



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

**Y Pwyllgor Cyllid  
The Finance Committee**

**Dydd Iau, 14 Hydref 2010  
Thursday, 14 October 2010**

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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 pwyllgor yn bresennol**  
**Committee members in attendance**

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Angela Burns	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Rosemary Butler	Llafur (yn dirprwyo ar ran Ann Jones) Labour (substitute for Ann Jones)
Andrew Davies	Llafur Labour
Chris Franks	Plaid Cymru The Party of Wales
Brian Gibbons	Llafur Labour
Irene James	Llafur (yn dirprwyo ar ran Lorraine Barrett) Labour (substitute for Lorraine Barrett)
Nick Ramsay	Ceidwadwyr Cymreig Welsh Conservatives
Janet Ryder	Plaid Cymru The Party of Wales

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

Suzanne Chisholm	Pennaeth Hawliau Plant a Phobl Ifanc, Llywodraeth Cynulliad Cymru Head of Children and Young People's Rights, Welsh Assembly Government
Chris Enness	Cymdeithas y Prif Swyddogion Tân Chief Fire Officers Association
Marcus Hill	Ymgynghorydd Polisi Arbennigol Special Policy Adviser
Martin Jennings	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Ann Jones	Aelod Cynulliad, Llafur Assembly Member, Labour
Huw Lewis	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog dros Blant) Assembly Member, Labour (The Deputy Minister for Children)

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

John Grimes	Clerc Clerk
Catherine Hunt	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 1.39 p.m.*  
*The meeting began at 1.39 p.m.*

**Ymddiheuriadau a Dirprwyon**  
**Apologies and Substitutions**

[1] **Angela Burns:** Good afternoon, and welcome to the Finance Committee on

Thursday, 14 October. I thank Members for their attendance and time. I remind you that you are welcome to speak in Welsh or English. Headsets are available for translation, and please switch off your mobile phones. If the fire alarms go off, ushers will tell us what to do and, if necessary, take us to the fire exits.

[2] **Brian Gibbons:** Yes, but will the sprinklers go off? [*Laughter.*]

[3] **Angela Burns:** I welcome Irene, who is substituting for Lorraine, and Rosemary who is substituting for Ann. Unfortunately, Chris Franks will be slightly late as he is held up in another committee meeting.

1.40 p.m.

**Goblygiadau Ariannol y Mesur Arfaethedig Diogelwch Tân Domestig—  
Tystiolaeth gan yr Aelod sy'n Gyfrifol  
Financial Implications of the Proposed Domestic Fire Safety (Wales) Measure—  
Evidence from the Member in Charge**

[4] **Angela Burns:** I welcome our witnesses. We are here to discuss the financial implications of the Proposed Domestic Fire Safety (Wales) Measure, which will be interesting as it has been proposed by a backbench Member of the National Assembly for Wales. Unfortunately, Ann, that means that you will be subject to exactly the same scrutiny as the Government would be, but it is nice to have a Member proposed Measure come before us. I also welcome you as someone who is still technically a member of the Finance Committee, but you are now sitting on the other side of the table, so to speak. Would you like to make a brief statement before we ask you a series of questions?

[5] **Ann Jones:** I would, and I also thank Rosemary for substituting for me. I was wondering how I would canter around the table from that side to answer my own questions on this side. When I introduced the proposed Measure after the successful LCO process, I was mindful of Standing Orders, but, as a member of this committee, I was also mindful of the additional information that you as Chair have provided to people who are writing explanatory memoranda. That was foremost in my mind, and I hope that we have provided you with an explanatory memorandum that contains all the information required, bearing in mind that the work has been done by me, the two that you see sat alongside me, and a couple of others, and not a Government department. So, I am happy to take on any questions that you may have.

[6] **Angela Burns:** May I ask you to introduce your two colleagues for the record?

[7] **Ann Jones:** I will. On my left is Chris Enness, who is now the deputy chief fire officer for Staffordshire Fire and Rescue Service, who was previously in north Wales. He is the Chief Fire Officers Association lead on sprinkler systems. To my right is Martin Jennings, who will answer any of the legal stuff or any stuff that I want to pass over as it is too hard for me to answer. We all know Martin, as he is part of the committee's support team.

[8] **Angela Burns:** Thank you very much, Ann. I will kick off with a question on the timing and economic impact of the proposed Measure. As we all know, building control regulations are to be devolved to Wales from the end of 2011, so is the proposed Measure really necessary? Would it not be picked up by the devolution of building control regulations at that point?

[9] **Ann Jones:** Building regs are being devolved, on 31 December, 2011, if my memory serves me rightly. In negotiating the transfer of building regs, the Minister has indicated that she would not go for wholesale amendments to them as her purpose for wanting them

devolved was primarily to sort out the energy efficiency and sustainable homes arguments. So, in a way, my proposed Measure will become an Assembly Measure, and it will be for the Assembly rather than the Government to take it forward, although we will want to watch how the Government takes the regulations forward. It will be the first Member proposed Assembly Measure to come out of the LCO process. As a backbencher, I think that we need to look at that issue.

[10] As for the economic impact of the proposed Measure, given the current climate, our figures for fire and rescue services performance for 2009-10 have been released today, and I can give you 19,131 reasons why we should have sprinklers in new homes, because that is the number of fires attended by rescue services. Twenty-three people lost their life in 2009-10 through fire. That is up on the figure for 2008-09, and we have no reason to believe that the figure will not be up in 2010-11. Twenty-three deaths cost £39 million to the economy, and that is without taking into account serious injuries, the cost of rehousing survivors, the personal loss suffered by the family of the person who dies, or the NHS costs. That is why I believe that this has a huge economic impact, at a time when we are finding things difficult. For me, this is another tool in the box to make our homes a lot safer. In 2009-10, the number of calls to the fire service decreased by about 2 per cent. We are seeing call rates for fires dropping, but the number of deaths increasing. We have to account for that.

[11] **Janet Ryder:** Given what you have said, Ann, would I be right to assume that, in this case, it might well be better to look at the overall savings that could accrue from putting sprinklers in a home as counted against the costs of putting them in during the building phase?

[12] **Ann Jones:** Absolutely. It is difficult to quantify a price to put on a life. Sometimes, we get fixated on amounts of money per installation and so on, but, at the end of the day, we are making our homes a lot safer. Our children's lives are already a lot safer when they are at school, because sprinklers are fitted in schools. That was done by the Welsh Assembly Government. I want those children to be as safe at home as they are at school, by having sprinklers at home as well. You have done some work on the cost-benefit analysis, Chris, and so would you like to talk about what you have been doing?

[13] **Mr Enness:** We are currently working with the Building Research Establishment on updating the study that it published in 2006, which took evidence dating back to the 1980s—from 1984, I think. It took evidence that was based largely on theories and assumptions, simply because the evidence base was not available in the UK. The evidence base is available now, and it is starting to grow. The Chief Fire Officers Association believes that now is the time to update the original analysis. We have had the first stakeholder meeting and the next meeting will take place on 12 November. We are confident that the figures will move dramatically compared with the last cost-benefit analysis.

[14] **Peter Black:** It is likely that the proposed Measure and the subsequent subordinate legislation could impact financially on public bodies, registered social landlords, property developers, the construction industry, property buyers, housing associations and so on. How appropriate is its introduction in the current economic climate, and what work has been done to assess the potential impact on the wider Welsh economy?

[15] **Ann Jones:** I would go back to my first answer and remind you of the 23 deaths, the cost of £39 million to the economy and all the associated costs that are added on top. Registered social landlords' tenants are usually the most vulnerable and are therefore judged to be more vulnerable to fires—although it is men, women and children who cause fires, wherever they are. Those are the three causes. So, when there are sprinklers in all new builds, registered social landlords can rest assured that they will not have to rehouse their tenants, many of whom are vulnerable. For me, that is a benefit of the cost, even in the current

economic climate. The estimate of £39 million for 23 deaths is based on old figures. We believe that the Department of Communities and Local Government is going to look at what the true cost for 2010 would be. I would not hazard a guess at that, but I imagine that it will be far more than the figure of £39 million that we are using, which equals almost £1.7 million per death. So, registered social landlords have a lot to take from the proposed Measure in respect of their social responsibilities towards their tenants. My idea in wanting the proposed Measure to apply to them was for it to be socially just. There are young families involved who are perhaps saving hard for their mortgage and saving hard to get their deposits together. These people want to have sprinklers in new home builds.

[16] I will just cite the situation in Warrington, where an estate was built where there were about 100 houses for the tenants of registered social landlords and 100 for owner-occupiers. The registered social landlords, through the local authority, said that they were putting in sprinklers, and they did so. The developer did not put them in in the owner-occupied properties because he did not think that it was worth doing that and he did not want to add to the cost of the house. We went to visit that estate a couple of years ago, and a lady from the owner-occupier side of the estate came hurtling over and asked who we were and what we were doing. When I explained what I was doing, she asked why she did not have the same protection as the people in the houses opposite. I had to say to her, 'Sorry, but the developer did not feel it necessary to put it in, and there is no legislation to require the developer to put it in, but I am going to attempt to do that in Wales.' She said that she was entitled to the same protection as anybody else, which shows that there is a need for this. Let us base it on that when we look at the costs. We have not looked at NHS costs or the cost of providing social services and housing. All that will be vital. As we look at changing social policy, we want to see older people living in their own homes and being more independent. We have to make sure that they are safe.

