



**Cynulliad Cenedlaethol Cymru
Y Pwyllgor Cyfiawnder Cymdeithasol ac Adfywio**

**The National Assembly for Wales
The Social Justice and Regeneration Committee**

**Dydd Iau, 15 Chwefror 2007
Thursday, 15 February 2007**

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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 Cynulliad yn bresennol
Assembly Members in attendance

| | |
|----------------|---|
| Mick Bates | Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats |
| Janice Gregory | Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair) |
| Edwina Hart | Llafur (y Gweinidog dros Gyfiawnder Cymdeithasol ac Adfywio) Labour (the Minister for Social Justice and Regeneration) |
| Mark Isherwood | Ceidwadwyr Cymru Welsh Conservatives |
| Trish Law | Annibynnol Independent |
| Huw Lewis | Llafur (y Dirprwy Weinidog) Labour (the Deputy Minister) |
| Sandy Mewies | Llafur Labour |
| Leanne Wood | Plaid Cymru The Party of Wales |

Swyddogion yn bresennol
Officials in attendance

| | |
|-----------------|---|
| Jeff Childs | Y Gyfarwyddiaeth Dai Housing Directorate |
| Hugh Gardner | Arolygiaeth Gwasanaethau Cymdeithasol Cymru Social Services Inspectorate Wales |
| Jo Jordan | Cyfarwyddwr, Is-adran Diogelwch Cymunedol Director, Community Safety Division |
| Geoff Marlow | Y Gyfarwyddiaeth Dai Housing Directorate |
| Dr Emyr Roberts | Cyfarwyddwr, Adran Cyfiawnder Cymdeithasol ac Adfywio Director, Social Justice and Regeneration Department |
| Gareth Thomas | Y Gyfarwyddiaeth Gymunedau Communities Directorate |
| Linda Whittaker | Cyfarwyddwr Tai Director of Housing |

Eraill yn bresennol
Others in attendance

| | |
|--------------|---|
| Andy Furey | Swyddog Cenedlaethol Undeb y Gweithwyr Cyfathrebu Communication Workers Union National Officer |
| Ken Hanbury | Ysgrifennydd Rhanbarthol (Cymru), Undeb y Gweithwyr Cyfathrebu Regional Secretary (Wales), Communication Workers Union |
| Gary Watkins | Swyddog Gwleidyddiaeth Cymru, Undeb y Gweithwyr Cyfathrebu Wales Political Officer, Communication Workers Union |

Gwasanaeth y Pwyllgor
Committee Service

| | |
|---------------------|----------------|
| Dr Virginia Hawkins | Clerc Clerk |
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Claire Griffiths

Dirprwy Glerc
Deputy Clerk

*Dechreuodd y cyfarfod am 9.30 a.m.
The meeting began at 9.30 a.m.*

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Janice Gregory:** Good morning, everyone, and welcome to this meeting. I am delighted to welcome you to Merthyr Tydfil—perhaps it is not I who should say that, as the Assembly Member, Huw Lewis, is here to welcome us to his constituency. However, it is a real pleasure to be in Merthyr and to see this wonderful building. Those of us who did not attend the official opening on 30 November had an image in our minds of what the building was like, but I have to say that now I have arrived and actually seen it, I can see what a high-quality building it is. I have spoken to some of the staff who work here and I can see why they are so pleased to work in a building such as this.

[2] I welcome members of the public—it is nice to see you; thank you for taking the time to come to committee this morning. There are a few housekeeping rules to announce before we proceed. If anyone has a mobile telephone, pager, BlackBerry or anything electronic, please switch it off, and not set it to flight or silent mode as it will interfere with our very sensitive broadcasting equipment.

[3] No fire drill has been scheduled for this morning, so if the fire alarm sounds, we will be required to leave the building in an orderly fashion. Please be guided by the ushers and the security staff, who will see that we leave safely.

[4] I am sure that you all know by now that the National Assembly for Wales operates through Welsh and English, so if you require simultaneous translation, please use the headsets provided on your desks or seats. The headset will also provide amplification, if you require it.

[5] I remind Members that we are back to what we know as the old system of microphones, so you can press the button, if you wish, but if you forget, do not worry because our sound engineers make sure that the equipment operates. However, I ask you not to speak until the red light on your microphone is lit.

[6] We have received an apology from Laura Anne Jones; other than that, we have a full committee. If there are any declarations of interest, please make them now. I see that there are none.

[7] Before we move on to the next item, I must say how delighted I was by the success of the launch of our youth homelessness review last Wednesday. The report was very well received by all sectors, and it was especially lovely to see the young people who had travelled down from north Wales and how delighted they were to see that their words were actually used in our review. I think that we should pat ourselves on the back for that one.

9.33 a.m.

Cofnodion y Cyfarfod Blaenorol Minutes of the Previous Meeting

[8] **Janice Gregory:** These are the short minutes for the 1 February meeting. They have been circulated to everybody. Does anybody have any comments? I see that they do not.

*Cadarnhawyd cofnodion y cyfarfod blaenorol.
The minutes of the previous meeting were ratified.*

9.33 a.m.

Adroddiad y Gweinidog Minister's Report

[9] **Janice Gregory:** This is another comprehensive report, Minister; thank you very much. As we have a full agenda, I will ask you to present your report now.

[10] **The Minister for Social Justice and Regeneration (Edwina Hart):** Thank you. I have a couple of items to report orally, Chair, which I will happily put in letter form for you to circulate to the committee so that Members can look at them more fully.

[11] I think that it was Elin Jones who raised the issue of affordable housing with me in Plenary on 31 January, asking me to look at the legislative framework for maintaining affordability and the definition of affordable housing to see whether we could do anything to assist when we have our new powers in May. Although we have introduced guidance providing extensive information on how to define affordability, I have also asked officials to continue to look at these issues to see whether there is any possibility for us to look at legislation in Wales after May. This will be an issue for whatever Government is formed then, but I am happy for my officials to look at this issue. Something will probably come back to the Assembly after May. It is always useful to take the opportunity, if we can, in legislation to do what we can, as we will have those powers.

[12] On Supporting People, a lot of concern has been expressed in committee about Supporting People funding and I am pleased to inform you that I am transferring additional resources of £2.6 million into the budget for 2007-08, to give the necessary uplift. As you will be well aware, this is in addition to the £5 million added to the Supporting People budget for 2006-07. I thank the committee very much for its support for the increase in funding for Supporting People.

[13] Chair, I wrote to you on 9 January concerning the fire and rescue service and proposals to consult on the terms of the fire and rescue intervention protocol and amendments to the fire and rescue service national framework. I would like to thank the committee very much, because there has been excellent support from Members on this. As a result, the formal public consultation has now commenced and will run until 2 March and it is intended that the protocol will be finalised and that the amendments to the framework will be brought into effect by the end of March.

[14] Given concerns raised since devolution about how we have worked with the fire and rescue service, I am considering what further legislation I might want to take on board following the Government of Wales Act 2006. As you will be aware, Section 19 was removed when the Government amended the legislation, and I know that the Fire Brigades Union and others are particularly keen to see whether the Assembly would like to look at powers of that kind. That would mean that, if there were issues, such as closures of fire stations and so on, and public interest issues were of paramount importance, there would be intervention powers. I am sure that that falls in line with what Members have pressed me on previously. That is not to say that we do not enjoy a good relationship with the fire and rescue services, but I think that it is important to have something in your back pocket on these issues.

[15] I will also give you an oral update on Communities First partnerships. My officials

are currently in the process of revising the annual report submitted by the Communities First partnerships to the Welsh Assembly Government. Leanne, you will be pleased to hear that, as part of this revision process, information on the make-up of the partnership will be requested in the new report. That will be sent out shortly. The information will now include the names of all partnership members as well as their gender, ethnic origin and whether they have any disabilities, which I think addresses some of the concerns that the committee has expressed.

[16] I am also pleased to advise the committee—and I thank you, Chair and Mark Isherwood for agreeing to this—that Katrina Williams has been appointed, following a competitive process, as chair of the Children and Family Court Advisory and Support Service Cymru advisory committee. The selection process was conducted in accordance with the code of practice for ministerial appointments to public bodies. As you know, she has an excellent reputation. Katrina is the chief executive of Children in Wales, president of the European forum for child welfare, and has also been a social worker, which is an added advantage. She has worked mainly in the area of child protection and is a member of a number of organisations and I am delighted that she has agreed to take forward this appointment. As you know, when CAFCASS was devolved to us, we were keen to ensure that there would be another tier that people could go to if they were not satisfied. It is important that we have such a well-qualified person prepared to take on the role. Some of you may know her from the voluntary sector partnership and the excellent work that she has done on children's issues, not only in Wales and the UK, but also within the European Union. That is my verbal update.

[17] **Janice Gregory:** Thank you, Minister, and thank you for the very welcome announcement on the Supporting People funding.

[18] **Sandy Mewies:** I was interested in the courts, particularly the Chester and north Wales circuit. Capacity will be developed in Mold and Wrexham, which is badly needed. Have we any idea when that will be extended? They have known about this for quite a while, have they not?

[19] **Edwina Hart:** We do not know the timescale on that, but we can make further inquiries.

[20] **Sandy Mewies:** I was glad to hear your comments on homelessness. I hope that the next Assembly will constantly review the situation with regard to homelessness, because I am sure that other Assembly Members, like me, are getting more and more cases where people are homeless. They cannot access affordable housing or get onto the housing ladder. More and more people with higher incomes cannot get onto the housing ladder because of the way in which property prices are going up. I would welcome that being kept under review.

[21] I welcome the money for Supporting People. That is excellent news and I am sure that organisations will be very glad to hear about it. The additional money for Care and Repair has also gone down very well indeed. It has really been welcomed in north Wales.

[22] **Edwina Hart:** Homelessness is now so high up the agenda for all of us across the political spectrum that it is important that we carry on the good work that has been done. The youth homelessness report, to which I am due to respond, is key in that area. Although some of the recommendations are not necessarily for me, it is important to support the principles that emerge from the report, albeit in relationship to the UK Government. As I said, however, I will respond to it in detail.

9.40 a.m.

[23] I am also pleased about the appointment of the health and homelessness facilitator, as I know that the committee has been particularly concerned about the lack of facilities for

homeless people in our medical services. There is a GP in the Cardiff area and there is some other provision elsewhere, but it is not provided universally and is not well understood. Homeless people are pushed from pillar to post if they want any treatment, so it is important that we have the facilitator, who we hope will take some work forward in that area.

[24] A constant review of the homebuy scheme is taking place, which helps the affordable housing agenda. Many issues come into play in all of this, so it is important that we do not lose the plot, and that we develop all policy areas to help that particular agenda.

[25] On Care and Repair Cymru, in the main, we are pleased about the way in which it has operated across Wales, although there will always be local difficulties in certain areas. However, it is important to recognise that it is an organisation that is delivering. It is dealing with the rapid response adaptations programme, and the enormous savings that that has delivered for the health service show what can be done when you have skilled professionals who can identify what adaptations people need in their homes, and other requirements.

[26] **Leanne Wood:** I welcome the information changes to the Communities First partnerships reports. Will there be any information on the ages of the people on the partnerships? One criticism has been the difficulty in engaging young people, and the problems associated with that.

[27] I welcome the additional £2.6 million for the Supporting People fund, so we are now talking about your adding £7.6 million to the pot. How sustainable is this, and what is the long-term thinking on Supporting People, because, in times of budgetary difficulties, things could be very difficult?

[28] On the report, I do not have a huge amount to pick up on, but I share your disappointment over the resignation of Professor Rod Morgan, in item 2. Will you have any say in the appointment of his replacement, and what are your thoughts on Louise Casey, who appears to be the Downing street favourite for taking over the post? That will take the Youth Justice Board for England and Wales in a very different direction from that in which Rod Morgan led it.

[29] I was concerned when I read item 3 on additional prison places, because, at some point, we are going to have to say that there are too many people in prisons who should not be there. You point in your report to people who are suffering from mental health and drug-related illnesses, and a large percentage of those people should not be in prison. A large percentage of the women who are in prison in England should not be there. Surely, the answer is not to build more prisons but to think of ways in which to reduce the prison population by dealing with the problems that these people have. Do you have any way of putting forward that argument into this whole debate?

[30] **Edwina Hart:** I would be happy to look at the age profiling of the Communities First partnerships, as it may help discussions from young people's end. I do hear concerns about the domination of certain groups, including age groups, on partnerships, and it is important to get a good balance. Young people do not always necessarily want that formal structure, so we need to know what informal arrangements exist for involving young people. I would be happy to look at that.

[31] I have put the £5 million into the baseline of the Supporting People budget, and I hope that I will be able to continue to put the increases into the baseline figure, so that will help enormously. If I were in the same position again, my wish would be to look for further increases in the Supporting People budget as part of any settlement in the next few years. However, the money is in the baseline, so it means that it is protected in real money terms.

[32] Like you, I was also disappointed about the resignation of Professor Rod Morgan. He shared many of the ideals of the Assembly Government about the youth justice system. He was particularly good at understanding our view that young offenders' institutions should be far smaller arrangements closer to home, and we held productive discussions with him all the time about these issues. As you know, I have taken an interest in certain things in Wales, and he was enormously supportive of that. As a Government, we are prepared to help financially, because they are Welsh youngsters at the end of the day, and we want suitable facilities for them.

