



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

**Y Pwyllgor Cymunedau a Diwylliant  
The Communities and Culture Committee**

**Dydd Iau, 26 Mawrth 2009  
Thursday, 26 March 2009**

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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**

Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Cairns	Ceidwadwyr Cymreig Welsh Conservatives
Janice Gregory	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Lesley Griffiths	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
David Lloyd	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour

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

Sue Balsom	Aelod o Banel Cynnwys Ofcom dros Gymru Member of Ofcom's Content Panel for Wales
Aled Eurig	Ymgynghorydd y Pwyllgor Committee Adviser
David Hanson	Aelod Seneddol, Llafur (Gweinidog Gwladol, y Weinyddiaeth Gyfiawnder) Member of Parliament, Labour (Minister of State, the Ministry of Justice)
Michael Jermey	Cyfarwyddwr Newyddion, Materion Cyfoes a Chwaraeon, ITV Director of News, Current Affairs and Sport, ITV
Peter Jones	Dirprwy Gyfarwyddwr yr Is-adran Diogelwch Cymunedol a Phennaeth Polisi Domestig a Pholisi Ieuenctid, yr Adran Cyfiawnder Cymdeithasol a Llywodraeth Leol, Llywodraeth Cynulliad Cymru Deputy Director of Community Safety Division and Head of Domestic and Youth Policy, Department for Social Justice and Local Government, Welsh Assembly Government
Joanna Jordan	Pennaeth yr Is-adran Diogelwch Cymunedol, yr Adran Cyfiawnder Cymdeithasol a Llywodraeth Leol, Llywodraeth Cynulliad Cymru Head of Community Safety Division, Social Justice and Local Government Department, Welsh Assembly Government
Elis Owen	Cyfarwyddwr Cenedlaethol, ITV Cymru National Director, ITV Wales
Jonathan Thompson	Cyfarwyddwr Strategaeth, Ofcom Director of Strategy, Ofcom
Rhodri Williams	Cyfarwyddwr Cymru, Ofcom Director Wales, Ofcom

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Sarah Hatherley	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Annette Millett	Dirprwy Glerc Deputy Clerk
Stefan Sanchez	Clerc Clerk

*Dechreuodd y cyfarfod am 9.47 a.m.*  
*The meeting began at 9.47 a.m.*

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

[1] **Janice Gregory:** Good morning, everyone, and welcome to the Communities and Culture Committee. Before we start the meeting proper, I will run through the usual housekeeping issues that we need to raise at the start of any meeting in the National Assembly for Wales. The Assembly operates through the media of the English and Welsh languages, and simultaneous translation from Welsh to English is available on channel 1 of the headsets, and amplification of the sound is on channel 0. I ask everyone to switch off their mobile phones, BlackBerrys, pagers or any other electronic device that they may have about their person, as they interfere with the sound equipment. I am given to understand that there will be no fire drill this morning, so, if an alarm sounds, we will be asked to leave the building in a safe manner. Please be guided by the ushers, or, as I normally say, follow the top table, as we will be the first out of the door. We will make sure that you leave the building safely.

[2] As always, we have received an apology for absence from Lynne Neagle who is still on maternity leave. I have had no notification of substitutions.

9.48 a.m.

**Cam 2 Adolygiad Ofcom o Ddarlledu Gwasanaeth Cyhoeddus—Casglu**  
**Tystiolaeth**  
**Phase 2 of Ofcom's Review of Public Service Broadcasting—Evidence Gathering**

[3] **Janice Gregory:** In this item, we will continue our evidence gathering into this very important issue in Wales. I am delighted to welcome this morning Rhodri Williams, the director of Ofcom in Wales, Jonathan Thompson, the director of strategy, and Sue Balsom, the member of Ofcom's content panel for Wales. I welcome you all. Thank you for taking the time to come to committee to give evidence this morning. Your evidence will form a very important part of our inquiry. Members have questions for you, and I am sure that you are all very well versed on how committees work in the National Assembly for Wales. We are not quite constrained for time, but we do have a full agenda this morning, so, if I look at you down the table, Rhodri, you will know that we need to move on. [*Laughter.*] However, please feel free to make the important remarks that you want to raise with regard to this inquiry.

[4] Are there any comments that you would like to make before we move on to the questions, or are you happy to move straight on?

[5] **Mr Williams:** I am happy to go straight in.

9.50 a.m.

[6] **Janice Gregory:** That is marvellous. Thank you very much indeed. Now that you have said that, you have thrown me completely and I have to find out where I am next. Everyone is pointing, so everyone knows who is first except the Chair. *[Laughter.]*

[7] **David Lloyd:** Yr ydym yn disgwyl adroddiad terfynol 'Prydain Ddigidol' yn mis Mai. A oes gan Ofcom rôl i'w chwarae o ran tynnu'r adroddiad at ei gilydd, neu o ran sicrhau fod dyfodol i ddarparu gwasanaeth cyhoeddus yng Nghymru ar wahân i'r BBC?

**David Lloyd:** We expect the final 'Digital Britain' report to be published in May. Does Ofcom have a role to play in finalising the report, or in the process of ensuring that there is a future for public service broadcasting in Wales beyond the BBC?

[8] **Mr Williams:** Dechreuaf gydag ail ran y cwestiwn a gofynnaf i Jonathan ddweud mwy am 'Prydain Ddigidol' yn y man. Nid ydym wedi gosod unrhyw dystiolaeth ysgrifenedig ger eich bron oherwydd bod ein adroddiad yn parhau i fod yn gymharol newydd. Dyna'r gair olaf ffurfiol yn ysgrifenedig fydd gennym ar y mater. Yr ydym o'r farn fod hynny'n cyflwyno nifer o gwestiynau ac opsiynau ar gyfer diogelu amrywiaeth darlledu gwasanaeth cyhoeddus yng Nghymru, mewn rhannau eraill o'r Deyrnas Unedig ac ar draws y Deyrnas Unedig yn gyffredinol. Mae'r opsiynau hynny gerbron, ond fel y bu i ni ei nodi yn ein adroddiad, yr oedd rhai materion i Ofcom benderfynu arnynt o ran ITV yn y tymor byr, ac yr ydym wedi cyflwyno'r penderfyniadau hynny. Fodd bynnag, yr oedd y materion sy'n ymwneud â'r dyfodol yn benderfyniadau i'r Llywodraeth, ac nid i ni. Mae'r materion hynny yn cael eu hateb gan dîm 'Prydain Ddigidol'. O'm rhan i, fel fy nghyfeillion yn Glasgow a Belfast, bûm yn rhan o'r broses o gynghori ar 'Prydain Ddigidol' ar y materion pwysicaf i Gymru, Gogledd Iwerddon a'r Alban. Mae Ofcom hefyd yn cynorthwyo yn y broses, ac efallai y byddai'n well i Jonathan, sy'n cydlynu'r berthynas a'r gwaith a wneir rhwng Ofcom a thîm 'Prydain Ddigidol', i ateb y rhan honno.

**Mr Williams:** I will begin with the second part of your question and I will ask Jonathan to say more about 'Digital Britain' in a moment. We have not submitted any written evidence to you because our report is still comparatively new. That will be our final word formally and in writing on the matter. We are of the view that that presents a number of questions and options for protecting the plurality of public service broadcasting in Wales, in other parts of the United Kingdom and across the United Kingdom more generally. Those options are before us, but, as we noted in our report, there were some issues that Ofcom had to decide upon relating to ITV in the short term, and we have presented those decisions. However, the issues that related to the future were for the Government to decide on, and not for us. Those issues are being addressed by the 'Digital Britain' team. For my part, like my colleagues in Glasgow and Belfast, I have been a part of the process of advising on 'Digital Britain' on what we believe to be the important issues in Wales, Northern Ireland and Scotland. Ofcom is also assisting in the process, and perhaps it would be better for Jonathan, who co-ordinates the relationship and the work that is undertaken between Ofcom and the 'Digital Britain' team, to answer that part.

[9] **Mr Thompson:** To build on what Rhodri was saying, it is probably worth explaining what our role is in relation to public services broadcasting and how that links to 'Digital Britain'. As the regulator of the communication sector, Ofcom really has two responsibilities in relation to public services broadcasting, the first of which is to oversee the existing regulatory framework set up in the Communications Act 2003, particularly the quotas around the delivery of public service broadcasting that fall within its responsibility. Our second duty is to make recommendations to Government through the public service broadcasting review about how it can maintain and strengthen public service broadcasting. That is the report that we published in January, which included our recommendations to Government.

[10] As for our involvement and engagement with the 'Digital Britain' team, it is worth stressing that it is a Government process and it is about formulating Government policy. So, it is not a regulatory process; it is a public policy process led by Government. We are involved in a number of ways; we sit on the steering board that Stephen Carter has established to guide projects. Peter Phillips, our partner for strategy and market developments, is present on that steering board. We have been given formal responsibility to lead one or two of the specific work strands set out in the interim report, particularly the work on media literacy that Stewart Purvis is leading.

[11] Our third area of responsibility is supporting the 'Digital Britain' team in areas where Ofcom has market information that may be relevant, or has particular experience or expertise that may be useful.

[12] It is fair to say that we have done most of our work on the future of public service broadcasting, which results in the recommendations set out in the final report. It is a process being led by Government, but hopefully it will lead to some decisions over the coming weeks as we approach the final report.

[13] **Joyce Watson:** What is your understanding of the timescale in which decisions have to be made about the future of public service broadcasting in Wales on ITV, because ITV states that it is already in deficit in Wales?

[14] **Mr Thompson:** We acknowledged the pressures on the ITV, or the channel 3, licence system in the public service broadcasting review, particularly the fact that certain licences were likely to come into deficit relatively rapidly, and, as we set out in the report, in Wales they were likely to come into deficit as soon as 2009. So, we acknowledged the pressures on ITV and particularly the pressures on its economics in Wales. That was one of the main reasons why we set out in the PSB review the need for urgent decisions to be made on a number of the key issues on the future of public service broadcasting, particularly on the second public service broadcaster that we flagged in the report, which has also been raised in the 'Digital Britain' report, and also on issues of funding news and non-news content in England and the nations. We believe that there is an urgent need for a decision to be made. We made that explicit in our report in January. We are very supportive of the 'Digital Britain' report and we hope that it will lead to some decisions and Government action, and that the necessary legislation will follow. For us, these are decisions that need to be made this year.

[15] **Lesley Griffiths:** One of your recommendations is that the Government should be planning now for the plurality of good quality news providers alongside the BBC, right across the UK. You refer to the need for total funding of between £30 million and £50 million. How much do you think is needed for Wales, and have you thought about where that money would come from?

[16] **Mr Thompson:** In our work on the cost of regional news, you are right that we identified total costs for the UK of between £30 million to £50 million. My recollection is that the cost for the individual nations was in the range of £4 million to £8 million. I would not like to put a specific figure on Wales, but I think that it is probably in that range. That is for news provision, obviously. Non-news provision would be above and beyond that.

[17] We set out a range of potential sources of funding for the Government. They include the use of that part of the licence fee that is currently allocated to digital switchover beyond 2012. That is the so-called 'switchover surplus'. It is made up of money that has been allocated to the switchover but which, beyond 2012, might be available for alternative uses. It is also possible that there will be an underspend in the digital help scheme that is funded by the licence fee, and that money may materialise ahead of 2012. We also raise alternative options, such as direct Government funding and industry levies. A final option was the

possibility of raising revenue by charging ITV and channel Five for the regulatory assets that they currently get for free. They currently receive access to the digital spectrum at no cost, in effect. If they were asked to pay for that at a market rate in future, it may provide a source of income that could be used to fund news content. We set out a range of funding options that will ultimately be for the Government to decide on as part of the 'Digital Britain' process.

[18] **Mark Isherwood:** A funding option outlined in the public service broadcasting paper included the possibility of funding from the Welsh Assembly Government. What discussions have you held with the Welsh Assembly Government, and what response, if any, have you received?

[19] **Mr Williams:** We have had discussions with the Welsh Assembly Government at ministerial and at civil service level, and we have outlined the options that are on the table. This matter was certainly drawn to the Minister's attention. We have not taken it further than that, however, and that is for the simple reason that it is not really a matter for us to take further. We are also aware that there is ministerial and civil service contact between the Welsh Assembly Government and the 'Digital Britain' team. I have attended a tripartite meeting here in Cardiff with members of the 'Digital Britain' team, who are leading on broadcasting issues, along with the relevant civil servants from the Welsh Assembly Government. How they take that forward and which of the options they choose, if any, is a matter for them. There has not been any further discussion of the possible option that you note, other than our drawing to their attention the fact that it is in our report. It is now a matter for them and the 'Digital Britain' team to discuss how to take things forward.

[20] **Mark Isherwood:** So, there has been no initial response to indicate how it considers the proposal.

[21] **Mr Williams:** There may have been a wry smile from the Minister. [*Laughter.*]

[22] **Bethan Jenkins:** Yr ydych yn crybwyll yn eich adroddiad y posibilrwydd o greu darparwr newyddion annibynnol ar draws y Deyrnas Unedig. Sut fyddai hynny'n gweithio? **Bethan Jenkins:** You mention in your report the possibility of creating an independent news provider across the United Kingdom. How would that work?

[23] **Mr Thompson:** Our proposals were to do with finding a means of providing and funding regional news as an alternative choice to the BBC's provision. It is a core part of our recommendations to sustain and ensure the plurality of news provision in each of the nations, beyond what the BBC provides currently, and based on the analysis that ITV regional news provision is perceived to be under significant threat.

10.00 a.m.

[24] I will talk you through our proposals, but I am happy to take any further questions. Our proposal was based on a number of elements. It was based on the principle of establishing independently funded news consortia in each of the relevant nations or the regions of England. That may mean a number of different players coming together to form this consortium. Taking Wales as an obvious example, the proposal would be that funding would be made available to whatever the consortium might be. It could potentially be made available on a contestable basis, whereby the funding would be made available, and some kind of panel would be established to view bids from potential consortia, put together from existing players in the Welsh industry, or new players, and that could be existing television groups, regional newspapers or other potential providers of news in that area. The premise would be that the consortium would be commissioned to provide news programming that would probably be broadcast as part of the existing channel 3 licence in Wales or the relative

region or, alternatively, on the second public service broadcaster licence, although our preference would be the channel 3 licence. So, effectively, ITV would provide a window, for which this consortium would provide independently funded programming. We also set out that it was possible that the BBC's partnership proposals on regional news, of which I am sure that you are aware, could form part of this proposal, in that the BBC could make available the resources that it is proposing to make available to ITV to these third-party providers, and that could form an underlying basis. When topped up with the funding required, that would allow that news provider to provide the programming through the channel 3 licence, or through Channel 4 if the channel 3 proposal did not work. So, that was the basis of our proposal, and we felt that it could be put in place by 2011, to fit with the timing of the pressures on ITV's news provision. That was the proposal that we set out to Government.