1.50 p.m.

[17] **Peter Black:** You have made a compelling case for the opportunity costs for the public sector and the savings that could be made. Commercial housing developers do not tend to look in those wide terms, however, as their focus is much narrower. They want to know whether they can make a profit out of a certain development, and whether they will make a bigger profit in England than they would in Wales, and so forth. What impact might this proposed Measure have on the attractiveness of Wales to commercial housing developers who want to build here?

[18] **Ann Jones:** I think—[*Laughter.*] Sorry, Janet Ryder and I were just engaging in some parochialism. We have to tell developers that this is what we are going to do in Wales. That is the nature of devolution. This is where we are. I came into politics however many years ago, having dabbled on the outside, and I have been here at the Assembly since 1999. My aim is to change people's lives in Wales. That is what the Assembly is about. If we implement the proposed Measure, then just as that lady came hurtling across the estate to complain to me, we will have people across the border saying, 'Hang on a minute. If you are building those houses there and putting sprinklers in them, Mr Builder, why are you not doing the same thing when you are building houses in England?' There is an appetite for this. If you have a young family, you want the safest possible environment for that family. When you buy your house, you look at central heating, whether you have a nice view, and whether your garden is fenced off. You might not want people living next door to you who have big dogs or who are going to cause problems in an open-plan situation. You look at all those things and sprinklers will just be another item at the end of that list. I would like to see them at the top of the list, but they will probably be at the end. If your property has a sprinkler, you can go to bed safe at night, knowing that, if there is a fire, you will survive. Builders will eventually come around to that idea. We have estimated the cost to be being about 1 to 2 per cent of the total cost of building a property. I think that that is a fairly reasonable price to pay for knowing that you

can sleep safely in your bed at night.

[19] **Peter Black:** Do you think that builders will pass that extra cost onto the purchaser?

[20] **Ann Jones:** Yes. The beneficiaries are the people at the end of the process. If I buy a new car, I want airbags in it. We pay for the cost of the airbags because we want the safety that they provide. The beneficiary always pays for such things. Studley Green is the only major housing development in which sprinklers are installed. Of the 204 sprinklered houses in Studley Green, 95 per cent of the people who live in them said that, if they moved, they would want to move to a sprinklered property. There is an appetite for this. It is right for us here in Wales to seize that opportunity and lead the way.

[21] **Peter Black:** Although housing associations borrow from the private sector, they rely on public money to subsidise the houses that they build. You mentioned a 1 or 2 per cent addition to the cost of each house. If we look at a big development, such as that planned for High Street in Swansea, which is costing from £18 million to £23 million, 1 to 2 per cent of that would be £200,000 or £300,000. Is that going to restrict developers' ability to provide the level of affordable homes needed?

[22] **Angela Burns:** Before you answer that, I want to expand on Peter's point slightly. Have you looked at all at the cumulative impact of these various changes on the cost of building a house? Sprinklers are just one element of the whole process. When building regulations are devolved to us in 2011, there are suggestions to amend them so that new houses are built with better walls and thicker insulation. Housebuilders are already screaming about the costs that those things would entail for new builds, so have you looked at the cumulative impact of those things on building a new house in Wales, say in 18 months' time?

[23] **Peter Black:** This is particularly relevant in the public housing sector, because the public subsidy is not going to go as far.

[24] **Ann Jones:** I appreciate that point, and I will bring in Chris in a minute. I will just answer the point about what the proposed Measure and the building regulations will do with regard to energy efficiency. This proposed Measure will make houses safer; it will save lives, and, hopefully, we will not see 23 deaths. With this proposed Measure there will be some freedom designs, and who knows how we can sort those out.

[25] We will never move forward if we keep looking to what may happen. This is the time to seize this initiative. This is the opportunity for us to do it. It is like what happened with computers; the very first computer that came out was the size of this table—

[26] **Andrew Davies:** They were as big as this room.

[27] **Ann Jones:** Yes, whereas everyone now has those hand-held computers—which I cannot use because I cannot see them—that give them instant access. Things move on; that computer would never have been built if its inventors had been thinking about what may happen. We have the opportunity to seize this initiative now. Chris, you have done some work on building regulations, so you can perhaps answer that bit.

[28] **Mr Enness:** The Chief Fire Officers Association believes that this proposed Measure will complement building regulations in that we have an ageing demography and more people with disabilities living at home. The first update of the current devolved building regulations will look at energy efficiency, and sprinklers also protect the environment. So, we see that this proposed Measure would complement the building regulations.

[29] I now return to your question about fluctuations. The house market fluctuates

approximately 1 to 2 per cent every month, which would cover the price of a sprinkler unit. So, the house price will fluctuate to the cost of sprinkler units. We have no evidence to suggest that sprinkler units would slow down the house market. In fact, the evidence from America points in the opposite direction and shows that the market is more buoyant where sprinklers are fitted.

[30] **Ann Jones:** On social housing, Angus Council and Fife Council in Scotland have now gone out to tender for sprinkler contracts for all their social housing.

[31] **Peter Black:** Are they retrofitting them?

[32] **Ann Jones:** No, I think that it will be for new builds—or at least I hope that it is. Let us not go down that road because that is not what this proposed Measure is about; this proposed Measure is about all new home builds.

[33] **Angela Burns:** We have a couple of supplementary questions. Nick first and then Brian.

[34] **Nick Ramsay:** I was going to ask about the fluctuation in property prices and how that absorbs the price of sprinkler systems, but Chris Enness has just answered on that.

[35] **Brian Gibbons:** I assume that certain housing types are more at risk than others. Therefore, are the social housing and private rented sectors more at risk? In other words, is there a profile of properties that are more at risk than others?

[36] **Ann Jones:** No, but what we do know is that most vulnerable people live in properties owned by registered social landlords.

[37] **Brian Gibbons:** That is the point that I was getting at.

[38] **Ann Jones:** A housing association that operates in my area is starting to buy individual houses that come up for sale on estates, which will mean moving people around. So, we might legislate for registered social landlords, and then as they move people into other properties, those people will not be protected. However, the point is, whoever you are, you could be at risk of fire—whether you are the owner-occupier or a tenant of a registered social landlord.

[39] It is also about people's lifestyles. You can educate people for as long as you want, but, at the end of the day, people still die in fires. The three fire services in Wales have conducted a huge public education campaign, where they have been going out into the community to fit smoke alarms, which are now hard-wired. We had to fight to get hard-wired smoke alarms. I remember a Boxing Day when we lost seven children in one fire. Do you know why that happened? It was because the batteries had been taken out of the smoke alarm to be put into one of the kids' toys that they had had from Father Christmas on Christmas Day. How you get over that as a community, I do not know, but, as politicians, we get over it by legislating to fit hard-wired smoke alarms.

2.00 p.m.

[40] Hard-wired smoke alarms are great; they detect fire and if your mobility is such that you can get out from that fire, the chances are that you will use your mobile phone to call the fire service to say that there is a fire. The fire service will come, by which time it will have taken a good hold, and the firefighters will pump thousands of gallons of water onto it. You will then assess the damage. A fire sprinkler will extinguish the fire in the room. All you will have to do is phone the fire service from the safety of another room in your home to ask, 'Can



you please come to check this?' Another element is firefighter safety. So, we know that there are benefits all round, and we have to legislate across the board. If people move out of properties owned by registered social landlords and manage to buy their own property, they need that protection as well.

[41] **Brian Gibbons:** I think that it has been suggested that it may influence the housing market negatively, but Chris's point on the American experience may have hit that on the head and shown that in some places it is a private market asset. However, if, for whatever reason, the jury was out on that, presumably there is nothing in the proposed Measure to prevent newly built properties or houses in multiple occupation, which are likely to be more at risk, to be prioritised in a phased way as the proposed Measure is rolled out. I know that the intention is for everything to be included in one fell swoop, but there would be nothing in the proposed Measure to prevent a phased approach if it was felt that there were reasons why we could not do everything at once, but we wanted to make as big a difference as possible as quickly as possible. Is there anything in the proposed Measure that would prevent the Minister from having a phased implementation?

[42] **Mr Enness:** I understand the point that you make. Clearly, those who suffer disadvantage and disaffection are more disengaged from society, and it is recorded that they are at greater risk. The proposed Measure is trying to understand the long-term implications of managing that risk, and the long-term implications are that houses change hands, and new houses become old houses. So, if you tried to target those at risk, and that risk profile changed, you are then left with the decision to either do nothing or to do something more expensive. The proposed Measure tries to capture that.

[43] **Janet Ryder:** You have already touched on the demand in America, and you say in the explanatory memorandum that home buyers and renters may attach a value to sprinklers and therefore increase demand. That is disputed by the Home Builders Federation and the Council of Mortgage Lenders; both bodies say that they are not sure that valuers would recognise any premium attached to houses with sprinklers. Can you give us any firm evidence to support the claim that you make in the explanatory memorandum, or have you done any research to show that people would pay a premium?

[44] **Ann Jones:** We have to realise that the proposed Measure is looking at new home builds across Wales. I do not think that 10,000 new homes will be built as soon as the proposed Measure is passed; it will be done gradually. Whoever builds will build gradually. In Studley Green, 95 per cent of the residents said that they would want to move to another property that had sprinklers. That shows that they can see the benefits of a sprinkler system and when asked whether they feel totally protected by it, they say, 'Yes, we do'. So, all the positive things are there. The reality is that the only place that they could move to would be Wales, after the proposed Measure is passed, because they would know that the new home that they were moving into would have sprinklers.

