduced funding that is available.

[33] Thirdly, and I have discussed this with the FAW, we are very supportive of this, but it has to be, as the Minister said, an opportunity to really transform—not just to bung a pitch down strategically. We have to consider the strategic implications of what we are trying to create and for whom, and also how we improve the infrastructure of football, not just the built infrastructure, but the people infrastructure. We need to transform area associations so that they are developmental in nature and do not just look at the structure of the league and when fixtures are played. They need to be developmental in the true sense. If we can put all of that together, there is a good deal to be made. We will address this strategic issue over the next two to three years.

[34] **Mike Hedges:** I am pleased with the answers that I have heard, but I would like to ask if you agree with me that if we could have more third generation and fourth generation pitches then the usage costs would go down. If it cost clubs less money to play on them, then junior players would have to pay less. That would bring in more people who, due to costs, are forced out of playing or playing as often as they would like. In terms of bringing people in, who are currently on the outside, it has huge advantages.

[35] **Huw Lewis:** It seems to be an unanswerable case. You have summarised it very well, Mike. I accept that.

[36] **Bethan Jenkins:** Rydym wedi clywed gan glybiau pêl-droed tref Caerfyrddin a Bangor y dylai Llywodraeth Cymru wneud mwy i gynorthwyo clybiau yn yr uwch-gynghrair i ddod o hyd i ffynonellau cyllido amgen i wella cyfleusterau. Rwy'n clywed yr hyn yr ydych yn ei ddweud am y ffaith bod nifer o'r meysydd yn berchen i gynghorau, ond beth ydych yn ei wneud yn strategol i sicrhau bod yr uwch-gynghrair yn gallu siarad â nhw am ffyrdd amgen o chwilio am arian? Mewn nifer o achosion, mae cynghorau wedi trosglwyddo asedau a chyfrifoldeb am chwaraeon i gwmnïau preifat neu i gwmnïau *not-for-profit*. Sut fyddwch yn sicrhau bod strategaeth y Llywodraeth i ddatblygu meysydd 3G a 4G yn cael ei chyflawni os nad oes gan gynghorau y pŵer oedd ganddynt bedair neu bum mlynedd yn ôl?

Bethan Jenkins: We heard from Carmarthen town and Bangor football clubs that the Welsh Government should do more to assist clubs in the premier league to find alternative sources of funding to improve facilities. I hear what you say about the fact that a number of pitches are owned by councils, but what are you doing strategically to ensure that the premier league can talk to them about alternative ways of looking for money? In many cases, councils have transferred assets and responsibility for sports to private companies or not-for-profit companies. How will you ensure that the Government's strategy to develop 3G and 4G pitches is realised if councils do not have the powers that they had four or five years ago?

[37] **Huw Lewis:** My door is always open to those conversations. In the broadest Welsh context, potentially exciting conversations on this sort of development have been had. However, I cannot say that they have been undertaken with the Welsh Premier League.

However, as I said, the door is open. I know that each club has its unique challenges and circumstances as well as advantages—in terms of the type of ground and the critical relationship with the local authority. I imagine that there is a series of conversations to be had, and I look forward to having them.

[38] **Dr Jones:** Mater i Gymdeithas Pêl-droed Cymru yw materion strategol yn ymwneud â phêl-droed. Beth yn union y mae eisiau oddi wrth y 12 clwb sydd yn y gynghrair—a ydyw eisiau 12 clwb sydd ddim ond yn chwarae mewn cynghrair neu 12 clwb sy'n ddatblygiadol ac yn glybiau cymunedol? Mae hynny'n gwestiwn mawr i'r gymdeithas. Ar y funud, mae'r rhan fwyaf o'r clybiau sydd yn y gynghrair ddim ond yn cymryd rhan yn y gynghrair. Mae hynny'n hollol wahanol i glybiau ar y cyfandir sydd â thri, pedwar neu bump o dimau yn chwarae. Maent yn glybiau datblygiadol a chymunedol. Mae Barcelona a Real Madrid yn enghreifftiau. Nid un tîm ydynt. Pe bai'r clybiau yn y gynghrair yn edrych ar eu hunain yn wahanol i'r ffordd y maent yn ei wneud ar y funud, byddai mwy o gyfleoedd i'w helpu i ddatblygu.

Dr Jones: Strategic issues relating to football is a matter for the Football Association of Wales. What exactly does it want from the 12 clubs in the leagues—does it want 12 clubs that only play in a league or does it want 12 clubs that are developmental and are community clubs? That is a major question for the association. At the moment, most of the clubs in the league only participate in the league. That is very different from clubs on the continent that have three, four or five teams in play. They are developmental clubs and community clubs. Barcelona and Real Madrid are examples. They do not have just one team. If clubs in the league viewed themselves differently, there would be more opportunities to help them to develop.

[39] **Mike Hedges:** I cannot think of any club in the world that has more junior teams than Afan Lido.

[40] **Dr Jones:** That is the exception, rather than the rule. It is only in recent years that we have seen the development of academies within some of the WPL clubs. Historically, that was not the case. When I played for Cefn Druids, years ago, we had two teams. The vast majority do not have that type of structure. That is a strategic issue for the FAW to address: what sort of structure it wants, whether it wants these to be real hub clubs or just clubs that play in the WPL?

[41] **Gwyn R. Price:** We have taken evidence that the BBC and ITV and newspapers provide no coverage of the WPL, whereas S4C provides very good coverage. Is there any role for the Welsh Government or Sport Wales in encouraging certain media outlets in Wales to provide more coverage of the WPL?

[42] **Huw Lewis:** Yes, although, as you know, our role is more one of persuasion. It is more a case of our having the ability, on behalf of the people of Wales, to point out—particularly to the BBC, which has a public service role—that Welsh sport generally is important to the cultural life of Wales and civic society and that, even in very difficult times such as these, the BBC in particular has a public duty to be a part of that sporting community and to cover events with that in mind. You are right to say that S4C really takes the lead here, and there is a conversation to be had with ITV and, indeed, newspapers about giving a true voice to Welsh sport in the widest context, and in this case to football.

[43] **Dr Jones:** I think that, if you had representatives of other sports around this table, they would have a very similar complaint and that, if you had representatives of women's sports here, they would have even greater complaints about coverage. As the Minister was saying, they have a real responsibility and there is a strategic issue for some of the broadcasters to address. They need to consider exactly what their role is with regard to the

coverage of sport. This is particularly the case with the BBC, given its public service role. Of course, this situation will be compounded by the fact that they are going to be suffering cutbacks over the next few years. This committee may want to think about the implications of that for Welsh sport generally. All of the rumours coming out of Llandaf seem to suggest that sport will be a significant sufferer as a result of some of those cuts. It will not just affect football. It has already taken out bowls and a number of other sports. That is a serious concern to us as an organisation.

[44] **Bethan Jenkins:** I would like to add another concern to this. When BBC2 switches over to DAB, there will not be regional opt-outs. Sport Wales is on BBC2. Therefore, if he is not already, the Minister should be aware of this issue and communicate this concern to the BBC. Once this has happened, people will not know that Sport Wales is on in order to switch over. It is a very real concern. With regard to the channel 3 licence, this is something you could urge Jeremy Hunt—for however long he is in his role [*Laughter.*—]to consider in relation to any licence renewal or new licensing agreement for a potential new provider.

[45] **Huw Lewis:** I agree. This is something about which I am in regular contact with the BBC and ITV in my role, which includes responsibility for broadcasting in Wales. However, despite having responsibility, I have no budget for this whatsoever and no legal power. Within Wales, there is an acceptance among broadcasters that these are important issues. They understand this. Communicating that to the wider British audience, Jeremy Hunt included, can be hard work both for us and BBC Wales. However, it is on the agenda every single time we get together.

[46] **Kenneth Skates:** The football statistician Mel Thomas raised concerns about Wales's position as an independent footballing nation in FIFA. Do you share that concern?

[47] **Huw Lewis:** You have had a Statto before the committee?

9.30 a.m.

[48] **Kenneth Skates:** Yes, we have.

[49] **Huw Lewis:** I stand in awestruck respect. [*Laughter.*] When we think of our sporting success as a small nation, although we have huge amounts to be proud of, including in football, and also where we punch above our weight, there is always the worry, looking into the future, about how things are going to fare. Between us, Huw and I have this morning described an agenda for football moving forward. That agenda is built upon common sense, in terms of getting those layers of the pyramid of Welsh football better organised. There is no doubt in my mind that if we simply carry on with the current ways of working, those dangers are very real, because no successful sporting nation has ever stood still.

[50] On the connectivity between things like capital investment, investment in people and a demand for different ways of working in terms of how the FAW relates to communities, local authorities and to us, and a different way of working in relation to the WPL as well, there must be recognition across the community of Welsh football that things have to change in that regard. We are far too small a country to let one tiny little drop of the pool of talent within Wales go to waste. We are a very long way from being able to say that we are catching all of those drops of talent. There is a hell of a lot of work that can be done. There are no quick fixes to this, but that is the surest way of ensuring a healthy future for Welsh football.

[51] **Dr Jones:** Am I concerned about it? We must always have one eye open to the potential for concern. If you think that this institution is political, you should spend a bit of time in my world and you will see that it is equally hugely political. You can layer onto that FIFA and UEFA, and the politics and even the corruption that has taken place over recent

years. There are real concerns about how things are done and how deals are made. There is no doubt that there is jealousy about the independent role of the four independent home nations, and there are many countries throughout the world that would like to see one British team taking part, just to reduce numbers. That story has been around for a long time and will continue to be around. We must have one eye on that moving forward. I do not think that it is a major worry at the moment, and I do not think that the situation regarding the GB football team will exacerbate the situation, unless certain politicians continue to keep on pressing about that type of team.

[52] **Janet Finch-Saunders:** There have been concerns that the relationships between football clubs and the FAW have not really been as effective in the past with the Welsh Government as they might have been, although things are improving. How would you describe the relationship between the Welsh Government, Sport Wales and those running the WPL?

[53] **Huw Lewis:** They are cordial and constructive and are undergoing a process of change. That process of change is the critical thing. There is recognition that we are interdependent when it comes to the development of football, and that Government is not a cash machine for football to access. There is recognition that we have an agenda and that we represent the communities in which football is embedded and takes place. We seek to be open to the agendas with which the FAW or the WPL may come to us, whether they are driven by excellence or by a need for facilities.

[54] The impression that I have gained over the past year in this job is that this is quite a young conversation as yet, despite the fact that devolution is more than a decade old. There is huge potential here for getting things right, but people must come to the table with the realisation that they are a part of the Welsh footballing or sporting community and they do not have any exclusive rights over the way that things develop. They have a very important and valued voice, that is for sure, but there is a relationship that has still yet to be worked out between local government, the Welsh Government and these various sporting organisations.

[55] **Janet Finch-Saunders:** What examples can you give of where you are working together to improve things to promote the league?

[56] **Huw Lewis:** To promote the league specifically? As I said, our relationship is primarily through Sport Wales feeding through the Welsh Football Trust, so I have to say that there is an undeveloped relationship with the league, although we are very much attuned to—. I think that the work that you are doing in this inquiry, actually, will be extraordinarily valuable in kick-starting a much more constructive conversation between the Government and the league in this instance. It has done a lot already to develop understanding, so the committee's work on this does matter.

[57] **Dr Jones:** Relationships have changed enormously. I recall giving evidence before Rosemary Butler's culture committee some four or five years ago and I was enormously critical, at that time, of the FAW, its strategic thinking and the way in which it had not changed as an organisation. I felt that it was moribund and needed to look at its governance structure and a whole host of things. The Assembly voted on that and there were lots of concerns. To its credit, the FAW has changed. Under the leadership of the current president, Phil Pritchard, supported by Jonathan Ford, the chief executive, there have been changes. That does not mean that everything is fine and hunky-dory and that there does not necessarily need to be continuing change, but it is very much on the right road. We have very constructive relationships. We would not invest in it to a significant degree if we did not believe that it could deliver at the end of the day. We do not invest in people because they happen to be there; we invest in them because they deliver on the agenda that the Government wants us to deliver. The relationship as I have been describing it in terms of the 3G issue and

how we are trying to work with other sports and local authorities on the strategic agenda illustrates the very constructive relationship between the Welsh Football Trust, the FAW, us and local authorities. The role of the Welsh Premier League within that is a unique one, and it is unique to a particular area of footballing interest.