[25] **Alun Cairns:** I would like to pursue that a bit further. How does the S4C model fit into the proposal that is being considered? Do you accept that it is up to S4C to decide who provides its news, which would obviously be in the Welsh language, or do you think that the BBC charter or its public service obligation means that the BBC needs to provide Welsh-language news in Wales? Those are two very separate questions.

[26] **Mr Williams:** I will start and, Sue, perhaps I can turn to you later.

[27] On from where S4C sources its news, that is very clear: it is a matter for S4C. I am old enough to remember the days back in 1981, or early 1982, when S4C was being established and people were setting about trying to decide who would provide its news and who would provide its current affairs programmes. There was a beauty contest—I think that that would be the most appropriate description of it—between the BBC and HTV Wales, as it was then, as to who would provide which. The S4C Authority chose the BBC to provide the news and HTV Wales to provide the current affairs programming. So, it is clear to me that that is a matter for S4C.

[28] The other question to which I think the answer is equally clear is the question that you asked on the BBC's responsibilities under the charter. I do not think that those responsibilities mean that it must produce Welsh-language television news. I do not see where that is specified in the charter. As you have heard from the BBC and S4C on a previous occasion, there is a strategic partnership agreement whereby what the BBC provides to S4C is laid out. That currently includes news, but I do not see anything that says that it has to provide news. The Broadcasting Act 1981 says—and I would have thought that what is specified in the Act is the key here—that the BBC should provide 10 hours a week of programming that meets the reasonable needs of the Welsh Fourth Channel Authority; I believe that that is what it is called in the original Act. So, that answers that part of the question.

[29] **Ms Balsom:** To address the first part of your question, all of this has to be seen in the context of Wales being the first nation to switch over and, therefore, our needs may be a little more pressing than those of other devolved nations. It behoves us all to look at any possible solution in whichever configuration from whichever source, and some form of a pilot scheme has been mooted. If we can find some solution from that to all of the issues that we have been talking about here, that would welcome.

[30] **Alun Cairns:** Following Mr Thompson's earlier answer, I am trying to work out how the S4C proposal, which has received tentative support in 'Digital Britain', would fit within the UK context. As you rightly say, Ms Balsom, the situation in Wales is very different, so I do not quite understand how this dovetails with the pilot project.

[31] **Ms Balsom:** The devil will be in the detail. Ofcom is not privy to the details of what is being proposed, in its entirety, or where it could fit. Clearly, as has been said already, this is something that is being worked on, by the 'Digital Britain' team, and we do not know what



kind of a configuration will emerge, in the form of a second public service broadcaster and so on. There is a lot in the mix at the moment, and we will have to wait for the report, to see what recommendations will come out of it. However, what is absolutely fundamental is that whatever is recommended must have some funding source attached to it. At the end of the day, that is the nub of the issue.

[32] **Eleanor Burnham:** Beth yw eich barn ar y trefniadau atebolrwydd sydd wedi eu crybwyll yng nghynnig S4C? A yw'n addas i Awdurdod S4C fod yn gyfrifol am gomisiynu newyddion yn y Saesneg? A ddylai newyddion yn y Gymraeg fod yn rhan hanfodol o'r cynnig ac yn rhan o'r broses dendro?

**Eleanor Burnham:** What is your opinion on the accountability arrangements for S4C's proposal? Is it appropriate that the S4C Authority should be responsible for commissioning English-language news? Should Welsh-language news be an essential part of that proposal and of the tendering process?

[33] **Mr Williams:** Hoffwn ddechrau gyda darn olaf y cwestiwn. Nid yw tendro'r gwasanaeth newyddion Cymraeg yn annatod ynghlwm wrth y peilot yn Saesneg. Mae'r ddau beth ar wahân. Mae modd i un ddigwydd heb y llall, neu byddai modd i un ddigwydd ac wedyn y llall. Mae hynny yn fater i S4C, i'r BBC a hefyd i'r Llywodraeth. O ran atebolrwydd, credaf fod hynny yn fater syml iawn. Nid yw'n fater yr ydym yn ymwneud ag ef, ac ni fyddem yn gwneud sylwadau arno. Fel yr ydych yn crybwyll, o fewn y cynnig a roddwyd gerbron gan S4C mae rhai disgrifiadau o'r trefniadau o ran atebolrwydd, ond mae'n glir iawn, yn fy marn i, mai mater i'w drafod rhwng Awdurdod S4C a'r Llywodraeth, yn yr Adran dros Ddiwylliant, y Cyfryngau a Chwaraeon yw hynny.

**Mr Williams:** I will start with the final part of your question. Tendering the Welsh-language news service is not an integral part of the English-language pilot. Both things are separate. Both can happen separately, or one can happen, and then the other. That is a matter for S4C, the BBC, and also for the Government. With regard to accountability, I believe that that is a simple issue. It is not an issue in which we are involved, and it is not an issue that we would comment upon. As you mention, within the proposal that was made by S4C, there are descriptions of the accountability arrangements, but it is clear, in my opinion, that those are issues to be discussed by the S4C Authority and the Government, within the Department for Culture, Media and Sport.

[34] Mae'n glir, os yw'r peilot am ddigwydd, mai un peth fyddai ei angen ar S4C yw caniatâd gan DCMS i fynd ymlaen yn y cyfeiriad hwnnw. Felly, cwestiynau i Lywodraeth y Deyrnas Unedig yw'r rhain, a byddant yn cael eu trafod, yr wyf yn cymryd, yn y trafodaethau sydd yn digwydd ar hyn o bryd rhwng tîm 'Digital Britain' ac S4C, a hefyd y darlledwyr eraill.

It is clear that, if the pilot is to happen, one thing that S4C would need is permission from DCMS to proceed in that direction. Therefore, those are all questions that relate to the UK Government, and are questions that I presume will be discussed as part of the discussions between the 'Digital Britain' team and S4C, and also other broadcasters.

[35] **Eleanor Burnham:** O ran plwraliaeth, a fyddai'n well i S4C—hyd yn oed os yw'n comisiynu newyddion gan rywun arall—ddal ei afael ar y rheolaeth olygyddol? A yw hynny'n bosibl?

**Eleanor Burnham:** In relation to plurality, would it be better for S4C—even if it were to commission news from someone else—to retain editorial control? Is that possible?

[36] **Mr Williams:** Mae hynny yn sicr yn bosibl. Mae'n fater o ba fath o gyfarwyddyd y bydd yn ei dderbyn gan y Llywodraeth ynglŷn â sut i'w weithredu. Os yw'n dod o

**Mr Williams:** That is certainly possible. It is a matter of what guidance it would receive from the Government as to its operation. If it were to come from an independent source,

ffynhonnell annibynnol, byddem yn disgwyl i reolaeth olygyddol ar y lefel uchaf oll eistedd gydag S4C, ond nid yw hynny yn golygu ymyrraeth ddyddiol yn yr hyn sydd yn ymddangos ar y sgrîn, yn yr un ffordd ag y mae gan Channel 4 reolaeth olygyddol dros *Channel 4 News*, ond nid oes ymyrraeth o ddydd i ddydd yn yr hyn sydd yn ymddangos yn y rhaglenni.

[37] **Eleanor Burnham:** Y rheswm yr wyf yn gofyn y cwestiwn yw bod monopoli yn awr gan y BBC, yn y Saesneg ac yn y Gymraeg, ar radio ac ar y teledu, yn enwedig yn awr fod ITV wedi cwtdogi ei wasanaethau. Mae llawer o bobl yn pryderu am hynny.

[38] **Mr Williams:** Dyna pam y gosododd ein adroddiad terfynol gymaint o bwyslais ar bwysigrwydd sicrhau amrywiaeth mewn darlledu gwasanaeth cyhoeddus, ac yn arbennig gyda'r newyddion. Dyna lle oedd rhaid cynnal amrywiaeth, yn ôl yr hyn a ddywedodd gwylwyr a phobl eraill a ymatebodd i'n hymgyngoriad.

10.10 a.m.

[39] **David Lloyd:** Mae ariannu hyn oll yn hanfodol bwysig. Yr ydych wedi cyffwrdd ar hynny eisioes. Yr oedd argymhelliad yn eich dogfen y dylai'r Llywodraeth ystyried yr angen i ddarparu gwasanaeth cyhoeddus ar wahân i newyddion yn y cenedloedd datganoledig. Nid ydych wedi ymateb i'r cynnig gan Lywodraeth Llundain a'r Cynulliad i greu asiantaeth gyllido newydd i'r perwyl hwnnw. Beth yw eich safbwynt ar y syniad hwnnw?

[40] **Ms Balsom:** An agency was one idea that came forward and that is reflected in Ofcom's PSB document. We make it clear, and we have already made the point, that that idea would have to be funded and that is a matter for Government.

[41] **Joyce Watson:** We are concerned that, in 'Digital Britain' and Ofcom's final report on the future of public service broadcasting, you did not represent the strength of feeling in Wales about the contribution of programming other than news, namely current affairs, documentaries, political programmes, light entertainment and drama. Those programmes are highly valued in Wales. What is your response to that?

[42] **Mr Thompson:** All our research within the PSB review reinforces the high value that viewers hold for public service broadcasting in areas including news, but also in non-news areas, for example, in those areas that you outlined, namely current affairs, drama, documentaries and many beyond that. So, at the heart of our proposals was how to secure ongoing provision of public service content in the face of the pressures on the commercial

we would expect the editorial control at the highest level to lie with S4C, but that does not mean constant intervention in relation to what appears on screen, in the same way that Channel 4 has editorial control over *Channel 4 News*, but it does not mean that there is intervention every day in what appears in the programmes.

**Eleanor Burnham:** The reason I pose the question is that the BBC has a monopoly in English and Welsh, on radio and on television, especially now that ITV has cut back on its services. Many people are concerned about that.

**Mr Williams:** That is why our final report placed so much emphasis on the importance of ensuring plurality in public service broadcasting, and particularly in news services. That was the area in which plurality had to be maintained, according to what was said by viewers and others who responded to the consultation.

**David Lloyd:** Funding for this is crucially important. You have touched on this already. You recommended in your document that Government should consider the need to deliver public service content other than news in the devolved nations. You have not responded to the proposal from the Government in London and the Assembly for the creation of a new funding agency to that end. What is your view on that idea?

market, but also to continue to sustain the plurality of provision of public service content—that is at the heart of our proposals.

[43] Given the current economic constraints and pressures on funding of public service broadcasters, we felt that it was important to begin to understand the relative priorities of the provision of plurality. The research that we undertook across the UK, including in Wales, highlighted that the area of greatest importance in terms of the provision of choice beyond the BBC was news provision. That is why, in our findings in the PSB review, we set out, as one of the core principles, the ongoing provision of plurality in news provision throughout the UK and in each nation. We strongly believe that plurality and choice of content in other areas, beyond news, is also important. We would not want you to think that we do not think that that is important; it is a high priority. We noted in our recommendations in the PSB review the importance of finding ways to achieve that plurality, while recognising the pressures on funding. That is a difficult choice for Government and one that it will have to think through in ‘Digital Britain’. However, it would be disappointing if we were only able to sustain plurality in news provision, because the aim and goal is to sustain plurality beyond the BBC if we can.

[44] **Lesley Griffiths:** I understand the emphasis on news provision, but when people were questioned, the proportion of those who wanted plurality in news and of those who wanted plurality in non-news programming was similar. How can we ensure that we have the necessary funding and that programmes are broadcast to a mass audience?

[45] **Mr Thompson:** That is the most difficult question in all of this and I am afraid that if I gave you an easy answer, it would be made up. There is no easy answer. That is one of the real challenges that the Government faces in terms of ‘Digital Britain’ and its final recommendations this summer.

[46] I will give you some thoughts on this, to which my colleagues may wish to add. It is worth saying that we heard and responded to the proposals for a specific fund for Wales that could source non-news as well as news content, and that appeared in our final report; it is something that we suggested to Government that it consider. I think that that proposal has merit.

[47] Another proposal that we included in the PSB review is establishing the principle of an independently funded news consortia, for example, the model to which I referred earlier. There is no reason why that could not be extended to non-news content, so that you could broaden the remit of such a proposal to begin to commission current affairs programmes, documentaries and other programming of social and cultural value in Wales. That would require additional funding, but it would be doable within the existing system.

[48] I also think that an important question is the extent to which we can establish this second public institution in public service broadcasting that we raise in our report and that ‘Digital Britain’ considers. I wonder how this new institution, based around the assets of Channel 4, can play a stronger role in each of the nations, both in terms of its commissioning and how it spends its money and in terms of portrayal and the content that it provides on screen. Could this institution play a bigger role in the nations?

[49] Those are all potential routes, but they all come back to the same question: the challenges of funding. It would be wrong to pretend that that question is not there.

[50] **Lesley Griffiths:** You talked about consortia; how much money would be needed if we had a Welsh media agency?

[51] **Mr Williams:** There are some figures that you could refer to. As you are aware, the Scottish Broadcasting Commission has said that an all-singing, all-dancing Scottish digital

network would require something in the region of £70 million. I approached the question in a different way. Looking back to when ITV provided a wide range of programming in competition with the BBC's non-news offering, the high water mark of that provision would have been sometime around 1999. At that time, it produced many more drama programmes as well as documentaries, current affairs and consumer programmes. My guess is that, at that time, it would have been spending in the region of £20 million on that. So, perhaps £20 million at today's costs would represent the highest ever investment in non-news content in Wales.

[52] It is not for us to say whether that is sufficient, excessive or unrealistic. Those are all decisions for Government, or Governments—those who have their hands on the purse strings. It is easy to work up a cost once one has described the services that are needed, and the genres of programming that should be included. One easy way of doing that is to look at S4C's programme expenditure, and read across. If you look at S4C's annual reports, they will detail the average expenditure per hour on factual programming and drama programming, which is of course considerably less than the costs for a network version of the same thing. Something like *Doctor Who*, which is made here in Wales, costs more per hour than any drama that was ever produced by HTV in Wales. The best comparison is not with network costs, but with S4C's funding of the programmes that it buys in. The ultimate question is: is there money available for that, and how much? However, that is not for us. It is something that Government has to decide on.

[53] **Ms Balsom:** May I just add something? One part of your question was about audience reach. That is a serious issue. We accept that the ITV model is not sustainable, so the big question is how we reach that important audience with content, irrespective of how it is paid for, or how much it costs. That is a real concern in public service broadcasting in Wales, because ITV has an important audience that is often different to that of BBC Wales. Plurality is important in reaching the maximum number of people with content across all genres that is relevant to their lives in Wales.

[54] **Eleanor Burnham:** My question, perhaps to all of you, is about your views on the relevance of the proposal to set up another PSB that might combine Channel 4 and other broadcasters.

[55] **Mr Thompson:** Do you mean the relevance to Wales?

[56] **Eleanor Burnham:** Absolutely.