[45] It is a slow change and it is a cultural change. I can remember driving without a seat belt when the law did not say that you had to wear one, and most of us of a certain age probably would remember doing that. It then became law that you had to belt up in the front, but the law did not care about the kids in the back who could come hurtling forwards and do enormous damage to themselves and others. Now, everyone in the vehicle, wherever they sit, has to wear a seat belt. It is about gradual change. Hard-wired smoke alarms are another example, and everyone now likes hard-wired smoke alarms. The same will be true of sprinklers, and they will be an addition to that.

[46] Wherever you are, the risk of death from fire exists, and I really think that people will pay for this. Consider the example of the lady in Warrington who wants to know why she could not have a sprinkler installed. The social tenants got the sprinklers installed and were

far better covered than she was, in her view—and she was right. It was the developer who took the decision not to put the sprinkler systems in. So, it is a gradual approach. Chris, do you want to say something on this?

[47] **Mr Enness:** I just wanted to bring up the research at Studley Green. It is difficult to use UK research, because there are so few places where sprinklers are fitted as standard. Ann has mentioned Warrington, and I will mention Studley Green in Wiltshire. I have a chart here, which I will pass around. People were asked, ‘Should you ever decide to move house, would you like to see sprinklers fitted in your next home?’, and 95 per cent said, ‘yes’, and 2 per cent said, ‘not sure’.

[48] **Janet Ryder:** Is there a similar question asking whether they would be prepared to pay the extra price?

[49] **Mr Enness:** They were asked whether they thought that all new homes should be fitted with sprinklers. Again, 95 per cent said, ‘yes’.

[50] **Janet Ryder:** I think that there is a great deal of evidence that suggests that everybody wants this, but the issue is when it comes to paying for it.

[51] **Mr Enness:** I do not have that sort of evidence from the UK.

[52] **Janet Ryder:** Is there evidence from America that people are willing to pay that premium?

[53] **Mr Enness:** Everyone seems to think that the fitting of sprinklers slows down the development of houses and that people are not going to want to invest, but that is not the case. It does not slow down the housing market; it is still buoyant. In fact, the National Fire Protection Association study in America stated that it had found a more buoyant housing market in jurisdictions that require sprinklers.

[54] **Janet Ryder:** Could you make that study available?

[55] **Mr Enness:** Yes, that is no problem.

[56] **Ann Jones:** We are happy to submit that. We will submit a full set of the Studley Green evidence. Now, new houses are built with central heating, and the developer will tile your kitchen and bathroom to your specification, and they will even put carpets in. When I bought my first house, there was no central heating and there were no carpets. That was the norm, and that was what we could afford. However, if you had said to me that I could have something installed that could save my life for an extra £1,500, there would have been no question. I would have gone without carpets to know that my house was protected. So, I think it is about a cultural change, and I think that people will pay for this. We all pay for our own protection and the protection of our families, do we not? We all want to protect our families.

[57] **Janet Ryder:** I was going to ask what assessment has been made of who carries the additional cost of having sprinklers installed, but I think that it would be right to say that the evidence on this is anecdotal.

[58] **Ann Jones:** We will not know until we have put sprinklers into all new home builds in Wales, will we? There is no research that we could point to on that.

[59] **Angela Burns:** Andrew has a supplementary question, but I also want to draw attention to the time. I have the greatest respect for your passion, Ann, but you have got to sell the financial argument to us rather than the moral argument, of which I think most people are

totally convinced.

[60] **Ann Jones:** I have never been a car salesperson. Sorry about that.

[61] **Andrew Davies:** To follow up Janet's question, in evidence to Legislation Committee No.1, the Minister said that there was uncertainty about the costs and to whom they would be passed. What is the attitude of the Government to this legislation? Has it expressed any views to you? Presumably, the points that the Minister made about sprinklers could be made about building regulations as well.

[62] **Ann Jones:** The Government is supportive of the proposed Measure, as it was supportive at the LCO stage. I think that it will create the necessary regulations. With building regulations, we are tied to the energy efficiency element; we are not going to see wholesale changes to building regulations. What I believe this will do—

2.10 p.m.

[63] **Andrew Davies:** What about the costs?

[64] **Ann Jones:** Regarding costs, it is about 1 per cent to 2 per cent of the cost of a property. It costs about £1,500 to install a sprinkler system in a house at the construction stage. That is the difference. That is the starting point of the proposed Measure. If you talk about retrospective fitting, you have to start digging up roads and all sorts of things, and there are enormous costs. With a new build—and this is why we have gone for this option—you include the equivalent cost at the construction stage, which lowers the cost. You are talking about roughly £1,500. The sprinklers in Studley Green came out at £1,470, which is £30 less than my estimate. So, that is what it will cost. That will be added to the price of the unit. So, when you go and buy your property, it will be £39,000 instead of £37,500. It is that sort of situation. The cost will be passed on to the beneficiary.

[65] **Rosemary Butler:** I want to follow up on this point. According to the evidence that you gave to the legislation committee, Ann, you calculate that this will cost £1,233. However, there is evidence from homebuilders that the costs vary, but are considerably higher than the figure that you have provided. The explanatory memorandum quotes a submission from Community Housing Cymru that states that the actual cost of installing sprinklers in a development of retirement bungalows was over £5,000 per house, while Bovis Homes estimated costs of over £3,000 per dwelling. There is a big difference in these estimates, and these are costs that are going to be passed on to the consumer. Could you explain the reasoning behind your estimate?

[66] **Ann Jones:** I will let Martin answer this, and then Chris can come in afterwards.

[67] **Mr Jennings:** Our estimates are set out in the explanatory memorandum. We looked at all of the information that was available, and at large studies like a report published in February 2010 by Communities and Local Government entitled 'A Cost Benefit Analysis of Options to Reduce the Risk of Fire and Rescue in Areas of New Build Homes', which said that it would cost about £1,500 for a house and £750 for a flat. When Scotland was considering the installation of fire sprinklers in residential premises, the estimated cost was £800 for a flat and £1,500 for a house. The Chief Fire Officers Association estimated the cost to be around £1,500 for a house, or about 1 per cent to 2 per cent of the construction cost. I will let the other witnesses talk later about Community Housing Cymru's evidence. We looked at the available evidence and we thought that the CLG information was probably the most recent. It was quite a big study, and international studies appeared to back up the figures contained within it. Figures compiled by Data Unit Wales show what proportion of new builds were houses and what proportion were flats—37 per cent of new builds were flats. We

applied those percentages to their average, high and low ranges, and that is where we came up with £1,233 and an average of somewhere between £1,000 and £1,700. We multiplied that by a generous estimate of how many houses had been built over the last 10 years, and we added a little bit extra to make sure that conversions were covered and to give us a bit of leeway.

[68] **Mr Enness:** I wish to add something. In the UK at the moment, there are very few areas where sprinklers are mass-installed. Consequently, costs are higher. There are not many installers, given that not many people are geared up to do that sort of work. However, where there has been mass installation of sprinklers, costs have fallen dramatically. Of course, this is also subject to market forces: an industry is created; more people can compete; more people are employed; and more people are able to fit those costs. Most high costs will be reflective of retrofit installation, not brand-new installation. If the high cost is incurred by brand-new installation, I would suggest that the installation was approached wrongly.

[69] **Angela Burns:** Irene, while we are on the subject of costs, would you like to talk about water costs? I will come back and sweep up the other questions later.

[70] **Irene James:** The explanatory memorandum assumes that the supply of water to sprinklers is defined as domestic use, and therefore a requirement for Dŵr Cymru. However, Dŵr Cymru has stated that such supply is legally defined as being for non-domestic purposes. Which is correct?

[71] **Ann Jones:** I believe, and I am backed up by evidence from the Chief Fire Officers Association and the British Automatic Fire Sprinkler Association, that we, I mean they—I will be a sprinkler installer the way that I am going on—can run sprinklers through the domestic supply. The Water Industry Act 1991 states that the supply of water for firefighting must be free; there should be no metering cost. I maintain that, in 95 or even 98 per cent of places in Wales, we should have sufficient pressure to run the sprinkler system from the domestic supply. Chris, CFOA has been a lot of work on this so you can address the technical issues.

[72] **Mr Enness:** Technically, it is right: any supply of water to a house is classed as being for domestic use. So, that is technically correct. However, any supply fitted to a house in the UK is still coming off the domestic use. The difference is whether there is a single valve going into the water main or a T-piece valve. That is the difference with regard to use. Any water supply to a house counts as domestic use. I will refer to my notes: Dŵr Cymru, through Keith Pratley, jointly signed up to a letter to seek a change to the Water Industry Act 1991, to make water supply for fire sprinklers a legitimate use of water under the Act, to be separately designated as use for firefighting. Water for firefighting is free; it should not be metered and it should not be restricted.

[73] **Irene James:** Given that there is going to be an additional cost of between £763 and £976 to provide this—which are the figures provided by Dŵr Cymru—what potential impact could this have on the financial implications of the proposed Measure?