[33] We will obviously have some involvement in the appointments panel board, but I will not be allowed to take a formal view on this, in any shape or form. Like you, I also want to ensure that we appoint someone else like Rod to be the next chair of the Youth Justice Board for England and Wales, someone with enormous integrity who is seen as being independent. That is very important for public confidence, as people like to see someone with a voice of their own who is prepared to stand by their principles on issues. That is always a difficulty with quangos and positions such as this, so it is important to have someone who is independently minded. However, we will have to go a long way to find someone who will be as good as Professor Morgan in taking a lead on those issues.

[34] On additional prison places, there are too many people in prison, and I think that particularly when I look at the female prison population. When I see why some women are in prison, I think, 'No, no'. However, if they are talking about building additional prisons, I would like a facility in Wales so that more Welsh prisoners can be in Wales—purely so that they can keep in contact with their families and so on. I am hoping to have a meeting with Gerry Sutcliffe, the Under-Secretary of State with responsibility for prisons, to discuss some of these issues. I will certainly put forward my view that there is far more of a role for certain services outside prison, if it is possible for us to provide them. Obviously, there are some people who need to be detained in prison facilities, and it is important to recognise that, but a lot more work can be done outside them. Prison is also an expensive business, so if there is to be a new prison in Wales, I have indicated that I expect it to be run by the public sector, because who runs prisons is also an issue. I think that I have covered your points, Leanne.

[35] **Mark Isherwood:** I look forward to seeing the definition of 'affordable housing'; that is critical, because there is so much nonsense going on, with disputes over what it really means. I very much welcome the additional Supporting People money, and I wish that it had been in the budget originally. The sector has been very concerned, so this has been warmly received. Some little bird had told the sector what was coming in advance.

[36] Could I just confirm that the £5 million that you referred to was the consolidated figure from last year? Although it is still welcome, it is not additional money this year. Could you also confirm what the Members' research service has told me, namely that Supporting People in Wales is now determined by the Barnett formula and is no longer funded directly, as annually managed expenditure, by the Treasury?

[37] You mentioned the fire and rescue service, and I wish to raise one point on that, given the recent issues with accident and emergency departments and the ambulance service, the recent debate that we had on the audit report, and the role of the fire and rescue service in co-responding. I am told that up to 85 stations across Wales could be involved in co-responding. Roughly 18 months ago, you accepted the retained review team's report, which covered, among other things, co-responding by retained members of the service in their communities. What progress is occurring with that?

[38] In terms of restructuring the courts, I recently went out with members of the North Wales Police number-plate recognition scheme, and it was obvious that most of the people being identified through the scheme were coming in from Merseyside, Manchester and

Cheshire. The police told me that, when they traced the activities through, that was where the more serious offences were focused. I refer to your report, which says,

[39] ‘all criminal cases originating in Wales will be heard in Wales’.

[40] That is, other than in the excluded areas detailed. Does that include people who have travelled here from England to commit their offences, and who have been caught by Welsh police forces?

[41] On additional prison places, I would be grateful if you could also express our concern about the following matter. The last time I visited HMP Altcourse, which is a private prison, staff said that they had been told by the Home Office to build additional accommodation blocks on the site of the prison’s rehabilitation and horticultural education scheme. That was clearly a concern, given our combined interest in rehabilitation, which you refer to later in your report, and for supporting prisoners with mental health and drug-related illnesses. In that capacity, although possibly not today, perhaps you could also tell us about the progress on the detoxification report in north Wales. I understand that the whole service, including in-patient beds, is underfunded.

9.50 a.m.

[42] On alcohol consumption post the smoking ban, will you confirm that that will include the concern raised by licensed victuallers among others about the home trade—that is not about the total consumption of alcohol, but about the pattern of consumption moving away from licensed premises to the home?

[43] On post office issues, I am glad to see that you are consulting the Welsh Local Government Association on delivering local government services. Are you also exploring additional services, perhaps through credit unions tied to the tender on the post office card account? What discussions are you having with the sub-postmasters and sub-postmistresses to seek their input to this agenda?

[44] On Farepak and banks and building societies, I know that building societies that are still building societies and mutual property organisations are limited by building society legislation in terms of private, non-secured lending. However, in the past, they and credit unions have shown a great interest in working together. It would be interesting to see whether some synergies could be pursued there, given the greater resources available to real building societies.

[45] On financing the social enterprise sector, I am surprised that the demand in Wales was insufficient to make a community development finance institution sustainable. When we took evidence in committee from the social enterprise sector, we were told that it was reaching only the tip of the iceberg—and that is its phrase. This would need a Government drive to raise awareness of the potential that the sector can deliver. Many UK figures are provided here, but there are no Wales figures. Are those available so that we can see to what extent the sector operates and grows in Wales?

[46] There are two items on Gypsy and Traveller sites. I have been invited by the local council, as has Sandy, to attend a meeting tomorrow. There has been an issue with the local authority not fully understanding what its input should be, so I hope that we will have some assurances on that tomorrow. However, more to the point, concern has been raised about the need for a new fixed site, but the additional moneys, which are welcome, are simply earmarked for the refurbishment of existing sites. What consideration could be given to that?

[47] Could I have more detail on the north Wales loans pilot scheme, which presumably

was the alternative to WHILA, the Welsh Home Improvement Lending Agency proposal? We have reported some progress over the first year, but I would be interested to know what that progress is and what the terms of the scheme are. For example, what are the rates of interest; are they secured on property; is it for the lifetime of the borrower; and is interest consolidated or does it have to be repaid? So, what are the terms and how are they being promoted, particularly at a time when I know that the three authorities quoted here are having particular issues with their home improvement grant funding?

[48] Finally, on excess winter deaths, you answered a question in Plenary for me on this. However, just to clarify, are we simply looking at existing research or will we look at new research, if appropriate—and as called for by Help the Aged and Age Concern—to identify other contributory factors linked, but not directly related, to fuel poverty, which could also be addressed within a broader scheme?

[49] **Edwina Hart:** I will answer your questions in reverse order. On excess winter deaths, I have taken the motion and amendment passed in Plenary to the letter. In the first instance, we are looking at existing work, but that does not preclude us from doing further work on what will be a wide-ranging issue that cuts across various portfolios.

[50] On updating the north Wales loan pilot scheme, I will get a note done for you, Chair, to circulate among committee members. That can be dealt with by my officials, who are listening to this discussion.

[51] On Gypsy and Traveller sites, the Assembly Government has, in many areas, taken on board almost everything that came out of the report of the Committee on Equality of Opportunity on Gypsies and Travellers. I assure you that the work that we are undertaking in some divisions and departments is fundamental, and we are trying to deal with these issues. However, I am not responsible for some of the issues facing local authorities. They are quite clear about their roles and responsibilities. We have made money available to refurbish existing sites and, if anyone has visited those, they will understand why we are looking at refurbishment issues in the first instance. Those sites are a disgrace, and you would not expect anyone in this century to have to put up with the conditions on some of those sites. This is a long-term issue and we now have a dedicated department to take that work forward. I hope that that department will be able to help and assist local authorities, if they have powers.

[52] I must say that Mark never struck me before as such a centralist; I think that he would like me to take all of these powers myself to deal with Gypsy/Traveller sites. There must be a little of the Marxist in him, given his tendency towards centralism on all these issues. At the end of the day, local authorities have key responsibilities on this, but, over the years, because it is a difficult area, they have chosen to duck some of their responsibilities and not look at the issue of sites. However, because of the focus in the report for the committee and the Government's response, this is proceeding very well. Emyr is chairing a working group of officials to drive this agenda forward; it is not just an issue within my portfolio.

[53] On the finance and social enterprise sector, a Welsh group did all the work in providing me with advice for this report. It might be disappointing to you, Mark, but that is how the group saw things—I sought advice from experts in the field in Wales, and these are the matters that they said were issues for them. That does not preclude us from looking at that again in future and keeping it updated so that we know what is going on; we have to do that, because we want to see a vibrant social enterprise sector emerging in Wales. So, there is work ongoing, but that is the advice that was given to me by a Welsh focus group.

[54] On credit unions as they relate to Farepak, we are already doing a tremendous amount of work with them. That links in with Post Office issues in particular, and we have carried out a project in Llanelli where post offices were used to pay money in to credit unions, which has

proven quite successful. I am aware that, if we are going to support post offices, we are going to have to be innovative and link up with all the other areas that will help people financially. I note your points on Farepak; there may be an opportunity for more work to be done on that issue.

[55] On alcohol consumption following the smoking ban, as you know, the Scottish Executive is doing some work that I think would be useful for committees to look at. The point has been made that it is thought that people are drinking more at home, in which case, they are probably smoking more at home. This is purely anecdotal, so we need to wait to see what comes out of this work.

[56] On the fire service, Mark also raised the issue of co-responding. A great deal of excellent work has been done by the fire and rescue services on this. Now that fire and ambulance services are devolved there is an opportunity to look for more joint working across the services in certain areas, which is particularly relevant in rural Wales. Given where ambulance and fire stations are located, there does seem to be an opportunity for further work—we are working, at official level, on how services could be more joined up with regard to site locations and so on. That has an impact on discussions about co-responder schemes. It is important to recognise that the fire service is an excellent, well-regarded service, with many dedicated personnel, whom I am sure could assist with other things. However, it is also important that I take the Fire Brigades Union along on this issue. The FBU in Wales has been excellent on all our initiatives, and I think that this issue will be up for further discussion.

[57] I think that everyone recognises that the announcement on Supporting People is welcome. This is an area where we have to look at the money and where resources are placed, because we are talking about the most vulnerable people. It used to be an annually managed expenditure line at one time, but it is now a departmental expenditure limit line, and since we have had direct responsibility for it, we have tried to put additional resources in. However, I do not think that it will ever be enough in some areas—there is an expansion in certain areas that we need to have due regard for. We have made a good start in the sense that the baseline is now £5 million and we have put in this additional cash, but it is very important that whoever is returned to the next Assembly ensures that that budget line is considered in discussions, because we are dealing with some very vulnerable groups.

[58] The voluntary sector is still very concerned about what is going to happen in the future with the grant—whether it will go out to local government and so on. We are looking at funding formula issues with regard to Supporting People, which are separate from the issue of whether it goes to local government, and we are hoping to have something on the funding formula in the summer. However, we will then have to make a decision about any transfer to local government. At the moment, the voluntary sector is very hostile to that idea, because it does not feel that there would be enough certainty about the provisions that local government makes, and, as you know, I share its concerns. Some local authorities have a long way to go to prove that they would be able to manage that money more effectively.

10.00 a.m.

[59] On drugs, I do not accept that there is insufficient funding going into north Wales. We have set up a working group to look at in-patient services; I announced that at the last Social Justice and Regeneration Committee meeting, I think. The report has not yet been finalised, because we are waiting for further information, so all this work is ongoing. I think that I am quite honest about resources for drug and alcohol services—I responded to you on this, Leanne, saying that this is an expanding area, and when you asked me directly whether I was going to reduce the numbers, I said, ‘no’. My aim is to provide the services that people need in this area. It is important to recognise that this is not something that we should be batting across the table; it is something on which we should be united in terms of providing

these services for people across Wales.

[60] **Janice Gregory:** We will move on now to item 4. Sorry, Mick—

[61] **Mick Bates:** I thought that you had forgotten me.

[62] **Janice Gregory:** As if I would ever forget you; I do beg your pardon.

[63] **Mick Bates:** I will start by echoing your remarks, Chair, about how great it is to come to this wonderful building. However, it appears to me that they must have a parking problem, because so many cars are parked on the road. I would be interested to see what planning went into the parking here.

[64] **Janice Gregory:** I think that that is in honour of our visit—I think that they have freed up some parking spaces for us.

[65] **Mick Bates:** I see; they have moved everybody out for the day. That is interesting.

[66] Thank you for your report, Minister. On the oral report and the fire service, the one issue that is of grave concern to me is the consultative process and ensuring that the retained fire service is represented at every stage when the integrated risk management plan is finalised. In rural Wales, there are many positive working relationships between local companies, with flexibility established therein, so we must not lose that valuable resource for our fire service. I still have some grave concerns that, during the current period, that resource may be lost. Secondly, the co-location issue is one that is for a future agenda, but I am glad to hear that you are engaging with the FBU to ensure that there is an effective use of resources—I am sure that your input will be quite strong there. I also welcome the extra £2.6 million for the Supporting People fund.

[67] At the end of item 1 of your report, on the restructuring of the courts, you mention funding; I would like to know how much is from local councils and how much is from the Welsh Assembly Government. It does not make it clear who is paying for the facilities. In mid Wales, we do not just have capacity problems, but also facilities problems: the courts do not have sufficient secure facilities or facilities for visiting solicitors and judges. I would like to hear what work has been undertaken to ensure that the new courthouse that has been proposed by the Home Office is built in Newtown.

[68] I will leave out a few of the points that I wanted to make, because they have already been mentioned, and move on to sections 7 and 8 about credit unions and financing the social enterprise sector. I have some concerns about this document, one of which has already been flagged up, on the lack of information about Wales's work in the social enterprise sector. I would reiterate two points on that: one is that there appears to be a lack of engagement with the private sector in terms of ensuring that there is real financial literacy, when using European funding, to ensure that projects have an exit strategy and are truly sustainable. The Minister should be telling us more about how effective the projects have been in terms of social enterprise and the way that they have extended beyond the life of the grant period. That is still a major problem for me and that is why the emphasis on engagement with people who have experience of running financial businesses is crucial.

[69] I would make the same point about reporting back on Communities First. The point that Leanne raised about the age profile of those who engage with that scheme is extremely important. Equally, we need a profile of the level of financial literacy to ensure that, in the sense of building up a strong local economy, people have engaged with financial institutions and private enterprise to ensure that they have sustainable engagement with business. Without the establishment of business, there will not be healthy communities. We are sending people

to work in other communities and I would like to hear what the Minister is doing to establish those figures and then, on the back of the data, to encourage whatever change is necessary.