[57] **Mr Thompson:** As I mentioned earlier, one of our core recommendations was the importance of having a second public institution based around Channel 4. That work is being taken forward by the 'Digital Britain' team, and hopefully that will lead to a positive outcome in the summer, and we will be able to sustain a second, strong public institution. Our view is that, if such an institution is to be established, it would be important to give it a new and revised remit in terms of its public service responsibilities and, alongside that, to have new governance and accountability responsibilities. As part of that new remit, we have said that there should be a greater contribution to commissions from each of the nations. I am conscious that, in the PSB review, we have set out a quota for Channel 4 at 3 per cent of commissions from the nations. That is low, and we acknowledge that.

[58] **Eleanor Burnham:** It is very low.

10.20 a.m.

[59] **Mr Thompson:** That is what we felt was sustainable within the existing economics of Channel 4. If this model was established and gave the second institution greater financial

scale and sustainability, a much higher quota for nations commissioning would be an absolute priority.

[60] **Eleanor Burnham:** What kind of percentage would it be?

[61] **Mr Thompson:** It would be wrong to give a specific number, but the BBC quota is—

[62] **Mr Williams:** It is 17 per cent throughout the nations. It has not tied that to the percentage of the populations of Wales, Scotland and Northern Ireland, but the unwritten understanding is that the 17 per cent should be distributed along the lines of the distribution of population between the three nations.

[63] **Mr Thompson:** As to whether that would be appropriate for the new institution or not, you would have to look at the economics of the business, but 3 per cent is very low and we would want to do significantly better than that. So, that would be an absolute priority, and then, as I mentioned in answer to a previous question, there is also the question of whether the second institution could play a greater role, not only in commissioning spend, but in the portrayal and representation of the nations. That is also possible. The difficulty is that there would be different calls on the second institution and there is a strong lobby, of which I am sure that you are aware, for playing a role in children's programming, which could also be a priority. The Government will have to be careful about what is sustainable for the second institution to do, but we have set out clearly that a greater commitment to investment in the nations would be a part of that.

[64] **Eleanor Burnham:** So you see some real, positive opportunities for Wales and to show content from Wales.

[65] **Mr Thompson:** Absolutely. We clearly set out our view in the PSB review that part of this remit should be to invest more in the nations, including Wales.

[66] **Janice Gregory:** We have come to the end of this evidence-gathering session. Thank you again for appearing before the committee this morning. We really appreciate your input to this inquiry. You will be sent a transcript of today's proceedings, and we would be grateful if you could check it for factual accuracy. I tell everyone that you cannot take out something that you wish that you had not said—we would often like to do that, believe me—but we would be most grateful if you could check it for factual accuracy. Thank you again for taking the time to come before the committee this morning.

10.22 a.m.

### **Ymchwiliad i Gyfiawnder Ieuenctid—Casglu Tystiolaeth Inquiry into Youth Justice—Evidence Gathering**

[67] **Janice Gregory:** We will move on to the next item on the agenda, which is our inquiry into youth justice. Again, this is an evidence-gathering session. Members may recall that I wrote to the Minister for Health and Social Services, Edwina Hart, inviting her here this morning. Unfortunately, she is unable to attend, but we have with us Joanna Jordan—she is no stranger to any of us—who is the head of the community safety division of the Department for Social Justice and Local Government, and Peter Jones, who is the deputy director of the community safety division and the head of domestic and youth policy in the Department for Social Justice and Local Government. That is a snappy title, Peter. I welcome you both. For Members' information, I spoke to the Minister yesterday and she is happy to come before the committee at a future date, so we will look at the Minister's diary to find a slot so that she can attend. Thank you for the paper that you have submitted to us, Joanna and Peter. I am sure that you know how it works: Members have a set of questions for you, but I am more than

happy for you to make some introductory remarks to your paper if you want to, or we can move straight into questions, whatever you want to do.

[68] **Ms Jordan:** We are happy to move straight into questions.

[69] **Janice Gregory:** That is great. It is the second time that I been thrown by that this morning. I need to be more organised. The first question is from Lesley Griffiths, I hope.

[70] **Lesley Griffiths:** The Welsh Assembly Government and the Youth Justice Board for England and Wales published the all-Wales youth offending strategy five years ago. Can you tell the committee in what ways the Welsh Assembly Government is delivering its rights agenda to support children and young people? To what extent is the commitment to children's rights reflected in youth justice practice?

[71] **Ms Jordan:** The youth justice agenda, as we have made clear from the paper, spans quite a number of Assembly Government ministerial portfolios, so a number of policy areas impact on this agenda. However, I think that it is fair to say that, right across this education and social policy agenda, the Assembly Government is very keen to keep the rights of the child at the forefront. In my experience of dealing with youth justice issues, it is the impact on children and what would best meet their needs that are at the forefront of our minds on a whole range of these issues. In terms of actual specifics, I do not know whether Peter can offer any particular points on that. It is just the way that we do business in terms of this agenda. The most important thing is what is best for the child and how we can best support him or her. We see this very much as a child agenda: they are children first and young offenders second.

[72] **Mr Jones:** To add to what Joanna has said, when we published the strategy there was a key strapline to say that although these children are involved in the youth justice system, they are children first. We put a lot of money into youth offending services in Wales and all that money supports children and prevents them from getting involved in the system. Therefore, we are very mindful of their basic entitlements and we try to provide extra support to help them with this agenda.

[73] **Joyce Watson:** Good morning. The Children's Commissioner for Wales has expressed concerns in his annual review for 2007-08 that youth justice is one of the areas where the clearest breaches of children's rights currently exist, and his view is that children in custody should have care rights. What is your response to his views?

[74] **Ms Jordan:** I think that we would have to support the views of the children's commissioner. I do not think that there is any doubt what Mrs Hart's view, or any other member of the Government's view, would be on that. However, as you will understand, given the current devolution settlement, responsibility for young people who are in the custodial estate does not rest with the Assembly Government as it stands. I think that it is our role to push the rights of children with our colleagues in Whitehall, who, I know, are very mindful of these issues, and the resource issues and other things that impact on that. From our point of view, we can only say that we support the view of the children's commissioner.

[75] **Joyce Watson:** To probe that a little, I understand that there are aspects of the judicial process that are not devolved, but the rights of the child are devolved. They are our children and ultimately they are our responsibility. I think that the document clearly states that, although I cannot remember which document, because I read them all last night. Therefore, in the light of my further comments, I think that I have to press further on this for a response that you would do your best in all cases to exercise what is clearly devolved, and that what is devolved is that our children, wherever they go, are our responsibility.

[76] **Ms Jordan:** It might be best if I gave an example of where we are doing that. We are very anxious that more young people who are given custodial sentences are able to be accommodated within Wales rather than being sent across the border. We have very great concerns about that and, over the last few years, we have been pushing the youth justice board and its parent Whitehall departments to do more to increase the size of the secure estate in Wales. When children are put somewhere that is some considerable distance from their home, which sometimes happens, it is very difficult for their parents, the constituent local authorities, and the other agencies that want to maintain some role and involvement with those young people to do so, if they are based some distance away.

10.30 a.m.

[77] We are keen to promote an expansion of the capacity of the secure estate in Wales to ensure that Welsh young people stay closer to home. We are also trying to influence the nature of those secure units that they are placed in. We particularly want to ensure that they meet the needs of more vulnerable young people, as we believe that some of the larger institutions do not. Also, for those who are more comfortable conversing in the Welsh language, we want to ensure that their Welsh-language needs and any other cultural needs are fully met, wherever they are placed across the secure estate. While we do not have control of them, it is in relation to those sorts of issues that we are very anxious to promote the needs of young people.

[78] **Bethan Jenkins:** I have a really small question. I hear what you say with regard to how you are squaring the fact that you do not have powers over custodial sentencing and so on, but how successful do you therefore think that you can be, as a Government, in promoting the rights-based agenda, based on the UN Convention on the Rights of the Child? If you do not have those political levers in Wales, how can you shape the agenda? You say that everything that you do is based on that agenda, but how can it be, if you do not have the levers to implement it?

[79] **Ms Jordan:** I suppose, as we would in a number of policy areas that are not fully devolved, we can do it through influence and persuasion and by working closely with colleagues in Whitehall. We do not have the statutory powers to enforce it, but, in many cases, the agenda of Whitehall departments is not completely at an angle to what we might want to achieve here, although there may be issues of priorities, timing and resources and so on. The bottom line is that we can only do it through influence and persuasion. The one thing that I forget to say in terms of the development of the secure estate in Wales and that particular issue is that the Assembly Government has offered capital resources to the youth justice board to help it to do that, so there are times when the Assembly Government is committing resources to areas that are not completely within a devolved area of responsibility, because it sees them as a priority.

[80] **Eleanor Burnham:** In terms of youth crime prevention, you have key principles in the all-Wales youth offending strategy, but there is a body of opinion that suggests that the implementation of the strategy has not been satisfactory and has been patchy at best across the local authorities. What action is the Welsh Government taking to ensure that the development and integration of preventative services for children and young people is properly co-ordinated through the 22 community safety partnerships and children's planning guidance?

[81] **Ms Jordan:** Our main vehicles are the guidance that we issue to children and young people's partnerships and community safety partnerships, the criteria that we issue in relation to funding for youth prevention work, and the regular and close contact that we have with the youth offending teams in Wales to ensure that they work very closely with community safety partnerships and children and young people's partnerships in their areas. There is a range of things; I do not think that there is one particular thing—

[82] **Eleanor Burnham:** However, the allegation and the assertion is that the implementation is not satisfactory and has been patchy, so what are you doing to ensure that it does not continue to be unsatisfactory and patchy?

[83] **Ms Jordan:** To answer that I would have to know exactly which areas you were talking about. You would have to be a bit more specific and then I could probably give you a more specific answer, although not today as I do not have all that detail in my mind. I think that some of the statistics in Wales show that we are being quite successful in this area and achieving greater rates of reduction in re-offending and the number of first-time entrants to the youth justice system than our counterparts in England. The evidence shows that that is as a result of the investment that the Assembly Government is making through the safer communities fund, and through children and young people's partnerships, in this agenda. While it may not be perfect in every area, we are achieving more overall than is being achieved elsewhere.

[84] **Mr Jones:** I would like to add something, if I may.

[85] **Janice Gregory:** Of course.

[86] **Mr Jones:** In the guidance that we issue on the safer communities fund, we make it absolutely clear that the projects supported by the funding must be agreed with the YOT, the community safety partnership and the children and young people's partnership. As for monitoring effectiveness across the local authorities, we review quarterly all the targets that the Youth Justice Board for England and Wales sets through the Youth Justice Committee for Wales, and if there are areas where things look a bit patchy, we will drill down to that, and the youth justice board, through its performance management framework, would investigate and deal with the issues. We are constantly reviewing how effective our programmes are.

[87] **Eleanor Burnham:** So, you do not hold with the contention in my question that it has not been satisfactory?

[88] **Mr Jones:** I do not think so, no. Overall, particularly since we have had the safer communities fund focusing on this agenda, on some of our key deliverables, such as reducing the number of first-time entrants and reducing re-offending, we have been more successful than England, and that fact is included in our paper.

[89] **Alun Cairns:** The Assembly Government recently commissioned a review of the effectiveness of the safer communities fund. Are you satisfied that it dovetails with and meets the principles of the all-Wales youth offending strategy?

[90] **Ms Jordan:** The evaluation is nearly complete. We have seen some early drafts and we are waiting for it to be finalised. I do not think that the Minister has had an opportunity to see it yet. From our point of view, practitioners on the ground—in community safety partnerships and youth offending teams—are telling us that this source of funding is proving extremely valuable and really is making a difference. It is one of the key things that we think are the reasons for the difference in the performance in Wales in reducing youth offending. We firmly believe that. We have kept the criteria for the use of the fund under regular review to ensure that, if we need to, we can tweak them or change them slightly to ensure that the fund underpins the work.

[91] When Mrs Hart launched the fund, it was primarily about youth offending, but it went a bit wider than that. After a couple of years, we looked at it and tightened the criteria to ensure that the fund really worked to deliver this strategy. That was done about three or four years ago. This year, we have made further minor tweaks to expand the criteria to make sure



that the fund fully meets the needs. The evaluation should be available shortly, however.

[92] **Alun Cairns:** Can you make that available to the committee?

[93] **Ms Jordan:** Yes, assuming that the Minister is happy with it.

[94] **Janice Gregory:** It would come to the committee, so we will be able to discuss it. We hope that the evaluation will have been done before our report is completed, but we cannot guarantee that, because we do not know when it will be ready.

[95] **Bethan Jenkins:** I have another question on the youth offending strategy. Is there more of a focus on preventative intervention, potentially to the detriment of supported rehabilitation? Or do you think that you have the right balance in the work that you are doing under that strategy?

[96] **Ms Jordan:** Our focus is very much on the preventative agenda. That is not to say that the rehabilitation of offenders is not important, but our idea is either to stop young people from entering the criminal justice system in the first place, or, if they do, to stop them re-offending. There is therefore early engagement and interaction with those young people. Assessments are made of their whole range of issues and needs, which we try to address. That preventative agenda really has to be our key policy focus.

[97] **Bethan Jenkins:** Does that differ substantially from what is happening in England?

[98] **Ms Jordan:** I do not know. The youth crime action plan is very much to do with the prevention agenda. I am looking at Peter here, as he might want to add something.

[99] **Mr Jones:** Our safer communities fund is primarily about prevention, but we are not overlooking rehabilitation. Around 150 Welsh children are in custody at any one time. We have been working on a refresh of the delivery of the strategy, and one of our key aims now involves housing and ensuring that when children return to the community from custody, they have suitable accommodation. We are trying to look at this in the round, but our focus is on trying to keep children out of the criminal justice system in the first place.

10.40 a.m.

[100] **Bethan Jenkins:** I would concur with that.

[101] **Mark Isherwood:** You report a 14 per cent reduction in the number of first-time entrants to the youth justice system between March 2006 and March 2008. You may be aware that the former chair of the Youth Justice Board for England and Wales has suggested that these figures are misleading, because they do not take into account penalty notices for disorder for minor offences of anti-social behaviour. Will you comment on that and clarify your definition of first-time entrants into the youth justice system?

[102] **Ms Jordan:** The figures that we have come from the youth justice board, because we do not collect these statistics separately—it has the information. I am happy to clarify that with the youth justice board, and perhaps let you have a note on it, if that would be helpful.

[103] **Janice Gregory:** It is important that you have told us that the figures come from the youth justice board.

[104] **Mr Jones:** We stated that in the report.

[105] **Mark Isherwood:** Are you able to confirm whether to your knowledge those figures

include penalty notices for disorder or not?

[106] **Ms Jordan:** I do not know whether they do; I would have to check. I do not want to mislead you, so I will let you have a note on that.

[107] **Janice Gregory:** Thank you.