[74] **Mr Enness:** That evidence was interesting, because it related to the digging up of ground. The Dŵr Cymru evidence refers to the different types of road and footpath that will be dug up. However, the water supply to a house is going to be provided anyway so no additional digging will be required for a new build. You have to dig up the ground to supply water to a retrofit, not to a new build. That channel will already have been dug to lay the pipes to supply water to the house.

[75] **Irene James:** Therefore, are you saying that virtually no extra cost would be incurred for providing this water to a new build?

[76] **Mr Enness:** The cost would be minimal and it would probably just be the cost of a bigger pipe.

[77] **Irene James:** Therefore, are you saying that there is a cost, because a larger pipe than usual would be required?

[78] **Mr Enness:** Yes, there is a minimal cost. However, it would be a matter of pounds.

[79] **Peter Black:** Would there be an additional cost where the water pressure is insufficient? I think that Ann said that at 98 per cent it would be fine but there is about 2 per cent where the water pressure will not be sufficient.

[80] **Mr Enness:** The difference between water supply and water pressure is something to note here, because it is the flow of water, which requires a volume of water going through a pipe, that makes a sprinkler system work. If you increase the volume of water going through a pipe, you can decrease the pressure by up to 50 per cent and it will still work. However, where the water supply is insufficient, there is a possibility of installing a header tank and a pump to augment that.

[81] **Peter Black:** Would that cost be borne by the builder rather than by Dŵr Cymru?

[82] **Mr Enness:** The cost would be incurred during the building of the premises and would be passed down to the purchaser.

[83] **Angela Burns:** Brian, I know that you have a supplementary question, but from that could you segue into your question on maintenance costs? I would like to stick to the theme of costs.

[84] **Brian Gibbons:** You made a convincing case in relation to the costs in responding to Irene's question. Would the same principles apply to housing adaptations and so on, or houses going from multiple to single occupation or vice versa? Would that still hold?

2.20 p.m.

[85] **Ann Jones:** They will be higher costs, because it is almost a retrospective fit: if you are going to change a large house into a house of multiple occupation, which is what I would like to see because it would be a new home for someone being covered in that respect, you will then have to look at the water main and dig up the road at that point because the building is still there. All that you are doing is altering the inside. If you are adding on to your property, there is still the retrospective element of having to get back down to digging up the road.

[86] **Brian Gibbons:** I do not know anything about the engineering of this, but if there was a house with a mains supply that was being converted into a house of multiple occupation, would a pipe have to be re-laid into that house to get the flow?

[87] **Ann Jones:** Yes.

[88] **Brian Gibbons:** It would; so, unlike a new build, there would be a cost of digging up the road.

[89] **Mr Enness:** There would be because, effectively, that is retrofitting. You would require a larger main to be fitted from a 25 mm pipe to a 32 mm pipe, for example. Therefore, there would be the cost as per Dŵr Cymru's evidence. Again one would argue that if you are going from a single premises to a larger premises you would probably want to supply more

water in any case.

[90] **Rosemary Butler:** The bigger pipe would not necessarily be for the water sprinkler; it would be for the provision of the domestic supply in all of the flats.

[91] **Mr Enness:** Absolutely.

[92] **Brian Gibbons:** Just to be clear, on the basis of what Rosemary has said, there will be minimal costs to supply the sprinklers; end of story.

[93] **Mr Enness:** Is it difficult to give a definitive answer on this. I think that each case would be judged on its merits. However, I think that the point that has just been made is a very accurate one.

[94] **Ann Jones:** When we were trying to do the costs for the explanatory memorandum, we did try to take that into account. We thought that there would be fewer conversions than new builds. We tried to absorb that into the costs, did we not?

[95] **Mr Jennings:** There is very little information on how many conversions there are. There are obviously very few if you compare the number of new builds to the increase in dwellings. Some 83,000 houses were built over 10 years, and we took the figure to be 10,000 in order to overestimate, in a way. We have allowed for it by overestimating the number of properties.

[96] **Brian Gibbons:** On the issue of maintenance, again we have conflicting evidence. Communities and Local Government gives a figure of around 100, and Bovis and Community Housing Cymru's figures are between 100 and 300. I know that Chris has provided some explanations that if you are buying it for £300 you are probably buying it from the wrong person in the first place. [*Laughter.*] For the record, could you provide reassurance to the committee in relation to the maintenance costs because of the variation in the costs that we have been provided with?

[97] **Ann Jones:** Go on, Chris; you do it because you have the evidence to hand.

[98] **Mr Enness:** Again, using evidence from the UK, the maintenance costs at Studley Green are £80 per unit. The reason for the reduction is that, at the moment, there are so few domestic sprinklers that maintaining them takes time as it is necessary to travel to and from the premises. Where you have premises en bloc you can maintain them more easily. There is also the opportunity for people to train others. Social housing, for instance, is inspected and maintained on an annual basis. There is nothing to stop people who have had a small bit of training from going in to do some maintenance there. Therefore, we expect the costs to drop even further.

[99] **Brian Gibbons:** Therefore, are you saying that the maintenance is of a handyperson level of skill, or is it a tradesperson's skill?

[100] **Ann Jones:** People will have to know what they are doing when they are maintaining systems. We have that now you; you do not have Joe Bloggs coming in just to look at your boiler because he fiddled with his own boiler. You have people who have been trained to do that and are usually registered under an accredited scheme. Obviously that will have to be the same situation. How many people check the wiring to their smoke alarms every year? They do not. The hard-wired smoke alarm is there and you accept that it is there. In terms of your question, it would be someone that would be accredited. It will also help the economy if we have the industry and can put people into jobs—first to install the sprinklers and, secondly, to maintain them.

[101] **Brian Gibbons:** So, your key point with regard to the difference in cost is the volume, in that your accredited maintenance engineer might currently have to travel 20 miles between houses and so only get one house done an hour, whereas if sprinklers were more ubiquitous, the maintenance engineer could do five to 10 in the same time. Is that basically your argument?

[102] **Mr Enness:** Yes, that is basically it. Also, the more complicated the system, the more skilled the maintenance engineer would need to be. Going back to your earlier point, the British Standard 9251 sprinkler system is a very simple system, so a high degree of skill is not required.

[103] **Brian Gibbons:** The explanatory memorandum also states that the annual maintenance cost would be

[104] ‘zero for the first year, in the region of £250,000 for the second year, £500,000 for the third and so on.’

[105] There will presumably be a plateau at some stage, or we would consume the total GVA of the world in maintenance. *[Laughter.]* Why is there such a significant increase year on year? I do not know whether the next figure would be £750,000 or £1 million.

[106] **Ann Jones:** What we are trying to say is that in the first year of your system, there would be very little maintenance, and, hopefully, in the next year, there would be more properties with sprinklers, so the maintenance costs should decrease. Registered social landlords will probably be the ones more interested in that. If they have 100 properties in the first year with sprinklers, 300 properties in the second year and 1,000 properties in five years’ time—those are the maintenance costs that we were trying to give.

[107] **Brian Gibbons:** Do you have an estimate of the steady state, because, theoretically, it could consume the GVA of Wales if it were to continue to increase?

[108] **Ann Jones:** No, we do not have an estimate, because, unfortunately, we do not have sprinklers installed in any properties. In Studley Green, the maintenance is £80, based on an installation cost of £1,470. That was the cost after construction had already started, so you could perhaps argue that that cost is a bit high. We have based these figures on what we think is accurate.

[109] **Mr Enness:** Once the first houses have been there for a year, we assume a maintenance figure of £10,000, and between the second and third year, we assume a figure of £20,000, and so on. So, when you have a sprinkler, your house will need to be maintained every year.

[110] **Brian Gibbons:** We will surely get to a stage in which there will be a steady state?

[111] **Ann Jones:** Yes.

[112] **Mr Enness:** Yes.

[113] **Brian Gibbons:** If you have not done the calculation, then it is not fair of me to ask you to do it on the hoof. However, it might be useful for you to have a look at that in order to give us a feel as to whether or not there is a plateau figure.

[114] **Mr Enness:** It will be multiplying the number of houses by how much they cost to maintain.

[115] **Brian Gibbons:** So, it will be the proportion of new houses multiplied by whatever the cost will be, will it?

[116] **Ann Jones:** Yes—by what we perceive will be the cost.

[117] **Angela Burns:** Will that cost fall on a single body or person?

[118] **Mr Enness:** No. That cost would only be theoretical, because, as you increase the number of units with sprinklers, the maintenance cost would come down. So, the more houses that are correctly installed with sprinklers, the more would be maintained—100 per cent, you would hope. However, you need to offset that cost by how much that saves the economy in loss of life, injury and the prevention of loss of property.

[119] **Brian Gibbons:** Going back to Ann's point about first houses or first cars, we used to have a three-monthly or a six-monthly check-up on cars, and yet Kia now offers a seven-year warranty. So, why have annual maintenance checks? The kit might not require an annual check.

[120] **Mr Enness:** The British Standard requires it to have an annual check. The maintenance standards are within the overall standards of the sprinkler system, but I would liken it to the water supply to your tap, which is always there. You turn your tap on and it works. How often do you maintain your tap? Yet it always works.

2.30 p.m.

[121] **Angela Burns:** Andrew, would you care to ask about the rest of the costs?