[58] **Janet Finch-Saunders:** What input did the Welsh Government or Sport Wales have into the FAW's strategic plan, published in January?

[59] **Dr Jones:** We were consulted and we were involved in assisting it in the development of that process, and we were also there at the launch, which the First Minister undertook, and that was a major step forward for it. One of the criticisms of the culture committee at the time was the lack of any strategic vision, and that was one of the first fundamental things that it put in place to address that. The other good thing that it did was to hold a series of roadshows throughout Wales to consult with clubs and interested individuals. There had been an enormous reluctance on the part of the FAW previously to doing that. There was almost an arrogance about it. It opened itself up to that, it took a lot of criticism and it did it very openly.

[60] **Janet Finch-Saunders:** Minister, you said that your door is always open. It can be difficult for outside organisations to know how to access or to be able to have that dialogue with a Welsh Government Minister. As a result of this inquiry and the fact that we have had this feedback that it feels that more should be done by the Welsh Government, will you be looking to try to assist the process of getting that dialogue going?

[61] **Huw Lewis:** Yes, although I would not accept that there is any kind of mystery about how you get hold of a Welsh Government Minister. This is not Westminster. Bung me an e-mail or write me a letter, I will read them all and there will be a response.

[62] **Ann Jones:** That is an encouraging note to finish your session on, Minister. I thank you and Dr Jones. I am sure that you will be rooting for Cefn Druids in their European trip, if you follow the draw next week; we wish our Welsh teams well, as I am sure you do. You will get a copy of the transcript to check for accuracy. Thank you for your attendance today.

[63] With the committee's blessing, we will now take a break.

*Gohiriwyd y cyfarfod rhwng 9.40 a.m. a 9.47 a.m.
The meeting adjourned between 9.40 a.m. and 9.47 a.m.*

Ymchwiliad i Uwch-gynghrair Cymru—Sesiwn Dystiolaeth Inquiry into the Welsh Premier League—Evidence Session

[64] **Ann Jones:** The committee is now in session. If you switched on your mobile phone during that short break, please make sure that it is now switched off again so that it does not interfere with the translation equipment.

[65] It is my pleasure to welcome Jonathan Ford back to the final session of our inquiry into the Welsh Premier League. I also welcome Gwyn Derfel. Congratulations on your post, Gwyn.

[66] **Mr Derfel:** Thank you very much.

[67] **Ann Jones:** I believe that Mr Deakin is still around somewhere in the shadows.

[68] **Mr Derfel:** He officially retires on Saturday.

[69] **Ann Jones:** Does he? Okay. It was John Deakin that came along with Jonathan Ford the last time. You are both very welcome. We have quite a number of questions. If you remember, we said that we would take evidence from people and then come back to give you the opportunity to respond. There is quite a lot to be done, so perhaps we could move straight to questions. We will see how things pans out in terms of time, but I think that we are going to be up against it. I will stop wittering on now and invite Peter to ask the first question.

[70] **Peter Black:** Rondo Media pointed out to the committee that the Welsh Premier League is number 46 out of 53 in the UEFA coefficient rankings, but that many countries with smaller populations are higher on the list. Why do you think that that is and do you have any strategies to improve the WPL's ranking?

[71] **Mr Derfel:** I will start, if you wish. I think that the standard of playing pitches is one thing that we need to look at. The Football Association of Wales has invested significantly in a number of pitches. We have helped Llanelli, and Airbus has also invested heavily in improving its playing surface. We are seeing improvements in playing standards, but, on the whole, work still needs to be done on playing standards. Although the FAW has invested up to £600,000 annually into the development of the Welsh Premier League, I would say that we still need further financial investment. Some people would argue that turning to summer football has improved Ireland's coefficient ranking but, to be honest, the appetite is not there among Welsh Premier League clubs at present—I think that it would be a case of holding a gun to their heads—so I would not say that it is one of my priorities as the new secretary.

[72] **Mr Ford:** Thank you for the question; it is a tough question to answer without analysing individual countries and understanding the reasons behind their success. I do not think that it is a matter of population alone. You can look at a variety of sports, and there are countries that lead the way in different sports. Why is it that Jamaicans are fantastic at running the sprint events? Why is it that the Ethiopians are fantastic at running marathons? There are many reasons for a nation being particularly good, and there are many reasons for an association being particularly successful. Of course, there are also many reasons, when success comes, as to where the finances are distributed.

[73] I am pleased to say that we will continue our investment in the Welsh Premier League, and we will continue our investment in coaching and in the facilities where we can. I am pleased to say that we have just agreed with the trust a further four years of funding for the coaching programme, at £100,000 a year. We did not have that four years ago, but now it will continue for another four. I am pleased to say that, for next year, Welsh ground improvement has been awarded a grant of about £500,000. We are doing all that we can with the licensing programme to ensure that academies and coaches are up to scratch. However, as I mentioned earlier, we cannot do it alone. We will continue, wherever we can and within the powers that we have, to make the best of what we can, but of course, there are a lot of other factors there, as I have said.

[74] **Peter Black:** Some WPL clubs that have qualified for European competitions in the past have said that the FAW could do more to assist them in preparing for their ties by arranging friendly fixtures and facilities and so on. Is that a fair comment?

[75] **Mr Derfel:** In my time here, and looking back at last season, the FAW has contacted all the European-qualified clubs to ask them what assistance they wanted, and they were given that assistance. Obviously, it was not significant financial assistance, which is what the clubs are probably asking for, but with regard to coaching, help with travel arrangements and explaining what was required, those services were offered. I have already contacted the clubs that have qualified for European campaigns this year and have offered to help them with any assistance that they require.

[76] **Mr Ford:** We offer financial assistance to all of those clubs. Given the costs of travelling abroad to the away legs, we give advances to these clubs on their prize money—we have done that for several years, and I have just approved three such loans, and they are being advanced to the clubs that sought them, so that they can now afford their away travel.

[77] Organising friendlies is normally done at club level. It is a very good idea and something that we will absolutely try to support wherever we can.

[78] **Mr Derfel:** We also contacted clubs in Ireland and the governing bodies there to see whether they would be interested in playing friendlies in preparation for the European games. As they were in mid-season, because they play summer football, the appetite was not there from the Irish perspective.

[79] **Mr Ford:** It is a summer season.

[80] **Ann Jones:** We might come back to that in a minute. We want to talk to you about the 12-team structure. You said, Gwyn, that it has led to more meaningful and exciting football, which is in total contrast to what some of the clubs have told us. They have said that they find it a travesty. In fact, we have done a couple of outreach sessions, and they have said that it is a disaster, a complete travesty, and that the clubs are so overfamiliar with each other that it is affecting their gates and, consequently, their financial standing.

[81] **Mr Derfel:** May I just interrupt you there, Chair? I do not accept the point about the crowd levels. Since the inception of the Super 12, the past two seasons have been the two most supported seasons since the inception of the Welsh Premier League, with a combined average increase of 26%. That is significant, as crowd levels in Europe are not following the same trend. I accept that certain clubs are down, but the concept of a 26% increase is accurate.

[82] **Ann Jones:** Do you accept that, because it is only a 12-club league, some clubs in the feeder leagues will not attempt to apply for a domestic licence, because they know that they will not be in a position to be promoted?

[83] **Mr Derfel:** I can understand that, but we are not an island. Look at the UEFA strategy, where 12 is the optimum number for countries of our size. Over the past three years, many countries have gone down from 14 or 16 to 12, and countries with leagues of eight, nine and 10 have gone up to 12. So, it is the optimum number. It is not just a Welsh perspective; it is a European perspective, and I think that we have to take that into consideration.

[84] **Ann Jones:** So like other things, it is Europe's fault, is it?

[85] **Mr Ford:** If I may just add, it is also a process of ongoing consultation with the clubs. It is their league, as John mentioned last time. If they and the FAW concluded, after a due period of time—let us not rush into this and have 12 one year, 18 the next and then back to 12 or 10—that they needed to make a change, in the same way that you are going about this process now, in a consultative manner, I am sure that we would do so.

[86] **Ann Jones:** What would you see as a proper timescale for reviewing the 12-club structure?

[87] **Mr Ford:** I think that you would run something for a minimum of three seasons before you were in a situation for any major changes to be put forth.

[88] **Mr Derfel:** The size of the league was discussed at our annual general meeting on

Saturday; there were a couple of dissenting voices, but the general consensus from representatives of the 12 clubs was that it was a good thing. If you look at the climax of the season for the past two seasons, I do not think that many leagues, apart from England's Barclays Premier League this season, have had such a great climax to the domestic calendar.

[89] **Ann Jones:** We have had a couple of suggestions for looking at the Welsh Premier League. Would it be more beneficial to split the pyramid system that currently exists—whereby you have feeder leagues that allow one club up—into north, mid and south Wales regions, and gather your 10 or 12 clubs for playoffs so as to excite more people, who cannot travel from north to south, to watch matches? There is a lot of criticism around semi-professional clubs; people who are working as well as playing football find it difficult to play a Tuesday evening match if they are in south Wales having to go to north Wales, or vice versa. Would you look at splitting that pyramid and consider a north, south and mid Wales region?

[90] **Mr Ford:** We are already split below the premier league into north and south.

[91] **Ann Jones:** Yes, but would you look at splitting the premier league and just having a playoff section, so you would take the top two teams from each of the three—

[92] **Mr Ford:** The former chief executive of Rhyl Football Club, funnily enough, put that proposal to me just a matter of weeks ago.

[93] **Ann Jones:** I do not think Peter Parry has done that.

[94] **Mr Ford:** No; funnily enough I did answer him. You mentioned earlier the idea that playing the same teams over and over again can have a detrimental impact. If you split it, you would have more clubs playing in an area together, which potentially could have more of a detrimental impact. On the positive side, you would have more local derbies. The one thing that drove it forward in the first place was the necessity, under the regulations, to have a national league, and that would take away a national league. That was the driving force—that we wanted, in this country, a national league.

[95] **Mr Derfel:** We accept what the clubs have said about the familiarity argument this year. We have just passed a proposal to revamp the league cup, which will include the feeder-league clubs, and it will be on a one-leg basis. It is something that we are trying to address. We think that this new competition will diminish the familiarity aspect. We will try to engage the feeder-league clubs to aspire to come to the national league.

[96] **Ann Jones:** It was not the former chief executive of Rhyl; it was the chairman and a volunteer, and it was voiced at the outreach session that we did in north Wales. There is great appetite for it in north Wales. I would not want you to think that we were asking about that purely because it was associated with the club that I support.

[97] **Mr Ford:** No, and I would not want you to think that those suggestions go unnoticed. I took that on board and discussed it with John and Andrew; we thought about it and had further discussions about it and we responded. We will always take, in the open way that we can, suggestions on board.

[98] **Mike Hedges:** How far down would you go into the feeder league cup and how would it differ from the Welsh cup?

[99] **Mr Derfel:** I can explain that. We wanted to have the feeder leagues on board, so we went to the various committees. It is going to be four teams from the Welsh league and 4 teams from the Huws Gray Alliance, and they are to be nominated by those leagues. They are

not being dictated to by the Welsh Premier League, so they feel an integral part of the competition.

[100] **Ann Jones:** Bethan, can you take the next couple of questions?

10.00 a.m.

[101] **Bethan Jenkins:** Mae nifer o dystion yn pryderu am amharodrwydd rhai timau yn y cynghreiriau sy'n bwydo Uwch Gynghrair Cymru i wneud cais am drwydded ddomestig ac wedyn ennill dyrchafiad, sy'n golygu bod timau a ddylai fod wedi disgyn i gynghrair is yn cadw eu statws fel rhan o Uwch Gynghrair Cymru. A ydych yn bwriadu mynd i'r afael â'r mater hwnnw?

Bethan Jenkins: Many witnesses are concerned about the reluctance of some clubs in the feeder leagues to apply for a domestic licence and then gain promotion to the Welsh Premier League, which means that clubs that should have been relegated retain their WPL status. Do you intend to address that issue?