[108] **Mark Isherwood:** Do you have equivalent figures for repeat offenders, namely second or subsequent entrants?

[109] **Mr Jones:** In the paper, we measure the number of first-time entrants, but we also measure re-offending rates. There has been a 3.9 per cent reduction in repeat offenders, based on the youth justice board figures.

[110] **Mark Isherwood:** I have a final question. Can you clarify for the record, and also for my understanding, the minimum and maximum age limits that you work with in this category?

[111] **Mr Jones:** It is 11 to 17-year-olds, up until they are 18.

[112] **David Lloyd:** Joanna mentioned earlier the current lack of provision for children and young people serving custodial sentences in Wales. I will not go back over the figures, but basically we have Hillside and Parc prisons. One of the benefits of my also being on the Health, Wellbeing and Local Government Committee is that I have just been listening to the children's commissioner speaking on this issue next door, where he stated his strong belief that we should devolve criminal justice to Wales in terms of the interface with housing and mental health, which are devolved, and also as regards young people in secure accommodation not being adequately catered for, because the interface situation falls down between the non-devolved and devolved services. So, taking all that into account, how can we improve matters, now that I have given you a pointer? [*Laughter.*]

[113] **Janice Gregory:** That may be one for the Minister.

[114] **Ms Jordan:** Yes. The committee will be aware of the commitments in 'One Wales' about examining the case for the devolution of various parts of the criminal justice system, albeit bearing in mind the financial implications around that. The youth justice system comes into that, and it is something that the Cabinet is considering at the moment.

[115] **Lesley Griffiths:** Following on from that, you mention in your paper that 143 children are in secure accommodation at the moment. Seventy-eight places are currently available in Wales, which presumably means that 65 children are in England. You mention the financial implications in your report, and you touched before on the fact that many of them are far away from their families. I visited Stoke Heath prison in Shropshire, where several children from my constituency are held. What steps is the Welsh Assembly Government taking on secure estate capacity? You mentioned before, Joanna, that there had been talk of capital resources. Do you have a joint strategy with the youth justice board? I am also interested in how many extra places you think that we could provide in Wales.

[116] **Ms Jordan:** There are a couple of parts to that question. Going back a few years, when Rod Morgan was the chair of the Youth Justice Board for England and Wales, he reached agreement with Mrs Hart on a series of recommendations to increase the capacity of the secure estate in Wales. The priorities that were agreed at that time were for a facility in north Wales, where there are no facilities at all for young people at the moment, and particularly for a facility for more vulnerable young people in north Wales who have been sentenced to custody. That was the priority. The Assembly Government has offered capital

investment for that and we have had discussions with local authorities and other agencies in that area about potential sites, and there is certainly a great commitment for that to happen in that area. As you might hear later today from the Minister for State, David Hanson, the budget of the Ministry of Justice is squeezed at the moment, so it has made no commitment to fund the revenue consequences of such an establishment, although it is still continuing to work with us on the development of such a proposal. It cannot happen overnight. Depending on the type of facility, it could provide some 10 to 14 beds to cater for the most vulnerable young people.

[117] That agreement also included an expansion of the facilities at Parc, which has happened. I need to be reminded of the number of beds—

[118] **Mr Jones:** Parc expanded from 28 beds to 64. That was the quickest thing that we did.

[119] **Ms Jordan:** So, that has happened. We are also hoping for an expansion of the facilities at Hillside, the secure children's home. Again, the Assembly Government has offered the capital for that development. We are awaiting a decision from the youth justice board on the agreement to provide the revenue costs of additional placements there. That would still not be sufficient, but this will have to be achieved over time. Against that, our priority must be to keep as many young people out of custody as possible.

[120] **Lesley Griffiths:** How many extra beds are you envisaging at Hillside?

[121] **Mr Jones:** Six.

[122] **Eleanor Burnham:** I am a former magistrate on the Wrexham bench, and, even now, my former colleagues harangue me about what we are doing. I do not believe that there is any sense of urgency on this very important and ongoing problem, particularly if you look at the situation of people from north-west Wales. I would be interested to know of any timeframe and of where you envisage these places being, because you have just said that there are no places in north Wales at the moment. I used to visit Stoke Heath and other places as a magistrate, and I was absolutely horrified. At the time, the situation was pretty dire. A lot of bullying was going on and there were all kinds of nasty incidents. Can you assure us that you will give us some timeframe on this and tell us where these places might be? That is really important.

[123] **Ms Jordan:** I cannot, I am afraid, because this is dependent on the Ministry of Justice agreeing revenue provision—

[124] **Eleanor Burnham:** Fine. Having clarified that—

[125] **Janice Gregory:** Let her finish, Eleanor. You asked a question, so let her finish her answer.

[126] **Ms Jordan:** I simply want to say, Chair, that the Assembly Government has made a commitment to pursue this and we also have that commitment from our partners in north Wales. We will continue to pursue it but, at the end of the day, the revenue costs of placing young people in a new facility in north Wales need to come from the youth justice board. Until it gives that commitment, we cannot give a timescale.

[127] **Eleanor Burnham:** You are very kind. I am grateful to you for that. I will go on to my next question. Prevention is better than cure. What action has the Assembly Government taken in conjunction with the local safeguarding children boards to embed the broad objectives of safeguarding and promoting the welfare of children, and to deliver

improvements in the arrangements to safeguard Welsh children placed in secure establishments in England and Wales?

[128] **Janice Gregory:** Did you catch all that?

[129] **Eleanor Burnham:** Should I repeat it?

[130] **Ms Jordan:** No, I think that I got the gist of it, but—

[131] **Eleanor Burnham:** I was trying to get through it quickly because we are pressed for time.

[132] **Janice Gregory:** Yes, I know that you have to leave.

[133] **Ms Jordan:** This is about the guidance issued to local safeguarding boards about how they should operate. Peter is closer to the detail on this, so he can answer.

10.50 a.m.

[134] **Mr Jones:** There is a rigorous inspection regime for secure facilities. The ones in Wales involve the Care and Social Services Inspectorate Wales and Estyn. We have encouraged the children's commissioner to visit facilities in England such as that at Ashfield in Pucklechurch near Bristol. In the past, our education colleagues have put in place personal support in custody projects in Stoke Heath and in Ashfield, which are mentioned in our paper. So, there are rigorous inspection regimes and we are doing our best to provide additional facilities. We have been made aware of bullying issues with Welsh children in the past at Ashfield. The matter was taken up and we believe that it was resolved. There is constant dialogue with these establishments and our inspections regime is involved.

[135] **Eleanor Burnham:** There is also the issue of the culture and language facility.

[136] **Mr Jones:** Yes, and our education people have gone into these establishments. We have improved facilities for the Welsh language in Ashfield and in Stoke Heath. They are the primary areas where our Welsh children go. We now know that there are much better Welsh-language facilities in those areas. That is one of the difficulties when children are placed a long way away from home, and we are doing our utmost to deal with these matters.

[137] **Eleanor Burnham:** Good. Thank you.

[138] **Alun Cairns:** On performance indicators, there is a slight difference between the 'One Wales' programme, which has indicators for education, accommodation and mental health services, and the youth offending team, which has devolved performance indicators relating to education, accommodation and substance misuse. Do you accept that there is an inconsistency?

[139] **Mr Jones:** I do not think that there is inconsistency because mental health is still a key priority. We have been working for the past 12 months on reviewing our key performance indicators for youth justice, and we have had extensive consultation with all our stakeholders. They have asked us to prioritise housing, education and substance misuse, but that does not mean that we are ignoring the mental health issue, which is another key area. So, I would not say that there is an inconsistency; it is just that, at this stage in time, we are giving a slightly different priority to the three areas that we have mentioned in the paper.

[140] **Ms Jordan:** In a sense, if we are to develop our own agenda in Wales on this, one element of that is what we see as the key priorities at any one time. If we were just to take on

board what Whitehall sees as its priorities, they would not fit well within the Welsh context. So, that is what we are trying to do. We are not ignoring what it is doing; we are trying to agree with stakeholders in Wales what we see as the key priorities and indicators for young people here.

[141] **Bethan Jenkins:** Could you outline what has been done to reduce the use of custody in Wales, and tell us what further action is needed? Should the Wales youth offending strategy be revised to place a greater focus on the use of diversion from custody strategies? I know that you touched on that earlier in your response to my previous question, but perhaps you could expand on that.

[142] **Ms Jordan:** We have already said that a key priority in delivering our strategy is around the prevention agenda and early engagement with young people who are perhaps committing their first offences, to try to keep them out of the criminal justice system or at least to stop them from re-offending. That is where we have invested, as an Assembly Government, in the whole preventative agenda and in diversionary activities. There is a whole range of things going on, funded under Safer Communities, to help us to deliver this agenda, and I think that the statistics show that we have had some success here. Perhaps Peter wants to add to that.

[143] **Mr Jones:** If we look at the wider anti-social behaviour agenda, for example, we see that, in Wales, the approach has been that anti-social behaviour orders, which get children into the criminal justice system, are very much a last resort. The Minister has gone on record as saying that a number of times. We try to take a much more tiered approach in Wales, with the police talking to families first without getting children involved in the criminal justice system. That is one example. Another example is North Wales Police, which is piloting a restorative justice measure. For minor offences, children do not get a caution, which puts them into the system; there is reparation with the victim. We have high hopes that that could be rolled out across Wales. So, yes, it is all about prevention, but we are also taking those other measures to help.

[144] **Bethan Jenkins:** What about repeat offenders who are continuously on the books of the police across Wales? Are you pursuing that issue, as well?

[145] **Ms Jordan:** We are not directly responsible for the youth offending team, but we work closely with it. It is its role, as a multi-agency team, to look at the needs of young offenders and at the reasons they might be offending, and to try to address them. That is embedded in the youth justice system in England and Wales. When people come into contact with the youth justice system, they are not told that nothing can be done to help them. That multi-agency approach, which includes devolved agencies, is about trying to work with the needs of that young person to help them in the future. Once they are in the criminal justice system, the youth offending team plays a big part in that.

[146] **Janice Gregory:** The final two questions are from Joyce.

[147] **Joyce Watson:** In your paper, you highlight the increasing policy divergence from England. Can you outline why there is a divergence from England and whether it is a help or a hindrance in the dispensation of youth justice in Wales?

[148] **Ms Jordan:** I am not sure that it is either a help or a hindrance; it is inevitable as we develop our own agenda here in Wales, and our own key priorities. Although there are areas where we might take a different approach, the fundamental aims of the youth justice system across England and Wales are the same. The whole idea is to keep young people out of custody. There can be tensions, and the Respect action plan, which, fortunately, has fallen by the wayside in England, was one of the real frustrations for us. The Whitehall approach was

to come down hard on young people involved in anti-social behaviour; our approach, as Peter has already mentioned, was far more tiered, and tried to deal with the problem in its early stages rather than to criminalise young people. That can be difficult, because non-devolved agencies are involved in this agenda. Targets can be set for Whitehall, for the police, and so on, such as on the number of offenders being brought to justice, and they might cut across how we are trying to prevent young people from being pulled into the criminal justice system. It is quite a complex issue, and it depends on which part of the agenda you are looking at. I suppose that we are well used to it by now. We try to work closely with our colleagues in Whitehall and with the youth justice board officials who have responsibility for Wales to resolve these issues.

[149] **Joyce Watson:** How do the divisions that you have just outlined in youth justice powers hinder the Welsh Assembly Government in the pursuit of the all-Wales youth offending strategy, if at all? What further action is needed to devise a youth justice system that would reflect the policy aspirations of the Welsh Assembly Government?

[150] **Ms Jordan:** The youth justice strategy is a joint strategy, and so the two Governments agree its objectives and targets with all the agencies involved. Therefore, I am not sure that it hinders the delivery of the strategy. That would be my view. On the longer-term policy aspirations of how we would want to deal with young people in Wales, I am sure that the Minister would tell you that ours is for young Welsh people to be kept out of custody if at all possible. That might involve changes to sentencing policy, and so on, which is not devolved. It also involves the provision of alternatives to custody and also, we would much prefer to see smaller, local units for those young people who need to be put in custody rather than big youth offending institutions where the ratio of staff to young people is much lower, and so on. So, it is about how we deal with young people who are within the secure estate.

11.00 a.m.

[151] **Janice Gregory:** That brings us to the end of this first evidence-gathering session of the inquiry. I thank you both for coming in and answering a wide range of questions from Members.

[152] We will now break for 15 minutes, so please be back by 11.15 a.m..

*Gohiriwyd y cyfarfod rhwng 11.00 a.m. ac 11.12 a.m.  
The meeting adjourned between 11.00 a.m. and 11.12 a.m.*

## **Cam 2 o Adolygiad Ofcom o Ddarlledu Gwasanaeth Gyhoeddus—Casglu Tystiolaeth Phase 2 of Ofcom's Review of Public Service Broadcasting—Evidence Gathering**

[153] **Janice Gregory:** I am pleased to welcome to the committee, for the last evidence-gathering session for this important inquiry, Michael Jerney, who is director of news, current affairs and sport at ITV, and Elis Owen, who is the national director of ITV Wales. Thank you for taking the time to come to the committee. We are grateful for that, and thank you for your paper, which Members have had an opportunity to read. We have a series of questions. I do not know if you are familiar with how it works, but Members have a series of questions that they will direct to you. If you are happy, as there are quite a number of questions, we will move straight into questions. Please feel free to make any comments that you want in your answers. The first question comes from Alun Cairns.

[154] **Alun Cairns:** The Assembly is concerned about the lack of plurality in news and other programming in Wales. It was not so long ago that ITV promised a political web

channel, ITV Local, which would cover things such as First Minister's questions. There was also a blog from Gareth Hughes and other issues. Non-news content is hardly mentioned within your report, in spite of strong commitments to Ofcom some time ago. Before I come on to questions about finance, could you give me some sort of background to that? We can then pursue it further.

[155] **Mr Jermey:** In a sense, all this is underpinned by finance. You described some of the things that happened not so long ago. Not so long ago, ITV's revenues had not dropped by 20 per cent in the first quarter, and not so long ago ITV's licences as a digital broadcaster across the United Kingdom were in surplus rather than in deficit. We are facing a recession that is hitting the commercial broadcasting sector as hard as any sector, at the same time as structural change, which means that the traditional commercial public service broadcasters face a more challenged economic model than ever before. You could describe those two events happening together as a perfect storm. We are in the midst of that perfect storm, are continuing to try to provide—and, I think, succeeding—some strong public service broadcasting in Wales, with strong news programmes and strong non-news programmes, the future of which I will address in a moment. Within the sphere of the web, we found ourselves in the position where our standalone business of ITV Local was no longer commercially sustainable. However, we are working towards creating, within ITV.com, a distinct news service, which should be up and running by late summer. We are doing some development work on that.