[122] **Andrew Davies:** The last discussion raised some issues for me, Chair. I understand the point about saving money in terms of total expenditure, but those savings from introducing sprinklers would not fall to registered social landlords. Those costs would fall to the health service and elsewhere, but not to the registered social landlords, because that is the way that the budgeting works. We may need to look at more figures on this. I accept the point that the costs will decrease over time, but if, for example, a housing association installs sprinklers, given the likely spend profile on building over the next few years, I am not sure whether the maintenance costs would reduce for an individual housing association. Perhaps we can come back to this, Chair, and ask for more—

[123] **Ann Jones:** Except they would not have to rehouse anyone while they rebuilt their home and pay the costs of redecoration after a fire and so on.

[124] **Andrew Davies:** I accept that and I understand your point about savings, but they will not all fall to that one organisation.

[125] **Ann Jones:** No, okay. We can do some more work on that.

[126] **Andrew Davies:** We have looked at installation and maintenance, so let us look at some other costs. The Welsh Local Government Association has looked at the regulatory impact of inspection and it says that it has some concerns that that has potential costs. Your explanatory memorandum states that such costs will be 'minimal'. How would you respond to the WLGA's points?

[127] **Ann Jones:** It would be the WLGA that would look at the regulatory impact and the effect on its members. I think that the costs are minimal. We envisage that, when this goes through, the inspector who signs off new builds will have to do so in the knowledge that the



sprinkler system has been installed, has been fitted correctly, and so on. So, there will be an additional cost if the building control officers have to be trained to understand sprinkler systems. That is an additional training cost, but it will be minimal across the piece.

[128] **Andrew Davies:** To move on to the area of the cost-benefit analysis, to which you referred earlier, there is an argument that you should do everything that you can to save every life, but there is a cost to that, so there has to be some sort of trade-off. It is the same if you are investing in railway safety, for example. The costs that we have been looking at come from a study derived from the Department of Communities and Local Government, which said that the

[129] ‘benefits of installing sprinklers in all new housing, in terms of reduced fatalities, injuries and property loss, would fall far short of the costs.’

[130] It is clearly saying that a strict cost-benefit analysis does not justify your proposal. How do you respond to that?

[131] **Ann Jones:** I will let Chris deal with that, because CFOA is looking again at the evidence, so he has up-to-date information on that.

[132] **Mr Enness:** The cost-benefit analysis is born from the earlier Building Research Establishment report, published in 2006, which drew from evidence going as far back as the 1980s. There is little empirical evidence on which to base that conclusion. So, it is largely based on theoretical evidence and assumption. Our argument is that, had we looked to international studies in places that have been doing this for years, we would have had a true cost-benefit analysis. So, we have engaged with BRE to update its current research, and that work is ongoing. We are confident that the cost-benefit analysis will change.

[133] **Andrew Davies:** I am aware of the time, Chair. Perhaps we could pick up the other questions by letter or e-mail.

[134] **Angela Burns:** Yes, if you are happy to do that. We have a few questions that we will send to you by letter, Ann. I will also write and ask you to have another look at the cost-benefit analysis for converted properties. While I accept the argument that if you are going to convert a house into two or three flats, you will have to run in a bigger pipe anyway—forgive my ignorance, but I assume that sprinklers have to run on a piping system that goes through the ceiling, but, when you convert a house, you would not normally have to take the ceiling down, you would just move walls around, and so on. You would obviously have to do far more to install a sprinkler—

[135] **Nick Ramsay:** You could take the floorboards up.

[136] **Angela Burns:** Well, whichever way you would want to do that, perhaps we could have a bit more information on that. We could also do with a bit more information on maintenance costs—

[137] **Ann Jones:** Sorry, which costs?

[138] **Angela Burns:** Maintenance costs.

[139] **Irene James:** There is also the question of whether insurance companies would recognise a scheme such as this.

[140] **Angela Burns:** Thank you—that is a very good point. So, we will write on four or five points. I would be grateful if you could turn that around quite quickly. We will get the

letter out to you by the end of this week, simply because—oh, my clerk is saying that we will not. He is obviously on strike. When will we get the letter out to them, John?

[141] **Mr Grimes:** It is just that we have a report to write after our next evidence session, which the committee has to clear by Wednesday.

[142] **Angela Burns:** So, we have a bit more time for Ann, do we?

[143] **Mr Grimes:** Yes. We will get it to you in good time, and I will liaise with Martin. He is here, so he knows what the questions will be.

[144] **Ann Jones:** So, it is information on converted properties, and more on the cost-benefit analysis, and the maintenance costs.

[145] **Angela Burns:** Yes, and there were a few other questions from Janet and Nick that we did not have a chance to cover. Is that all right?

[146] **Ann Jones:** Fine—thank you.

[147] **Angela Burns:** Chris and Martin, I thank you very much for coming before us today. Well done, Ann. Member proposed Measures are always tougher to bring through.

[148] **Ann Jones:** Could I just leave you with the Studley Green information?

[149] **Angela Burns:** That would be lovely. I will circulate it to the committee.

[150] I suggest a two or three-minute break. I will go and welcome the Deputy Minister—I am sure that he is waiting for us—and then we will recommence.

*Gohiriwyd y cyfarfod rhwng 2.36 p.m. a 2.42 p.m.  
The meeting adjourned between 2.36 p.m. and 2.42 p.m.*

**Goblygiadau Ariannol y Mesur Arfaethedig ynghylch Hawliau Plant a Phobl Ifanc (Cymru)—Tystiolaeth gan y Dirprwy Weinidog dros Blant  
Financial Implications of the Proposed Rights of Children and Young Persons (Wales) Measure—Evidence from the Deputy Minister for Children**

[151] **Angela Burns:** We are back in session. I welcome our witnesses to the second session of the Finance Committee today. We are here to discuss the financial applications of the Proposed Rights of Children and Young Persons (Wales) Measure. This is the second time that your officials have been before us, Deputy Minister, and I am grateful that you could come today at relatively short notice. Please be assured that we have asked you here, not because of anything that your officials may or may not have said, but simply because some of our questions are policy orientated, and it would have been inappropriate to have put them to your officials.

[152] For the record, I ask you to introduce yourself, Deputy Minister, and your two colleagues.

[153] **The Deputy Minister for Children (Huw Lewis):** Okay, my name is Huw Lewis, and I am the Deputy Minister for Children. On my right is Marcus Hill, who is advising especially on this issue, and Suzanne Chisholm is on my left.

[154] **Angela Burns:** Would you like to make a brief opening statement, or are you happy

for us to go straight into questions?

[155] **Huw Lewis:** I am happy to go straight into questions.

[156] **Angela Burns:** I will bring you in first, Peter, because I know that you are operating in a tight time frame.

[157] **Peter Black:** Thank you for that, Chair.

[158] Huw, in your written evidence to the committee, you say that the impact on external bodies will depend on how due regard is given in each specific decision. You have developed examples to demonstrate the impact of such decisions. In developing the examples, have you undertaken any work to consider how you will assess the financial implications of these decisions on public bodies?

[159] **Huw Lewis:** Peter is absolutely right, of course. When we describe this duty of due regard in whatever policy is moving through the machinery of the Assembly Government, it could have an impact on every single item in the United Nations Convention on the Rights of the Child, or it could have barely any impact. So, the implications for the Assembly and other public bodies depend entirely on the nature of the policy being made. Each one would be a bespoke example; each one would be different.

[160] There will be variations, so it is difficult to pin down. It is conceivable that a significant amount could be achieved through a certain policy by enhancing our commitment to the UNCRC. In other policies, it could mean that we find it much more difficult to add anything to our covenant to the UNCRC.

[161] It is also important to remember that none of this removes the Assembly's well-established consultation procedures with partners and other organisations—that will continue as it has always done. During that conversation about how we give better effect to the UNCRC and what that means for an external body, I believe that we have one of the best consultation regimes anywhere in Europe to take through that conversation. It is the most specific answer that I can give to your question; it depends on the policy.

[162] **Peter Black:** If the policy leads to additional financial impact as a result of taking into account the proposed Measure, that will obviously have an influence on the final decision taken. Will it also form part of the consultation that the proposed Measure has added that financial impact and will therefore be part of the cost to those public bodies?

[163] **Huw Lewis:** Absolutely. Due regard does imply a balanced consideration, which I think is the phrase that is used. So, you have to take everything into account. If you are rolling out a policy that does everything right but has an astronomically bad financial effect on parish councils, for example, you would have to give that a balanced consideration. I will hand over to Marcus to give more illustration on this point.

[164] **Mr Hill:** Just to explain, if a policy or a piece of legislation is being developed, at that stage consideration would be given to how the 58 rights and obligations of the UNCRC apply. What you will also be looking at at that stage is how you can possibly give further or greater effect to them by using the policy or the functions of Ministers in a different way. So, basically, what we are saying is: 'You have the UNCRC; what is it that we can do through this policy?' At that stage, you will also be costing up what the options are. Normally, at that stage, advice will go to Ministers on what you believe the options are, and what cost envelopes we are operating within. So, it is at that stage that an assessment is undertaken. Similarly, if there is a perceived impact on public bodies, that would also need to be taken into account in those costings.

[165] **Peter Black:** Okay. Turning my question on its head, at what stage do you carry out an evaluation of the effectiveness of this proposed Measure, and how often do those evaluations take place? Does that involve estimates of the costs added on to various policies as a result of the proposed Measure?