[70] I, again, pay tribute to Robert Owen Montgomeryshire Credit Union Ltd on the establishment of small loans that really link in to businesses. However, problems seem to emerge and there is an increasing need to get community banking off the ground. What engagement have you had on that? Many banks have been trialled as charity banks and so forth, but what discussions have you had with those who are trying to establish community banks? How will their relationship fit in with credit unions like the Robert Owen Montgomeryshire Credit Union?

[71] **Edwina Hart:** I am very much taken by the discussions about community banking and so on. My officials will have had discussions on this, but I have not had any specific conversations on it, although I would be happy to do so.

[72] You mentioned business engagement with Communities First areas, which can sometimes be quite difficult—and not for the want of trying within partnerships. More work could certainly be done in that area, so the point you make is quite good. As you were speaking Emyr mentioned another relevant point that you made, which is on the future sustainability of businesses. We might ask the Welsh European Funding Office to commission work to see what has happened over the years that we have had the structural funds, and what businesses have carried on. That might be quite useful for developing future policies.

[73] The restructuring of the courts is not really a matter for me, but for the Department for Constitutional Affairs. However, these matters increasingly have knock-on implications for us, when concerns are registered by Assembly Members and others about the availability of services in their areas. Following on from Mark's point—and I was not being rude in not answering earlier—about where people are tried, it is probably where they are listed when they are arrested. It is out of our control, but we have tried to influence some policies on the legal side, because we are pleased that Wales is now one area, which is important. However, this has some financial issues for the DCA budget, and it is probably better for Members of Parliament to make the necessary representations on behalf of their constituents. I always feel that, like democracy, the justice system should be close to people and accessible, which is important in that context.

[74] One point in my report that I expected you to pick up on, which you did not, was my action point on the Home Energy Conservation Act 1995. Following my discussions with Derek Vaughan, we are now down to two local authorities that have not responded—Ynys Môn and Carmarthenshire—so we are making progress. I stressed to Derek that, as a committee and across parties, we are exceptionally interested in this work and we expect local authorities to be doing quite a lot. I also commented to Derek Vaughan that there are very dedicated officials in local government who deal with this issue, but that the same emphasis is not put on it when it goes further up the food chain, as it were.

[75] I will pick up in later reports on some of the points that Mick made, and I will look at the issue of discussing with WEFO the commissioning of work on the future sustainability of businesses; I think that that will help policy development in the next four years.

[76] **Janice Gregory:** Thank you, Minister. My apologies again, Mick; I would never want to leave you out.

10.07 a.m.

Tai Ar Gyfer Pobl Hŷn Housing for Older People

[77] **Janice Gregory:** I remind Members that the Social Justice and Regeneration Committee's first review was on housing for older people, and we are all still justifiably proud of the report that we produced at that time. So this is a welcome item on the agenda for us, I am sure. Minister, will you introduce the paper?

[78] **Edwina Hart:** I have with me this morning Jeff Childs from the Housing Directorate, who has contributed wonderfully to the development of this policy. I place on record my thanks for all the advice that I have received on this issue. This is not an easy report to take forward, because there are aspects to it that are not under the control of my department; that will influence these issues. Steady progress has been made—it has not set the world on fire, but we have made steady and real progress. Further progress on those recommendations has pronounced social care and health dimensions, which will be addressed through the publication of a strategy for social services. It is important for us to acknowledge that link. That will, at the same time, be complemented by the publication of a consultation document on the future of community health services, which will carry forward the agenda set out in 'Designed for Life'. I know that Members will be particularly interested in those links into this particular agenda.

10.10 a.m.

[79] We are fully involved with social care and health colleagues in these important areas, and it is important that this working across departments continues on what is an important agenda for the Assembly Government. You will notice the strong cross-cutting themes, and the equality dimension of the report is important when we are looking at the issue of housing for older people and all the services that we need to provide for them. There is a recognition now that, sometimes, home is the best place for older people, but it is important that all the support services are in place, because we cannot have a situation where, if a carer falls ill, there is nobody to replace them. We must start to talk about the issues around that, about valuing the carers who look after older people, improving their terms and conditions of service, and that type of thing. That is vital if we are to get quality people in to deal with what is a very important agenda, given our ageing population. So even though this subject starts off as housing for older people, it is extensive in where it leads, and I am sure that other Assembly committees would benefit from having a discussion, before we finish, on some of the cross-cutting themes that are emerging on this.

[80] **Janice Gregory:** Thank you, Minister. Certainly the right of people, or the desire of people, to stay in their homes for as long as they possibly can, and to live independently, was a very strong theme in all of the evidence that we took during that review.

[81] **Sandy Mewies:** I think that the Assembly is doing well on this issue, for example, with regard to telecare. The North Wales Fire and Rescue Service is currently providing telecare facilities, as are others, which will enable people to stay in their own homes. We heard about extra care when the Minister visited my constituency recently. So all these things are coming together, but I do have a concern. Although people express the wish to live out their lives in their own homes, and that is their right, and it has to be supported, you have made the point that this is a cross-cutting issue. It cut across other directorates, and Hugh might recall that, over the years, one of my great concerns has been about the funding issues that crop up between health and social services when people cannot stay in their own homes. Care and Repair Cymru is great, and I mentioned that when I first came here; we have made great strides with that, enabling people to live in a repaired house when they might otherwise have been forced out. However, one of the real issues for me is care during the night.

[82] There are many services in place to take care of people during the day, but care during the night is rare indeed. Some people could stay in their own homes if they were maintained during the night, and that is not happening. The other thing, Hugh, is the definition of the type of care. When people have to go into care, health and social services will often not agree on the definition of clinical care. This must be tackled. I am always being asked why one person is paying for their care and another is not. Generally speaking, it is because this issue has been completely fudged. Dementia is an example: how can you say that a person with dementia, who cannot look after themselves because they will not remember to eat, wash, or cook, is different from someone who is physically disabled? How can anybody say that? This issue has been fudged, and I want to know whether this is being discussed in health and social services, and whether a conclusion will be reached, because otherwise these great aspirations we have about keeping people in their own homes will fail, because people will not meet the challenge of coming to a decision on the definition of care, and I am afraid that it is down to those big empires of health and social services.

[83] **Edwina Hart:** I will briefly comment on the bits that are relevant to my portfolio. On Care and Repair services, we are very much on the periphery of this. Care and Repair helps substantially, but some of the core issues relate to what was outlined by Sandy, and it would be entirely appropriate for Hugh Gardner to address some of Sandy's comments.

[84] **Mr Gardner:** The Assembly Member has touched on some sensitive issues. Of course, the crossroads between services is often the point of greatest difficulty. If you were to talk to health and social care services, they would say that continuing care, as they call it, is a real concern in terms of escalating costs, resolving cases, getting the best fit for people, and, in terms of what you have just said, their wish to stay at home. Much work is going on on that, but it is only fair to say that I think that the services see this as an escalating problem at this stage.

[85] **Sandy Mewies:** I know that it has been going on since I was the chair of social services at my local council.

[86] **Mr Gardner:** That is true. Perhaps this is one of the biggest challenges of a more joined-up approach—we need to take a step back and start looking at how best to deliver the right services for people, rather than working from the boundaries of who will have to take financial responsibility. That is one of those issues that local service boards might wish to address when they come into being.

[87] **Leanne Wood:** I have a brief question, which follows on from Sandy's point. Several local authorities are experiencing budget squeezes in social services departments, which will have a knock-on effect on the issue that you were just talking about. How will that affect the implementation of these recommendations? If we are going to discuss this issue again, before we break up, would there be any merit in having the Minister for Health and Social Services here to address some of these concerns?

[88] **Janice Gregory:** I appreciate what you are saying. I will have a look at the agenda, but our agendas are quite fixed between now and when we break up. I should have said at the beginning of the meeting that we will be leaving a legacy paper in which we can make strong recommendations. It might be better for us to do that, rather than try to get a rushed meeting and get the Minister for Health and Social Services for a quarter of an hour, or half an hour. However, I will have a serious look at it, and see whether there is any way that we can do that.

[89] **Edwina Hart:** I appreciate that some local authorities are concerned about their budgetary position in relation to social services, even though I think that it is a question of

what they prioritise in their own budgets, and where they put their money. It is all too easy to say, 'We have not had 29 per cent out of the Assembly this year, and this is where the pressure points are'. I think that authorities need to look carefully at what they prioritise and what their core services are. The services to the most vulnerable in society must be the core services for local authorities to consider.

[90] The trouble is—and forgive me for saying this; perhaps I am speaking out of turn—that there has not necessarily been the will in some areas to regard social services with the type of regard that we give it in relation to its importance. It is almost seen as an issue that no-one wants anything to do with—it is someone else's problem and issue. You can see that in some of the standards revealed in the reports on local authorities' provision of social services; quite frankly, when I read some of the comments in the reports they make me blanch.

[91] Hugh has made the point that this is the big issue; this has been the big issue for a long time. We have known that we have had an ageing population, and that people are far more articulate about what they want to do and where they want to stay, and it is important that the necessary services are put in place. As individual Assembly Members, when you have the cases before you, and people are asking you, effectively, to represent them in a budgetary discussion between health and social services on where the medical need is in all this, it can be heartbreaking. At the end of the day, this should be seamless—the individual should not have to worry about whose budget this comes out of. Even though much more work has been done, which has been quite effective in some areas, it is still not as effective as it should be—I do not know whether Hugh will agree with that.

[92] This knocks on to housing issues. Sometimes there are people in quite large properties, and there must be much more discussion with people about whether they would like to live in the same area or elsewhere, especially if that would be in social housing, which would be more manageable. We have not been brave enough to have some of these discussions with individuals; we should be having these discussions. There is a real case, with Beecham, to look at this on the basis of a greater geographical area, and to look at what can be done, and how we can sort things out.

[93] As an interesting aside, I have had a paper recently about allocation policies for housing. There are issues that emerge in that all the time about whether, if you have a child, and that child wants to live near you, extra weight be given if that child has caring responsibilities. This extends to all these areas that may seem peripheral at first, but which are key to some of this agenda on older people and carers.

10.20 a.m.

[94] **Janice Gregory:** On social housing, I visited Aquila last week, which is along the road from us in Cardiff bay. Cardiff Community Housing Association is addressing that very issue of whether people perhaps living in large family homes and council properties want to move out of them and into something more appropriate to their needs. It is all about joined-up thinking, because we really do need to start looking at this as a joined-up issue. As you said, we can do it within this portfolio, but it is the cross-cutting stuff that needs to come into play. I think that there will be quite a strong section in our legacy paper on that particular issue.

[95] **Mick Bates:** I have three points. Starting with recommendation 11, obviously a lot of work has been done in respect of energy efficiency. However, one issue still concerns me: it is very difficult to always keep pushing the financial levers from Government budgets, and I would emphasise that the energy supply companies have made massive profits. I know that they make token gestures—I recently launched a scheme with Scottish Power plc, which is one of many—but I wonder how much work is being done to keep pressure on the energy supply companies, which are responsible for a great deal of the pressure that occurs when

they put up their prices due to whatever international crisis is occurring. What work is being done to ensure that they bear some of the responsibility and put money back into energy efficiency schemes?

[96] On recommendations 12 to 14, about equity release, I think that this is a very interesting area. One of the issues that I see within this is that, often, we are not looking at innovative building techniques, and this links to recommendation 17 about building regulations. What work is being done to make sure that people are aware of recent developments, such as the pods that can be attached to homes, without the need for any internal alteration, to make a wet room, for example? Very often, normal hygiene processes become extremely difficult, and people have mentioned already the lack of co-ordination. If it is possible to attach something to a house rather than mess up the internal structure, that helps a lot, and there are companies that build these things now. What are you doing to get that?

[97] On recommendation 17, we had a revelation that the present Government will look at taking responsibility for building regulations. Are there any particular issues under recommendation 17 that you will be carrying forward when the new powers arrive within that?

[98] Finally, on the issue of swaps, reference was made to this. So many of the issues that we see in our surgeries could be overcome by the use of a little bit more initiative in departments to make sure that the appropriate housing is allocated to people in certain circumstances. Are there any figures on how housing departments are using their powers to make sure that, when someone needs a bungalow, say, a young family can be moved in to that person's current home so that he or she can take on a bungalow? That whole area will resolve so many issues.

[99] **Edwina Hart:** Mick is ever hopeful on this agenda, but I can assure him that, at one stage, some local authorities did not know how many properties they had altered through disabled facilities grants. We are at least making progress in that area. I will ask Linda to have a look at this, but I am fairly certain that there are no centrally produced figures for this, or any figures for this produced by local authorities. However, we will make inquiries.

[100] Like you, I feel that this information should be provided, should it not? I am not being funny, but you should know where disabled facilities grants have gone and what properties they have been spent on, so that when those properties come up for allocation, you can think to yourself, 'Who's on the list that requires this?', and not just think about where the person is on the list or how many points that he or she has. Instead of just moving people in according to the list and points, you have to start to look at their needs. These are some of the issues that we are concerned about in how we deal more innovatively with allocations policies. I think that that work is starting to come through, so we will make some further inquiries. However, you have hit on an area that has required work for quite a long time.