[156] In relation to non-news commitments, we are regulated by Ofcom, and we meet all our Ofcom commitments. However, I would say about non-news what we have said clearly about news programming: in the medium to long term, the level of our provision is commercially unsustainable. We need to align the costs and benefits of our licences. We make some great non-news programmes in Wales, and we are proud to have made them. My colleague, Elis Owen, has commissioned and made them over the years, and we are proud of our contribution, but we would be misleading people if we were to suggest that these services were commercially sustainable in the long term. We would be happy to talk to people about possible solutions to that, but as you suggested at the end of your question, finance underpins all these important issues.

[157] **Alun Cairns:** Mr Jermey, you said 'not so long ago', and then you talked about income from advertising dropping by 20 per cent—that is the reality. However, Gareth Hughes's blog lasted for just five weeks. That is a matter of planning.

[158] I will move the question on. If ITV in Scotland and Ulster can commit to four hours of non-news programming, why is it not viable to do likewise in Wales? I note the points that you made in relation to finance, and the fact that you do not think that the services are sustainable in the medium to longer term; if you cannot be moved from that position, will you make the slots available for others to compete for them? It seems to me that STV and UTV can make it viable.

[159] **Mr Jermey:** We believe that ITV plc, through various commercial arrangements, is effectively subsidising STV and UTV by some tens of millions of pounds. If STV or UTV representatives were here, they would possibly take issue with that statement, but we think that the evidence supports that proposition. The people at those stations are the experts in this, but the sense that I get, as one who is looking in from the outside, is that, in a truly commercial environment, and without the subsidy from ITV plc, the additional, extensive level of programming that they provide would be hard to sustain. We shall see whether I am right or wrong on that. What I know is that, in the business in England, Wales and the Scottish borders, for the current level of public service broadcasting—an area in which I have worked for more than 20 years, and one that I love as much as anybody around this table does—the sad, but absolutely realistic, fact is that that model is not sustainable in the long term, and so the issue comes to funding. If we want to preserve plurality in news and perhaps

beyond that, the key question of funding needs to be addressed rather than, in a sense, looking to ITV and wishing that past realities were current ones.

[160] **Alun Cairns:** You did not answer my question about making the slots available to others. If another provider could do it, should the Assembly Government and others not offer support to them?

[161] **Mr Jermey:** With regard to making slots available, we have said, in relation to news, that if a funding solution is found, we would make slots available for a third-party provider, so long as provisions relating to quality and conformity with the ITV brand are met, in order to reach our traditional audience sets. In the case of non-news programmes, I completely recognise their cultural value and their value to viewers in Wales. I acknowledge that they have been part of ITV Wales's rich tradition. If a funding solution were to extend beyond news programmes to non-news programmes, we would be very happy to engage in a sensible debate about whether slots on ITV could be made available. Much of it comes down to the detail. Scheduling is more complicated than with news because one schedules right across the network, rather than just locally, and I think that there are also issues of opportunity costs—in other words, what do you take out of the schedule and what are the costs of that? It is not something that I am ruling out, but, again, I do not want to mislead you into suggesting that, today, I can promise that we will be able to do that.

11.20 a.m.

[162] **Alun Cairns:** Mr Jermey, is there not an inconsistency there? On the one hand you are saying that you do not think that it is viable and that you cannot make it pay. On the other hand you are saying that, if we can find someone else to make it pay, you would then want to consider the opportunity cost of what you are not doing instead of it. You cannot have it both ways—if you drop it, you drop it on the basis that it is simply not viable, according to you. Therefore, are you not saying that you want to drop it because you think that there is more money in something else?

[163] **Mr Jermey:** No, I am not sure that I entirely understand your point. Part of the reason for the challenged economics of regional broadcasting and broadcasting in the nations are the multiple versions that you need to make of a programme. If there was a slot where a networked programme could make a return to ITV but by dropping it we would be giving up that revenue, as well as the cost of producing the programming there is clearly an opportunity cost of not running the show that we would have alternatively run. I think that the issue of opportunity cost would need to be rolled into any thoughts about whether slots could be provided. As I say, I am not ruling out that possibility, but I think that we would need to know more details about how such a mechanism could work. In a sense, I come back to the fundamental issue that if you could assure me that, across England and Wales, there would be funding for news and, in Wales, non-news programming, I would be delighted and we could then talk about some of the detail. As I understand the debate at the moment, that first fundamental issue has not yet been resolved by Government and I think that that is what needs to be done first.

[164] **Bethan Jenkins:** I think that you may have answered the question, but I just want to clarify that you wish to maintain public service provision on ITV1. If that is the agenda, how would you go about that? Obviously, you see that taking place through third-party intervention.

[165] **Mr Jermey:** Yes, our preference is to preserve ITV as a public service broadcaster. Given that the licences are now running negatively and, as we come towards the end of the licences, that that problem becomes even more acute, we have obviously looked at the alternatives and ITV could be a non-public-service broadcaster, broadcasting a lot of similar



programmes to the ones that it broadcasts now. We would still have *Emmerdale* and *Coronation Street* in the schedule, but we would not necessarily have regional news, we would not have the same commitment to UK national news or current affairs, and we would be a somewhat different-looking network. We would have a lot more commercial freedom in that model. There would also be some risks, as people have discussed, such as losing our position on the electronic programme guide. There are plusses and minuses each way. Our executive chairman, Michael Grade, has made it clear that our preference is to be a public service broadcaster, but it needs to be done in a commercial manner. That means that in the area of news, given that our licences are not valuable enough to support it, there needs to be some other form of funding. Ofcom has proposed that ITV could provide slots and make them available to one, or conceivably more, third-party suppliers. We have said that we think that that is the right way forward and it requires action by Government. There is quite a lot of detail that would have to underpin that. You would want the service to be of similar quality to the current service and I think that it would make sense to engage a lot of the assets—the people and the skills—that are currently involved in making regional news in England or nations news in Wales. However, essentially, it is a funding decision; we are coming to a fork in the road and that decision needs to be made soon. It cannot be kicked into the long grass because some of these issues are extremely pressing.

[166] **Mark Isherwood:** Clearly, you will be aware of concern about the future of ITV Wales's services—I think that we are now down to four hours of news and one-and-a-half hours of non-news. Michael Grade has stated that he would prefer not to use public money. Under what circumstances, if any, could you see ITV using public money in order to preserve even the current level of broadcasting?

[167] **Mr Jermey:** I think that what we have said very clearly is that ITV does not want to be the direct recipient of public money. The traditional model of provision of the analogue spectrum to ITV in return for a sizeable cheque to the Exchequer and the provision of public service broadcasting is a form of public support, but it is not direct public money. I think that ITV, as a commercial venture that wants to see less regulation rather than more, would be uncomfortable with what comes with the direct provision of public money.

[168] What we would not be uncomfortable with is continuing to do what we have traditionally done, namely broadcasting public service programming, and there being a mechanism to provide some form of direct public money to an organisation that is set up in a way that is better able to do that. There are a number of organisations and it is not for me to say which one that is likely to be. However, you could imagine, say, ITN, with a great tradition of supplying high-quality national programming, an organisation that has a close relationship with all of the existing ITV regional newsrooms, being the body that ultimately supplied news in Wales and the English regions. There may be other mechanisms. I think that regional newspapers could play a useful role in this, perhaps alongside an organisation like ITN; a lot of the material could be made available for their websites and for new media. However, you are right to say that ITV does not want to receive public cash directly because of the issues around regulation. That remains our position.

[169] **David Lloyd:** Yn dilyn yr un trywydd, os nad yw ITV am dderbyn arian cyhoeddus yn uniongyrchol, a fydddech yn fodlon ystyried modelau eraill o ariannu fel y modelau sy'n cyllido gwasanaethau yn yr iaith Wyddeleg yng Ngogledd Iwerddon neu'r gwasanaeth Gaeleg yn yr Alban? **David Lloyd:** Along the same lines, if ITV does not wish to receive public money directly, would you be willing to consider other models of funding such as the models that fund the Irish-language service in Northern Ireland or the Gaelic service in Scotland?

[170] **Mr Owen:** Credaf y byddai ITV yn ystyried unrhyw ffordd o gynnal y **Mr Owen:** I believe that ITV would consider any way of maintaining the service. We are

gwasanaeth. Yr ydym yn cynnal trafodaethau gyda nifer o bobl ar hyn o bryd i weld beth yw'r ffordd ymlaen. Fel y gwelwch yn y papur, yr ydym wedi siarad â darlledwyr eraill a chyda partneriaid eraill. Yr ydym yn disgwyl penderfynu ar y ffordd ymlaen o ganlyniad i'r trafodaethau hyn.

in discussion with a number of people at the moment to identify the way forward. As you will see from the paper, we have spoken to other broadcasters and other partners. We expect to decide on the way forward as a result of these discussions.

[171] **Mr Jermey:** It is also worth adding that no-one has offered ITV public money.

[172] **David Lloyd:** This is your chance. [*Laughter.*]

[173] **Mr Jermey:** We have set out a principled position as to our lack of desire to receive it, but, as I said, no-one in Government or elsewhere has put that on the table as a proposition.

[174] **Lesley Griffiths:** There is a view that we should be looking to increase the output of ITV Wales. Can you tell us your views on the call by the Welsh Assembly Government and the Assembly's Broadcasting Sub-committee to set up a Welsh media agency with responsibility for funding English-language public service broadcasting? The proposed budget for this would be £30 million.

[175] **Mr Owen:** As I said earlier, we are looking at all kinds of solutions to the problem of making sure that there is public service broadcasting on ITV post-2010. The priority is news. We are interested in what the Welsh Assembly Government has said with regard to £30 million of funding. However, the big question is where this funding comes from. We are all looking for funding. We are all looking for a solution. ITV has offered the solution of releasing slots and we are looking at the BBC memorandum. This is less than we need, because it will only provide £7 million by 2016. However, it is a matter of where the funding comes from more than anything else.

[176] **Lesley Griffiths:** How much do you spend at the moment on news and non-news programming?

[177] **Mr Jermey:** In Wales, in order of magnitude, £5 million is spent on news and £2 million is spent on non-news programming. Across England and Wales, depending on exactly how you distribute the overhead figures, between £55 million and £70 million is spent.

[178] **Joyce Watson:** Lord Carter has signalled his support for S4C's proposal to appoint a new provider for English-language news programming. He says in his interim report:

[179] 'We will work with S4C and other partners to establish whether this proposal could form the basis of a pilot project in Wales.'

[180] What discussions have you had with S4C about this proposal? Lord Carter describes it as a pilot project; how long do you think that would last?

11.30 a.m.

[181] **Mr Jermey:** I also read that with interest. We have had some very constructive initial conversations with S4C. We welcome S4C's interest in ensuring that plurality in English-language news programming continues in Wales, but again, the issue is where does the funding come from? We would look for a solution that works in England and in Wales, but that would not necessarily have to be the same solution. If S4C can play a constructive part in that, we would welcome that, but that is more a means of regulating the process and distributing the funding. The core question still remains: where is the money coming from and

will Government approve that money? Ofcom's second review of public service broadcasting comes up with a clear proposition, which is, in a sense, in Lord Carter's and the Government's hands now. Ofcom has mapped a way forward, so there now needs to be a political decision as to whether or not that way forward will be adopted.

[182] **Joyce Watson:** On the proposal that you might provide English-language news programming for S4C, do you think that S4C could do that on its own or could it provide that jointly with ITV in line with Lord Carter's statement?

[183] **Mr Jermey:** As I understand it, the desired effect of S4C's proposal is that English-language news programming in Wales continues on ITV1 at least initially, even if it eventually goes elsewhere. S4C's role would be, more than anything, that of an enabler, for example, as it has a lot of experience in enabling this kind of programming, albeit in Welsh rather than in English. The core assets of the ITV Wales newsroom would be key to any such service, at least initially. So, I think that it would be more of a co-operative relationship with the core news activity surrounding the current news assets of ITV Wales. Some of these are second-order questions. The first-order question is: will there be funding; the second-order question, which I am sure will be fascinating, on distribution, regulation and exactly who does what in that process, can perhaps be more fully answered when we are confident that there is a solution. Do you want to add to that, Elis?

[184] **Mr Owen:** I think that the proposal by S4C is for it become an enabler—not to make the news, but to supervise the process of commissioning the news for the ITV slot because procedures are in place to do that. That is the nub of the proposal as we read it.

[185] **Joyce Watson:** Thank you; that answers all my questions.

[186] **Alun Cairns:** It states in paragraph 2.7—the last paragraph on page 2 of your paper—that

[187] 'ITV believes the continuing use of ITV's current journalistic and news gathering resources and skills are likely to contribute to any successful model.'

[188] Is that not a case of you wanting your cake and eating it? So, effectively, you do not mind the independent commissioning taking place elsewhere, but you want to be a part of it. You not only want to save on your current spending on news programming, you also want to use your resources to see what slice you can get. So, is there not a conflict of interest in that?

[189] **Mr Jermey:** No, and I think that if there were potential for a conflict of interest there, we should avoid it. We are not interested in trying to make money out of regional news programming or to avoid any close-down costs that might come to parts of our operation. Our concern is that if regional news programming is to continue, we want it to be of high quality and recognised by the viewers. Our teams that make regional news programming have considerable skills, developed over a number of years, which of course, over time, should change. New influences can be added to that, but there is a danger in thinking that we should completely reinvent the wheel—throw out what is there now and come up with new models—which would not necessarily deliver what the viewers want or what policy makers would want. There is no element in our intent, and mechanisms can be put in place to ensure that, for us to have a narrow commercial interest in solving the problem. It is true that I have worked in public service broadcasting for over 20 years and I want to continue doing so. ITV thinks that it has added something to national life, even though we cannot make money off it, and we want it to continue. Ultimately, that is a decision for society, represented by the Assembly and the UK Parliament. If people decide after informed debate that it is not worth doing, I will regret that, but so be it. However, I want to be sure that people do not drift to that conclusion thinking that, in one form or another, it will probably continue anyway, because I do not

believe that it will.

[190] **Eleanor Burnham:** You have said that the contestable funding model could not be applied if ITV insisted on commissioning news programming and also bidding for the news contract. On what basis do you think you could be part of the decision-making process if you were also a bidder?

[191] **Mr Jermey:** I accept that we cannot be a bidder and a decider. There has not been a great deal of clarity on the proposals as to how some of these mechanisms would work, partly perhaps because no-one has made a decision yet that there should be funding. It is one of the issues that the 'Digital Britain' report will be looking at, and it is an issue that we are also working on at the moment as to how various models could work. However, I accept that you cannot be in a position where you are bidding and being a part of the awarding process. It is one of the reasons why we say that we do not want direct public money and that we are happy to pass our assets elsewhere. In those circumstances, some form of co-commissioning model might be appropriate, and we must ensure that there are not conflicts of interest through this process.

[192] **Eleanor Burnham:** Moving on to discuss the relationship between this proposal and Ofcom's proposal for a new contestable funded arrangement for regional news from 2011, your paper suggests that this timetable might be too late.