[166] **Huw Lewis:** Evaluation would go on continually in several regards, because you have the duties of the children's commissioner to keep a watching brief on everything that we do in relation to children's policies. You also have the non-governmental organisations monitoring group, which would do this sort of work as a matter of course in any case. So, you have all that normal working. It is important to realise that when we are talking about the evaluation of what we get out of this proposed Measure, that it does not exist in isolation—that is what I am trying to say, I suppose. There is a broader evaluation landscape out there that should show us gaps and teach lessons. I will hand over to Suzanne for a fuller answer on this.

[167] **Ms Chisholm:** It is a very complicated question, as I am sure that you will understand, and we are working our way through it at the moment. We evaluate each policy that goes forward, but further compliance with the UNCRC is a combination of all those policies and approaches put together, as well as whatever the proposed Measure might add. So, it is a question of how we bring them all together into something that will make sense and will demonstrate change in the lives of children and young people, which is really the purpose of this piece of legislation, as I understand it.

2.50 p.m.

[168] **Huw Lewis:** Of course, the construction of the children's scheme will be crucial, and how we consult to get the scheme made real. The issue of evaluation will be a crucial part of that, as well.

[169] **Ms Chisholm:** If committee members would like more information, Marcus can provide the very technical background. It is a question of how much more you would like.

[170] **Peter Black:** It sounds like designing an elephant by committee. To put it in simpler terms, will you be publishing an annual report on the impact of the proposed Measure, including benefits and costs?

[171] **Ms Chisholm:** No.

[172] **Peter Black:** Will you produce a biennial report or a report every Assembly?

[173] **Ms Chisholm:** As it is currently set out, we propose to report on a five-yearly basis, to coincide with the UNCRC reporting, thereby maximising the economies of scale.

[174] **Peter Black:** Will that look at benefits and costs insofar as you are able to evaluate those?

[175] **Ms Chisholm:** It will definitely look at benefits and, yes, it will include costs insofar as we can calculate those, but, because of the complexity of it all, I do not think that we can say with any degree of certainty that it will cost x amount. There will be different bits that will be costed separately.

[176] **Huw Lewis:** The proposed Measure is all-pervasive, so it leads us to these complicated situations. Five years is the United Nations timetable for this sort of work, although we would have to build in the flexibility for it to make a 'comment'—and I think

that that is the correct technical term. That could happen at any time in response to something on its mind. We would then need the flexibility to evaluate that aspect of what the United Nations Committee on the Rights of the Child proposed to us. Alternatively, it could be home-grown; we could be talking about the children's commissioner latching onto an issue and demanding that we sort it out, in which case, we might not be talking about a strict five-year timetable. Marcus, do you want to comment on this?

[177] **Mr Hill:** I just wish to expand on what has been said about the evidence on evaluation. I tend to think of it as painting on a canvas that is not blank. Since 2004, the Welsh Assembly Government has been working towards the UNCRC quite explicitly. For example, the action plan has 16 priorities and 90 actions. There is already quite a lot of activity that needs some form of evaluation. The proposed Measure will add to that. As we are talking about the consideration of the rights and obligations in relation to each policy and piece of legislation as they are developed, similarly, evaluation occurs at that point in time. As part of the policy cycle, when you are developing a policy, you need to ask how you are going to evaluate it. That seems to be the most appropriate time to ask that question. If you think of it then, you probably have a number of pieces of a jigsaw, because different policies will have been given due regard in a different way. The issue is about how you draw those together to create the whole picture of the impact of the Measure as opposed to what would have happened anyway.

[178] **Brian Gibbons:** We have to be realistic about this. This is about the policy of decision making, and it is probably about compliance with international commitments under the UN convention. Looking at a cost of £0.5 million or £1.5 million over three years if you take opportunity costs into account, I suppose that the question is whether £0.5 million otherwise spent every year would give us a better front-line outcome for children. We have to be realistic about the impact of £1.5 million spent on this exercise, considering all the determinants of children's life chances. Talk about a butterfly flapping its wings in China and expecting to see an effect here in Wales. You are not going to find a direct cause and effect between this proposed Measure and the improved outcomes for children as defined by the children's wellbeing monitor or the UN evaluation of children. If people are looking for that, we need to knock it on the head straight away, as it is just impossible. However, we would need some assurance that the deferred £1.5 million going into this is adding value in some way, whether in the decision-making process or whatever. If Marcus has done some work along those lines, it would be useful to see it, from a financial point of view, as long as it is not 100 pages long with lots of formulae. We do not want that.

[179] **Angela Burns:** That would be right up your street, Brian.

[180] **Huw Lewis:** There has been some misapprehension in some quarters about what this proposed Measure is all about. We are not writing the UNCRC into Welsh law here. We are imposing a duty upon the First Minister and the Welsh Ministers. The idea is to ensure that the policy and law-making prioritisation of children and young people is included every time a Welsh Minister makes what we call a 'strategic decision'. As Marcus has said, a hell of a lot of this stuff is going on anyway. To add value with the extra £1.5 million, we aim to get that all-pervasive, holistic approach to the UNCRC across all aspects of Assembly policy and law-making activity.

[181] **Andrew Davies:** I thought that the Deputy Minister had answered my point, but he confused me at the end. As he knows, there has been quite a heated discussion in Legislation Committee No. 5 about what the proposed Measure applies to. The Deputy Minister just talked about this being 'all-pervasive'. As the legislation is currently drafted, it applies only to decisions of a strategic nature as determined by Ministers, as he just said. He then went on to say that it was 'all-pervasive'. My understanding is that it is not all-pervasive, as that has been the point of dissension in the legislation committee. It would be useful for the Deputy

Minister to clarify whether it is all-pervasive, or whether it applies only to decisions of a strategic nature.

[182] **Huw Lewis:** Yes. [*Laughter.*] We have had this discussion at the legislation committee, and I am awaiting its report. I want to take a good, hard look at that, because I know that there is an issue of substance behind its concern. Essentially, yes, the proposed Measure is all-pervasive, because all aspects of devolved power will be included in the remit of the proposed Measure. We cannot leave out planning or a little bit of health policy, for example. Everything is covered. However, as the proposed Measure is currently drafted, it operates at the strategic level. In other words, this is a proposed law that constrains and directs the actions of the Welsh Ministers when policy making and law making. I would argue that it is all-pervasive because no subject area has been excluded from it. I do not want to use the horrible phrase ‘trickle-down effect’, which was badly misused once before, but the idea is that, as we make major decisions regarding direction, all the actions that flow from those decisions will be affected by the consideration of the UNCRC. Outside bodies, in turn, would also have their actions modified by this proposed Measure.

[183] **Andrew Davies:** That issue is more for the legislation committee, but I just wanted clarification, in view of what the Deputy Minister said.

3.00 p.m.

[184] **Janet Ryder:** Deputy Minister, you have made it clear—and I am glad of the clarification—that it is a question of policy direction and law making, both of which have a huge financial impact. I want to ask you now about extending the scheme to cover 18 to 24-year-olds. The proposed Measure will give you a considerable amount of power in this area. First, it will give you the power to consult on extending the scheme to 18 to 24-year-olds, which could potentially lead to a major expansion of the scope of the scheme. In the additional written evidence to the committee, you said that it would be premature at this stage to estimate the costs of applying the proposed Measure to 18 to 24-year-olds. Can you outline what work you will undertake to determine the costs of extending the proposed Measure and when you expect to do that, please?

[185] **Huw Lewis:** You are quite right. As a matter of background, I do not think that the United Nations committee would expect us to cover the 18 to 24-year-olds, but that age range is included as a tool to pick up if we need it, because, in Wales, our definition of children and young people has always been that age group, and a lot of our existing policies and programmes are run on that basis. However, it leaves the question that Janet has asked hanging in the air, of how exactly we decide when to apply the proposed Measure to 18 to 24-year-olds and when not to do so. I cannot give you a full answer at this stage, because we have to go through that consultation on the children’s scheme to get the answer to that right.

[186] **Janet Ryder:** We have to be careful that we do not make a law for the Minister that is incumbent at the time. We are making law full stop, so that any incoming Minister could pick it up and use it in a way that perhaps you or your Government never intended. If this piece of legislation goes through, it will give the Minister the ability to step in and alter this scheme without any further reference to the Assembly. This extension from 18 to 24 years of age could have major financial implications for the Assembly, and we are trying to find out at what point you will be making that cost analysis, because you are asking us to sign a blank cheque, really.

[187] **Huw Lewis:** My understanding is that Ministers would have to publish and consult before making an Order applying the provisions to the 18 to 24 age group. So, it is not quite an automatic right for a Minister to make a decision out of the air.

[188] **Janet Ryder:** Unless you accept an amendment to bring this through the superaffirmative procedure, there will be no way for the Assembly to get its voice heard.

[189] **Huw Lewis:** The superaffirmative procedure is still under consideration. I will hand over to Marcus.

[190] **Mr Hill:** I will try to explain a little of the process and the background to this in the context of the question that you have asked. What we are talking about in the proposed Measure and what will be set out in the first scheme are the proposals of the Welsh Ministers on what they intend to consult on in relation to the 18 to 24-year-old age group. The scheme itself will be developed with stakeholders, prior to going out to formal consultation. Following the consultation on the scheme itself, a consultation exercise will have to take place on the 18 to 24 age group. Following that, there will be an analysis and options will be drawn up. At that stage, once we know what the options are and how people have responded, the costing can start to take place. The starting point of this, which we have tried to convey in the legislation, is quite a significant human rights instrument that is universally recognised as one of the most comprehensive instruments. However, as people have highlighted in evidence to the legislation committee, there are certain articles within the UNCRC that do not apply to the 18 to 24 age range, and we also recognise that.