[102] **Mr Derfel:** Mae Andrew Howard, pennaeth yr adran gystadlaethau, eisoes yn paratoi adroddiad ar yr union fater hwn er mwyn gwednewid y sefyllfa sydd wedi codi dros y tymhorau diwethaf, lle nad yw timau sy'n haeddu cael eu hanfon i lawr yn disgyn. Mae hynny eisoes ar y gweill.

Mr Derfel: Andrew Howard, head of competitions, is preparing a report on this very issue in order to transform the situation that has arisen over the last few seasons, where teams that deserve to be relegated do not fall. That is already in hand.

[103] **Bethan Jenkins:** A fydddech wedyn yn barod i ystyried caniatáu i fwy nag un tîm o un o'r cynghreiriau bwydo gael eu dyrchafu, os nad oes clwb arall yn barod i godi i fwydo'r uwch gynghrair?

Bethan Jenkins: Would you then be prepared to consider allowing more than one team from one of the feeder leagues to be promoted, if no other club is ready to be promoted to feed into the WPL?

[104] **Mr Derfel:** Ni allaf ateb y cwestiwn hwnnw'n benodol, oherwydd y sylwadau sy'n cael eu paratoi gan Andrew Howard, fel pennaeth yr adran gystadlaethau.

Mr Derfel: I cannot reply to that specific question, because of the comments being prepared by Andrew Howard, head of competitions.

[105] **Bethan Jenkins:** Ond a fydd hynny'n rhan o'r holl beth?

Bethan Jenkins: But will that form part of the consideration?

[106] **Mr Derfel:** Bydd. Gwn ei fod yn edrych ar yr holl fater hwn. Ar hyn o bryd, rhaid ichi orffen yn y ddau uchaf yn y naill gynghrair neu'r llall i gael eich ystyried ar gyfer dyrchafiad. O ganlyniad i'r hyn a ddigwyddodd, am wahanol resymau, dros y ddau dymor diwethaf, mae Andrew Howard yn edrych ar yr agwedd honno yn benodol.

Mr Derfel: Yes, it will. I know that he is looking at this whole issue. At the moment, you have to finish in the top two in either league to be considered for promotion. As a result of what has happened, for various reasons, over the past two seasons, Andrew Howard is looking specifically at that aspect.

[107] **Bethan Jenkins:** Beth yw'r amserlen ar gyfer hynny, fel bod y pwyllgor yn gallu asesu—

Bethan Jenkins: What is the timetable for that, so that the committee can assess—

[108] **Mr Derfel:** Nid wyf yn siŵr pryd y bydd hynny'n cael ei gyflwyno i gyngor Cymdeithas Bêl-droed Cymru, ond gan fod

Mr Derfel: I am not sure when that is to be presented to the FAW council, but given that Andrew is working on it at the moment, I

Andrew yn gweithio arno ar hyn o bryd, take it that it will be presented in the near
 rwy'n cymryd y bydd yn cael ei gyflwyno yn future.
 y dyfodol agos.

[109] **Mr Ford:** Could I just add to that? This issue got a first hearing at the domestic committee's last meeting. It was also discussed at our council meeting last week and I have been asked to circulate a provisional draft paper to all members. The whole licensing situation is a complicated area. It is there for a good reason and many support it. It has been implemented across the whole of Europe by UEFA, as you know, which will continue to do so. There are many measures, whether relating to academies, financial fair play or specific grounds criteria and the like, and we have to be careful that we do not end up in a situation where clubs are promoted on the basis of meeting the grounds criteria, but not the playing criteria. It is a dangerous game to play. Forgive me, but the solution is to ensure that all grounds have the facilities and so on, so that clubs are not competing on a ground-by-ground basis, but on a level-playing-field basis. In other words, that it is about the performance and sporting merit and not about the facilities that they have available. The unfortunate situation is that many of those clubs play well but do not have the facilities or money to invest in the club in order to get the licence in the first place.

[110] **Bethan Jenkins:** We look forward to seeing the culmination of that report.

[111] **Kenneth Skates:** Moving on to the criteria for a domestic licence, it is fair to say that most witnesses have welcomed its introduction; they have observed that it has improved facilities and has raised standards. However, Neath Football Club has been critical of it; it suggests that the focus should be placed on the success of a football club. What processes do you have in place to ensure that the criteria for the domestic licence are applied fairly and consistently at all times, and do you agree that some weight should be given to the success of footballing clubs when applying for domestic licence?

[112] **Mr Ford:** Thank you for asking that question. I am pleased that you acknowledge that there have been many improvements as a result of the licensing system. It is a universal system throughout the whole of Europe. We have to abide by certain measures that are put in place. This is managed by the FAW—by personnel who report to the executive; in other words, myself. However, we report to a panel made up of independent people. There is also an appeals panel that is further made up of independent people. I appoint those independent people and we have just had a last jig around of those, but they include accountants, solicitors and representatives from across the whole of football and the business community. We have put in place a rigorous process. One of those steps is with regard to finances. You are probably aware that, unfortunately, in the situation of Neath Football Club, it was close to, and has now gone into, administration. We have to be rigorous with regard to how tax bills are paid. HM Revenue and Customs is paid its bills and unfortunately, that is why Neath Football Club was unsuccessful in obtaining its domestic licence and has, unfortunately, subsequently gone out of business. Better that than being halfway through the season with huge debts and so on. Playing standards of course form a major part, and Neath was very successful, but it must adhere to the other standards in the first place and, unfortunately, that is where it fell down this time.

[113] **Mr Derfel:** From a footballing perspective, the game in Bangor was probably one of the highlights of the Welsh Premier League season. It is a huge loss from a playing perspective, but I fully endorse what Jonathan said.

[114] **Ann Jones:** Bethan has the next question on summer football.

[115] **Bethan Jenkins:** Rydym wedi cael **Bethan Jenkins:** We have received a great
 llawer o dystiolaeth am hyn ac mae nifer o deal of evidence on this and many people are

bobl o blaid ond mae llawer o bobl yn erbyn hefyd oherwydd eu bod am gadw at draddodiad ac at yr hyn sy'n digwydd eisoes. Byddai newid i bêl-droed yr haf hefyd yn gwrthdaro gyda'r cynghreiriau is. Beth yw'ch barn chi? A yw eich barn chi wedi newid yn ystod yr ymchwiliad hwn, wrth ichi edrych ar y dystiolaeth rydym wedi'i chael?

[116] **Mr Derfel:** Efallai y bydd Jonathan a mi'n anghytuno ar hyn, sy'n arwyddocaol o ran y farn yn y gwahanol glybiau. Ar hyn o bryd, byddwn yn dweud bod mwyafrif y clybiau yn erbyn pêl-droed yn yr haf, ac oherwydd dyna deimladau'r clybiau, dyna fy marn bersonol i hefyd. Hoffwn weld y patrwm o'r 12 disglair yn cael ei gadw am dair blynedd, fel y soniodd Jonathan. Yn ystod y tair blynedd hynny, ffyrdd eraill o ddatblygu'r gynghrair sydd eu hangen. Mae buddsoddiad mewn meysydd 3G a 4G yn allweddol i ddatblygiad clybiau Uwch-gynghrair Cymru.

[117] Mae gwledydd eraill yn defnyddio'r model hwnnw, ac rwy'n credu yn y tymor byr ac yn yr hirdymor y byddai'n gallu gweddnewid ein cynghrair. Er enghraifft, mae Llywodraeth Gogledd Iwerddon wedi buddsoddi yng nghlwb y Crusaders, ac mae wedi rhoi'r buddsoddiad hwnnw yn ychwanegol at y £36 miliwn y mae wedi'i roi i glybiau Uwch-gynghrair Gogledd Iwerddon am adnoddau. Mae wedi buddsoddi'n benodol 75% ym maes y Crusaders, ac mae ysgolion lleol yn cael mynediad at y cae am ddim yn ystod y prynhawn. Mae'r Crusaders yn rheoli'r cae, yn arbed hyd at £60,000 y flwyddyn ar gostau cynnal a chadw, a oedd yn cynnwys elfen o dalu canolfannau hamdden eraill i gael ymarfer ond bellach mae pobl yn eu talu hwy am ymarfer yna, ac mae'r gymuned leol yn llogi'r cae yn ystod y nosweithiau ac mae'r cae yn talu amdano'i hun. Felly, pan fydd bywyd y maes hwnnw'n dod i ben ymhen naw mlynedd, ni fydd angen buddsoddiad gan y Llywodraeth nac unrhyw gorff arall; mae'r maes yn talu am ei hun. Dyna'r mathau o bethau ymarferol a chyfrifol o ran arian y dylem fod yn edrych arnynt i symud y gynghrair ymlaen.

[118] **Mr Ford:** You know that I am not a traditionalist, and you know my views on this from the last meeting. We will continue to have dialogue on this and continue to view other teams to see how they perform with summer seasons. You know that we recently went out to

in favour but many are against as well, because they want to keep to tradition and keep to what is already happening. Moving to summer football would also cause a clash with the lower leagues. What is your opinion? Has it changed during this inquiry, as you have looked at the evidence that we have received?

Mr Derfel: Perhaps Jonathan and I will disagree on this, which is significant in revealing the views held by various clubs. At the moment, I would say that most clubs are opposed to summer football, and because that is the feeling of the clubs, that is also my personal opinion. I would like to see the super 12 system being retained for another three years, as Jonathan said. During those three years, other means of developing the league are what is needed. Investment in 3G and 4G pitches is crucial to the development of the Welsh Premier League.

Other nations have adopted that model, and I believe that it is something that, in the shorter and the longer term, could transform our league. For example, the Northern Ireland Government has invested in the Crusaders club, and what it has done is provide that investment in addition to the £36 million that it has given to the Northern Ireland Premier League clubs for facilities. It has invested specifically 75% in the Crusaders' ground, and local schools have access to the ground for free during the afternoons. The Crusaders manage the pitch, they save up to £60,000 per annum on the maintenance costs, which included an element of paying other centres for training time but now people are paying them for training time on the pitch, and the local community can rent the ground in the evenings, and so the pitch pays for itself. So, when that pitch comes to the end of its useful life after nine years, there will be no need for any investment from Government or any other body; the pitch pays for itself. Those are the kinds of practical and financially responsible things that we should be looking at in order to move the league forward.

our clubs to have a dialogue with them and that they voted for the winter break rather than for summer football. The issue will not go away. I agree with Gwyn: if it is not imminent, we need to look at other areas and, as he said, facilities are one such area because of the adverse weather conditions that we have in the winter season. That is another point, though.

[119] **Bethan Jenkins:** Did you think of trialling it at all, because if you want to play against clubs in Ireland at any time, they would be mid-season? So, it might be easier if you did have a summer league so that you could perhaps have that Celtic fringe, so to speak.

[120] **Mr Ford:** It is difficult to trial something like that. You are talking about a change that would be for a minimum of three seasons. Interrupting would mean that you would end up with a short season one year. So, it is not a simple matter of just trying it; it would require a three-year plan. You would put it into place for three years and then you would review it after that. So, it is all or nothing, I am afraid.

[121] **Mr Derfel:** Rwyf wedi bod yn siarad â Fran Gavin, prif weithredwr yr Airtricity League yn y Weriniaeth, ddwywaith neu dair, ac mae wedi fy ngwahodd i fynd draw i'w weld ac i siarad yn gwbl dryloyw â mi am lwyddiannau'r gynghrair. Mae hefyd, fel y prif weithredwr, yn cydnabod bod problemau difrifol wedi bod gyda'r datblygiad. Rhaid cofio bod Llywodraeth Gweriniaeth Iwerddon yng nghanol cynllun buddsoddi gwerth £110 miliwn mewn meysydd, rhywbeth nad yw'n digwydd yma ar hyn o bryd.

Mr Derfel: I have spoken to Fran Gavin, the chief executive of the Airtricity League in the Republic, three or four times, and he has invited me to go over to see him and to speak quite transparently with me about the successes of the league. As the chief executive, he also acknowledges that there have been significant problems with the development. We must also bear in mind that the Government of the Republic of Ireland is now in the middle of a £110 million-worth investment in grounds, which is not happening here at the moment.