[101] In terms of the pods, we do know quite a bit about this, and officials are quite well up on it. I think that you are quite right because, sometimes, you need a minimum intervention in a property—you just need perhaps a wet room downstairs, and people will just use the downstairs of their house then, and it is just a matter of ensuring that everything is all right for maintenance elsewhere. That is the way to do things in the future—not looking at sometimes grandiose suggestions for alterations, but doing what is simple and meets the immediate needs of the individual. There has not been a road-to-Damascus conversion on building regulations—I have always been very keen on the devolution of building regulations, but I have always been concerned about the cost implications for the Welsh block grant in this regard. Of course, in terms of building regulations, there is a whole issue of what we want to do in relation to home energy efficiency standards. As Carwyn indicated, with agreement, in his statement this week on sustainable buildings, this will have to be looked at. It will also

have to be looked at in terms of what the UK Government is currently considering, because, if the UK Government is going to put in some changes, then we might as well have those done tidily for us. So, we are looking forward to that. It is important to have building regulations here, because there are certain, standard issues for which there will be cross-party support. That is moving along, and officials have already done a considerable amount of work in that area.

[102] On energy supply, one of the key issues is the level of profit made by the companies and how much they put back into energy efficiency projects. I was very interested in the Cilcain project and how much it worked out at per house. I believe that it was with Scottish Power. If you consider how much the charge was, you wonder whether it could offer more support. I know that it deals with this a lot nationally in terms of the pressure that is brought to bear and I think that it is very important that we add our voice to that. There is an element of corporate social responsibility in terms of these companies and the profits that they make. It is all very nice for certain companies to give us money back on our gas bills, but some people have had enormous difficulties. This obviously has an impact on the home energy efficiency scheme and the number of houses that are included. We know that because of the energy cost issues. I do not think that the public sector should be—well, there are issues around this. So, I take on board the points that Mick made.

[103] **Mark Isherwood:** This is critical, because we know what is happening with the demographics: the population of older people—including all of us—is growing. In fact, I think that the number of those over 85 years old is forecast to increase by more than 50 per cent. In 10 years, one in three households will have someone over 65 in them. So, we are not just planning for today, but for 10, 20 and 30 years down the road.

[104] In terms of extra care, which is referred to here, we have a budget of £20 million from April, but the bids are already around £60 million or £70 million. Many areas claim that they have extra care schemes coming that have not been approved and, obviously, initially, two thirds of them will not be. There have been linkages between extra care provision and the small residential nursing units and NHS bed provision, where, for example, a local community hospital with beds is going. Can you comment on my perception that that is wrong and that, yes, the extra care units need that facility for the community of older people that they are servicing, and a broader community where appropriate, but that they are not an alternative to an assessment of NHS need?

[105] We heard reference to local authorities and social services. I think that the Welsh Local Government Association used the term ‘unsustainable’ with regard to adult social care. My concern is on home carers and the 15-minute slots and social isolation. The only social contact that some people have is with someone who is popping in to feed them, to ensure that they are taking their medicine, and to give them a wash.

[106] Similar concerns were raised by Care Forum Wales. The matter of linkages with the care home sector was included in the report. There were concerns about the increasing loss of nursing beds. I know that, increasingly, care homes have to take nursing patients and that nursing homes have to take acute nursing patients, for which neither is resourced. Hospices are similarly vital to day care. Most of their work is not around residential care but day care for people who are living in their own homes but who need appropriate support. They are saying that they were not consulted with regard to the £2 million funding and that it does not represent their needs. I could go on. For example, the Alzheimer’s Society has expressed huge concerns. However, I agree that this is a cross-cutting agenda and that it cannot be delivered by one department alone. Hopefully, you can give us some assurance that, now that you have recognised the linkages with ‘Designed for Life’, which I welcome, this can now be a driver as that agenda comes forward.

[107] I have two further brief points. I have been working with a housing association in north Wales on telecare. One concern that has been expressed to me—and I am not being a Marxist here; I am just expressing its concern—is that the funding is going to local authorities but most of the delivery is being done through the voluntary and registered social landlord sectors. At the moment, the two do not meet. It feels that it should have a bigger voice at the top table. That came from an academic who is advising the housing association.

10.30 a.m.

[108] Finally, with regard to Mick's points about energy, the Consumer Council for Water held a useful meeting in the Assembly a few weeks ago, which involved utility providers, regulators—the whole sector was represented. Sadly, I was the only Assembly Member who attended, although it was open to us all, but everyone present was able to answer accusations of that kind. Would it be useful to ask Consumer Direct to facilitate a similar arrangement in the Assembly that we could attend? It could be an open forum in which we could directly question the utility providers, among others.

[109] **Sandy Mewies:** If you do not mind, Chair, I will ask Mark a question. Are you saying that people are going into homes when their assessment says that they should be in a different type of institution? If that is the case, the homes are breaking regulations. They would be in serious breach and could be closed down for that.

[110] **Janice Gregory:** That is what I heard Mark say.

[111] **Sandy Mewies:** If that is the case, the inspectorate would take it very seriously.

[112] **Mark Isherwood:** I have even seen hospice provision in a care home because there is nowhere else for people to go.

[113] **Edwina Hart:** This is a very serious issue, which will have to be addressed to the Minister for Health and Social Services, because some of these issues are specifically on the health agenda, such as hospice funding, and are not matters for me. I might be tempted on a good day to answer the issues, but I am not tempted today.

[114] The extra care bids are joint bids between the registered social landlords and the local authorities. An enormous amount of dialogue is going on across Wales, and we are getting a much better response than we have had in years in terms of some of these issues. I have not yet received the final submission on the extra care, and Mark raised the point that there are many bids in. I have many bids in for many different things and many of the bids do not stack up. I usually find that I am able to finance what does stack up, and it is always useful to do so. I also maximise my underspends on housing at the end of the year so that more money can go out, because that is the way in which the budget is run in my department. If we can see that there is something happening now, we get the money out through the door. I certainly do not want any of it going back; I want to spend it in my portfolio, and that is important. There is good dialogue going on in substantial areas around this issue, and it is important to recognise that the extra burst of money that has gone into this is making a difference. It is nice to see local authorities engaging with the registered social landlords, because you have to look at what you need locally on this—there is a local dimension to all of this.

[115] I am concerned about services and what happens with individuals and where they are. Mark makes the point that it is nice for them to have social interaction. Yes it is, and I appreciate that some people do not have families, but there are strong family responsibilities around some of these issues. We may not be talking about physical care, but we are talking about the dialogue between generations, and so on. I am 50 this year, and I look back at what happened years ago. For instance, I never knew what was wrong with my aunt but she was

always a bit odd. I now know that it was Alzheimer's disease. I had the same conversation every time that I went to her house. You get used to it as a child and you do it, do you not? There are issues about wider responsibilities. I know that people are busy with work, and so on, but there must still be a role for the family; the state cannot take over everything in terms of these issues. We can deal with the core care elements, and the voluntary sector is enormously helpful in terms of providing befriending schemes and having people pop in to see those who are on their own, and we should perhaps encourage more people to volunteer in that area, and to spend half an hour doing something. In the Assembly, we have given staff five days a year in which to do volunteer work, but if they choose to volunteer for a couple of hours each week to visit someone, that is a good way of volunteering. It is much wider than state involvement and money—it is a massive issue. I do not know whether Hugh wants to comment on some of the specific issues that have emerged in the health and social care agenda.

[116] **Mr Gardener:** This is a very broad spectrum of issues. What the Minister has just said about the boundaries between family responsibility and state responsibility is critical. Something like 100,000 carers provide in excess of 50 hours of care. That is a larger workforce than that in social care or health, and small changes in that will have huge implications for formal services.

[117] On isolation, little home care is allocated to address that. It would be an aspect of the wider care of a person, but there is simply too much pressure on the home care service, and the eligibility criteria that social service departments are operating would predicate the care capacity that existed around personal care issues and survivability in the person's home. That leaves a large area that the voluntary sector or families need to address if it is to be met. However, it matters a great deal to older people, and these things have knock-on consequences in the wider aspect of people's wellbeing and health and so on.

[118] **Mark Isherwood:** I have just a brief comment to make. I fully agree that family and social responsibility should be the ideal solution in every possible case. I regularly attend Alzheimer's Society meetings in my region, and a specific concern raised by carers and those with the onset of early-stage dementia is that, when carers die before the person with Alzheimer's disease and they are no longer able to care for themselves, they now find it extremely difficult to find anywhere to go with appropriate residential support. We are not talking about new provision, but about the maintenance of provision for these people.

[119] **Janice Gregory:** Thank you all for that. As I said, the legacy paper will be left for the incoming Assembly in May.

10.36 a.m.

Is-ddeddfwriaeth Secondary Legislation

[120] **Janice Gregory:** Item 5 is secondary legislation. No-one has informed me of any items of secondary legislation that they wish to scrutinise. Does anyone wish to do so now? I see that you do not. There has been no road to Damascus experience in the middle of the night, therefore.

Datblygu Cynaliadwy Sustainable Development

[121] **Janice Gregory:** We will move on now to item 7 on the agenda. I am bringing it forward because we have a little time and I want to give the appropriate amount of time to the

Communication Workers Union on the post offices issues after the break. Does everyone have the paper? It is paper 5, Mick. I ask you to introduce this paper, Minister.

[122] **Edwina Hart:** It is a useful paper. We are in a building that hopefully represents everything to do with sustainable buildings. As Emyr has indicated, he is more than happy for the committee to go around and have a tour of the building, which is important, and various examples of good practice can be pointed out. I am proud of what the Assembly has done in terms of what it is building, because it sets a standard for buildings in general. I recognise that this is an issue of enormous interest to Members and I could rattle on about some of the issues that we are dealing with in terms of sustainable development—because we have a home energy efficiency scheme that helps to set what is being done on renewables, which is all linked into fuel poverty; there is the Energy Savings Trust and how we support what it does; energy saving commitments, and the Welsh housing quality standard as part of that; and some of the work that we do with Communities First also links to it—but it will probably be more helpful to have questions and queries from Members.

[123] **Janice Gregory:** Does anyone have any questions?

[124] **Mick Bates:** This is a much-welcomed paper and it is very wide-ranging. I have two fundamental issues to raise. First is the exemplar process that is taking place on buildings like this. I support the need mentioned in the first paragraph for a sustainable construction centre in Wales. The reason that it is such an important issue is that there has been a commitment for all new buildings to be zero-carbon buildings, which is a massive commitment, but I do not believe that the capacity exists in Wales to understand what that means. I am talking about construction and going back to design and the architects. With such a tremendously ambitious aspiration, which I support entirely, some recognition has to be given to building the capacity in Wales to achieve this, otherwise, it will remain an aspiration. This is particularly true with home energy efficiency scheme. You are funding that and the same thing applies there with the capacity to get out into deep rural areas in order to find those hard-to-heat houses. It is tremendously important to make sure that that capacity issue is answered.

[125] The second point, a strategic one, is that there is massive commitment in Westminster. There is £80 million in a fund called the low-carbon building programme. Here in Wales, we are already running out of money in various other schemes—the wood energy business scheme is one—and the Minister has taken on board the renewable energy agenda in HEES.

10.40 a.m.

[126] Much of the funding for the renewable energy side comes from the funding stream of the low-carbon building programme. There will be a massive funding gap as awareness is raised and as people wish to use all these systems to reduce carbon. I am grateful that the paper includes figures on carbon reduction, which is immensely important in this portfolio, but, given the impact of such papers, what work is being undertaken on the demand for some capital investment in that programme? As I have said, the schemes are running out of money and whatever the legacy paper says, there has to be a point about needing substantial amounts of investment.

[127] I draw your attention, as I drew the Government's attention in yesterday's debate, to the Stern report on climate change and how it is dealt with, which recommends that 1 per cent of gross domestic product be spent on combating climate change. That whole paper sees that as the fundamental underlying reason for its presentation. That represents £400 million in Wales, yet we are spending hardly anything in comparison with that amount.

[128] **Edwina Hart:** You are referring to the Department of Trade and Industry's money,

are you not?

[129] **Mick Bates:** Yes.

[130] **Edwina Hart:** That money came directly from the DTI's budget and was not consequential; we did not receive anything from the Treasury for that. The low-carbon building scheme is currently used by registered social landlords in Wales, so that is good. I agree with what you said about capacity—we do need a centre, and we are having discussions on that in Wales. Building regulations, which we discussed earlier, are also a capacity issue. All the issues that you raise are capacity issues—who will be able to do what, and how they will do it. I am taken by your points on funding, and we will certainly look at that in my existing budget, but that is a matter for future discussions.

[131] **Mick Bates:** To give you an example of the low-carbon building programme's success, it is so oversubscribed that, within hours of the last tranche being mentioned, all the money had gone—it opened at midnight and by 5 a.m. the money had gone. So, there are serious issues about raising the expectation that people can improve the energy efficiency of their homes if the support is not there when it comes to paying for these things. It is a massive issue that we will face more and more over the next few years.

[132] **Edwina Hart:** Some difficult expenditure decisions will emerge from these discussions on climate change and how we want to tackle that. We discussed that and there is general consensus about what we should do, but, when it comes down to the wire, some of the decisions on other portfolios will be very difficult to make. That is not just an issue for the Welsh Assembly Government, but also for national Government. Who loses out, and what happens? That also raises issues that are not for us, such as UK taxation policy and so on. That is bound to happen.

[133] **Sandy Mewies:** Mick raised a point on utility companies, and I have made my view clear in that I think the levies should come to us to be distributed. I keep repeating that. They should come to us as those companies would not then be able to hit the soft targets and fail on the hard targets.