[193] **Mr Jermey:** As you analysed, there are two lines in our licences: the costs associated with them and the value. There is a gap now and the gap will get larger. Recent economic circumstances have pushed that gap further, because the advertising revenue that we receive linked to the analogue spectrum has gone down, therefore the analogue spectrum is less valuable. We are flagging up that what Ofcom thought of as autumn 2011 now feels to us more like 2010. That is probably fairly widely recognised. The urgency with which 'Digital Britain' is being worked on suggests that the UK Government recognises that there are some issues that need to be addressed fairly rapidly. We will try to be as constructive as we can through this process, but there is urgency and we all need to be aware of that.

[194] **Alun Cairns:** If nothing is done, what will be the outcome for ITV in Wales?

[195] **Mr Jermey:** If nothing is done, you are likely to end up with a situation where the licences are not worth very much. What ITV could provide in any form of public service broadcasting would have to match that diminished value, and there would be much less public service broadcasting on ITV. The residual value in the licences would not provide anything like a recognisable service similar to regional news across England and nations news in Wales. Depending on what those numbers were, there could possibly be no service at all.

[196] **Alun Cairns:** You know that there is an obligation to provide news and non-news programming.

[197] **Mr Jermey:** We would meet the terms of our licences, but there is also an obligation on Ofcom to make those licences economically viable. So, we would go to Ofcom to talk about what service we could offer under the new regime, or, in a theoretical world, where that was not possible, take another course. However, we have not threatened to give up our licences. Ofcom has pointed out the inevitable sensible commercial choice that shareholders would be forced to make if you are expecting a broadcaster to deliver vastly more than the value of the licence that it hold.

[198] **Alun Cairns:** Is giving up the licence a realistic option, because you said 'take another course'? I assume that you mean by that giving up the licence. Can you really see that happening?

[199] **Mr Jermey:** We are not there yet, and, as I said, ITV has conducted this entire debate in a way that demonstrates that it wants to be part of constructive solutions. There is a great risk that if I sit here and say that if X or Y does not happen, ITV will give up the licence, that sounds like a threat, and I will not be drawn into that. I will observe that others, including Ofcom, have said that if those circumstances came about, it would be surprising if ITV did not give up the licence. I am not going to give the impression that our tone is changing; I point you to dispassionate witnesses on the inevitability of the economics.

11.40 a.m.

[200] **Alun Cairns:** I have finished, but I wanted to make the point that it seems viable in Scotland and Ulster, but we have sort of covered that.

[201] **Mr Jermey:** It is because ITV plc is subsidising those licences.

[202] **Bethan Jenkins:** We have talked a lot about news provision, but, as we touched upon earlier, if there were a third-party provider for news for ITV Wales, would ITV still find slots within the current capacity?

[203] **Mr Jermey:** Slots for news?

[204] **Bethan Jenkins:** Yes.

[205] **Mr Jermey:** We want public service broadcasting—regional news in England and nations news in Wales—to continue. We are prepared to go a long way to make that possible, by finding the slots, making assets available and being constructively engaged with people on how that could work or how a contestable model could work, because we might be able to contribute some thinking on that, and trying to work with people on the timing. The answer is ‘yes’, but what we cannot do is what we have done for the last 50 years, and pay for it.

[206] **Mark Isherwood:** Reference was made to the fact that UTV and STV are considering expanding non-news programming, while you are contracting it. Would you therefore at least be prepared to guarantee time slots for other programming?

[207] **Mr Jermey:** As I think that I said in answer to an earlier question, we completely understand its value to viewers and, in the nations particularly, to the culture. If there were a funding mechanism, we would be happy to get involved in the debate on whether that would be possible. We must also look at the opportunity-cost issue and I do not think that, as of today, I am in a position to say that we would, but we would be happy to engage in a constructive way in that discussion and see where we get to. The priority issue for us is news, but even before we get to the answer on news, at the risk of sounding repetitive, the question is funding.

[208] **Bethan Jenkins:** You have said that Ofcom needs to make the licences more economically viable. Do you therefore think that one option for ITV in Wales could be to advertise the licence for Wales separately from the licence for England? Do you have an opinion on that?

[209] **Mr Owen:** There is no ITV licence for Wales; it is a licence for ITV Wales and West. There never has been an ITV licence for Wales. It would require a change in the law, because that is how the licence stands at the moment.

[210] **Mr Jermey:** In Ofcom’s work, it has talked about the possibility of five nations licences: England, Wales, Scotland, Northern Ireland and a licensing channel. That is a

possible way forward, come the end of the current licence regime. We are not certain why the current licence structure should not be left in place, and, in a sense, some of those are second-order issues. They are about the constitution, and you can construct them in a different way. From the point of view of viewers, it is about having great programmes. We invest the better part of £1 billion in UK production on programmes that people want to watch in vast numbers. Last night, at points, 40 per cent of the population of the UK was watching popular soap operas that reflect life in a way that people clearly want to watch on the ITV schedule. In addition, it is about having a national news service and regional and nations news, if they can be funded. All those things matter, and they matter more than constitutional structure. I am not sure that the current licence structure is so inadequate; it works reasonably well. I am not saying that you could not construct it in another way—

[211] **Bethan Jenkins:** May I clarify that it would not currently be possible for Wales to advertise for the licence separately, because it does not exist as a separate entity?

[212] **Mr Owen:** It exists as the ITV Wales and West licence at the moment. There is no ITV Wales licence.

[213] **Bethan Jenkins:** So, it is ITV Wales and West?

[214] **Mr Owen:** Yes, that is the licence at the moment. You would have to change the licence structure.

[215] **Mr Jermey:** In addition, we have no plans to surrender it, so there is no issue there.

[216] **Lesley Griffiths:** In your paper, you mention that one of the options that you are looking into to help to deliver cost savings in relation to news is a partnership with the BBC. Can you tell us what assessment you have made as to how that would impact on Wales? Also, could you possibly give me a figure on what you would save?

[217] **Mr Jermey:** By all means. We have done a lot of work in considerable detail with the BBC to see whether a partnership with the BBC could solve this problem. I can see why you might start out with a sense that through a big investment in the BBC, as it has technical infrastructure, newsrooms, and buildings, there may be ways in which you could share some of those back-office costs and find a way of sustaining regional news.

[218] We went into a very detailed set of work as to how it could work in different parts of the country. At the end of that piece of work, we reached the conclusion, and numbers were transparently shared with the BBC and examined by both parties, that by 2016 it could save £7.1 million across the ITV licences, that there would be no saving over the next couple of years, and that in the first couple of years of partnership, 2011 and 2012, it would save £1 million to £2 million. That was very useful work to do and I think that the BBC engaged in it fully and constructively. I think that our conclusion at the end of it is that, on its own, it delivers too little and delivers it too late to save ITV regional news on ITV1 in itself.

[219] Therefore, there needs to be another solution. Ofcom proposed in PSB2 what that solution should be, and we think that the Government should act on Ofcom's recommendation. A partnership with the BBC somewhere down the track, which could be transferred to a third-party supplier, may provide a modest level of savings that could be useful but people should not be misled into thinking that this is the solution and that, on its own, it does enough. In a sense, how it would work in detail comes back to us knowing what the bigger part of the solution is. If it is all that is on the table, as I say, it is not something that is ever likely to come to fruition on the grounds that it does not save ITV regional news on ITV1 and we would have gone down a different course. As part of the solution, it may have some utility. However, I would not advise people to invest all of their hopes in it on its own.

[220] **Lesley Griffiths:** Okay. Thank you.

[221] **Janice Gregory:** Thank you, Lesley. Eleanor is next.

[222] **Eleanor Burnham:** I have a point for clarification first. Did I hear you say that ITV plc subsidises UTV and Scottish Television STV? If so, why does it not subsidise the Welsh? Is that right?

[223] **Mr Jermey:** It is right, although the assumption that we do not subsidise ITV Wales is wrong. The Wales and West ITV licence has already gone negative.

[224] **Eleanor Burnham:** What does that mean in plain English?

[225] **Mr Jermey:** Sorry. You are absolutely right; one gets used to these policy debates and ends up using the terminology that the economists introduce. It means that we spend more on nations broadcasting than we derive commercial benefit from it. Therefore, the ITV Wales licence, as part of the Wales and West ITV licence, is subsidised by ITV plc. The reason, in a sense, why that does not matter at all is that it is part of ITV plc and we pay for it directly. Throughout this debate and when we appeared at the National Assembly for Wales before, we made it clear that we were not distinguishing between Wales and the English licences and that there was an overall problem that we wanted to solve. We were not going to use the fact that the Welsh licence went negative—to use that phrase again—earlier than the others as part of it. The reason why it matters more, in a sense, in the case of STV and UTV is that, because of the various arrangements for doing business across the network, we subsidise licences that we do not own. It allows those businesses to be run in a way that is commercially sustainable; if they had to be entirely stand-alone, that would not be possible.

[226] **Eleanor Burnham:** In many respects, the Scots are doubly lucky because they also have their own national newspapers, which we do not have in Wales. Therefore, the loss of ITV Wales is a double whammy for Wales, and that is not happening elsewhere. It seems very unfortunate—

11.50 a.m.

[227] **Mr Jermey:** It would be deeply unfortunate if Wales ended up with just one news service. We are absolutely aligned about that; the difficulty is in finding a solution. It is probably optimistic to have enormous confidence in the solid position of national and regional newspapers in Scotland, and there is also a danger in assuming that the broadcasting status quo elsewhere in the UK can continue for ever.

[228] **Eleanor Burnham:** My other small but important point is that I have had a letter from Michael Grade on British Sign Language services being removed, which is a regrettable and very sad situation. As a result of the memorandum of understanding between you and the BBC, as I understand it, Wales would be the only part of the ITV network for which studios would be shared. What would be shared in practice, and are there any financial savings involved?

[229] **Mr Jermey:** If it ever happens, which, as we understand it, would be some way out, we would share some crewing at routine events, some space in buildings, and some technology.

[230] **Eleanor Burnham:** The BBC discussed the possibility of setting up a media village, which would be shared with many of the broadcasters.

[231] **Mr Owen:** Building a media village somewhere in the Cardiff area is a possibility that the BBC has thought about, yes, but it would not be until 2015. That is the date that we have been given—for completion, anyway. That is the date as regards the memorandum of understanding. We would be willing to talk about sites to anyone. However, it is part of the memorandum of understanding, and the media capital idea is above that, as well. It is outside just this agreement and is about sharing facilities not just with ITV but other broadcasters, independent companies, and academic institutions. It is a far bigger project than just that.

[232] **Alun Cairns:** May I come in quickly? Mr Jerney, you told Eleanor Burnham that it would be sad if Wales were left with just one news broadcaster. I accept that, but is it not the reality that you are allowing it to happen? You suggest that you will simply withdraw from the market, and you are not doing anything proactive to invest in journalism or in programmes that would make that viable. Other than the memorandum of understanding and the potential agreement with the BBC, I would also suggest, as a supplementary point, that that is undermining plurality and leaving us with that one broadcaster, which you said would be regrettable.

[233] **Mr Jerney:** No, I think that we are doing a great deal. I have spent the last several years pointing out the impending economic crisis for broadcasting, and I am delighted that this committee and others meeting in the UK are examining the subject. What we cannot do as a commercial enterprise is run something at a loss forever. It would make no commercial sense. For previous decades, regional broadcasting in the UK has, essentially, been subsidised through access to rare and locked spectrum. That is disappearing, and will have disappeared completely by 2012. Some other mechanism needs to be found for funding that programming, or, as a society, we need to decide that we can do without it. I think that it would regrettable to end up with just one news provider, and so does ITV, but we cannot decide to run a loss-making enterprise forever, even if we think that it provides a social good, as I do, and as a lot of people who have looked at this debate do. If we want that social good, society needs to find a mechanism to make it happen.

[234] In answer to your question on plurality, whatever eventually happens, we need to avoid the risk of plurality being undermined. It is possible to share some basic technical infrastructure, and it is probably possible to share staff if they have purely technical roles. If the idea of partnership ever happens between the BBC and commercial broadcasters, it is vital that there be editorial independence for both operations, competition for stories, and a different set of decision makers as to which stories get covered, and how they are covered. I would share with you that we need to be certain that, in any move down this line, plurality is preserved. You are right to flag up the risk in this sort of arrangement, and we all need to be watchful that that does not happen.

[235] **Joyce Watson:** You have already said that you have had discussions about sharing buildings, backroom services, and so on with the BBC, that you have concluded that, in the first year, that will not deliver any monetary savings for you, and that it will be too little too late to save ITV. So, I am going to ask you a pointed question. Do you think that there will be an ITV Wales after next year?

[236] **Mr Jerney:** I think that there will be an ITV Wales after next year, definitely. I guess that the essence of your question is whether there will be an ITV Wales broadcasting distinct national programming. I am always careful in answering these questions because I know that, by nature, I am an optimist and am always inclined to say 'yes', but I am then sometimes wrong in life—although that it is not a bad way to get through life. So, take what I say with that knowledge about my approach, but my answer would be 'yes'. I think that there will be distinct programming, because there is clearly an overwhelming desire among viewers to continue to have nations and regions news across the country. That has been recognised by policy makers, whom I am not certain were as sure of that two or three years ago before they



did their research as the people on the ground making regional news were. They knew that that was the case.

[237] So, it has now been recognised by policy makers, and I have met hundreds of politicians in the past year, the vast majority of whom recognise it as well. Therefore, if it does not happen, to my mind, there will have been a collective failure of policy making. What is required now is some brave political leadership. The policy conclusions are there, the data are there, and, in my view, the politicians need to say that the public values this, that it needs to be preserved, and that we need to come up with a mechanism that is different from that which has existed for decades—one that fits the digital age and that will ensure that something the viewers value and that adds something to social cohesion and communities across United Kingdom can live on for another generation and, I hope, for generations to come. So, yes, I am an optimist, but if we do nothing, that optimism will have been misplaced.

[238] **Janice Gregory:** Thank you both very much for coming to the committee this morning. As I am sure you are aware, you will be sent a transcript of today's proceedings. Please check it for factual accuracy, but, as I always say, you cannot take out something that you wish you had not said. We would often like to do that ourselves. Again, thank you for coming. Have a safe journey back.

11.58 a.m.

### **Ymchwiliad i Gyfiawnder Ieuenctid—Casglu Tystiolaeth Inquiry into Youth Justice—Evidence Gathering**

[239] **Janice Gregory:** I know that some Members will have to leave before the Minister has finished giving his evidence, so I ask them to leave quietly and with the least possible disruption to the committee meeting. I am delighted to welcome David Hanson MP to the committee this morning, whom we all know as the Minister of State at the Ministry of Justice. David, thank you very much for taking the time to come here and for making the journey down to Cardiff bay. Thank you also for producing a paper for Members. You know how these things work. We have a series of questions for you. If you would like to speak to your paper, please go ahead, but the committee is more than happy to move straight to questions if that is what you would like to do.