[122] **Mike Hedges:** I want to ask something before I move on to support for 3G and 4G pitches. You oppose summer football, and I understand why, but have you thought about bringing the start of the season forward so that it coincides with the first round of matches in Europe?

[123] **Mr Ford:** When we brought in the winter break, we had to make sure that there was a slight adjustment, accordingly. We work to fixed season timings. The calendar is quite fixed: 1 August through to 31 July.

[124] **Mike Hedges:** Yes, but you could start a bit earlier, could you not, if you wanted to?

[125] **Mr Derfel:** One of the arguments against that, if Jonathan does not mind me butting in here, is that one objection to summer football is that you have big summer events. This year, there would be the Olympic Games and the European championship. We have actually knocked the start of next season back by a week, simply because of the Olympics and the National Eisteddfod. There was no appetite from the broadcasters, which is a really important factor. At present, there is no appetite among broadcasters to show summer football.

[126] **Mike Hedges:** Perhaps we can discuss that again sometime, outside here. When you are playing in July, you are not competing against the Barclays Premier League.

[127] Moving on to 3G pitches, I speak as someone who massively supports their development. Jonathan, the last time that you appeared before the committee, you said that you had started work on a project to introduce a new generation of pitches at Welsh Premier League clubs. Do you have a timetable for that, what progress is being made, and what support, if any, have you requested or received from Sport Wales, the Welsh Government or

any other bodies?

[128] **Mr Ford:** We have only just started that dialogue. You know that I am very passionate about the idea and that I think that this is a potential solution, not just for football but for all sports. In upgrading the infrastructure, 3G and 4G development is a massive way forward. I heard Huw talking earlier about the number of sand-based artificial playing surfaces that we have around the country. Of course, they are not all the right size, but the conversion costs of sand to 3G is considerably less than building a surface afresh. You can convert those pitches for a very cheap price, to be honest, compared with what it costs to put a new sand-based carpet down or build a new facility. I also heard you talking about the idea that this needs to be spread across the country, not just within sports clubs, to benefit all sports. We are on the same page.

[129] The dialogue has only just started, on the back of the fact that we have certain grants available to us from UEFA and FIFA. We have just finished one cycle, and we are about to start another cycle from next season. I want to get a lot of support behind a particular opportunity. Then, if we can all come to the table, find a solution and make my 2p and your 2p worth 6p, we can use that to make a marked improvement in sport and facilities in this country. I hope that that can happen, but I am not averse to the idea that this is not a short project. It will be a long project, for sure, and I understand that. We need to bring everyone together, and we need to ensure that there are appropriate business plans put in place. In the Welsh Premier League clubs alone, many of them already have the facilities, desire or opportunity for conversions. Newtown wants to convert to a 3G facility. Bangor has put a new facility in place and has the space available to put in a 3G facility. Port Talbot is looking at a new stadium, and it wants to put a 3G down. We are pushing against an open door here with the clubs and local authorities, and if we can do that together, we will be successful.

[130] **Mr Derfel:** Prestatyn and Bala have also expressed a similar desire. However, the reason that those projects are not being implemented at the moment is the element of match funding and the financial restraints. Having met officials at all the clubs since I started the job, I know that they are really frustrated at the situation. In Northern Ireland, which has been mentioned, there is a 3G and 4G strategy, and it will have 50 proper UEFA-standard pitches by 2019. I want to share one other example with you. In Sweden, there is a town called Umeå, which is north of Stockholm. It has invested in 20 3G pitches in one town. Okay, the population is 100,000, which is not really reflective of many Welsh towns, but still—20 3G pitches in one town. The town has found that this has engaged the club with the local community, fan numbers have increased and the playing surface has obviously improved.

[131] **Mr Ford:** I have one last point to make, if I may. I heard about the decommissioning strategy. Of course, money is very tight, and I understand that. This has probably been mentioned before, but you can take out six grass pitches and put in one 3G pitch. The numbers and the finances stack up. To bring in a model that is a sustainable income source, if you put the right process in place, benefits the community and is just a solution waiting to be implemented.

10.15 a.m.

[132] **Mr Derfel:** An hour and a half before The New Saints beat Bangor in the final game of the season, which decided the championship, there was a youth game on the pitch. That had no detrimental effect on the playing surface, and it engaged local children and people who were new to the game of football. That is a great model to follow, I believe.

[133] **Mike Hedges:** You could play junior football during the winter. There sometimes appears to be a four-month winter break.

[134] **Mr Ford:** You could play at half-time if you wanted.

[135] **Mr Derfel:** Absolutely. I know of a Cardiff team that did not play for almost three months because of postponements.

[136] **Ann Jones:** Gwyn, in your paper, you say that the needs of clubs like Prestatyn, Newtown and Bala are different from those of Bangor. You envisage that Bangor will still play on its grass pitch. [*Interruption.*] Hang on. Let me finish. You are worse than I was when I met a referee. [*Laughter.*] Why would you expect other clubs in the Welsh Premier League to play on 3G pitches but allow Bangor to play on grass? I am interested in whether an inconsistency could appear in the Welsh Premier League with some clubs having better grounds. We have always had the issue with TNS.

[137] You also say that it would save a club £60,000. How could it do that? You say that it can be rented out and all that, but I fail to see how a club with that pitch could cut costs by £60,000, because they will be playing on it at times when people will want to use it. How did you come to the figure of £60,000?

[138] **Mr Derfel:** Some £12,000 of that £60,000 is money paid out by clubs to other facilities for training purposes. They do not want to train on their own pitches because that has an adverse effect on the first-team pitch, and they do not have a second-team pitch.

[139] **Ann Jones:** There are some groundsmen who will not let the first team play on the pitch at times.

[140] **Mr Derfel:** That is right. So, that is £12,000. These figures were given to me by the Crusaders in Northern Ireland. The other income is generated by renting the pitch out to your local side. The 3G and 4G pitches that are laid and are rented out to the community in Northern Ireland are used up to 90% capacity. That is the figure that the Government there uses before investing in further 3G and 4G pitches.

[141] **Mr Ford:** I am not suggesting a policy of converting every Welsh Premier League club to play on grass. I am suggesting that there is a potential solution for sport in this country to have more 3G facilities. On a selfish basis, the moneys that football has—and I have availability to apply for particular grants from UEFA—need to be centred on football clubs. I have a firm belief that putting in 3G facilities is a business solution going forward, either as the training facility adjoining, near to, or part of the same facility, or, in some cases, where there is a bad ground, to replace it with a 3G facility. There are one or two clubs, or quite a few, that have great grass facilities. I am not suggesting that I want to change tradition and tell people to abandon their great grass pitches. Their poor old groundsmen will be crying—I can see it now. Airbus, for example, has a great pitch, but it also has enough land to build a 3G surface next door.

[142] **Ann Jones:** I appreciate that, but I am concerned that Bangor will stay on its grass pitch while others transfer to 3G, and inconsistencies will start to appear.

[143] **Mr Ford:** We have it now. Over half the leagues in UEFA are in a similar situation, with a mixture of 3G and grass facilities.

[144] **Ann Jones:** I am concerned that it is roughly £48,000 for rental. In some areas, that will be a significant amount of cash to bring in.

[145] **Mr Derfel:** An element of that also covers the cost of maintaining a grass surface—to pay a person to cut the grass, and so on. The maintenance cost of 3G and 4G pitches is obviously less.

[146] **Mr Ford:** TNS has been very successful in its 3G rental. Its clubhouse has facilities and it has an entertainment section—the bowling, the play centre, and so on. It is a good model for a club. However, we acknowledge that that success cannot be replicated in every place. There needs to be a business programme in place to maximise that opportunity. Let us be honest, there will be greater successes than others. Some will do it well; some will not. However, overall, we believe that it will create greater community hubs, income sources and opportunities for clubs going forward, and there will be a reduction in their costs.

[147] **Janet Finch-Saunders:** You told us last time that you were putting good percentages into infrastructure and facilities at the clubs, but that you needed more match funding from local and central Government to make it worth while. Does the Welsh Government provide you with any support or expertise in terms of assisting and signposting clubs to access funds that may already be available?

[148] **Mr Ford:** May I clarify that, when you talk about Government, you are talking about this Welsh Government?

[149] **Janet Finch-Saunders:** Yes.

[150] **Mr Ford:** I am not sure if I am allowed to say—we are talking specifically about the premier league, of course.

[151] **Janet Finch-Saunders:** Yes.

[152] **Mr Ford:** The Football Association of Wales has put a considerable amount of money into what we call the Welsh Ground Improvement. If I remember correctly, over the last 10 years or so, we have put in funding to the tune of £3 million or £4 million. Gwyn will just check the numbers—

[153] **Janet Finch-Saunders:** My question is more about the support you feel you are getting from the Welsh Government.

[154] **Mr Ford:** The reason we set that up in the first place is that we were trying to put in place a separate company that would be able to successfully apply for match funding from other sources. It has not been successful in applying for match funding from other sources. We have put in funding to the tune of £3 million over the last six or seven years. In the premier league alone, that has totalled over £1 million. However, we ourselves have not been successful in finding match funding from the Welsh Government. In certain cases, we have been successful in ensuring that those grants are applied for on local basis at a matching level. Normally, we put in up to about 75%, if not 85%, and they find money from other areas—either from the club, local sources or local government. We further also introduced a situation for our premier league. There are certain databases that you can purchase and, not long ago, we purchased a grant application database. I do not know the full details on it, but it has been very successful. For example, those clubs can tap into the system—I am sure that it is a bit more complicated than this—and it will tell them the types of grants they can apply for.

[155] A very good example of this is that, on a local club basis, many people have been applying for marketing grants. They want sponsorship, but they have not gone down a corporate social responsibility route when, in fact, a lot of these big companies have access to small amounts of money—£10,000, £20,000 or £30,000 at a time—on a corporate social responsibility basis. That has been very successful. However, to answer your question, we have not been successful in finding moneys from the Welsh Government for the Welsh Premier League clubs.

[156] **Janet Finch-Saunders:** Do you think that it is the Welsh Government's place to assist these clubs in looking at how they can source outside funding?

[157] **Mr Ford:** I think that the Welsh Government has a role to play in the infrastructure of sporting facilities around the country. I have money available, but I will have a greater chance of persuading my powers that be to spend it in the right areas with your financial assistance as well.

[158] **Mike Hedges:** I only know about the teams in the south-west, so my apologies for that. Afan Lido Football Club is in a Communities First area, for example. Have you tried to access money in that way?

[159] **Mr Ford:** I am not sure whether it has tried to access money from that. They run their club; I run the Football Association of Wales.

[160] **Mike Hedges:** Yes, but has anyone given any thought to pointing them in that direction?

[161] **Mr Ford:** This whole initiative that we have had in place for the last season, called Grow Your Club, is to do exactly that, in other words, to bring all the clubs together to discuss and understand what facilities and grants are available. There is also the database I talked about. I do not run any one club. They have to run it and to try to do that effectively. I try to bring all of these available grants to them, but they are the ones who need to apply for them.

[162] **Ann Jones:** We seem to have opened up quite a debate.

[163] **Kenneth Skates:** It strikes me that there may be a lack of technical expertise in many of the clubs with regard to seeking out revenue and grants, marketing in particular and community engagement. Communities First would be a potential community hub in many areas. Is that lack of technical expertise a problem?

[164] **Mr Ford:** What I would say is that we are in a situation whereby the vast majority of these clubs are still manned by personnel who are volunteers. They are unpaid people who are doing the work. Of course, most clubs will have a manager and, sometimes, one or two players under contract. However, it is still very much a case of sport in general being run by volunteers. Yes, at a local level, assistance is required, but time and resources are also required. We are doing all that we can to bring those clubs together to ensure that they are applying for every grant available, and that they are working together and sharing commonalities and economies of scale wherever possible to save as well as make money. However, at a resource level, they are volunteers and it is obviously a difficulty because of the nature of the volunteer workforce available to us.