[191] That may well be the case, but we want to have consideration, to think about that, and have the time in which to do that before options are brought forward. Once those options are brought forward, there has to be a published report, which goes into the public domain, and before Ministers can take action, they have to lay a draft Order, which gives the opportunity for further consultation to take place. At a number of different levels, there is an opportunity for consultation to take place on this before a solution is found. To reiterate, at this stage, we are not in a position to cost those options because we do not know what they are.

[192] **Angela Burns:** We have supplementary questions from Brian, Rosemary and Nick, and we will then go back to Janet.

[193] **Brian Gibbons:** Just to be clear from the cost perspective, I do not think that we are giving the Deputy Minister a blank cheque. Marcus said at the very end that although the Deputy Minister may lay an Order, the Assembly must vote on that Order.

[194] **Janet Ryder:** That depends.

[195] **Brian Gibbons:** This is not the legislation committee, but it seems to me that sections 6, 7 and 10 make it fairly explicit that an Order has to be laid before the Assembly and the Assembly must vote on it. There is no other way. Perhaps it is a matter for the people on the legislation committee to say that there is another way, but as I understand it, from reading this, an Order has to be laid and the Assembly has to approve it. If the Assembly says, 'We are not going to spend money on that', that is the end of it. I may be right, and I may be wrong.

[196] **Huw Lewis:** That is also my understanding, Brian.

[197] **Rosemary Butler:** I was going to come from the opposite point of view to Brian because consultation is consultation, to which the Deputy Minister has to pay due regard. That is it, really, is it not, unless I am out of the loop on this? I know that there is that point about the Assembly having to agree it, but I still think that there is a bit of an open door there for any Minister—not this Deputy Minister, of course, but any future Minister—who may want to run through it with a horse and cart.

[198] **Nick Ramsay:** I tend to take more of Rosemary Butler's view on that. The problem

there, whatever mechanism is used in the future, is that when the Assembly comes to vote on it—I am just thinking forward to that time—I presume that the go-ahead that this committee will have given to the proposed Measure, if we do so, may well be cited with people saying, ‘The Finance Committee was happy with it back then’. As long as it is clear at that point in the future that you came to us, Deputy Minister, and said, ‘It is actually impossible to cost this aspect of the proposed Measure’, I suppose that that is okay.

[199] I disagree with Brian on this; I think that there is a certain element of a blank cheque about this. I listened to the Deputy Minister’s civil servants the last time. We had some good information on a lot of aspects, but this was a big concern for the committee. From what you have said today, I am still not reassured. Perhaps some other Members are reassured, but I am still very reticent about giving the financial stamp of approval to this proposed Measure, which you have been quite honest about—I do not fault your honesty at all; it was nice to hear—and said that a part of it is impossible to cost at this point. Therefore, why tag it on at this point rather than at some future point? Why cause confusion at all?

[200] **Huw Lewis:** On why now and why right from the very beginning, I go back to my original comment: we feel that it is very important not to dislocate ourselves from the way that we have always approached policy in Wales. In terms of children and young people, it is from birth to 25 and we have always done our policy making in that way. That is something that we would like to maintain. There might be opportunities within the use of this legislation to better the lives of 18 to 24-year-olds, and we would not like to miss them. So, that is why.

[201] As to why the answer cannot be given in full now, we have to construct that children’s scheme and we have to have the consultation. It would not be fair of me to just give a very specific answer to the questions being asked at present. I will ask Marcus again to throw some more light on the matter and give a further illustration on this.

3.10 p.m.

[202] **Mr Hill:** It will probably help if I give you some specifics. The Deputy Minister is talking about the historic policy context, and that, at a local level, planning takes place from birth to 25 years of age, with children and young people’s partnerships and so on, which is also how we set out our policy at a national level. We have been looking at this issue and the need to include this particular age group; we are unsure as to how we are going to get there, but the evidence in terms of why we need to do it is becoming quite clear. If you look, for example, at the recent figures for young people who are not in education, employment or training, and look specifically at the 16 to 18 age group, you will see that we are talking about approximately 12 per cent; if you look at the 19 to 25 age group, where this will potentially bite, you will see a much higher figure.

[203] Similarly, our work on the analysis of the Welsh Assembly Government’s budget—and this is an exploratory analysis, so it is not firm by any means—has identified that there are much higher spends at the children and older people’s ends, and that the lower spend has been for the 18 to 25 age group. It is approximately £100 per head lower than for the next group up, which sort of covers the age of 25 to old age.

[204] When we look at youth support services in Wales—a youth support service is defined as any service that helps a young person to access education, employment or training, or to play an active part in their communities—we have evidence from Estyn inspections. In a number of local authority inspections and in its overall inspection reports, Estyn has highlighted that these services are not catering for or being accessed by people in the way that it would have anticipated. So, there are a number of issues there that we are trying to resolve. Given that we are committed to a rights-based approach, this seems to be the most appropriate way to do that because this is the Proposed Rights of Children and Young Persons (Wales)



Measure.

[205] **Angela Burns:** Nick, do you want to follow on from that?

[206] **Nick Ramsay:** Yes. I do not disagree that including that age group in the proposed Measure is a good thing. This committee's issue is that it clearly causes a complexity, because you do not have all of that information at your disposal at this point. Is there not a danger here that you are being a little too ambitious with this proposed Measure? I can see what you are trying to do, and there is good reason for it, although, from what the Deputy Minister said at the start, it may be over and above what is required—and that is no criticism. You are very close to this and perhaps we, as the Finance Committee, could just ask you to hold your horses a little. We do not want to lose a lot of the good things that you are trying to do by being too ambitious. Rather than using the mechanism of the Order, would there be a case for simply saying that there is more than one proposed Measure here?

[207] **Huw Lewis:** It is important to remember that we are already signed up to the UNCRC, through the United Kingdom. We must keep that in mind. Perhaps I did not express myself very well the first time around, but we have not signed up to the UNCRC and then decided to add this group of the population—the 18 to 25-year-olds—to our consideration. What we are doing here is writing a piece of Welsh legislation for a Welsh situation. For a decade or more, we have made policy and have taken the 18 to 24 age group into account. All kinds of anomalies would present themselves if we were to disallow ourselves this option now. It would throw up all sorts of questions with regard to programmes that are already operating. It would cause difficulties on the ground for things like children and young people's partnerships. I am not here saying that I have this entirely figured out and that this is what it will cost down to the last farthing—I cannot do that at the moment—but we would limit our options for doing social good if we knocked out that age group at this stage.

[208] **Angela Burns:** Before I bring in Brian, I will give you a bit of background from our perspective, Deputy Minister. Your policy decision is bang on the button and yours to make. Our concern, and it is not just with this proposed Measure, but with a series of proposed Measures that have come before us over the last six to eight months, is that we are being asked as a Finance Committee to say, 'This Measure is A-okay. We are happy with the financial consequences of it'. A lot of Measures are then subject to secondary regulatory impact assessments, which we will never get to look at.

[209] You spoke about the fact that this would turn into an Order if it was decided to go up from the age of 18 to 24, Marcus. That Order would be laid before the Assembly with no financial scrutiny apart from the fact that, back in this year, the Finance Committee of the day said, 'Yes, the proposed Measure as it stands meets financial probity and consequence'. The 60 Assembly Members might sign off on an Order that might land a huge amount of cost onto the Government, the Assembly and the nation with no further recourse for additional financial scrutiny. As I said, it is not just your proposed Measure, Deputy Minister; we have seen this happen with proposed Measure after proposed Measure. It is difficult.

[210] My personal opinion, having watched these proposed Measures come through, is that there is a case for us to come back in at the regulatory impact assessment stage and say 'yes' or 'no'. We are the guide for the Assembly Members who sit and make the decisions and who do not have the time to go through this level of scrutiny. Each committee does its bit of scrutiny, and ours is financial scrutiny. However the National Assembly chooses to do it, perhaps we should come back at a later stage and say 'yes' or 'no' to certain parts or maybe we should not be involved now, but only at the relevant point later. However, that is not the situation; the situation is that we have to sign it off, say 'yea' or 'nay', and give our financial opinion on a proposed Measure. That is what is taxing us, to be truthful. I said that to give you some background, because I do not want you to think that we are being irrational on this.

It is about understanding that there are unintended or intended consequences.

[211] **Huw Lewis:** I understand. You could argue that those decisions, further down the line, in terms of budgetary constraint and so on, are for the Ministers to make and that that is what the Ministers are for. That is their job. Changing the procedure and how the Finance Committee might feed into things at a later stage is not a question for me to answer, but for the Assembly as a whole. I cannot envisage the extension of consideration to 18 to 25-year-olds as a hostage to fortune in any way. As a piece of policy, I do not see it as a ticking time bomb. Why would it be any different to including seven to 11-year-olds in what we are doing? It is about ensuring that we have the best fit with the programmes and programme spends that are already operating in Wales at the moment. However, I see the point that the committee is making.

[212] **Angela Burns:** Did you want to come in, Brian?

3.20 p.m.