[240] **The Minister of State, Ministry for Justice (David Hanson):** Thank you, Mrs Gregory, and thank you for the opportunity to come to Cardiff bay. As a Welsh Member of Parliament, as well as the Minister responsible for youth justice and prisons, I am very pleased to be here. If you would like to, I am happy to focus on what is of interest to the committee by moving straight to questions. If need be, at the end, I would be happy to round up with any points that I think may be of interest.

[241] **Janice Gregory:** That is marvellous. Thank you much indeed. The first question is from Bethan Jenkins.

12.00 p.m.

[242] **Bethan Jenkins:** Thank you for taking the time to come to speak to us today. My first question centres on the fact that all the policies of the Welsh Assembly Government in this area have a rights-based agenda. That is the basis for the seven core aims for children and young people and not 'Every Child Matters'. To what extent does the UK Government consider the policy aspirations of the Welsh Assembly Government's strategy for children and young people when developing policy and law in relation to children and young people who offend or who are at risk of offending?

[243] **David Hanson:** It is clear that we are trying to work in very close partnership with the Welsh Assembly Government on our youth justice responsibilities. We are signed up to and committed to the United Nations Convention on the Rights of the Child, and we want to see that agenda reflected in the work that we do on youth justice. There are a great deal of synergies between the work of the Assembly Government and what we do. We have clear responsibilities in youth justice, such as those in relation to sentencing and custody, as well as in a range of other issues through the youth offending teams, but the Assembly Government has devolved responsibility for education, housing, social services and local government, so it is important that we respect and reflect the agenda that the Government here is setting in Wales. At the same time, we have our priorities, which I hope are supportive and reflective of the wishes of the people of Wales as well as the people of England.

[244] **Bethan Jenkins:** It is interesting that you say that. We had evidence this morning from those who work in the Welsh Assembly Government that there was divergence in the political agendas of the UK and Welsh Governments, especially on the UN convention. How do you square your opinion with that analysis? Officials support the children's commissioner in saying that there are problems here, so how do you square that with what you are telling me today?

[245] **David Hanson:** My colleagues who have responsibility in England for the areas devolved to the Welsh Assembly Government adopt policies that, on occasion, diverge from the Assembly Government's aspirations and policies. It is my job, as Minister of State with responsibility for youth justice, and the job of the Youth Justice Board for England and Wales to work with the Assembly Government to meet its aspirations and to ensure that policies on youth justice take account of the legitimate aspirations of the Welsh Assembly Government.

[246] **Eleanor Burnham:** We know that youth justice is a complex area, given its semi-devolved nature, and that you are in control of certain aspects of it. I was intrigued this morning when Joanna Jordan, who, as you know, is the head of the community safety division, happened to mention in passing that the youth offending teams are not really within her remit. Integration, co-existence and better working are important. Do you believe that it is appropriate to have a joint youth justice unit when the role and functions of the UK Department for Children, Schools and Families is limited in relation to Wales?

[247] **David Hanson:** I believe that it is appropriate to have a joint youth justice unit. This is how it works in relation to our responsibilities. In the Ministry of Justice, I am primarily responsible for the national offender management service, which involves around £4.2 billion-worth of expenditure, dealing with prisons and probation services across England and Wales. I also have a joint responsibility for youth justice with my colleague, Beverley Hughes MP. I am very conscious of the fact that Beverley's department, the Department for Children, Schools and Families, is an England-only department. As you would expect, Chair, I am particularly focused on that to ensure that we understand and reflect the needs of Wales and that I, as a Welsh Member of Parliament, understand and work with the Assembly Government to achieve those areas of co-operation. We will continue to work with Brian Gibbons and Edwina Hart on issues in areas of co-operation, and I will be seeing Brian and Edwina in the next few weeks to talk about the matters that we are discussing today. It is important that we maintain that relationship.

[248] I also want to say, for Eleanor's benefit, that the director of offender management in Wales, Yvonne Thomas, reports through the line to me. She works very hard to build relationships with the Assembly Government, has contacts and offices in the Assembly, and is working with you to meet Wales's agenda while meeting the agenda of the UK Government.

[249] **Eleanor Burnham:** I am very interested in that, because last week I was privileged to

talk to the north Wales family justice council, and Judge Michael Farmer, whom you obviously know well—

[250] **Mr Hanson:** He is a constituent of mine.

[251] **Eleanor Burnham:** He made the point that we should have much more integration and talk to each other more. How do you view that, and how could we co-operate a little bit more?

[252] **Mr Hanson:** In my view, we have to improve on the relationships between the Assembly's agenda and the UK Government's agenda. Obviously, at the moment, we have responsibility for policing, courts, sentencing and for the youth justice board budget. They are integral in the fight against crime. Equally, as I have said before, what happens with regard to housing, employment, education, and drug abuse are all key issues in preventing offending in the first place, preventing re-offending in the second instance, and making sure that we change people's lives. So, there is a synergy there, and the settlement that we have, on the devolved and non-devolved responsibilities, means that we should and will continue to work closely together.

[253] **Lesley Griffiths:** Thank you, Minister, for your paper. Obviously, the overarching policy here is the all-Wales youth offending strategy, which the Welsh Assembly Government and the youth justice board are currently reviewing, specifically in relation to the differences in local service delivery environment experienced by youth offending teams as a result of devolution. Could you give us specific examples of where you think that there has been policy divergence as a result of devolution, and do you think that it has been a help or a hindrance in developing youth justice policy, and the dispensation of youth justice here in Wales?

[254] **Mr Hanson:** There are a number of areas, of which the committee will be aware, where the Department for Children, Schools and Families, for example, in England, has different policy options, such as Every Child Matters, compared with the policies of the Assembly. I do not think that it ultimately matters, because the objective of both is to look at how we prevent people from coming into the criminal justice system in the first place; when they are in the criminal justice system, how we intervene; and when they go—sadly, as they will go—through a range of community sentences and/or ultimately custody, that we have interventions that try, as far as we can, to change their lives. Whatever the Assembly determines that it can do in a Welsh context to intervene, make a change and prevent such behaviour is as valid as whatever we try to do in other Government departments in England to try to achieve the same objectives. How you do it might be slightly different in parts to how we do it in England, but the objectives are the same: how do we prevent, how do we change, how do we rehabilitate and how do we resettle?

[255] **Mark Isherwood:** Given the increasing policy differences with England, to what extent do you consider that youth offending teams in Wales are operating on the same playing field as those in England? To what extent do you think that resources differ because of the different policy framework and how, if at all, do you think that that should be addressed?

[256] **Mr Hanson:** Again, youth offending teams in Wales—I receive reports on a regular basis from the inspection teams on how youth offending teams are performing—are actually performing very well, and in some cases, better than those in England. That is a credit to the teams in Wales. We provide funding, from the youth justice board, of around £9 million for youth offending teams throughout Wales. The re-offending rate, which, for me, is a key indicator, shows that, over the last five years, there has been around a 30 per cent reduction in the re-offending rate of those people who have been into the system in Wales, compared with a reduction rate of around 14 per cent in re-offending over the same period in England. There

are probably even things that I and my colleagues could look at in an English context where it might be worth while looking at how they have been effective in Wales. There is good performance here, and we should try to build on that and secure some successes from it.

[257] **Mark Isherwood:** Do you think that resources differ because of the different policy framework? Should that be adjusted either side of the border to—

[258] **Mr Hanson:** As I have said, we provide around £9 million for youth offending teams in Wales, and the Assembly supports youth offending teams as well. That is because of the nature of the devolved responsibilities. In my constituency, in Flintshire, for example—3 or 4 miles from the Cheshire border—we funded last year £580,000 worth of expenditure on youth offending teams. There might be more in Chester, just over the border, but that is simply because the devolved element will be funded via youth offending teams from the Department for Children, Schools and Families as opposed to the Welsh Assembly Government. Those are decisions that we have to make and which will be different.

12.10 p.m.

[259] **Janice Gregory:** You have question five, Mark. No, I am sorry, you do not. We have been swapping questions this morning, Minister, and I am totally confused.

[260] **Mr Hanson:** I have been there and done that, Janice, do not worry.

[261] **Lesley Griffiths:** The youth justice board in Wales is responsible for commissioning and purchasing places for children and young people. We have previously heard from witnesses from the Welsh Assembly Government that just under half of all of these children and young people are housed in England. Do you think that there should be an agreed joint strategy between the Welsh Assembly Government and the youth justice board in relation to the secure estate that address specific Welsh issues? One of the witnesses said this morning that there had been difficulties with bullying of Welsh children and young people in Ashfield that had to be addressed.

[262] **Mr Hanson:** It is very important. I will give you the figures. In January this year, we had 144 young people from Wales in custody. Of those, around 79 places were provided in Wales. I am pleased to tell the committee that, this morning, we have agreed a tender for additional places in Wales, which will mean that we are now able to offer 81 places—which is a small increase—from the two places that we operate in Wales at the moment. We currently have around 64 beds at Parc in Bridgend and we have announced this morning an increase in beds at Hillside in Neath. So, we can now provide 81 beds in Wales.

[263] As I said, in January, we had 144 young people in custody. Obviously, that means that around 60 young people are outside Wales at any one time. They are predominantly in Ashfield, near Bristol, in Stoke Heath towards the north, and they are also in the female unit at Eastwood Park. We need to look at how we provide for people from Wales in those areas, because there are several issues that still worry me. The first is the issue to do with Welsh-language provision for Welsh speakers. The second issue is the perception of bullying. If I am honest, Lesley, the perception of bullying could also be true if someone goes from London to Ashfield. The character of people who may be in long-term incarceration engenders that type of activity. However, it is obviously a concern. We have to try to ensure that we provide accommodation that is as appropriate as possible for people who come from Wales. That means that we need to look at language issues. Indeed, in Ashfield, we offer Welsh classes and Welsh culture classes and we have had a take-up of between five to seven people per week doing that. The same is true in Stoke Heath. In Eastwood Park, there has been lower take-up, because the provision is not really needed at the moment. However, it is important that we recognise the difference and that we support that. When people go away from home,

they need to have some input, because the hope is that they will ultimately go back to their home area and improve their environment.

[264] **Joyce Watson:** Going back to policies and statements, to what extent have Welsh issues been addressed since the publication of the youth justice board's strategy in 2005, specifically with reference to young people from Wales entering the custodial facilities in England? Those issues would include dealing with the question of travelling to the units, the cultural sensitivity for Welsh children placed in England, and any help that young people who have been in custody in England are offered to settle back into their communities.

[265] **Mr Hanson:** It is very important and, in a sense, it links to the question that Lesley asked earlier. What we need to do—and we are in discussions with the Welsh Assembly Government about this—is to look at how we can try to increase over time the number of places available in Wales. That is important not only because of language issues and Welsh cultural issues, but the fact that travelling from home is a difficult thing for individuals to undertake. To have family support and to be away from home at a young and vulnerable age is not conducive to these issues. As I said, at the moment, we have Parc and Hillside, both of which are in south Wales—in Bridgend, near your constituency, Janice, and also in Neath. They are still a long way from people in north Wales, or Aberystwyth and Ceredigion. So, over time, we have to try to consider how we develop facilities closer to home.

[266] However, my overall objective must still be to try to reduce the number of people in custody generally. We are looking at how we can have alternative sentences to custody. Indeed, in November 2009, we will have a further sentence as a precursor to custody, called the youth rehabilitation order. So, I am anxious to try to reduce the number of young people in custody generally and to get custodial services provided as locally as possible. However, when people travel from Wales or from London, Birmingham or Newcastle, as is currently the case, to places far away from home, we try to build into that system schemes that make them feel that they are not far away from home and we try to ensure that their cultural issues are addressed.

[267] **Alun Cairns:** You talked about improvements and developments that can be made in relation to the estates. The youth justice board's strategy for the secure estate for children and young people identified specific problems for girls and young women, including expectant mothers. What action has been taken in this regard?

[268] **Mr Hanson:** On our youth facilities, Eastwood Park is the only potential site for females from Wales to go to. We are generally trying to encourage help and support for women, particularly—to return to the issue that I raised with Joyce—on how to avoid putting them in custody in the first place. We are now considering how we can avoid issuing custodial sentences, particularly for sentences of less than 12 months, if we can possibly help it. We are trying to encourage magistrates to consider non-custodial activity rather than prison. However, for those who go into custody for serious offences, we need to provide mother and baby units, where we can, as well as support and help and we need to use NHS facilities in the Eastwood Park area to support people who need that help and support locally.

[269] **Alun Cairns:** So, beyond Eastwood Park, there are no plans for any other improvements for young women and expectant mothers.

[270] **Mr Hason:** We currently have no future plans, but I put that in the context of the fact that we have, with the Assembly, the opportunity to consider developing the estate and discussing what it will look like over the next 10 or 11 years. We face a situation of having no facilities in north Wales and no real facilities for women. That is down to whether or not ultimately the demand for women's facilities is sufficient to create a facility in Wales versus the purchase of places external to Wales.

[271] **Mark Isherwood:** As you indicated, it is widely accepted that children and young people should have provision to serve custodial sentences as close to home as possible. You indicated a few moments ago an increase in beds in parts of south Wales, primarily, but you also referred to distances being travelled from other parts of Wales and the UK. What other options are being considered for the expansion of facilities for children and young people who serve custodial sentences in Wales and what effect will current budget cuts in the Ministry of Justice and the youth justice board have on the expansion of that provision?

[272] **Mr Hanson:** We have been in discussion with the Welsh Assembly Government about potential facilities in north Wales. We have also had extensive discussions, through the youth justice board and Assembly Government, about the provision for north Wales, because, self-evidently, Parc is in Bridgend, Hillside is in Neath and Stoke Heath, Ashfield and Eastwood Park are a long way from north Wales. So, we have been looking at how we can potentially expand provision. There are some challenging financial issues relating to that, but I am committed to continuing, as a north Wales Member of Parliament, to look at those issues, because often it is my constituents, as well as yours, who are travelling a long way from home.

[273] **Mark Isherwood:** You just referred to the dialogue that you are having with the Welsh Assembly Government, but how are funding responsibilities split between the UK Government and the Welsh Assembly Government in terms of relative revenue and capital funding, and how would that compare with the situation in England?

[274] **Mr Hanson:** As the youth justice board, we are responsible for the provision of custodial services and we will continue to be responsible for that unless the devolution settlement changes. That is our responsibility. However, there has been discussion on the potential for the Welsh Assembly Government to help with some of the costs of the initial set-up. However, essentially, we are responsible for custodial services and for the revenue and capital costs of that.

12.20 p.m.

[275] **Mark Isherwood:** This is my final question. You referred to the situation in north Wales and, last month, you announced plans for a new prison in Caernarfon. What consideration has been given, or is being given, to provision for children and young people to serve custodial sentences as part of that project development?