[165] **Mr Derfel:** That is what we have been doing with the Grow Your Club initiative. We have had two rounds of meeting the clubs so that they can explain what their needs are. John Oates of Pro-Stream Ltd addressed our annual general meeting on Saturday and he has also come up with individual plans for individual clubs, tailored to their needs.

[166] **Janet Finch-Saunders:** So, are you hailing the Grow Your Club scheme as a success? Will you run it next year and, if not, with what will you be thinking of replacing it?

[167] **Mr Ford:** We applied for a particular grant for Grow Your Club. I received €100,000 from UEFA for the Grow Your Club initiative. Funnily enough, UEFA does exactly the same with the national associations, because it is the facilitator, and, in this case, we are the facilitator. We bring experts to the table to help educate and drive the local businesses

forward, but a lot of it is about bringing those individual clubs together, sharing best practice, working together more and driving better economies, which may be about having one website provider—if you look at the league system, you will see that it is very much like that—and, ultimately, we will all tap into that, which will reduce our costs considerably. It is about ensuring that, on a financial basis, they are operating similar principles and bringing in things like a salary cap, which we have been quite successful at, so far, with our discussions, to ensure that we are not paying our players too much and finding that we are spending more money on salaries than the income that is available to us. There is a lot of good practice that we are trying to put in place through the Grow Your Club initiative. At the end of it, which will be the end of this financial year or this calendar year, probably, we will publish the bible as to our best practice in evidence. What we do after that will probably be subject to further discussions, evaluations of how the programme went and what the next programme will be.

[168] **Janet Finch-Saunders:** How do you respond to comments from Gwynfor Jones from Bangor City that Welsh Football Trust funding for improving facilities only seemed to be available to lower league clubs outside the WPL and that there is ‘no logic to that’?

[169] **Mr Ford:** He is absolutely right in what he says. In the last few seasons, we have directed funding to the lower league clubs. The rationale for that is that when we set out the Welsh ground improvements, we needed to concentrate on the tier 1 clubs, in other words, the premier league clubs, because the licensing programme had come into place. Now that they have managed to achieve the standards for the licence, we wanted to ensure that the moneys were directed down to the lower leagues so that they have a promotional opportunity. To go back to the previous question, if the clubs do not have the grounds available, they cannot adhere to the standards of the licensing programme and that means no promotion or relegation. So, we have directed our funding down to the feeder clubs to ensure that there are likely to be greater promotion or relegation opportunities, because they hit the licensing standards. We just do not have enough money.

[170] **Ann Jones:** I wondered how long you would take to say that.

[171] **Gwyn R. Price:** On media coverage and sponsorship, how do you respond to comments from some of the clubs that question whether the FAW is doing enough to promote the league to certain media outlets and to put pressure on them to provide more coverage? You are smiling, so I must have touched a raw nerve.

[172] **Mr Ford:** For a start, we are extremely disappointed. For the first time in the history of the league, which we discussed the last time around, we have done a deal with S4C. I cannot announce all the details, but we have taken a monetary fee for the rights available, which will be invested back into the league and, funnily enough, back into infrastructure: pitches, gantries and so on. We have to work out the formula for how that works. From that, we will have over 20 live matches per season.

[173] **Mr Derfel:** It is over 30; it is 36.

[174] **Mr Ford:** Thank you. We will have 36 live matches per season. If I look back on the deal when I came in and the deal that I inherited, I think that it was down to about six matches per season. I am also pleased to say that the new tv deals from 2012-14 will see a change of the rights that we have available, so we will not just be on terrestrial tv with regards to S4C, there will be another carrier and, as part of that deal, it has agreed to clip rights. So, in weekly round-up shows, there will be coverage of the WPL on a more widely viewed terrestrial tv channel, and I am pleased to say that our coverage will go from strength to strength.

[175] We still struggle, as you know, and as I mentioned last time, to gain coverage for our league on other media platforms and in the national press. However, we have made

significant strides and changed fundamentally the way in which football is reported in this country across all levels in all the media that we have available to us.

[176] **Gwyn R. Price:** It was suggested, I think by Gwynfor Jones, that the clubs do not see a penny of what the FAW gets from S4C. So, now you are saying—

[177] **Mr Ford:** He is right in that the money is only starting from the next season. Previously, if I had tried to sell my rights for domestic football in this country, I would not have been successful in receiving an income for them. That is the reality of the situation. I am pleased to say that we have managed to turn the tide, and I have managed to make that available.

10.30 a.m.

[178] The way that the money will be split is still to be approved, but we will have what we are calling a facilitation fee because, of course, there are some costs for the clubs in hosting a broadcaster, and it may have a detrimental impact on the crowds that they get, because if I can watch a game from my lounge, I do not have to go to the match. So, we are working with them on a facilitation fee, which will be spread equally across those teams. There will be a minimum that they will all receive, but then, probably on a match-by-match basis, the more tv matches they host, the more money they will get. The vast majority of the money will go into infrastructure improvements at those clubs.

[179] **Gwyn R. Price:** That has covered my questions.

[180] **Kenneth Skates:** That has partly covered my questions as well. When you say that some of the money will be invested directly into infrastructure, will it go towards employing technical expertise in those clubs as well? Grow Your Club is potentially a great idea, but unless there is actual technical expertise within those clubs, it will be difficult to sustain growth.

[181] **Mr Ford:** I would love to say that there is a vast sum of money, but we are not talking about vast sums that can be spread so thinly. I am open to the clubs working with the people who run the WPL to decide how it is spent, but from the broadcaster's point of view, they also have needs if they are to broadcast properly. If you look at the quality of our pitches—and this goes back to the 3G question—we have some really awful pitches out there that need fundamental improvement. You can see it on tv. I recently witnessed somebody running down the wing, without the ball, and he just fell over. Why did he fall over? Because there was a hole in the pitch. We need to change some of the facilities we have available to us. Pitches is one area, and gantries is another. They need to do a job, and they see it as an investment in the league itself. As much as I would like to say there will be money for technical expertise and marketing people, I unfortunately do not think it will stretch that far.

[182] **Mr Derfel:** We welcome S4C's involvement and its commitment to the Welsh Premier League. It has been an excellent partner and we are really looking forward to working with S4C over the next two to three years as well. Coming back to Gwyn's question about other media outlets, it is a shame that they are not so proactive. Our so-called national newspaper has been offered reports free of charge, because its initial argument was that it did not have the manpower to put up reports of games. We offered it reports from every game, free of charge, and it has not taken us up on the offer. It is about its lack of appetite, not a lack of effort on behalf of the Football Association of Wales.

[183] **Kenneth Skates:** I have one more point. With regard to marketing, Carmarthen Town AFC told us that you have a marketing officer, and he should be doing more to visit and support the clubs. Is that a fair criticism?

[184] **Mr Ford:** I answered the question once in front of the Welsh Premier League panel, and I said that my teams and I invest a greater proportion of time in the Welsh Premier League than in other areas of football. I was criticised a little because it was difficult for us to articulate how much time somebody spends on something. I have Ian Gwyn Hughes working on the media side and Gwyn Derfel working in a different role, along with Ian Davies, our head of the commercial side, who also brings money into the Welsh Premier League. I am pleased to say that we have a title sponsor on board. We have taken three deals to the clubs recently, all of which they have turned down, for various reasons, probably for good reasons—individually, they might make more money one way or another. But we have taken three deals to them to which they have said ‘no’. As I said, there are probably very good reasons why they decided not to do it. I dedicate quite a lot of time to the WPL, but the question is how much time. I am spread across men’s football, women’s football, grass-roots football, coaching, and so on. We think that we have the proportions right in terms of time, effort and resources, but there will always be questions. There is no one formula that will fit.

[185] **Mr Derfel:** May I answer the specific question? We were supposed to meet with the clubs, with Ian Davies, the marketing officer, yesterday. Unfortunately, because of personal reasons, that meeting had to be postponed two weeks ago, so that date is yet to be rearranged. That is something that is on the agenda. From a personal point of view, we mentioned earlier the new, revamped league cup, and I know that Ian is actively seeking sponsorship at the moment, which will obviously improve finances and increase the profile of that competition.

[186] **Ann Jones:** We move on to academies now. Bethan is next.

[187] **Bethan Jenkins:** Y tro diwethaf, Jonathan, fe wnaethoch gydnabod nad oedd yr holl arian a glustnodwyd ar gyfer academiâu Uwch-gynghrair Cymru yn cael ei wario at y diben hwnnw. Pa effaith a gaiff hyn, ac a oes gennyh unrhyw gynlluniau i fynd i'r afael â'r sefyllfa honno?

Bethan Jenkins: You acknowledged last time, Jonathan, that not all of the funding earmarked for the Welsh Premier League academies was being spent for that purpose. What impact does this have and do you have any plans to address that situation?

[188] **Mr Ford:** I am pleased to say that we have a situation in which, under licensing and other grants that are available to us, we have to have independent inspections and audits of all of the academies. We do that annually. Funnily enough, I have the figure available right in front of me here. Since 2004, we have invested over £1 million in the academy system—I will not go through the details, but it is quite a considerable amount of money.

[189] There will always be one or two cases where the money goes to the club rather than to the academy directly, where they are not separate entities. Where they are separate entities, as in the case of Neath, before the club’s demise, we made sure that the money goes directly to the academy. So, we do put measures in place to ensure, not that they are separate entities, as that is their decision, but that the money is ultimately being spent in the right area. Also, we of course have the process going forth whereby we all evaluate those academies.

[190] As I have said, it is an area that I am very passionate about, and I want to ensure that it continues. The funding that we put in is subject to the clubs’ putting in money as well. Some are very good at doing it, and some are less good. We have some excellent academies and we have some excellent centres of excellence, but, to my mind, they need to continue to be funded to ensure that we have the throughput of players coming through the system.

[191] **Mr Derfel:** I would just add one comment about academies.

[192] Gan gymryd Bangor fel enghraifft, Taking Bangor an example, we come back to

rydym yn dod yn ôl at fater caeau 3G a 4G. Roedd academi Bangor yn chwarae neu'n ymarfer ar gae ysgol tua saith i wyth milltir i ffwrdd o Fangor. Nid oedd cynnal a chadw ar y cae, felly roedd yn rhaid iddynt ffeindio cae arall. Pe byddai Bangor, fel y prif dîm, yn chwarae ar gae gwair—a byddem yn croesawu hynny—gyda'r adnodd 3G/4G yn y maes parcio yn Nantporth, fyddai hynny o fudd amlwg i'r academi, gan fyddai ganddi gartref parhaol, a byddai o fudd i'r tîm cyntaf, gan y gallai ymarfer yno a chwarae ar y cae gwair. Wrth gwrs, byddai'r cae hwnnw wedyn yn creu incwm o dimau cymunedol, a fyddai hefyd yn cynyddu nifer y bobl sy'n chwarae pêl-droed.

[193] **Bethan Jenkins:** Mae llawer o glybiau wedi dweud eu bod yn credu bod y system lle nad oedd ond y clybiau yn yr uwch-gynghrair yn cael cyllid ar gyfer yr academiâu yn annheg. Maent yn meddwl y dylai'r clybiau islaw gael mwy o help hefyd. A ydych wedi rhoi unrhyw beth ar waith a fyddai'n sicrhau y gallai hyn ddigwydd?

[194] **Mr Ford:** The academy structure for WPL clubs has to be put in place for the licensing system. Part of that licensing system and the way in which the grants are managed means that money goes through. As I said, since 2004, over £1 million has been put in.

[195] I have a budget available to me, and I have to approach my board to determine where that budget is spent. Quite simply, Bethan, I do not have enough money. You know, I would love to have more money to support academies, as I am very passionate about them, but I have to spend money on the men's teams. I run eight teams, as you are aware, and that requires a lot of organisation. We run the premier league, and we have a grants system for coaching and another for infrastructure. We will always continually evaluate how much money we invest in which areas to make sure that the model is right. We are completely stretched. If you were a management consultant, and you wanted team success similar to the WRU model, you would invest at the top and you would invest all the way through the path, but you would forget everything else. I, of course, have to ensure that we balance the top and bottom of the pathway with everything we do across the middle, because you cannot do one without the other. We are pulled in different directions. We try to ensure that we do everything to the best of our ability with the resources available to us, but, quite simply, those resources are not going to be enough.