[134] Secondly, the Minister has made the point that there are difficult decisions to make. On Mick's earlier comments, there are many cars outside, so how many of us drove here today alone in our cars? I was going to bring someone with me, but she was unable to come. However, when we pontificate about climate change—and all the other issues that we pontificate about—how often do we remember to look to ourselves first? What are we doing?

[135] **Edwina Hart:** It is generally our children who ask us what we are doing on these issues. When they are of a certain age, they tend to remind us of these things. The money should come to us, because then we would have control over it, we would know what to do with it, and we could make strategic decisions on how to deal with it. That is quite important, because, if you do not have all the right tools in the bag, you cannot start to tackle some of these issues. You must have everything available to you if you are to be innovative and imaginative.

[136] **Mark Isherwood:** Energy efficiency will make a far greater contribution to carbon reduction than renewables will, although that approach is also clearly essential. However, these issues are often driven by consumer advice. I know that you have made quite good investment into this, but perhaps you could refer to some of the work that is going on there. I believe that, in this case, we may have established better practice than England has. What can we do for low-income, perhaps benefit-dependent, owner-occupiers whose houses are in such bad condition that the smaller schemes available would not apply because of broader structural or buildings problems? What powers and facilities exist to help this group of

people?

[137] I know that you have recently had a meeting with the North Wales Fire and Rescue Service. Concern was raised this week about the disproportionate number of fire deaths in north Wales. I understand that seven of those deaths were vulnerable people already known to other agencies. What are your proposals for better partnership working between agencies, focusing, at least initially, on safety and efficiency measures, such as providing sprinklers in the homes of those vulnerable groups?

[138] My final point is on alternative housing types. Last week, I held a surgery, and I was visited by people promoting timber houses—permanent, not holiday, homes. The houses are very environmentally friendly, sustainable and energy efficient. However, these people are facing great resistance from planners in local authorities. They are now saying that they will have to establish case law to move this forward in Wales. Apparently, there was a case in England in which the planning authority said ‘no’, but the developer challenged the decision and won the case. They are looking for a similar case in Wales. It is regrettable that we have reached that stage, so I wonder how, with your colleagues, we can better overcome those barriers. I know that the technical advice notes are in place, but they have yet to be implemented.

[139] **Edwina Hart:** One of my favourite topics is planners and whether they use the full extent of their powers. On the housing side, we do not think so. The powers and the guidance are in place, but Mark has given a further example demonstrating that they are implemented in some areas, but not necessarily across the piece in Wales.

[140] Going back to the point about fire deaths, this work has been in hand for months. The fire and rescue service raised with me a long time ago its concerns about information sharing on this issue. Obviously, north Wales is very concerned about its figures compared with those for mid and west Wales, where I do not think there has been a fire death; its figures have gone down. This is about information sharing and the various ways in which local authorities are dealing with the issue. We have someone doing some substantial work on this, in conjunction with the fire and rescue services and their partners. However, there seems to be some reluctance to give information about people, despite the fact that they are known to be vulnerable because of their lifestyle. However, it is a fine line to tread, so it is important that we deal with this properly.

[141] Like you, I am very concerned about people who cannot get their homes done. We are also particularly concerned about the young families who go into some of this accommodation, who probably simply cannot afford to do anything. We hope that the loans pilot scheme in north Wales that is being rolled out across Wales will help some low-income homeowners. However, we are also looking at doing some further work on HEES in relation to younger families. That is important, and should help with some of the wider issues.

[142] I am led to believe that consumer advice services are very good in certain parts of Wales. However, if it would be helpful to the committee, I would be happy to commission a little note on that issue.

[143] **Janice Gregory:** Thank you, Minister. We will now take a break. However, I wish to remind everyone that, after the meeting, we will be having a tour of these offices. We will then visit New Pathways. Many of you will remember that representatives from New Pathways came to the committee. We have just had the debate and spoken about this building, and I am sure that Huw Lewis, who watched every part of this building going up—though I do not know whether he can quite see it from his house—will wish to make a comment.

[144] **Huw Lewis:** I hope that people will take up the offer of a tour of the building. I am

delighted that the committee is meeting in my constituency, particularly because we are in this new building. Take the time to look around it, if you can, because this is solid evidence of the Assembly Government's commitment to regenerating areas and towns such as Merthyr, not only in terms of policy and discussion, but solidly, in bricks and mortar. It really is a quality building. We are now looking at the options for allowing community groups and the public to make greater use of the building when it is not being used—by our committee, for instance. We now have a commitment that means that the Assembly is a local employer in Merthyr, and will be for decades to come. So, it is worth taking a look while you are here today.

[145] **Janice Gregory:** I am sure that we will take the opportunity to look around the building. I cannot remember whether I said this at the beginning of the meeting, but we are the first committee to meet in this building, so let us hope that other committees follow our example and come to Merthyr. It was a pleasant drive—no different from driving to the bay. There was not any problem with traffic, and here we are in this lovely building. We will now break for coffee. I ask you all to be back by 11.05 a.m. or 11.10 a.m. at the latest. Thank you very much.

*Gohiriwyd y cyfarfod rhwng 10.50 a.m. a 11.10 a.m.
The meeting adjourned between 10.50 a.m. and 11.10 a.m.*

[146] **Janice Gregory:** Thank you for coming back on time. Again, if anyone has a mobile phone, BlackBerry or pager switched on, please switch it off. There is someone in the room who has a mobile phone on—

[147] **Sandy Mewies:** And she confessed.

[148] **Janice Gregory:** And she confessed. That is fine, thank you. That proves that our equipment does pick up the interference. I do not know whether anyone has joined us during the break, but the headsets on your seats are for the amplification of sound or for simultaneous translation, so please use them if you find that you need to.

11.11 a.m.

Y Strategaeth Genedlaethol ar Ddigartrefedd National Homelessness Strategy

[149] **Janice Gregory:** Minister, will you introduce the paper, please?

[150] **Edwina Hart:** A lot of work has gone on since we revised the strategy in November 2005, and I gave a commitment that I would provide another revision to the document in March 2007. With the hard work of officials—including those here today, Geoff Marlow, and so on—we have successfully developed some of the issues on the strategy. The housing market context remains difficult; we are all aware of house prices being fuelled by the south-east, which then pans down the M4. There are extraordinary house prices now in some parts of Wales, but we should never lose sight of the fact that it is not just about purchasing houses; it is also about affordability and availability in the private rental sector and other sectors. It is important to recognise that.

[151] The strategy focused on prevention, and there is much more of a join up now than when we first started to undertake this work. We have established some very good practice; as I reported earlier, we will have a health and homelessness facilitator to take these issues forward. It has taken some time—I look to Geoff—to get agreement for these issues to be taken forward. It is also important that other parts of the civil service, and other departments,

understand their responsibilities on this agenda, because the homelessness agenda is not just within my portfolio. We are making progress in areas such as education and in social services, although the latter is still a very difficult area. In the youth homelessness report, I honestly identified the strengths and weaknesses that still exist, to which I will be responding next month. We also have the Shelter inquiry on homelessness, with which my officials have sensibly helped by providing information. I have also had a meeting with the Archbishop of Wales on those issues, because it is important that we get a public and civic response to issues on homelessness. For political parties or voluntary sector groups alone to respond to it would be too narrow, because everyone in society has to take responsibility for homelessness. That is why I welcome the way in which Shelter is taking that report forward.

[152] Gate keeping is getting harder in some areas, and some people may not be being recognised as homeless. We always keep a watching brief on issues like that, if we receive any information, and some people are saying that authorities are now taking a harder line when they present as being homeless. However, interestingly enough, in part of a paper that I referred to earlier, looking at allocations policy, we found concerns about how authorities are allocating to young people or choosing not to allocate to young people. So, those are issues that we have to keep a watching brief on.

[153] Another area that I am concerned about in homelessness, which has come out of your report, is the numbers of people sleeping on other people's floors and so on. That is very difficult to monitor, and sometimes these people do not present themselves for housing in any shape or form, because they do not want to enter into the system and prefer to stay where they are. That is also quite important. I know that people sometimes doubt the statistics, but these are the only statistics that I have that show a downward trend. I am pleased, but I am also wary of statistics, and whether they really show the real picture across Wales. We hope that they do, but sometimes the evidence that comes in from Members and the comments made by local authorities and others indicate that it is not the case. So, this is a comprehensive report that takes the issue forward. A lot more money has gone into this, and we will have to look at the budget lines in the future for this agenda. I can pick up a detailed report from your report when I deal with this more formally at the next meeting.

[154] **Leanne Wood:** This report points towards a lot of progress, which it is important to note. However, I share your doubt as to the statistics, as I have heard anecdotally that there are increasing numbers of people accessing emergency services such as soup kitchens, particularly in Cardiff. It is useful that you plan to get local authorities to do the rough sleepers count. It would also be useful to know whether we have information from previous years to use in comparison, or whether this first year will be a baseline to use for the future. I look forward to your response on the issues of statistics and intentionality, and the recommendations around those, because it is an area that needs attention. Finally, do we know how many people in Wales are on a housing waiting list?

[155] **Edwina Hart:** No, we do not, centrally; I will have a look at that. There is progress in this report, and we need to look at legislation. We covered other vulnerable groups in 2001, and the Scottish Executive has made a commitment to remove the priority need and intentionality conditions in Scotland, so that is something that we will have a look at. I do not know, Geoff, whether you can comment on the rough sleepers; it is quite an important issue for us to look at, but overall, I hope that the long-term trend is downwards. The issue for us is to try to get as much information as possible, so that we can confirm the long-term trend—though there might be hiccups. On housing lists, they are kept by local authorities and obviously they know what their own lists look like, but we do not collate them centrally.

[156] **Ms Whittaker:** No, we do not. There are also registered social landlord lists, and there may be some duplication, with people on more than one list.

[157] **Edwina Hart:** We would know in those authorities that share lists.

[158] **Ms Whittaker:** Yes, there are six that share lists.

[159] **Edwina Hart:** If you like, we could send a short note to them all and perhaps get some information, but I do not know if it would be accurate, though it would give an indication to Members. I am more than happy to do that. Geoff, do you want to comment on the rough sleepers?

[160] **Mr Marlow:** Yes, just to say that we recognised in the strategy that there was a lack of any hard evidence on the extent of rough sleeping. From time to time, individual authorities and partners have carried out occasional counts, but there is no consistent approach; in many areas, no count has been undertaken, and where there have been counts, different methodologies have been used. So, this will be the first time that we have had a consistent count across Wales to establish a baseline, and that is one of the main intentions.

[161] **Leanne Wood:** Will you include information on where people have come from originally? My guess is that there would be a larger number of rough sleepers in Cardiff than in some of the Valleys, but they might have moved down to Cardiff from the Valleys.

[162] **Mr Marlow:** The information collected will be quite limited. I suppose that we must remember the situation in which they are counted; people might be asleep, or, depending on the circumstances, a limited number of questions may be asked. Such information will be quite limited, so we will not be recording that. We are able to get some information on the movements of rough sleepers through outreach services and hostel services. I know that that has been done in some areas, and it is something that we can promote.

[163] **Mark Isherwood:** Many of these issues are also in the report on youth homelessness, so you are limited in what you can say until you have responded formally to that. However, you took evidence on hidden homelessness, with some of the groups that gave evidence arguing that that should be reflected in the homelessness strategy; I hope that you will give that your consideration. On rough sleeping, you are probably aware that, in Wrexham, a temporary night shelter was opened in December through until April after a cross-party and church campaign. Again, there was a lack of data on the degree of need. The church-based groups said it was high, while the council said that it did not really have the evidence one way or another. Could we perhaps look at the usage, or the pattern of usage, of that night shelter, and where people have travelled from, to help inform your database?

11.20 a.m.

[164] On food, we heard some reference to soup kitchens, and so on, and one thing that was not particularly flagged up in the youth homelessness report, but which was raised with us by young people—I believe that Sandy and I met people who raised this in north Wales—was that they were getting support from Nacro at drop-in centres, but that food was not provided; they could have tea or coffee, but no food. If they were travelling, often from a rural area, they were spending any money that they had on getting to the council to register as being homeless, and then travelling a different distance to deal with their housing benefits, so they had no money left for food. Also, if they were in bed-and-breakfast accommodation, or alternative accommodation, the only source of food, often, was to go out and buy it, and they did not have money for food there either. That has not been referred to much, but I urge you to comment on it.

[165] On these proposals, again, we supported intervention between private landlords and tenants. There are several good schemes in the voluntary sector, and with housing associations, where the voluntary organisation manages the tenancy, with support, which

takes the risk away from the landlord. Could that not be rolled out as a good practice model everywhere?

[166] Another issue often with homelessness charities is that the period for which a person is funded is not sufficient to meet their full rehabilitation, particularly if they are classed as intentionally homeless. That partly ties in with the benefits issues, which, although non-devolved, we need to influence. On supported tenancies, and the Scottish model—not just in the context of young people, but all homeless people—is any consideration being given to looking at that?

[167] On community engagement, this is the old Nimbyism argument. After speaking in the Chamber last week, I got an e-mail from a resident in my area complaining that I had dared to refer to Nimbyism; they said, ‘Don’t you know what these people will do if they move into our area?’. If we can engage the community earlier in solutions, we might overcome that, because the real concern for them is people on the streets, with dirty needles, and so on. Perhaps if they were part of that solution, they might support it better.

[168] On housing waiting lists, I asked for figures a year ago, through the Members’ research service. It said that there were no all-Wales figures, but it wrote to every local authority in Wales. Eight local authorities responded, and, on the basis of those eight—and this is a year old—there had been a 50 per cent increase over 12 months. If you divide that by eight, and multiply it by 22, to get a forecast Welsh situation, it was around 100,000. However, that was not accurate—it was only based on a small sample.