[276] **David Hanson:** We are at the very early stages. The assessment for the prison at Caernarfon was undertaken on the basis that I had to look at the shortfall in adult male places in Wales as a whole. As you will know, Mark, there are a number of prisons in south Wales and moving towards west Wales—such as Parc prison—but there are no facilities in north Wales and most prisoners from north Wales travel to Liverpool to HMP Altcourse or to HMP Liverpool, which was known as Walton. I was trying to look at the shortfall overall. We have estimated that there is a shortfall of around 800 places for male adult prisoners throughout north and mid Wales. I focused on the new prison site as having the potential to develop and meet that need. Again, I am not generally keen on having adult and young persons on the same site, so I think, for the future, my focus will be on developing that site as an adult male prison, once we have obtained planning permission, purchased the site and managed to build it.

[277] **Eleanor Burnham:** So, basically, Minister, you do not see that you are going to be building units—somebody suggested that it might have been a Triton-type—

[278] **David Hanson:** Do you mean Titan?

[279] **Eleanor Burnham:** Yes, Titan. Sorry, I did not mean a Triton nuclear missile. Are you definitely just going to build an adult prison in Caernarfon, subject to everything that you have just said?

[280] **David Hanson:** There are no plans to build a large prison—by ‘large prison’, I mean a 2,500-place prison—in Caernarfon. The need in Caernarfon and the footprint for the site is for around an 800-place adult male prison, which will help in many ways, because it will provide local people with more local facilities, particularly those in Gwynedd and Anglesey, rather than them having to travel to Liverpool.

[281] **Eleanor Burnham:** Do you believe, Minister, that the transfer of more powers and resources to the Assembly Government to enable it to develop and expand secure estate provision for Welsh children and young people would result in more positive outcomes for children and young people from Wales?

[282] **David Hanson:** I would say that, at the moment, the devolution settlement is as it is in relation to youth justice. In the justice field, we are responsible for policing, the courts, sentencing and youth justice. There are supportive elements that are naturally and rightly devolved to the Assembly and we have to find a way to work within that, on what are essentially a whole range of complex non-devolved issues. I would not necessarily want to split off the young person’s estate from the adult estate, policing, sentencing and courts—all of which are not devolved. So, they are issues that I think are for discussion in the longer term.

[283] **Alun Cairns:** Minister, may I raise with you the rights of the child and the fact that the joint report by the UK children’s commissioners says that it is in youth justice that many of these rights are breached? What is your response to that? What action is needed to protect the rights of children? I will prompt you on this: should there potentially be some care rights?

[284] **Mr Hanson:** In general terms, we have signed up to the United Nations’ Convention on the Rights of the Child and we are committed to implementing it through policies and practice in the United Kingdom as a whole. My colleague, Beverley Hughes, the Minister for Children, Young People and Families, is very keen to ensure that individuals who are in the youth justice system are viewed as children first and have the rights that children would have, given their special circumstances of conviction and, very often, incarceration. We need to ensure that we support individuals as children and as young people while, at the same time, recognising that they are in a place of safety for punishment, as well as for reform. The whole objective for us, Alun, must be to view people as individuals and to try to effect changes in their behaviour, in the context of our international obligations.

[285] **Bethan Jenkins:** What discussions have taken place between the UK Government and the Welsh Assembly Government in relation to ensuring that there are integrated and rigorous safeguards to minimise the likelihood that children who are placed in centres in England would be harmed or abused in any way, specifically with links to the local safeguarding children boards?

[286] **David Hanson:** It is an important issue. I can answer as best I can, and I would be happy to send a note to the committee about those issues. Beverly Hughes and I are the two Ministers with responsibility in this area, and while my part of the estate role is to look after custody issues generally and the prison estate, Beverly focuses on the rights of the child issues for the Department for Children, Schools and Families. She and the officials are in regular discussion with the Assembly. I will happily provide a note on the detail of how that works in practice.

[287] **Bethan Jenkins:** Are you in regular contact with her about that residential centre?

[288] **David Hanson:** Officials in the Department for Children, Schools and Families will be in discussion with Welsh Assembly Government officials on those issues, as will the youth justice board.

[289] **Alun Cairns:** Minister, in the matter of mental health provision, it is reported that some individuals end up going to Ashfield prison instead of Parc prison, because of the lack of provision at Parc. Bearing in mind the complication that mental health care is a devolved matter that crosses over into non-devolved areas, can you comment on this? What action are you taking to overcome these potential complications?

[290] **David Hanson:** It is a vital issue, Alun. Madeleine Moon, the MP for Bridgend, has been active in raising the issue of mental health service provision in Parc prison with me publicly and via Parliamentary questions and other activities. Discussions are ongoing with the Welsh Assembly Government about supporting the further development of mental health services at Parc prison. If they have not already been made, I expect the Welsh Assembly Government to make some announcements about that activity, particularly at Parc prison, in the near future.

[291] I am concerned that we identify early those individuals who enter the justice system and who have mental health problems and, if possible, divert them to appropriate help and support. You may be aware, Alun, that we have commissioned nationally, through the UK Government, a report from Lord Keith Bradley that looks at mental health provision across the criminal justice system. He recently reported to me, and I will publish his report towards the end of April. I am currently in discussions with Ministers from the Welsh Assembly Government about the Assembly's response to that report and how we can make a collective response, if possible, to those issues.

[292] **Alun Cairns:** Many of your answers address the issues of early identification and the provision of support, and you talked about not incarcerating individuals in the institutions. That has been a theme in many of your responses, and I can understand that. However, to play devil's advocate, does that not compromise your motives? Due to the lack of provision of mental health services, the motive to keep people out of incarceration might be compromised because you know you cannot provide those services and the care rights could be abused.

[293] **David Hanson:** I do not think that we are trying to do that. We will always provide, as we have done, sufficient custodial places to meet the needs of those who are placed in and need to go into custody.

[294] **Alun Cairns:** Is that except for those with mental health problems?

[295] **David Hanson:** At the moment, we have sufficient custodial places for the young people and adults who require them. In the broader sense, we are trying to sharpen our game with regard to who goes to prison and whether prison is the best place to help them with their offending problem. Prison and youth custody is about ensuring that people are punished for their criminal activities, but it must also be about how we change their behaviour. For some people, activities focused on mental health issues might be better dealt with in the community or in alternative provision as that may prevent re-offending. My constituents want their houses not to be broken into and their cars not to be stolen and to see an end to inappropriate behaviour. They are happy to see that done in a range of ways, and non-custodial sentences and help and support with mental health issues are sometimes as important as custody.

[296] **Joyce Watson:** The committee has heard evidence that some UK Government policies that relate to young people at risk of offending have been developed without



reference to, or sufficient clarity around, the different structures in Wales. An example of this would be the youth crime action plan. What is your response to the view that has been expressed, and are you satisfied that resources to support delivery of the action plan have been shared appropriately between England and Wales?

12.30 a.m.

[297] **David Hanson:** As the Minister, I and my colleagues, Vernon Coaker MP from the Home Office and Beverley Hughes MP from the Department for Children, Schools and Families, have developed the youth crime action plan over the past year, supported by a very good team of officials. From day one—and you would expect this, but it may not have happened had I not been a Member of Parliament for Wales—I have asked ‘What happens in Wales; how does this impact upon Wales; what about my area, what about Wales a whole?’ So, there has been a strong focus on Wales in that plan. We have established 69 areas across England and Wales where there are high levels of crime. The Welsh Assembly Government has been closely associated with the development of that plan. It has been given resources to choose areas, and it has chosen the city of Cardiff, where we are today, and the city of Newport. They are two high-crime areas where they have support on these matters. We have allocated £350,000 to each area to develop new activity. The Assembly and the local councils will be working on what those activities are, but, typically, they include activities such as after school activities, weekend activities for young people, and youth offending teams helping to support them. I am very focused on the fact that Wales has its needs. The Assembly chose the two areas where the youth crime funding will go in Wales, and, if anything, I was slightly frustrated, if I am being honest, that they were not in my area, but that is the decision that the Assembly has taken. However, there is, and there has been, close co-operation, and there will be close co-operation in the future.

[298] **Joyce Watson:** That is excellent. Moving on with the theme of close co-operation, Merthyr Tydfil has one of the highest rates of young people being given custodial sentences in England and Wales. Can you outline what work has been done to reduce the use of custody in Wales, and what further action might be needed? Are you satisfied that the UK Government and the Welsh Assembly Government are doing enough to promote and fund the use of diversion from custody strategies?

[299] **David Hanson:** Sadly, Merthyr may even have the highest level of custody in England and Wales, which is very difficult for Merthyr. We have given £225,000 this year to the youth offending team to operate in Merthyr, which includes £82,000 for general effective practice, £20,000 on constructive activities at weekends, £16,000 on substance misuse and £106,000 on youth inclusion projects for high-risk young people. Hundred and six thousand pounds is one of the highest grants among the youth offending teams for high-risk young people. What we are trying to do across the board is to look very early at who are the children and young people that are likely to be at risk, and how we get those people involved in positive activities at an early stage. That is why it is important that the Assembly’s role through schools, social work and local government is crucial in identifying and changing people’s lives very early on.

[300] We are trying to look at early intervention and, in general, Joyce, as I said earlier, we are trying to look at alternatives to custody through sentencing. From November of this year, as I have mentioned, we will have another layer of alternatives to custody so that people have a further chance before custodial sentences are given.

[301] **Bethan Jenkins:** Before I come on to my question, I wish to probe you further on that. It is no surprise to anyone that the areas where there are high levels of offenders are also socially deprived. Therefore, do you believe that you should be working more closely with the child poverty unit in the UK Government to secure more funding for areas such as welfare

and benefits for these areas to filter into the work that has already been done with youth offending teams and the substance misuse strategies? If we get to the root of the problems, we would not have to see custodial sentencing that is currently happening far too often.

[302] **David Hanson:** However we judge the figures, there is usually a link between social exclusion, poverty, deprivation and a higher level of activity of a criminal nature. That is not to brand everyone who lives in poor areas as potential criminals, but it does reflect those issues. There are parts of my constituency in which there are high levels of crime and they sometimes correlate with the areas in which there are high levels of deprivation. What we need to do, and the UK Government is trying to do this, is to focus, through the areas that we have, such as employment and benefits agency work, on how we tackle those areas. There is a range of things for which the Assembly Government has responsibility, and education, housing, and the employment aspects that it has, are all key areas upon which to focus. The work that is done through Communities First, for example, is a key area of Assembly Government policy. We need to support that, as a UK Government, with the Assembly Government in the lead.

[303] **Bethan Jenkins:** It was not my intention to brand those areas, because I come from Merthyr.

[304] **David Hanson:** I know Merthyr reasonably well, because when I was a Wales Office Minister, years ago, we did quite a lot of work on the Gurnos estate. There are difficult, challenging areas and we must look at some of the long-term causes of poverty and social exclusion to help sort out some of the crime issues and change some of the cultural issues.

[305] **Bethan Jenkins:** The other question that I was allocated is on the fostering scheme, which is intended to get young offenders off the path of crime through family support, as you will know. It is being piloted with foster care providers in Hampshire, Staffordshire and London. Can you outline what that scheme involves and why nowhere in Wales was selected as a pilot area?

[306] **David Hanson:** At the moment, we have three pilot areas, which, as you mentioned, are Hampshire, Staffordshire and greater London. A small cohort of around 30 young people is involved, and we are now looking at the evaluation of that pilot scheme and how we can potentially extend it in the future. It involves allocating an individual who is deemed to be at the hard end of criminal activity to a foster family rather than custody, to try to change their behaviour over a longer period of time. If the individual does not engage with the foster family, that could result in a breach, which might result in custody. From memory, we have allocated around £10 million this year to fund that, but we are now looking, as we speak, at how we can work on the evaluation and extend the areas in which the pilot scheme operates. My ambition is to try to extend those areas, and I will certainly look at the possibility of Wales being part of that. To answer your question, Bethan, I do not know why the original decisions were taken, because that was before my time as Minister. It can probably be guaranteed that, had that been during my time as a Minister, I would have been, as ever, pushing for Wales, because that is where I am elected.

[307] **Alun Cairns:** The model in Scotland is very different. What analysis have you made of that and what plans do you have to use that analysis?

[308] **David Hanson:** We have looked at Scotland, but I cannot say that we have looked at it in the depth that your colleagues in the Assembly Government may have done. We have a youth crime action plan and a plan for custody, which we are developing ourselves, independent of what is happening in Scotland. We are trying to look at how we can deal with five areas: prevention, intervention, diversion/alternatives to custody, what we do with custody and how we rehabilitate. Things are done differently in the Scottish context. We are

trying to look at that in the context of England, co-ordinated across UK Government departments in England, and, from my perspective, working with the Assembly Government to the same objectives in Wales.

[309] **Janice Gregory:** That was to be the final question, but Bethan has indicated that she wants to come in briefly.

[310] **Bethan Jenkins:** I have a final question with regard to the 'One Wales' commitment on considering the evidence for the devolution of the criminal justice system in the context of funding and moving towards the establishment of a single administration for justice in Wales. Do you concur with that opinion or are you in talks with the Welsh Ministers about putting those policies into practice?

[311] **David Hanson:** We are at an early stage; as far as I am aware, and we have not—I certainly have not—had any formal discussions with Welsh Ministers on those issues, but I understand that the All Wales Convention is currently looking at those issues and I expect to have those discussions. If I may take my ministerial hat off and put my party hat on, my party is in coalition with Plaid Cymru and has commitments to achieve. We are looking at those issues; there is an acceptance that a lot of work needs to be done and I have tried to put in context today the complexities that we still have about sentencing, courts, policing and our responsibilities in youth justice and probation in relation to the aspirations of 'One Wales'.

[312] **Janice Gregory:** Thank you very much again, Minister, for making the trip down here. I do not know whether you have any closing remarks to make, but I think that you have answered all of the questions very frankly.

12.40 p.m.

[313] **David Hanson:** I think that I have probably covered most of the issues that I wanted to cover. I am now going to visit Prescoed and Usk prisons on my way back to north Wales.

[314] **Janice Gregory:** Wonderful. Thank you very much, David, for coming here this morning. We appreciate it. You will be sent a transcript, as you know. Have a safe journey to Usk.

[315] As we are approaching the end of the meeting, I thank you all for attending and for staying until the end. As I have said, the next full committee meeting will be held at the start of the summer term, on 7 May. However, I have to ensure that Alun is formally elected to the Broadcasting Sub-Committee. Mark, I am sure that you would like to move the motion.

[316] **Mark Isherwood:** I move that

*the committee elects Alun Cairns a member of the Broadcasting Sub-committee.*

[317] **Janice Gregory:** Thank you; that is agreed. I see that Bethan does not have a problem with that. Thank you for your attendance.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth y cyfarfod i ben am 12.41 p.m.  
The meeting ended at 12.41 p.m.*