[196] **Bethan Jenkins:** Mae'r cwestiwn olaf gennyf ynglŷn â hyfforddwy. Clywsom eich bod wedi buddsoddi £400,000 mewn hyfforddwy dros y pedair blynedd ddiwethaf, ond mae'r clybiau yn meddwl ei fod yn fusnes drud ac maent am gael mwy o gefnogaeth yn y maes hwn. A oes rhywbeth ychwanegol y gallech ei wneud? Rwy'n parchu'r ffaith bod arian yn brin, fel yr ydych wedi ei ddweud.

the issue of 3G and 4G pitches. The Bangor academy was playing or training on a school field about seven or eight miles outside Bangor. There was no maintenance of the pitch, so they had to find another pitch. If Bangor, as the main team, would play on grass pitch—and we would welcome that—with a 3G/4G resource located in the car park at Nantporth, that would be of obvious benefit to the academy, as it would have a permanent home, and it would benefit the first team, as it could train there and play on the grass pitch. Of course, that pitch would also generate an income from community sides, which would also increase the number of people playing football.

Bethan Jenkins: Many clubs have told us that they believe that the system in which only premier league clubs receive funding for academies is unfair. They think that the clubs lower down should have more help as well. Have you put anything in place that will ensure that that will happen?

Bethan Jenkins: The last question from me is to do with coaches. We heard that you have invested £400,000 in coaches over the past four years, but the clubs think it is an expensive business and want more support in this area. Is there anything more that you could do? I respect the fact that money is scarce, as you have said.

[197] **Mr Ford:** As I said earlier, I am pleased to say that we have confirmed that, going forward into the next four years, we will invest a further £400,000.

[198] **Bethan Jenkins:** That is it, then, is it? It stops at that.

[199] **Mr Ford:** No. It will be reviewed at the end of four years. I think I have the figure for the number of coaches we have available in my notes; it is in our submission, so you will have it anyway. However, the number of coaches available who are qualified under the licensing procedures, whether C, B, A or Pro, has increased quite dramatically. We have seen massive improvements in that system over the last four years. The commitment to do that again for the next four years—£100,000 a year for the next four years—will ensure that we have a much wider pool of coaches available. Hopefully, it will mean that the benefits of those coaches will be seen in more and better players coming through. So, I am really pleased—because that programme almost did not make it—that we have confirmed that the FAW will provide £100,000 a year for a further four years to allow more coaches to gain their licence.

[200] **Bethan Jenkins:** I acknowledge that. The specific point that I was trying to make was about when clubs lose their WPL status and then grant funding is not provided. I accept that it is a good investment, but local problems do arise.

[201] **Mr Ford:** You are absolutely right. For the past few years, on an academy basis, we have had parachute payments. Our parachute payments are not massive, bearing in mind that these clubs do not receive the types of grants or money available to the premier league, for example, but we have an equivalent parachute system that assists those academies for that one year. Ultimately, however, it goes back to that fact that we have a pot available that we share out across football. There comes a point. There are a lot of clubs. We have over 1,500 clubs in this country. I cannot fund every single one of them.

[202] **Mr Derfel:** Hoffwn wneud un pwynt am safon yr hyfforddiant. O dan arweinyddiaeth Osian Roberts, mae safon cyrsiau hyfforddi *Pro* ac *A licences* Cymru yn cael eu cydnabod fel gyda'r gorau yn Ewrop. Bythefnos yn ôl, yng ngwesty'r Fro yng Nghaerdydd, roedd enwau byd-eang fel Marcel Desailly, Jens Lehmann a Dietmar Hamann yno. Roeddynt wedi clywed pethau da am safon hyfforddi Cymdeithas Pêl-droed Cymru ac wedi dewis gwneud eu bathodynau rhyngwladol gyda ni yn hytrach na'u cymdeithasau cartref.

Mr Derfel: I want to make one point about the standard of the coaching. Under the leadership of Osian Roberts, the standard of Wales's Pro and A licences training courses is acknowledged to be among the best in Europe. A fortnight ago, at the Vale Resort in Cardiff, world-wide names such as Marcel Desailly, Jens Lehmann and Dietmar Hamann were there. They had heard good things about the standard of the FAW's coaching and they chose to do their international badges with us rather than their home associations.

[203] **Ann Jones:** I want to come back to the issue of the academies. How confident are you that every academy attached to the Welsh Premier League or those clubs that have domestic licences, because it is a requirement for them, are not just ticking the academy requirement box, given that, in the academy competition this year, the four semi-finalists were all from clubs that did not receive money for their academies?

[204] **Mr Ford:** The semi-finalists were Neath—I am trying to think who the others were.

[205] **Ann Jones:** They were Porthmadog, Haverfordwest, Rhyl and one other, which I cannot remember, but there were four.

[206] **Mr Ford:** It is a difficult question for me to answer, Ann. I would need to dive into the licensing programme. Am I confident that we have a licensing programme in place that works and is rigorous and that the academy review process is a thorough and detailed assessment of those academies? I would like to think so, but you are asking a personal question of a chief executive who, unfortunately, has a lot of other people working for—

[207] **Ann Jones:** What I was trying to get at was whether you are confident, as you are putting in money via the academy system to clubs that have to have academies for a domestic licence, that they are doing the best job in running academies and not just ticking boxes to get past your criteria and the domestic licence criteria.

[208] **Mr Ford:** I certainly hope so. It would be unfair of me to answer in any more detail, because I would have to go and investigate to know for myself. You are asking a question of one person. I have a load of people who work with me on those particular areas, and I do not know the exact details to be able to put my hand on my heart and say, ‘Yes, I have confidence that every single piece of money that is spent is spent in that area’. I cannot answer that; it is practically the same as asking, ‘Are you confident that every bit of money in your national health system is spent in the right area?’

[209] **Ann Jones:** I appreciate that, but, with resources being tight, that is what we do. We do scrutinise—

[210] **Mr Ford:** It is exactly the same as what we do.

[211] **Ann Jones:** As a governing body, you should be scrutinising to make sure that it is not just a case of boxes being ticked—

[212] **Mr Ford:** That is exactly what we do.

[213] **Mark Isherwood:** I was going to ask what monitoring processes are in place—
[*Inaudible.*]

[214] **Mr Ford:** Yes, we do. We are responsible for going around every academy on an annual basis and a proper evaluation procedure is gone through. As I mentioned, if there are certain circumstances in a club where the academy is a separate entity, often the moneys will go to the separate entity as opposed to the club. I hope that it is not a tick-box exercise, because I firmly believe in academies. We need a strong academy system in order to identify players and ensure that the player pathway works, otherwise that conveyor belt will stop. I am pleased about the investments that we have made and the decision to set up the trust and have a dedicated resource for grass-roots football. The total amount of money available to the trust and the grass roots, as a percentage of our total combined income, is about 30%. The amount of money that we put into the grass roots is considerably higher than that of a lot of comparable associations. I firmly believe that we will see the benefits of those decisions, not immediately, of course, but in the 15 to 20 year period when that conveyor belt comes through and we have a greater pool of talent from which to choose, and when more people are playing football and are doing so to a higher standard. I firmly believe that we are making the right decisions to make that happen.

10.45 a.m.

[215] **Mr Derfel:** That is at a higher level in England, where, for grass-roots football specifically, through the Football Foundation, there is a £30-million annual investment at the grass-roots level and that is funded partly by the Government and partly by the English premier league. That kind of profile of financial investment is not available to us.

[216] **Ann Jones:** There are three more questions. We are running out of time, but I would like to get the questions in, if possible. Mike, you have questions on the FAW and governance.

[217] **Mike Hedges:** We have been told by the Welsh Local Government Association—I think that this may exist only in the new Caerphilly area, rather than throughout Wales—that, because the league is structured according to the local government areas prior to 1974, if a young person wanting to play football is:

[218] ‘not resident in their area, a young person must have approval from the league to play outside the league. It might seem a minor point, but it builds up such antagonism within communities.’

[219] It means that young people living in Gwyn’s constituency or Huw Lewis’s constituency, who, really, want to play with the other people that they are in school with, are prevented from doing so. The WLGA was adamant that the leagues had full control over this. I said that the FAW had control over it, but the WLGA told me that I was wrong.

[220] **Mr Ford:** I do not know the specifics of that example. We do receive letters with some concerns whereby the boundaries for where people can and cannot play are questioned. However, the rationale for that decision in the first place is to stop situations where children have to travel in excess of an hour or two hours to get to their local club. You then end up with difficult parental issues when kids want to play for Liverpool, say, but live in Bangor. That makes things extremely difficult. So, rules are put in place at a UEFA and FIFA level to ensure that the transportation can be managed locally. That does mean that boundaries need to be drawn in certain places and there are sometimes places where difficulties arise.

[221] **Mike Hedges:** The UEFA rules specify a certain number of hours of travel, but we are talking about people who are living a mile or half a mile away.

[222] **Mr Ford:** There are certain boundaries that need to be drawn in order to govern those particular areas, but I do not know the details of your example.

[223] **Mike Hedges:** Would you look into it?

[224] **Mr Ford:** Sure.

[225] **Ann Jones:** Mike, if you give Jonathan that information outside committee, it will give him a better idea of the problem.

[226] **Mike Hedges:** Of course.

[227] **Ann Jones:** I will combine two questions into one just to finish off. The major criticism and concern that we have had expressed in oral and written evidence and by people at outreach events is that some of the FAW councillors show little interest in the workings of football and they are—I am sorry to say, as you are wearing a suit, but it was what was said—men in suits who do not want to get involved, and that the way forward for the Welsh Premier League is to have, within your structure on the council, more representation and not just one person who is elected to deal with Welsh Premier League issues. Is that a fair criticism of the FAW?

[228] **Mr Ford:** I will have to be careful what I say. Thanks, Ann, for that one. *[Laughter.]* I will make two points on this: first, we are an organisation, like many sport organisations, with a structure in place whereby there is a particular council. We are no different from rugby or athletics—they have the same structures. A lot of sports are run in a similar manner,

because they were volunteer organisations before they became successful and needed to employ people like me and Gwyn, and so that structure remains. Many of those people have been working in football for 20, 30 and 40 years on a purely voluntary basis. Without them, domestic football would not exist in this country. If those people were not there, running their leagues, clubs and area associations, domestic football would not exist and I take my hat off to them for the amount of work and effort that they put into that. I ask of a lot of people when they are criticised, ‘What are you doing yourselves?’ Many people criticise them, but do not do anything themselves. If those people can turn around and say that they volunteer for this and that, then fine, they are doing their bit, but an awful lot of people who criticise do not do their bit, and so I would say, ‘Hang on a second, you need to do something yourself.’

[229] You mentioned that the WPL has only one representative. I am pleased to say that, within the FAW strategy, which we launched with the First Minister this year, there is an important aspect with regard to the governance of the association. It comes under three points. First, the FAW is to rewrite the articles of the association. Done. Secondly, we need to redraft and rewrite the rules of the association. Done; they come into play from August. The third most important area is the governance review that we will be going through. The governance review should question the idea as to the appropriate representation of football in this country on our council. I would probably be happy to go on record and say that I do not think that it is quite fair at this moment in time.

[230] **Ann Jones:** That was a very good answer to what could have been a very difficult question. We have now run out of time. Thank you both for coming, certainly Gwyn for coming for the first time. Thank you also for your papers, because the additional information you provided, and certainly Gwyn’s, paper, has been very helpful. You will be pleased to know that this is the last session. You started it and you finished it. So, you could never say that we have not listened to what the FAW has said. We will go away now and write our report. You will get a copy of the transcript to check for accuracy.

[231] **Mr Ford:** We are delighted; thank you very much for the opportunity. We have been very grateful for this opportunity and we are grateful that, hopefully, there will be some good that comes of the report. We certainly hope that we can work together so that football, and sport in general, make people in this country a fitter, healthier and more active people than we are now.

[232] **Ann Jones:** We also look forward to the review of the governance of the FAW. I might have some views on that, as you would expect. [*Laughter.*] Thank you both for coming.