[169] Finally, on the supply issue, as well as increasing house prices, we must be mindful of Welsh housing statistics. Those statistics say, for example, that between 1990 and 1994, registered social landlords and councils built 14,500 houses; between 2000 and 2004, they only built 3,500 houses. So, there is a supply issue in addition to the house price issue, which we need to address.

[170] **Janice Gregory:** You need only address the issues that are relevant to your portfolio, Minister.

[171] **Edwina Hart:** There is a lot of talk about legislation; I believe that we have done well in the legislative context. We have good cross-party support on bed-and-breakfast accommodation, and so on, which is coming in in April. I am aware of what is going on in Scotland, but those statistics are different; there is an ongoing upward trend in the Scottish homelessness statistics. I understand everyone’s desire to extend full homelessness rights to everyone in Wales, but I will have to look at this in terms of what we can do under the Government of Wales Acts on this area, and whether the balance would be correct. The Homelessness (Suitability of Accommodation) (Wales) Order 2006 is the most progressive legislation anywhere in Europe currently; we should be proud of that in terms of the issues that we are dealing with.

[172] I am always concerned about Nimbyism, but RSLs and others make enormous efforts to consult about projects. Sometimes, you can consult until the cows come home, but there will never be an outcome that will satisfy people. Therefore, it is important that we keep this balance in mind. We try to engage with the local population, and we try to do things on the drug and alcohol side, particularly; there have been extensive meetings, and so on. However, at the end of the day, some people will never be prepared to accept that that need exists, or that any provision should be located anywhere near them.

[173] There are some benefit issues, which are, of course, not matters for me. I think that it was made clear in the committee report that I have already supported making noises and writing letters about benefits issues as they affect youth homelessness. You talk about

individuals and the support that they have—individual needs are taken into account in the level of support that they have. It is not a blanket approach; some individuals require more support for longer. We do look at these issues, and we do so in terms of the individuals themselves. There is all this talk about what is going on locally, and we will, I hope, have the local housing assessments to give us a good picture of the issues in each local authority area. I am not sure when they are supposed to be with us.

[174] **Ms Whittaker:** April 2007.

[175] **Edwina Hart:** That will give us even more data to deal with some of the issues. When I responded to Leanne, I said that I can see what is going on in terms of the statistics, and I welcome the statistics, but I always pinch myself to make sure that they are correct. Mark mentioned hidden homelessness, which I acknowledge does exist, but what is important is that, with all this other information that we are getting in now, we will, I hope, start to get a clearer picture. We have been lobbied quite heavily by the voluntary sector organisations in particular to look at where the pressures genuinely are, as they feel that the reality is not reflected, and I take all those issues very much on board. At the end of the day, we do not want to give ourselves false hope; we want to know that what we are doing is delivering the right policy to give everybody good hope.

[176] **Mick Bates:** Like everyone else, I acknowledge the progress made and good work done, especially with regard to the amount of legislation that has been changed. I look forward to a possible change in the legislation on unintentional homelessness which, I think, is still one of the crucial areas that we have to go into.

[177] On rural homelessness, the need to co-ordinate to ensure that access to services remains a big factor. On the back of this, I would raise the issue of good practice. There are still councils that do not submit data or look over the border at their neighbouring authorities to see just how good others can be. Sometimes, in all these reports, we should make a big attempt to flag up good practice—I know that it is done to a small extent. I would welcome your comments on that.

[178] On the issue of homelessness data, I go back to my original points, which I made a long time ago, about collecting data for housing needs assessments. Many local authorities have not completed them—there have been extensions to the deadline that they were given originally. I cannot remember what it was originally; it may have been due now, but it has been extended. How many authorities have completed their housing needs assessments so that there can be better planning? I know that the Minister has a robust view of planners, but it is difficult for planners to plan for affordability or for rented accommodation if they have no idea how many people in their authority require such accommodation.

[179] **Edwina Hart:** Fortunately, the Audit Committee is up to something in that regard, and I think that that will be very useful to us.

[180] In terms of rural good practice, we had a conference in the autumn, and we will be providing a note on best practice in rural areas. So, I think that you are right, and Mark raised the point about the delivery of services, and how you sometimes have to go from one town to another to deal with issues. We have to be much better co-ordinated on those types of issues. That is an important matter for us.

[181] Also on best practice, we have a grant scheme to encourage it to come through so that we can have the right work done by organisations. That has worked quite well in certain areas. I share your concern, however, that we do not necessarily have a level playing field in Wales in terms of standards for dealing with some of these issues, and we have to do something about that. That will then help us with looking at the long-term solutions in this

regard, will it not? It is about resources and commitment, and I do think that we are making significant progress, even when you look at the statistics and the other issues. This is becoming an agenda item in places, which means that is being discussed in areas where it was not discussed previously, and that makes me hopeful that people understand what the problems and issues are.

11.30 a.m.

Materion Post Postal Issues

[182] **Janice Gregory:** I would be delighted if our Communications Workers Union colleagues would join us at the table for this item. Members will recall that in our meeting of 18 January, post offices and the future of the Post Office were raised and we agreed to write to Ken Hanbury, who is the regional secretary for the CWU. I would like to say a big thank you to Ken, Gary and Andy Furey for attending committee at very short notice.

[183] We are grateful that you were able to attend and I was delighted that we could find a spot in our agenda for you to come to committee. So, I will introduce Ken Hanbury, who I have already said is regional secretary for the CWU in Wales, Gary Watkins, who is the political officer for the CWU in Wales—we have seen Gary and Ken in committee before—and Andy, who we have not seen before, who is CWU's national officer. Welcome everyone and thank you very much for coming. Ken, are you leading on this?

[184] **Mr Hanbury:** I would prefer it if the national officer led on this.

[185] **Janice Gregory:** That is no problem; we have all been issued with a paper, which has been circulated among committee members along with the speaking notes. I imagine that it was going to form the basis of a PowerPoint presentation. We have all received the paper and thank you for submitting it; we have all read it, so I am keen to hear your presentation and then give Members the opportunity to ask questions. Andy, I understand that you are on the spot for this, so, over to you.

[186] **Mr Furey:** First, I thank the committee for the opportunity to address you this morning. That is deeply appreciated. I offer apologies on behalf of my general secretary, Billy Hayes, who unfortunately cannot make it today. Billy is very keen on supporting this issue, but is otherwise engaged. I am grateful to my two colleagues, Ken and Gary, who are leading players in the CWU in Wales, for their support. I can give a UK-wide perspective on the CWU's position and Ken and Gary can give a more Welsh perspective on the matters. I do not intend to walk and talk you through the slides—if you have had the chance to read the paper, then you will appreciate what they say.

[187] The key theme for us is that, in mid December, the Government announced a funding package for Post Office Ltd and a number of measures going forward in terms of access criteria, along with the potential closure of 2,500 sub-post offices. That document from the DTI is out to consultation and that consultation closes on 8 March. The CWU would like to see the Welsh Assembly send a submission to the DTI, expressing its views on the Government's statement and, clearly, the CWU would like to influence what you say to the Government.

[188] The CWU welcomes the Government's statement in many respects, but there are several items in that report with which we take issue; we wish to seek to influence Government to revise its opinion and change the policy. First, we do not believe that there should be any further avoidable closures of sub-post offices. The network has declined from

around 21,000 offices in the mid 1980s to around 14,500 nationally today. As you will see from the slides, there are almost 1,200 offices in Wales.

[189] To put a Welsh perspective on this, the issue here is that the Welsh people have, disproportionately, lost more post offices than many other parts of the UK and that is not right. I do not represent those who work in the sub-post offices, but our postmen and postwomen collect and deliver at those daily and for some of the smaller sub-post offices, we have postal workers sorting mail at the back of the office. So, we think that it is an integral part of the wider community.

[190] I represent directly the Crown post office membership throughout the UK; in Wales, there are 23 Crown post offices, which are the flagship offices. They include the main post office in Cardiff in the Hayes, and the Kingsway post office in Swansea, which, regrettably, has been franchised to WHSmith. I represent people in those offices.

[191] Something like 20 per cent of volume and traffic goes through the 480 Crown offices across the UK. Although they make up only 3 per cent of the network, they handle a disproportionate volume of the work because they are the flagship offices. Our fear is that the Government proposals—although they do something for the rural sub-post offices—do not seek to support the urban Crown post offices, particularly in deprived urban areas, where many of the Crown offices are. That is deeply worrying.

[192] There is also a significant trend towards further franchise, which is, effectively, privatisation. There has been an experiment in Kingsway in Swansea and in five other cities in the UK, and it looks as though WHSmith is bidding for a number of other Crown offices, possibly up to 120. The problem with that is that WHSmith does not want the Transfer of Undertakings (Protection of Employment) Regulations 1981 and 2006 to apply to the staff. It does not want the Communication Workers Union members' terms and conditions of employment, and it certainly does not want the CWU as the recognised trade union.

[193] In effect, WHSmith wants the work, and it wants to pay barely above the minimum wage to the workers. It wants the footfall from the post office's customers, who will then purchase its goods, newspapers and so on. The CWU is resisting that because we think that the Crown offices offer unrivalled and unparalleled quality of service. The service is held in high esteem by the public, who value the Post Office. People think it has integrity and represents honesty, and it is valued and cherished. So, we are seeking for the National Assembly for Wales and this committee to listen to our views, but we are also providing a chance to pose questions to us to further develop the debate.

[194] **Janice Gregory:** Before you arrived, we brought forward one of our agenda items so that we would be able to devote more time to this, such is the importance that the committee and the Minister place on the post office network in Wales.

[195] **Edwina Hart:** I shall be making an official response on behalf of the Welsh Assembly Government. The committee may wish to consider its response to the Westminster Government in light of today's discussions. I was interested in the welcome from the CWU for the DTI's statement. Although I welcome the continuation of the subsidy and the fact that the post office card will be renewed, I do not welcome the level of closures that are still envisaged in the document. I certainly have some concerns about the document, which contains a particularly interesting statement. It mentions giving consideration to the role that the devolved administrations and local authorities might play in influencing how postal services in their areas are provided in future. However, no detail is given in the consultation paper to amplify this proposal. If this is about giving us responsibility, there will be no responsibility taken without money being given. There are issues around this that are quite important for us in the National Assembly.

[196] I also wish to make it quite clear that my officials and I were not involved in any of the discussions surrounding this consultation paper. We were obviously aware that the consultation was taking place. My officials have always had regular meetings with officials in DTI, but we were not consulted on any of these issues prior to the publication of the document.

[197] We are quite concerned about the DTI's definition of the word 'rural'. It refers to post offices serving communities with fewer than 10,000 residents. That means that many Valleys areas will be defined as rural. The urban deprived definition is still very unclear, but will, allegedly, be based on the indices of multiple deprivation. None of the areas classified as remote are in Wales. These are issues that we will have to look at in the context of the consultation document.

[198] Obviously, I welcome the extension of the subsidy, but there is an issue about communities and the loss of community facilities. I also have the particular problem of the post office development fund in Wales to deal with. We have helped post offices to diversify their business, make alterations for disabled facilities and so on. I am currently looking at the fund. As you know, I am reluctant to reopen it until I have confirmation of the UK Government's intentions for post offices. I will now have to look at the fund in the context of promoting social enterprises and communities that wish to buy out these facilities in order to keep the facilities open. So, I am very interested in exploring the possibility of link-ups between post offices and community social enterprises. I also raised with Derek Vaughan, at my meeting with the Welsh Local Government Association, the issue of local authorities using post offices so that people can use them as one-stop shops to pay bills and do those types of things. I think that we are going to have a Welsh solution to this. We must have a joined-up approach from local government and other parts of the public sector in Wales.

11.40 a.m.

[199] If a post office is somewhere where someone can turn up once a fortnight, I see no reason why it cannot be a place to give advice on something to a remote community in an urban or rural area. Income will be generated through that, perhaps through a service level agreement with an organisation, and it will also be providing good facilities. As an Assembly Government, we will respond to the document because it has massive implications for us. We have also seen what has happened when post offices have gone.

[200] As a committee, we were particularly concerned, if you recall, Chair, when there were changes and the Crown post offices became shops and so on. I think that there was a particular problem, Ken, in Cardiff. We made appropriate representations all the way through on Crown post offices—about the concerns in Swansea, about location and so on—and we cannot understand why Wales is to be so poorly served by Crown post offices. It seems to me that other cities in the UK can have loads of Crown post offices, but Wales has hardly any at all. There is little equality of treatment regarding Wales and the provision of services. This will be a matter for the committee, but I just want to assure our visitors that the Government will take quite a strong position, when I make my representations. We have also spoken to other parties about this, have we not, Gareth? When I make my representations, they will not just include what members of the Government or I feel; they will also include the views and interests of other parties. It would be enormously helpful if the committee wanted to prepare a separate response to the Department of Trade and Industry document.

[201] **Mark Isherwood:** I have a lot of issues to fight through. In addition to the formalised closures, I understand that there is an issue when a sub-postmaster or sub-postmistress retires, at which point the franchise support that they receive is reassessed, based on a measurement of footfall and activity. That, in itself, disincentivises a potential successor from taking over.

Do you have any observations on, or experience of, the impact that that is having?

[202] You made some very useful comments about loss, and the way that post offices moved from profit to loss before the reorganisations and the loss of the services provided. There has been a loss of £268 million per annum because of the transfer of pension and benefit payments. Do you see any way of turning that around through core service provision or is the future purely with added-value products and, possibly, local and national government services?

[203] I fully endorse what you said about a social network. I declare an interest in that because my wife works part time in a sub-post office in a rural area. It is a vital link for the social network and will be missed particularly by people who have problems in their lives who currently come in for a cup of coffee and a chat.

[204] What are your observations on the post office card account tender, which was announced in December, and the potential for adding value, not only by those who may tender, but by having additional products and services and agency provision? Both were mentioned earlier in terms of credit unions, for example, but what about broader financial services and other providers?

[205] On the extension of funding, which I think is £150 million a year until 2013, is that the right figure? Will it do the job? Do you have observations on that? You expressed concerns about WHSmith. If the alternative provision to, not necessarily Crown offices, but sub-post offices were a community enterprise, to which the Minister referred, or a church or even a local pub—I believe that there is even an opportunity now to have a cupboard that can be lowered from the wall to enable basic services to be provided in a community—what would your views on that be, particularly for the most isolated communities?

[206] Finally, on the transport issue, which is regularly raised with us all, the areas that are losing their post office services are often fairly isolated. Transport can be very poor and that loss has a severe impact on the people that you have listed here, including older people and disabled people.

[207] **Janice Gregory:** That was a fairly long list, Andy; I think that I should have warned you.

[208] **Mr Furey:** That is no problem at all. Mark, it was a comprehensive list of questions; if I miss anything, come back to me.

[209] I begin by stating that I support wholeheartedly everything that the Minister said in her opening address. I am pleased to hear that. No post office, anywhere in the world makes a profit. It is accepted in most countries that post offices provide an unparalleled service to the public. It is wrong of the Government to expect post offices to make money. It is an integral part of life and society for people.

[210] Sub-postmasters or sub-postmistresses retiring naturally occurs, because many of them are quite elderly, have done the job for many years and deserve to have some time and peace away from that work for the rest of their lives. Once a sub-postmaster or sub-postmistress retires, it should not automatically be the case that the post office closes. The business should actively seek a replacement well in advance, because most sub-postmasters will be able to say when they would like to retire, and the Post Office Ltd should be proactive in seeking to find replacement venues or alternative people to run the post office. However, the problem at the moment is that no person generally would want to run a post office because it does not make money. The crux of the issue is that we need the Government, rather than running down the service, to invest in the service and to make it a portal or a one-

stop shop for Government services, be they local, Welsh, Scottish or national Government services.

[211] So, if the Government were to invest in post offices, people would want to come forward to take them over. The Government has to get it right in the first place by making it desirable for people to want to run post offices, but, recently, it has done the exact opposite by taking revenue out of the post offices by moving direct payment into bank accounts, and the recent loss of the BBC licences was another nail in the coffin.

[212] Do I think that it could be turned around? Yes, I do and certainly the £4 million that Post Office Ltd is losing per week at the moment can be turned around significantly, but, again, it depends significantly on services being placed there. To give an illustration, you cannot pay for using the congestion-charge zone in London in a post office, which is ludicrous, because in today's environment you imagine that people would be able to go into a post office and pay the charge. It can be paid by text message, by phone, and electronically by e-mail, but you cannot go into a post office to do it. However, we are lobbying Ken Livingstone to change that situation. We expect the congestion-charge zoning to be developed and rolled out in other cities in the United Kingdom, and the post office is the ideal place to pay the charge.

[213] Also, with regard to things like people paying their parking meter money, there is no reason why that money cannot be collected by post office workers. We already have a UK-wide, cash-in-transit operation where people deliver money to the post offices; they could also go into car parks and empty the meters there, and take that money into the post office where it could be banked. Equally, unfortunately, with today's environment, more people are getting parking tickets, and there is no reason why those fines cannot be paid in post offices. There are many initiatives that local and national Government could put in place in post offices, not least in terms of paying rents and council tax, and so on. Unfortunately, there is no joined-up Government thinking on this, as Edwina said, and we would like to see the National Assembly for Wales, the Scottish Parliament, and so on, using their influence in local councils to get them to put more work in post offices.

[214] We welcome the extension of the post office card account, but I do not think that it was a coincidence that the Department for Work and Pensions announced the cessation of the post office card account this time last year; that was a deliberate forerunner to get people worried about the future. If the post office card account was lost from the Post Office Ltd, it would be a catastrophe; there is no stronger way of putting it. We need the public to come into post offices, because they also offer other ancillary business beyond the post office card account. The post office is also a social need because many people who have a post office card account are financially excluded from society and do not have bank accounts, and they need to use the post office for its services. It is also a chance for many, particularly the elderly, to get out of their home and meet other people and interface with society. So, it is a meeting place where people can meet their friends.

11.50 a.m.

[215] In terms of putting out for tender, we are concerned that, with the European procurement rules, PayPoint, in particular, will bid for this work. PayPoint has just won the contract with the BBC to sell television licences, and it is extending its outreach across the UK, but I do not think that it can provide a service comparable to that of the Post Office. The Government made a mistake in the first instance regarding the post office card account, in that it was purely an account that money was paid into, and was therefore limited in its use. The CWU's position is that there should be greater functionality, and it would certainly make sense to link up with credit unions, but we would like to see people being able to pay direct debits from this account, to get interest, deposit money, and have overdraft facilities—to see it

become a real universal bank. The Government's philosophy here is that it had wanted a universal bank but, regrettably, something like 60 per cent of the nation's bank accounts cannot be accessed from the post office. Three big banks—HSBC, the Royal Bank of Scotland and HBOS—do not allow their customers to use post offices for accessing money, whereas the other banks do. We wish to see a situation where all of the banks throughout the nation allow their customers to use the post office to access money, and then the post office would become the universal bank for people.

[216] On the extension of funding, we are pleased that the Government has agreed £1.7 billion to take this through to 2011, but in many respects that is a sticking plaster. The issue will not go away after 2011. To put things into perspective, those rural sub-post offices all lose money, and will continue to do so, as things currently stand and, therefore, the Government of the day will have to revisit this prior to 2011 and seek a further extension. One of the problems with this £1.7 billion is that a large proportion of it will go on redundancy payments to the 2,500 sub-postmasters. It is an undefined amount, but it is probably in the region of £300 million to £400 million, and the CWU's position is that, rather than putting aside that kind of money for redundancy payments, the Government should be using that money to invest in the service and ensure that there is a viable Post Office going forward. The sub-postmasters work very hard and provide an excellent service, but the redundancy package that they are getting is based upon 28 months of their monthly remuneration; that is pretty generous by any stretch of the imagination and is a significant sum of money. So our fear is that the sub-postmasters will be queuing up for this redundancy package, and that could lead to an indiscriminate way of identifying which post offices close and which remain open. We think that the Government has got this wrong, because there will be a bun fight as to who goes and who stays, and some sub-postmasters will be disappointed not to get the 28 months' worth of compensation.

[217] We think that WHSmith is cynical in wanting to take over post offices; this is not its core, primary business. We think that it is struggling on the high street in competition with the internet and with HMV, and one of the things that it is seeking to do is to withdraw from the home entertainment business—CDs, DVDs and games—in order to make room for post offices in its shops. I think that these are the death throes of WHSmith, and this is the last throw of the dice. If it gets post offices, then it gets the footfall that goes with it, and that might actually keep WHSmith afloat. Our fear would be that if something like 100 Crown offices end up in WHSmith, what would happen if it went bust? With WHSmith would go the post office, because Post Office Ltd has effectively washed its hands of responsibility for that.

[218] CWU fully supports the need for community enterprise and mobile services; it is more than willing to have its members driving those vehicles and serving from those vehicles. Our postmen and postwomen would be only too willing to do that in all rural areas of the United Kingdom, particularly in Wales and Scotland, and we wish to support that community enterprise.

[219] As for transport issues—well, this the whole point of the New Economics Foundations report that was done in Manchester. The moment that you close a post office down, the people who are hardest hit are the elderly and the people who cannot afford to travel because the cost of travel to the next post office, which might be three or four miles up the road, is prohibitive. So these issues are all inter-linked and, potentially, this is an assault on the most disadvantaged people in society.

[220] **Sandy Mewies:** I propose that we make a submission from this committee. I agree with what the Minister said and with the reasons behind it, and Andy has made a good case for what could happen in the future. So, we ought to go ahead with this, because it is clear that it is not joined-up thinking. We are trying, in the Assembly, to do things that will enable communities to be sustainable—that is important to us—and yet, this plan could destroy rural

communities. I suppose that I have a vested interest, because I have a large rural area with post offices in my constituency.

[221] Andy made the point that these people in post offices do a wonderful job. I had a friend who was a sub-postmaster, and, when I was a councillor, if anything went wrong with any of the old people in my ward, he would let me know. He would say, ‘Are you going to call on Mrs So-and-so?’. He did a marvellous job in that way, and took a real interest in the community.

[222] However, Andy is right when he says that the Government has made an attractive offer on redundancy payments, which has obviously been done for a reason. There is no doubt that people will be queuing up to take that offer, and little can be done about it once that offer has been made. It will cause problems even if these closures had to go ahead, because it would not even be a planned closure, it would just be whoever was prepared to go.

[223] I was interested to hear about your ideas for other activities. Credit unions are a good idea, as are community enterprises, and so on. However, have you thought about how to get younger people interested—the 12 to 30-year-olds? As the Minister said, people of my generation and older are happy with the post office, and use it. I cannot get my television licence from the post office now, which is annoying, as I have always tried to support my post office by buying things there. However, there is a generational issue, as younger people do not see the post office as a useful tool for them. Could you consider providing things such as internet access—which we support in rural areas—to get younger people in them? These days, younger people often have quite a good disposable income.

[224] **Janice Gregory:** Do you mean something like a cyber cafe?

[225] **Sandy Mewies:** Yes.

[226] **Mr Furey:** Thank you, Sandy. I support your comments, and I am pleased to hear you supporting a submission to Government.

[227] Sustainable communities are exactly where we are coming from. You have hit the nail on the head with one of the post office’s problems, because, while 28 million people a week visit post offices, many of them are not in the age bracket that you described—young people. To be fair to Post Office Ltd—and I am not here just to knock it—it has done some innovative stuff recently on bureaux de change, travel products, travel insurance, and the passport checking service. You are right about young people having disposable income—particularly if they live at home with their families—and they should be using the post offices’ bureaux de change to get their currency, travel products, and so on.

[228] On internet access, Post Office Ltd has trialled that in Camden, north-west London. The EasyJet organisation went into a joint venture with Post Office Ltd there, and introduced something like 16 workstations for internet access for personal computers. We have encouraged and urged Post Office Ltd to expand and extend that. In many post offices, there is quite a big queuing area on the public side of the counter, which could easily be turned into a zone for internet access. That will be part of our submission to Government, saying that, while young people have disposable income, they may not necessarily have a PC, the internet, broadband, and so on at home, and so they should go into the post office for those things.

[229] However, it is not just a matter of internet access for social needs; we think that there should be computers on the public side of the counter for things such as registering to vote—to be put on the electoral roll—or for registering for a postal vote, and so on. The Government is missing a massive opportunity here. The post office is an integral part of Government services, and, if it was invested in, it could start to re-engage the public in public life.

12.00 a.m.

[230] Unfortunately, we see fewer and fewer people voting in elections every time one is held. It would be easy for young people to go into a post office and say, 'I would like a postal vote', and to input the details on a computer and so on. However, that opportunity is being missed, so I totally support what you are saying.

[231] **Mick Bates:** It is pleasing to see your report and to see you here at this committee. For me, the Minister's remarks are embodied in that great shout from Boston, 'No taxation without representation'. I support Sandy's view that this committee should respond to the consultation following the Minister's strong lead. Despite a reference to the devolved Governments in the consultation, no attempt has been made to seek our particular views. We have a responsibility as a committee to ensure that our views, which I think have much in common with yours, are expressed in that response.

[232] There are four particular points that I want to ask you about. I accept that this is all part of retaining rural services, because our communities are still strong, but, while we all talk glibly about getting people to take over and expand post office services, often, it is location and property that are some of the bigger factors preventing that, namely, whether you can afford the rent or purchase the property. How many trials have you seen where, for instance, a post office is located within the local community centre? I know of remote areas where the post office opens twice a week, generally on Mondays and Thursdays. What is your view of placing those types of services in local authority buildings, rather than having a system of the responsibility for the post office leading to anxiety about not being able to make a profit, and a lack of people who want to take on sub-post offices in rural areas? I know of one that closed recently, but no-one wants to take on, despite the fact that it was a shop as well. I share your aspirations—so do not think that I am being negative—but I wonder how much work you are doing on finding other buildings to house your post offices.

[233] The second issue is on franchising, which concerns me greatly. I emphasise my concern about franchising, which is that, if a chain like WHSmith were to house post offices and then went bankrupt, the post offices would go with it. That is fundamentally why we have to retain the independence of this service. Two things occur to me. The first is that I am not sure how the unions are getting on with gaining recognition from WHSmith, and I would like your views on what is happening, particularly in Wales. With the loss of union power, we see another voice for retaining community services disappearing. The second issue is the quality of service. I have had several complaints that, once the franchise goes ahead, the queues are terrible and they get in the way of the shop, particularly at busy times of the year. There may still be one person behind the post office counter and the people who are serving on behalf of the grocers, or whatever, do not necessarily go there. What feedback have you had on customer service there?