*Gohiriwyd y cyfarfod rhwng 10.51 a.m. a 10.56 a.m.
The meeting adjourned between 10.51 a.m. and 10.56 a.m.*

**Memorandwm Cydsyniad Deddfwriaethol—Bil Cyllid Llywodraeth Leol: Sesiwn
Dystiolaeth
Legislative Consent Memorandum—Local Government Finance Bill: Evidence
Session**

[233] **Ann Jones:** Welcome back. If you have switched your mobile phone on during that short break, could you please switch it off again, so that it does not interfere with the translation and broadcasting equipment?

[234] The next item on the agenda is our evidence session on the Legislative Consent Memorandum for the Local Government Finance Bill. We have with us Carl Sargeant, the Minister for Local Government and Communities, who is a regular at our committee. He has brought an official with him, Debra Carter. You are both very welcome. Minister, do you

have an opening statement for this item?

[235] **The Minister for Local Government and Communities (Carl Sargeant):** Chair, I am very conscious of the time and recognise your own time constraints, so I am happy to go straight into questions. I would just refer you to the statement that I made in the Chamber the other week, which broadly alludes to what this is all about.

[236] **Ann Jones:** Perhaps I will start with a general question. Is this the appropriate legislative vehicle for you to take to meet your aims?

[237] **Carl Sargeant:** I would say 'yes', would I not, Chair? I could probably leave it there, really. [*Laughter.*]

[238] **Ann Jones:** Okay, that is fine.

[239] **Carl Sargeant:** The reality is that we are faced with the UK Government abolishing council tax benefit in Wales. We have to come up with a scheme for 1 April 2013. This is time-sensitive. We looked at the provisions available within the Bill, and, alternatively, whether we should take through an Assembly Bill. I do not believe that the Assembly's legislative time frame gave us the opportunity to pursue the latter option and, therefore, this is the appropriate vehicle, as we see it.

[240] **Peter Black:** You have just answered my first question, Minister, so I will move on to the next one. Last November, the First Minister told the Constitutional and Legislative Affairs Committee that UK Government Bills would only confer powers on Welsh Ministers in 'exceptional circumstances'. Are there any 'exceptional circumstances' involved in this instance and, if so, what are they?

[241] **Carl Sargeant:** 'Exceptional circumstances' is a broad term and can be interpreted by many people in many different ways.

[242] **Peter Black:** It can be.

[243] **Carl Sargeant:** There are 328,000 people affected by council tax benefit in Wales. One in four households is currently supported by council tax benefit. I would interpret the time constraints of delivery on 1 April 2013, as well as the number of people using the system, as 'exceptional circumstances'. Other Members may not do so, but that is my view. That is the reason why we have chosen to take through this very quick process relating to the powers of UK Government legislation.

[244] **Peter Black:** The problem, in a sense, is that because this is going through Westminster, our scrutiny is very limited. You have extensive powers to make subordinate legislation as a result of these powers. What level of scrutiny is going to be available to the Assembly in terms of that subordinate legislation?

11.00 a.m.

[245] **Carl Sargeant:** The LCM process is not new to us at the Assembly. On the interpretation of the extensive powers given to the Minister, I am not sure how extensive they are, although they are fundamentally important to us. The process of the regulations will be subject to the affirmative provision of the full scrutiny of the Assembly. That is the appropriate vehicle for scrutiny in the Assembly and is not unique to this provision.

[246] **Peter Black:** So, will all the regulations be under the affirmative procedure?

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

[248] **Janet Finch-Saunders:** The Minister for Finance and Leader of the House told the Business Committee that it has been clear to officials for several months that Wales will need its own arrangement for a new council tax support scheme. Why has it taken so long for you to establish that the Local Government Finance Bill would be the best vehicle for this?

[249] **Carl Sargeant:** To turn a slightly negative question into a more positive answer, the provision was not made by us. The UK Government decided that it would move from council tax benefit to devolving the powers to the devolved administrations. The draft Bill was published on 19 December. Bearing in mind that we were in recess on 19 December, I wrote to the Secretary of State for Communities and Local Government in London to secure arrangements for the provision of a scheme in Wales, in terms of the policy element. The Department for Communities and Local Government was unable to accommodate that at the time and said that it would be prepared to take amendments at the Report Stage in May. Therefore, again, our decision-making process is confined to the decisions made in Westminster, which is clearly beyond our control. Until that point in May, we did not have sufficient information about whether the amendments would be tabled for us to work on an LCM. There are many dates in this process, but most of them are constrained by the fact that they are under the control of Westminster.

[250] **Janet Finch-Saunders:** Why did the Welsh Government wait until 28 May to table the LCM and lay the memorandum in relation to this Bill, even though the amendments in question were tabled on 17 May?

[251] **Carl Sargeant:** There are a few days in it. However, for the sake of detail for the committee, I can inform you that the technical aspects were laid on 14 May, as the Member quite rightly said. My understanding, and my officials' understanding, is that other amendments were laid on 17 May and the last set of amendments was not laid until 21 May. We are not able to lay LCMs, based on the Standing Order provisions of the Assembly, until they are complete. We fully understand the wholeness of that process. We were not able to consider the last amendments before 28 May, therefore we could not have laid it on the date the Member mentioned.

[252] **Mike Hedges:** The Bill, as I understand it, is only at the Second Reading in the House of Lords and is yet to reach the Committee Stage and Report Stage in the upper House. Therefore, why is the timetable for consideration so constrained?

[253] **Carl Sargeant:** This Bill is being fast-tracked by Westminster. I have mentioned some of the issues and time constraints that have arisen. I would have said this in my opening remarks, if time would have allowed it: the issue is the delivery of a scheme. Thousands of people in Wales are in need of a replacement scheme. I am not trying to take the moral high ground, but we need a legislative vehicle in order for us to complete this. That is why I chose the route of tagging onto the Westminster Bill. Ideally, we would have created a Welsh Bill, but we would not have had the time frame to complete the process. It is being fast-tracked through Westminster. There are still details that are unknown and unclear to us—finances and processes that are still not firm—but, we still have to deliver a scheme by April of next year. This is challenging in the extreme. Even if the limited details that we have were complete, we would struggle to deliver.

[254] **Mike Hedges:** I again welcome your statement in Plenary on 22 May explaining that you will be seeking the powers in question to introduce consistent and national council tax support schemes in Wales. That is fair and just. Not having this will create an awful lot of problems in England. Why have you not explained the policy reasons for seeking those powers in the memorandum?

[255] **Carl Sargeant:** I am grateful for the Member's comments in relation to the policy decisions or outlines that we are considering. The consultation process has led us to start thinking of the right framing. The Member asks about the detail of the memorandum, but, again, that is sort of out of my control. We are constrained by the Standing Orders in terms of what we need to comply with and what we do not need to comply with in what is posted in the memorandum of understanding. What is important for me is that we have the delivery of a scheme, and that there is appropriate scrutiny of that through the affirmative procedure of the Assembly, as stated in the regulations. There is no requirement for us to explain the policy reasons in the memorandum; that is down to the Standing Orders, not to a Government decision. We have applied the appropriate measure in this case; it would not have been accepted by the Table Office otherwise.

[256] **Gwyn R. Price:** According to the memorandum, the powers conferred on Welsh Ministers to make regulations are similar to those that only applied to England in the original Bill. Why does the memorandum not explain why such powers will now also apply to Wales?

[257] **Carl Sargeant:** With respect to the Member and to the committee, we believe that we have complied with everything that the memorandum expects us to do. The detail is limited to the scope of the memorandum. I can see why Members may wish to probe in more detail in relation to the scrutiny—I do not think that you were inferring anything there—but we believe that we have complied with the scope of what the memorandum asks us to do. We are not trying to not provide information; we have provided the information that is required of us. However, as I said, the information that the Member seeks is outside the scope of the memorandum.

[258] **Bethan Jenkins:** Credaf fy mod yn gwybod beth rydych yn mynd i'w ddweud o'r hyn rydych wedi'i ddweud mewn ymateb i'r cwestiynau cynharach—

Bethan Jenkins: I think that I know what you are going to say in response to my question, given what you said in answer to earlier questions—

[259] **Carl Sargeant:** [*Inaudible.*]

[260] **Bethan Jenkins:** I thought that you were disagreeing with me there. I am used to that. [*Laughter.*]

[261] **Carl Sargeant:** You do know the answer already. I apologise, Chair, I was not quite receiving the translation.

[262] **Bethan Jenkins:** Credaf fy mod yn gwybod beth fydd eich ateb o'ch atebion i gwestiynau eraill ynghylch y memorandwm, ond pam nad yw'r memorandwm yn nodi y bydd y rheoliadau i sefydlu gofyniad am gynlluniau lleihau'r dreth gyngor yn amodol ar y broses gadarnhaol yn y Cynulliad? Deallaf eich bod wedi dweud ei fod yn mynd i fod yn gadarnhaol, ond pam nad yw hyn yn y memorandwm?

Bethan Jenkins: I think that I know what your answer will be from the answers that you have given to other questions on the memorandum, but why does the memorandum not state that the regulations to establish a requirement for council tax reduction schemes will be subject to the affirmative procedure in the Assembly? I understand that you have said that it will be affirmative, but why is this not included in the memorandum?

[263] **Carl Sargeant:** The Member knows the answer to her question: the scope of the memorandum does not require us to do that. You are quite right that we are subject to confirm that this will be an affirmative procedure, which I hope gives some confidence to the committee.

[264] **Bethan Jenkins:** A ydych wedi ystyried y math o reoliadau y byddwch yn eu cyflwyno o dan y pwerau hyn? **Bethan Jenkins:** Have you considered the type of regulations that you will be bringing forward under these powers?

[265] **Carl Sargeant:** I mentioned earlier the consultation process that we launched on 6 February. We have had responses and we are trying to formulate some of the elements. We have not firmed up what those regulations will be. There will be a Cabinet discussion later this month to finalise what they will be. This is very fluid, because, as I said, I have some meetings in Westminster shortly—on Monday; that is shortly—at which I will be trying to tease out some of the detail. The First Minister and Leighton Andrews have also alluded to some of these difficult decisions in relation to welfare reform and the information required. So, no, we have not completed the regulations; they are still being formulated. However, they will be based on the responses to the consultation.

[266] **Bethan Jenkins:** Felly, ni fydddech yn gallu rhoi enghreifftiau o'r math o syniadau rydych wedi ymgynghori arnynt? A yw'n rhy gynnar ar hyn o bryd inni gael syniad o'r hyn rydych yn ei ystyried? **Bethan Jenkins:** So, you could not give us any examples of the type of ideas on which you have been consulting? Is it too early for us to have an idea of the sorts of things that you are considering?

[267] **Carl Sargeant:** I gave a flavour of what we are considering in the statement that I made to the Chamber, and Members have made reference to that. I am keen to understand a Wales-wide scheme that will probably mirror the current scheme, with a reduction of at least 10%. Again, we do not know what those figures from Westminster will be. Alongside that, I will be doing some work around target groups with the welfare reform ministerial advisory group and external bodies to look at who will be at most risk or in most need of support through the council tax benefit system. If it comes back with a different group of people from the original plans, we will amend the scheme the following year. That is the theme of the regulations that I intend to propose. However, I have not done this in isolation. I have done this with a group from local government, finance officials and people who are knowledgeable about council tax benefit. There are two elements to this. We are trying to deal with the policy end and delivery. Both are hugely challenging on the basis of those numbers and the speed of this process.

[268] **Peter Black:** Minister, in answer to three questions now you have relied on Standing Orders to explain why the memorandum is not as full as we would like it to be. In fact, the Standing Orders are not restrictive at all with regard to what you can put in a memorandum, and I think that they seek to encourage you to give the fullest possible explanation of the scope and scale of the LCM. Therefore, I am a bit concerned that the memorandum is so truncated. Would it not be best practice to have as full an explanation as possible in the interest of transparency and accountability?

[269] **Carl Sargeant:** With respect to the Member and the Chair, I have never been shy of providing information to any committee in order to provide full detail to facilitate transparency. I know that the Member was not trying to say that that was the case. My understanding—and this is where we may disagree, Chair, and I am more than happy to follow this up with a more detailed letter in response—is that, with regard to Standing Order No. 29, for which I have no responsibility as it is the duty of the Assembly, we believe that we have complied with everything that we need to in relation to the legislative competence memorandum. Notwithstanding Peter's comments about providing as much information as possible, we believe that we have complied and provided as much information as we could. We believe that the information given in the memorandum has been provided on the basis of giving people full knowledge. I hope that Peter is not suggesting that we are trying to hide behind Standing Orders. That certainly is not the case.

[270] **Peter Black:** I am not making any such suggestion and I am not trying to imply that you are personally responsible for this memorandum. However, it seems to me that the memorandum has been drafted to give the barest information possible as required by the Standing Order, when there are clearly wider issues that could have been included that would have aided transparency and accountability. All that I am asking is whether you could reconsider the memorandum in that light and perhaps redraft it for this LCM.

[271] **Carl Sargeant:** I take the Member's comments on board. However, I do not believe that we have tried not to give the information that we have to help colleagues with the memorandum of understanding. We have certainly complied with the requirements, and that is recognised by the committee. The fact of the matter is that we are still without detail ourselves on the scheme. My team is extremely challenged in delivering this scheme. I would not like not to—

[272] **Peter Black:** I understand that, Minister. You have referred to the fact that the affirmative procedure will apply and that it applies to Wales as well as England. Simple pieces of information such as that would have helped anyone coming to look at this to understand better the purpose of the LCM.

[273] **Carl Sargeant:** I have listened to the Member's comments very carefully, and I will consider them. However, I would say that this is probably an endless process of providing information. You quite rightly have Standing Orders, which we abide by to ensure that we provide as full information as possible on the compliance. We have done that. If there is any information that I think may be helpful to the committee, I will reconsider that. However, on the basis that I do not think that is the case, I note the Member's comments.

11.15 a.m.

[274] **Ann Jones:** We have a copy of the Standing Order here. I think that Peter is trying to say that it states very clearly what should be put in, but there is always a subjective argument that that does not mean that you could not have put all of the other stuff in if you had that information to hand. If you do not have that information to hand, it becomes very difficult to second guess. However, we need to make sure that this is the correct vehicle going forward, and that is what we will try to do.

[275] **Carl Sargeant:** Of course. Also, I would not want the committee to think that, on other occasions, we were trying to overload them with detail in terms of providing too much information and hiding information in the detail. [*Laughter.*]

[276] **Ann Jones:** No. We always find the little bits that you want to hide.

[277] **Carl Sargeant:** I am very impressed, Chair.

[278] **Ann Jones:** We will now move on. Mark has a few questions.

[279] **Mark Isherwood:** You referred to the fact that there will be a consultation before you bring forward regulations, and you told us that local government is represented in your policy group. How will that consultation involve local authorities themselves beyond that policy group?

[280] **Carl Sargeant:** The policy group involves local government. There is a steering group, which is made up of representatives, as I mentioned earlier. We might be able to provide you with the membership of that group. If I may, Chair, I will bring Debra in on this.

[281] **Ms Carter:** The steering group has a chief executive, a finance officer, and a benefits from revenues lead, but beyond that there are a number of working groups, most particularly the local taxation working group, on which all of the local authorities have representatives. We propose using that as the main forum for discussing the actual mechanics of the regulations. In fact, we have a sub-group of that local taxation working group looking specifically at the regulations and how they should be developed. All of the authorities will have the opportunity to comment on the regulations as they are going through to be developed.

[282] **Carl Sargeant:** To be fair, this has been what I would like to think is a very open process. I have worked with the Welsh Local Government Association in taking this forward. The response has been exceptional in terms of trying to find a solution to a problem that, if we are honest without being overtly political, we did not really want. However, we have the problem and we must now deliver on it. Therefore, local government has responded. Prior to election, and post-election, the groups have been working terrifically hard to try to resolve this on the very tight timescale that we are facing.

[283] **Mark Isherwood:** Is it your expectation that local authorities will also ensure that their members are fully briefed and have the opportunity to have a say?

[284] **Carl Sargeant:** That is beyond my responsibility, but I would certainly expect that to happen.

[285] **Mark Isherwood:** I wanted that on the record; thank you. I will now ask my second and final question. What is the Welsh Government policy basis for seeking extensive powers to investigate and prosecute fraud?

[286] **Carl Sargeant:** On the procedural element of this, if council tax benefit, through the Welfare Reform Act 2012, was to be cancelled, that would no longer be in place and we would bring a new system into place. The current powers for investigating and prosecuting fraud will exist only on social security benefit. When it comes to Wales, as a devolved element of funding, it will not be a benefit. We do not have legislative competence around benefits, but we will have competence around a council tax reduction scheme, as we will call it. On that basis, we will need to have powers to investigate and prosecute fraud under a different guise, because we do not have the benefit element, which triggers that power. We must create the powers on the basis of the council tax reduction scheme that will be based in Wales. As it is a different mechanism of delivery, it is a different title and, therefore, we do not have competence over benefit. We have to create another environment and, therefore, we are just mirroring the powers to secure it under this way of transferring that funding.

[287] **Mark Isherwood:** That makes sense. Why was that not explained in the LCM?

[288] **Carl Sargeant:** I refer you to questions 3, 4 and 5. [*Laughter.*]

[289] **Ann Jones:** Yes; that is fine.

[290] **Mark Isherwood:** Okay; thank you.

[291] **Ann Jones:** I think that those sorts of questions are really down to a subjective view of how the Government has looked at Standing Order No. 29.3, and how the committee seemed to want to look at Standing Order No. 29.3. We will try not to ask any more of those questions, if there are any more. We will word them in different ways to get the answers. I think that that is the way forward.

[292] **Kenneth Skates:** Have you considered the type of regulations that you will be

bringing forward under these powers?

[293] **Carl Sargeant:** As I mentioned earlier, they are principally the same. We will just be bringing them across. Debra might be able to give you more detail on the regs.

[294] **Ms Carter:** Simply because of the time constraints, we are looking to base the regulations predominantly on what already exists. It would be nice to take the opportunity to simplify and streamline them, but we have started from the existing body of regulations and how they would need to change to allow us to have a system in place from April.

[295] **Kenneth Skates:** Can you confirm that regulations made under the new powers to investigate and prosecute fraud will be subject to the affirmative procedure?

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

[297] **Ann Jones:** Paragraph 17(c) of the LCM refers to ‘technical’ amendments to section 141 of the Local Government Finance Act 1988. I am not asking you to go back that far, but it appears to me that there are some tidying-up amendments here. Is that the case? Are these tidying-up amendments, or are you hiding something?

[298] **Carl Sargeant:** I would certainly refer to Debra on the technical elements of this, but it will be a tidying-up exercise.

[299] **Ms Carter:** It was simply something that was omitted when an amending Act—the 2003 Act, I think—made amendments to the 1988 Act.

[300] **Ann Jones:** So, it is a tidying up.

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

[302] **Carl Sargeant:** I would be more than happy to drop you a note on the detail of that, Chair, if that would be helpful.

[303] **Ann Jones:** Okay. Turning to the regulations that can be made by the Welsh Ministers relating to the supply of information by Her Majesty’s Revenue and Customs for council tax purposes, do you envisage those being subject to the affirmative procedure as well?

[304] **Carl Sargeant:** No. We are working on the basis of logic and are trying to mirror the regulations that are already in place, and they follow the negative procedure. That would be under the Local Government Finance Act, which already permits the Welsh Ministers to make regulations on non-domestic rating and council tax. We will be mirroring that and that is subject to the negative procedure already. So, we do not intend to look at that any further.

[305] **Bethan Jenkins:** Yn amlwg, mae’r pwyllgor wedi bod yn trafod costau deddfwriaeth sy’n bwysig yn y cyd-destun hwn hefyd. Pa waith ydych chi wedi’i wneud o ran costio effaith y memorandwm cydsyniad deddfwriaethol hwn? A ydych chi wedi gwneud unrhyw waith i adlewyrchu hynny hyd yn hyn?
Bethan Jenkins: Obviously, this committee has been discussing the costs of legislation, which is very important in this context as well. What work have you done on costing the effect of this legislative consent memorandum? Have you done any work to reflect that so far?

[306] **Carl Sargeant:** There are many challenges within this. I have alluded to one of them being to do with policy, and another to do with delivery. One of the unknowns is the cost of

the scheme, and that is partly why I am going on Monday. We have had indications of the funding streams and quantum that the Department for Work and Pensions will be giving us, but we dispute those figures. We have done some workings-up of our own alongside the figures that the DWP provided about what the quantum should be. It would be fair to say—and I think that I made reference to this in the statement—that we have been publicly informed that there will be a 10% reduction in funding across the piece on the delivery of the core element of this system. However, the figures that have been distributed to us show around a 13% to 14% reduction, as opposed to 10%. We are also in discussions with DWP about the administrative costs for this, and we have some numbers for that, again supplied by DWP, and we dispute some of those figures as well. This is all in the name of discussions between the Treasury, Westminster and the Welsh Government on what they think we should have and what we think we should have. We have some numbers and, at the moment, they are poles apart, and that is part of the reason for my visit on Monday.

[307] **Peter Black:** Paragraph 17(d) of the LCM states that the Welsh Ministers will be able to make regulations requiring local authorities to publish prescribed information regarding non-domestic rates and council tax in a prescribed manner—for example, on their websites. The legal advice that we have had states that these regulations will be subject to the negative procedure, but that is not mentioned in the LCM. That also seems to contradict what you said earlier about all the regulations being done under the affirmative procedure.

[308] **Carl Sargeant:** I assumed that we were not talking, at that point in time, about the prescribing of this. I did not have sight of that further question.

[309] **Peter Black:** So, these are subject to the negative procedure and the others are subject to the affirmative procedure.

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

[311] **Peter Black:** However, as neither is referred to in the LCM, you can understand our confusion.

[312] **Carl Sargeant:** Notwithstanding the Member's comments, I believe that we have complied, Chair. Of course, there is detail that the Members wish to seek.

[313] **Peter Black:** Why have you chosen the negative procedure for these particular regulations?

[314] **Carl Sargeant:** It is because, as I mentioned earlier, this is just a logical process. We are already subject to doing this, in relation to the non-domestic rating element, under the negative procedure. All we are doing is mirroring that, not creating something new.

[315] **Peter Black:** Okay.

[316] **Ann Jones:** I have just one final question, Minister, because I know that we are short of time. You say that you are in negotiations with the relevant departments at Westminster, but, given that we are using this LCM as a way forward and that it is the vehicle that we are using, will there be an accompanying transfer of funding from the UK Government as a result of our doing this LCM?

[317] **Carl Sargeant:** There will most certainly be a transfer of funding. The negotiations—as the term that you and I like to use, Chair—will be about what that funding will be. If we go back to the very beginning of this process—and the reason I am before the committee is the LCM—we will be getting a block of money, regardless of whether we want it or not. That quantum is still unknown, whether it is on administration or core funding.

Therefore, we have to have a mechanism to send that out to these thousands of people in Wales—one in four families—who receive council tax benefit. This is not the ideal solution or the one that I would have chosen, but it is the best of a bad deal. We believe that this is the appropriate vehicle to do that. We are still in dispute over some of the financing. I expect that to continue for a little while longer. However, there will be something at the end and we will be able to distribute something at the end, subject to the LCM process. I hope that I will gain the support of this committee and the Assembly as a whole.

[318] **Ann Jones:** Good luck with those negotiations, but the rider to that is ‘Don’t hold your breath’. There are no more questions from the committee. Minister, do you have a closing statement to make?

[319] **Carl Sargeant:** The comments that I have just made constituted my final remarks, if that is okay, Chair.

[320] **Ann Jones:** That is fine. Thank you very much. That is it, then. We have finished that item on our agenda, and we thank the Minister and Debra for coming along and giving us their views on that.

11.28 a.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o’r
Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from
the Meeting**

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

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42.

[322] I see that the committee is in agreement. I ask that the public gallery be cleared, although I see that it is already clear.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.28 a.m.
The public part of the meeting ended at 11.28 a.m.*