[234] I was pleased to see the New Economics Foundation work on the impact on the local economy in Manchester. This is an issue that interests me greatly in terms of sustainability, and should be one of the major points of retaining a healthy local economy, especially in sparsely populated rural communities. Do you have any work to back that up, to say what happens once you take this out of a rural community? One of the latest post offices to close is one in a place called Foel, in one of the remotest valleys in Wales, the Banwy valley. In order to combat such closures, it is useful for us to have economic research that says that the impact on these remote areas is even bigger than it is in Manchester, let us say, although that could well be a fact.

[235] Finally, how realistic are the figures that I have seen on closure, and you have quoted blanket figures? They were in *The Daily Telegraph* last November, were they not? In my

constituency of Montgomeryshire, it said that I would lose 50 post offices, which was an average figure. Is that a true indication of the extent of the closures embodied in this consultation?

[236] **Mr Furey:** First of all, I apologise that, in my opening contribution, I did not make reference to the enhanced role of the National Assembly. We fundamentally believe that devolved Government in Scotland, hopefully in Northern Ireland, and certainly in Wales should have a far bigger say in the future of post office services. Our slides say as much. We think that the Post Office Ltd should have a duty of care to engage with the public on the future strategy of the network. We think that there should be increased consultation, with accountability, with politicians.

[237] At the moment, Post Office Ltd just pays lip service to the politicians, be they MPs, councillors, AMs or MSPs and so on. It makes all the right noises, but effectively, it just chooses to ignore what is said by politicians, who, after all, are accountable to the people who elected them. So, the National Assembly should be given the power to veto closure in certain circumstances and to set minimum numbers of post offices in Wales. Our fear is that, with this redundancy package, it will be very random. So, it is very difficult to be indicative about the number of closures per constituency given that one constituency might end up having a disproportionate number of closures versus another, because it depends on who puts their hand up to go. I think that the numbers that have been quoted are a percentage of the existing number and they have been applied across the UK, but it will not be as simple as that, to be perfectly honest. I daresay that there will be disadvantages in some areas versus fewer in other areas.

[238] I am pleased with the question on location of properties, because in Swansea, we met with the Father of the House of Commons, Sian James and some local councillors. They were willing to engage Post Office Ltd in suggesting that it should support them and offer premises that may be cheaper and owned by the council. The same happened in Shrewsbury, where the council went to WHSmith and said that if it talked to them and said that it had a problem with the overheads of the building, then perhaps they could help it out. The council could have vacant, unoccupied premises to be utilised that could even be in a better location. So, I think that local authorities and local government can help out no end, but the trouble is that there is no desire from Post Office Ltd to engage in that debate. That is the problem, and Post Office Ltd needs to be brought to book on that. Post Office Ltd clearly wants these closures—there is no doubt about that—because they are all too difficult for it, which is very regrettable. However, if it were instructed by Government to seek to get into partnership with local councils, then much could be done.

[239] In terms of recognition of trade union members, this is the callous situation. WHSmith did not want our 30 members working in the Kingsway Crown office in Swansea, because it did not want to offer the terms and conditions that they enjoy. I am not saying that our members are overpaid, but they probably earn around £10 per hour for approximately a 40-hour working week; WHSmith was offering about £5.70 an hour. That is a big difference, which will have a big impact on the community, because it is trying to drive down terms and conditions. That means that less money will be spent in the local economy, and represents a dumbing down of employment opportunities. So, it did not want my members to be transferred under the Transfer of Undertakings (Protection of Employment) Regulations. Post Office Ltd cunningly offered redundancy to people and, faced with the situation of working for significantly less money in WHSmith, they simply were not interested. We are now trying to insist on TUPE and will, potentially, be pursuing that through employment tribunals, but we have to get people to volunteer to do that and we can only do one case at a time; we cannot do a blanket submission and try to force the issue. That then links into quality of service. We will seek to organise in WHSmith, but frankly, it will not want us on its premises. It will view us as the monster with two heads and, clearly, the terms and conditions of its

employees is down to the fact that there is no proper trade union recognition or agreement and so on.

[240] The quality of service is bad on two fronts: the waiting and queuing times and, probably more importantly, the lack of knowledge and understanding of the products and services and possibly mis-selling. People can turn up at the counter and seek to send a parcel or package to America and want it insured, but they could be charged the wrong price—they could be charged too much or too little and not be given the correct service that goes with that. For example, the people in the Kingsway post office in Swansea, and this is indicative, had around 25 years average employment with Post Office Ltd. Overnight, that was done away with and they were replaced with people on much lower pay who have no experience, no knowledge, and no expertise.

12.10 p.m.

[241] Our members are very loyal; they join the Post Office to serve the public—they want to serve the public, which is why they remain employed with the Post Office for long periods of time. That brings expertise, knowledge and speed of service, so my people provide a quality service that is second to none. That is the point that has been acknowledged by both the regulator Postcomm and Postwatch, the consumer watchdog.

[242] Other than the study from the New Economics Foundation we do not have any further research. That was born out of my attending the scrutiny committee at Manchester City Council in late 2005. It decided to embark upon that study, which has been well received. It makes some very good points, although, as you say, it is based upon the greater Manchester area, rather than looking at the rural implications. I suspect the rural implications would be even worse, particularly from a transport perspective. The lifeblood or focal point of a village is invariably its post office. If the post office goes, it may be that people simply do not have the financial means or, if they are disabled, the physical ability to go to the next village to get post office services.

[243] We would support the use of local community centres, pubs, church halls and so on for the provision of post office services. We are not saying that there should be no closures whatsoever. We want to be innovative and supportive of alternative means, but our fear is that the alternative means will be put in place only after the closures have happened. I am wondering how genuine the alternative means are—these outreach possibilities—in the Government document. We have already made it clear to the managing director of Post Office Ltd that we want our members to work in those outreach solutions; we want our postmen and postwomen to drive the vehicles; and we want our clerks to serve behind the counters in the mobile post offices and provide the services to outlying rural areas. That is vital. Our fear is that Post Office Ltd is going to want to put it out to tender and look for private companies to do that. We will lobby against that.

[244] **Leanne Wood:** You have painted an extremely depressing picture for the future of the Post Office and many of our communities in Wales. I am not sure to what extent we are going to be able to influence this debate. It appears that there has been a decision that a certain course of action is going to be seen through. That said, we should, as a committee, respond to the consultation. I will not repeat any of the points that other Members have made for inclusion in our submission, but I may add a few more.

[245] The Minister has agreed previously to look at the provision of more credit union services and local government services through post offices. I do not know whether we will get the information back in time to include in our submission. Should we be vague and just say that, in general, it is a good idea?

[246] **Edwina Hart:** On the credit union side, I already have projects ongoing. The project in Llanelli in particular has proved very good in linking three post offices with the credit union. That can be used as a positive example. Officials can furnish more details on how well it is working. I think that it would be quite difficult to do that with local authority services. I am not sure, but I think that we can probably find out through our local government division what services, such as receiving rent payments, post offices are currently allowed by local authorities to provide. Registered social landlords can pay through the Post Office in Wales. Collation of that type of information would be relatively easy, if it will be of any help. I suggest that your secretariat contacts my officials.

[247] **Leanne Wood:** We should definitely make the point that post offices that have received Government funding through the post office development fund should be treated differently to all the other post offices. We could also make that argument for those post offices that are in Communities First wards and Objective 1 areas.

[248] The idea of a National Assembly veto on closures, as outlined in the presentation, is something that we should support. My final issue is that we should ask for clarification of the definitions in the consultation document, and particularly of what constitutes 'accessibility'.

[249] **Janice Gregory:** Absolutely.

[250] **Mr Furey:** I did not seek to paint a depressing picture. I apologise for that. I think that there is an opportunity here. The Government's consultation period is quite short; it was announced just prior to Christmas and it was difficult because we could not get it off the ground until the new year. However, we have hit the ground running. We have a lobby of Westminster next Tuesday, at central hall, with a coalition of organisations supporting the Communication Workers Union, including Help the Aged, the Countryside Alliance, the Royal National Institute of the Blind, the National Pensioners Convention and others. A whole host of organisations have joined a coalition to campaign. We will lobby the Scottish Parliament next Wednesday—we are doing the best that we can.

[251] There is an opportunity here: if the Welsh Assembly Government can give a hard-hitting response to the Department of Trade and Industry, and we can secure the same type of response from the Scottish Parliament and other councils and organisations up and down the country, we hope that the Labour Government will sit up and listen to what people have to say. I suspect that it will not make its announcements on the consultation until after the National Assembly and local government elections in May—that is quite cynical, but I think that that is a lever and a pressure point that could be applied to the Government. The last thing that the Government would want is the electorate up in arms over post offices. I do think that you can influence debate and that there is an opportunity here.

[252] I applaud the National Assembly for the investment and support that it has given to post offices recently. There is a case to say that those post offices should be ring-fenced out of any future solution because of the public funding that you have already provided. That makes sense. I think that the access criteria are very woolly, particularly those for deprived urban communities. There is also an issue about the access criteria being defined as the crow flies and, in rural communities, it is not that simple, because you have mountains, valleys, rivers and God knows what else in the way—the crow might be able to do it, but elderly members of the public will certainly not be able to do so. Transport certainly needs to be looked at in the access criteria, because although the post office may be only a mile up the road, it might mean a 10-mile journey to get to it by public transport. I would certainly support your inclusion of that in your submission.

[253] If it would be helpful, I have quite a lengthy document here, which we are planning to send to every AM early next week, laying out our ideas for the future of the Post Office in

Wales and suggesting some ideas for a CWU submission. Do you already have that? I see that you do.

[254] **Janice Gregory:** I often wonder whether the people who are looking at the closure of post offices are the same ones who were looking at the closure of banks—people who cannot read an Ordnance Survey map; they think that the nearest village is only a mile up the road, but do not realise that there is a huge mountain in the way. It does make you wonder. Minister, I would like to ask you to come in.

[255] **Edwina Hart:** I will deal with a couple of points that I think that I might be able to help with. We invested quite heavily in businesses through the post office development fund, for all the correct reasons, and those sub-postmasters and postmistresses are now worried that we will claw back the money if they decide to take the package. It is unfortunate, because they applied for money from the fund in good faith and now, with such generous redundancy terms, some of them are considering their positions—you cannot blame individuals. This reminds me of the first redundancies seen in banks in the early 1980s; they were very generous, compared with the packages that came later, when they first wanted to get people out of the doors, particularly in specialist areas.

[256] If they are the suitable community vehicle, post offices could be made available for the Communities@One project that we fund, providing internet access and so on. That is certainly something that I will look at, in conjunction with Alun Burge, who is running the project for us, from the Wales Co-operative Centre.

[257] We spoke earlier about banks and I have been to see some of them. I went to see HSBC bank about it being part of the solution, in terms of its customers being able to use their accounts in post offices. A lot of us live in areas where there is not a cashpoint machine, but there is a post office, so it can be very handy to pop in and get your money out at the post office. That is also a much more secure way of withdrawing money than at some cashpoint on the street. I think that there are also issues on that. The UK Government should apply a lot more pressure on the major financial institutions, to ensure that they are part of the solution.

12.20 p.m.

[258] I am concerned about the pilot projects that we have had in Wales, some of which we very much welcomed, such as a van going around. We have a very good project in Llandeilo where all post offices are under one office. However, I am minded that these solutions should ensure continuity of local services, of local employment and of post office employment, which is important. If someone is coming out to you, you want to feel that it is someone who is trained, who knows the service and knows what to advise. I was taken by Sandy's point, which is right, in that a lot of sub-postmasters, especially in small rural and urban deprived areas, know if someone has not come in, and some of these people do help and are asked for assistance on other things.

[259] There might be a role and function for us, and I was thinking in particular of the home energy efficiency scheme, Emyr, and about whether we should do something more systematically through post offices. For example, we could help with HEES applications, and we could perhaps encourage the Eaga partnership to help in terms of surgeries in those areas, and arrange to meet people. So, it is something that we can certainly look at from the Government perspective. In terms of the involvement of the Post Office—which is a public service, for which you have to pay—at the end of the day, we are talking about a very small amount of Government money. It is a little amount of money for an awful lot of fuss, and it is important that we get all these points in about our concerns. However, we have a role and function in this in Wales, and if they want us to take over more responsibility, we will also have to receive the appropriate financial settlement; that is a key issue for us. It might be

helpful if the Welsh Local Government Association was to receive the committee's discussion comments on the issue of post offices and the provision of services by others, to see whether it is prepared to send a letter to the consultation.

[260] **Janice Gregory:** Thank you, Minister. You can see that there is consensus around the table, as there usually is in this committee, in the support of your campaign. We will write a robust submission in response to the Department of Trade and Industry paper, which, as usual, will be circulated to everyone for their comments. So, I ask you to look at that and let me have comments as soon as possible. You will also be sent a copy, as will the Welsh Local Government Association, Ann Jones, who is the Chair of the Local Government and Public Services Committee, and also Sue Essex, the Finance Minister.

[261] Thank you for your attendance this morning. I am glad that we discussed that other item earlier so that we gave more than adequate time to this issue. We will now have a tour of the building, and Dr Emyr Roberts will be our guide. Lunch will then be available. Those of us who are going on the New Pathways visit—and we have had some apologies for that—will be leaving at 1.45 p.m. from reception. Mick Bates has kindly offered to be the chauffeur, and we will be car sharing, which is very good—

[262] **Mick Bates:** It is a cost-saving scheme.

[263] **Janice Gregory:** You can leave everything here as Mick will also, hopefully, bring us back—otherwise we will be walking through Merthyr. I also ask you to hand in your passes on the way out. With that, I declare the meeting closed.

Daeth y cyfarfod i ben am 12.24 p.m.
The meeting ended at 12.24 p.m.