[213] **Brian Gibbons:** Just to confirm that section 10(2) is quite clear and the Chair has conceded that the Assembly has to make a decision. The concern is that the level of scrutiny of an Order will never be the same as the level of scrutiny of a proposed Measure under current Assembly Standing Orders. The Deputy Minister is right. We need to look at our Standing Orders, because I think that there could be a big financial bomb ticking away if the powers were to be extended. The implications might not perhaps be so much for the assessment process as for services. Can you confirm for the record that these Orders will be subject to a full regulatory impact assessment? Most secondary legislation, as I understand it, is subject to a regulatory impact assessment—certainly regulations are. I think that it would be helpful if we at least know that if this is being brought in, there would be a regulatory impact assessment, so that people could see the size of the bill and so forth. It will not address the issue of scrutiny, which is the way in which the Assembly operates, which probably does need to be addressed.

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

[215] **Brian Gibbons:** There will be a regulatory impact assessment?

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

[217] **Brian Gibbons:** Okay, thank you.

[218] **Angela Burns:** Janet, did you want to add anything else?

[219] **Janet Ryder:** May I just check whether that regulatory impact assessment would come before the Finance Committee for full consideration, or do you envisage it taking a different route? Would it just be there for information?

[220] **Huw Lewis:** I am going to have to turn to my colleagues.

[221] **Ms Chisholm:** We will have to write to you on that, because I do not know the answer.

[222] **Mr Hill:** I think that it just follows the due process that all regulatory impact assessments follow.

[223] **Janet Ryder:** That is the problem.

[224] **Angela Burns:** The clerk has just advised me that this is an issue for Standing Orders. It is something that our review of Standing Orders may clear up. We have all made our submissions.

[225] **Janet Ryder:** Deputy Minister, from what you have been saying, it sounds as though you have more or less made up your mind to extend this from 18 to 24. You have cited a number of incidents where it already happens. Do you still stand by the further written evidence in which you state that it would be premature to estimate the costs at this stage, or do you, on reflection, think that greater thought should perhaps be given to those costs?

[226] **Rosemary Butler:** Before the Deputy Minister answers, have you done any consultation on this?

[227] **Huw Lewis:** Consultation will be extensive and real.

[228] **Rosemary Butler:** It will be, or it was? Sorry, it is the acoustics.

[229] **Huw Lewis:** It will be. Of course, there has been consultation up to now, but I am talking—

[230] **Rosemary Butler:** On the 18 to 24 extension?

[231] **Huw Lewis:** That is ongoing. We have had representations from dozens of organisations on this, and there are mixed views, particularly among outside bodies, on whether the 18 to 24 extension is a good idea or not. There has been no consensus of view. Further consultation will take place in drawing up the children's scheme, and that will make things much clearer with regard to what we are saying here about the application of this. Did you want to come in, Suzanne?

[232] **Ms Chisholm:** I was just going to try to clarify a little. As the Deputy Minister says, there have been quite a lot of consultation responses. People who have presented evidence to the legislation committee have a range of different views on this issue. Our commitment, under the proposed Measure as it currently stands, is to consult as part of the children's scheme on how and to what extent aspects of the UNCRC might be extended to the 18 to 24 age group. We have not had time to work out yet exactly what that might be. We have also committed, in relation to the children's scheme, to work collaboratively with external partners and children and young people to develop the contents of the scheme so that it will be a developmental process that will engage the very broadest possible range of external stakeholders to decide what goes into that first children's scheme and therefore to decide which aspects could best be extended to the older age group and in what way. So, the answer to your question is: yes, we have already consulted, and we will be consulting very much further over a considerable period of time.

[233] **Angela Burns:** Andrew, did you have a supplementary?

[234] **Andrew Davies:** To be fair, the legislation committee took evidence on the extension, and there is no consensus, but a variety of views among outside bodies such as Funky Dragon, the children's commissioner, and others. I do not think that there is a consensus on the committee either. On the issue of the regulatory impact assessment, I am concerned that it seems to be that, given the timetable for this proposed Measure, it will be after the proposed Measure has gone through. This is not just a matter for the Deputy Minister, because this is a matter that we have raised before. It happened with the Proposed Waste (Wales) Measure, it happened with the Proposed Welsh Language (Wales) Measure, and, in fact, with virtually every piece of legislation. I just do not think that it is good governance or good legislative practice. It is a complaint that we are getting over and over

from outside bodies—that it is only after a Measure is on the statute book that things such as the regulatory impact assessment are done. To be fair, with this one, I suspect that there will not be huge additional costs for other organisations, but there are with the Proposed Waste (Wales) Measure, as the WLGA said. These really are not questions to the Deputy Minister, but the fact that the official cannot tell us when the RIA will be done is rather worrying—she said that she would have to come back on it and write to us, to be fair.

[235] **Brian Gibbons:** Just to follow up on Andrew’s point, it does not always have to be so. If we look at the Proposed Safety on Learner Transport (Wales) Measure, a lot of the stuff will be put in regulations, but officials have tried to make some estimate of the cost of implementing those regulations—for example, the cost of the seat belts will be £1.5 million to £4.5 million. They have not done the regulations, but at least they have had a stab at the costs. This is the problem—that, from the financial point of view, there is no estimate of the implications. For some legislation, even though regulations will give effect to provisions, there has at least been some sort of stab at the costs. Here, we just do not have any costings at all. There is inconsistent practice across the Assembly Government on this. That is what we are struggling with.

[236] **Angela Burns:** That is a point well made, Brian. Janet, did you want to come back on this?

[237] **Janet Ryder:** No.

[238] **Angela Burns:** I will move us on, because this is a sticking point that we could spend a lot of time on. We really need to talk about the outlined costs.

[239] **Irene James:** We were told as a committee that the expenditure required to take forward this proposed Measure would be met by the Department for Children, Education, Lifelong Learning and Skills. Could you outline how much money in total you will need to divert from the DCELLS budget in order to take the proposed Measure forward?

[240] **Huw Lewis:** It is true to say, Irene, that the costs of the heavy lifting thus far have been covered by DCELLS. There are two types of cost here: the actual costs, which would involve the costs of the central team that is involved in putting all this together, and then the costs of the training programme for policy officials that would be necessary. Then there are the slightly more nebulous opportunity costs involved in wider WAG staff involvement, training and compliance with the duty, and so on. What we have done is include the development cost of the training and the cost of the delivery of the training, which would be met in the future from central budgeting.

[241] This commitment to base policy on the UNCRC was made back in 2004, and I am sure that you can appreciate that it is no simple task to provide a total for DCELLS in particular, or for any other department. It is also worth saying that, because we have been involved in this work through the seven core aims since 2004, a lot of the costs associated with compliance are already operating out there in the machinery of Government. With regard to further training and the overall commitment of Ministers to pay due regard to the UNCRC, because we have been complying with the seven core aims, which are, essentially, based on the UNCRC, a lot of this stuff already operates across all departments as we speak, and has done for a while.

[242] Suzanne, did you want to come in?

[243] **Ms Chisholm:** No, that is okay.

[244] **Irene James:** So, what could be done to assess the impact that using this funding

from DCELLS will have on other activities that are currently funded by that department? You cannot spend money in one area without something else suffering, can you?

3.30 p.m.

[245] **Huw Lewis:** No, that is always the case. We have that specified figure of £1.5 million. Marcus, do you wish to add to that?

[246] **Mr Hill:** To a certain degree, there are several issues here that we have to try to disaggregate. As the Deputy Minister said, there is an actual cost, which is the cost of the central team and the cost of developing training. There are also opportunity costs. Up until now, the actual costs have been met by DCELLS. That may not be the case as we go forward, because we are just about to have the comprehensive spending review and so on, so those decisions will need to be made in the light of that.

[247] The opportunity costs are the costs of officials undertaking training and the cost of officials being able to apply this due regard duty when they consider policies in relation to children and young people. The costs will flow from that and will impact on individual policies, which is the point that we were talking about in relation to the first question that was asked about the impact on public bodies. That is where we get the complexity and it is why those costs are not included, because it will depend on how due regard can be given in those situations. So, to say that DCELLS is meeting all of the costs is not correct, because there are a range of costs. If you look at the 16 priorities in the action plan, the commitment to the UNCRC goes across Government and across all departments and portfolios, and that commitment needs to continue to be met from those budgets.

[248] **Angela Burns:** Irene, is there anything else that you wish to ask?

[249] **Irene James:** Yes. Basically, what other programmes will suffer as a result of diverting resources from DCELLS to the proposed Measure?

[250] **Huw Lewis:** It is not a question that I can really answer, Irene. We will have a budgetary process inflicted upon us next week. These decisions will be made in the normal way that these decisions have been made over the last decade or so. I cannot specify beyond that.

[251] **Ms Chisholm:** To add to that, there will be a process for prioritising which programmes will be taken forward in the light of whatever funding is allocated to the department, and that will follow the normal, due process.

[252] **Huw Lewis:** It is what Ministers are for, if we have any purpose at all. *[Laughter.]*

[253] **Rosemary Butler:** The explanatory memorandum states that when the due regard duty goes live in 2012-13, there will be a cost to departmental business units of implementing the consideration. What discussions have you had with other departments to establish that these costs are only opportunity costs and that the estimates that you have made are realistic?

[254] **Huw Lewis:** I am aware that discussions have taken place. As far as I am aware, discussions have taken place across all departments, but I would need to turn to Suzanne or Marcus to give you the background. I know that this is happening.

[255] **Rosemary Butler:** However, you have not had personal discussions with departments, have you?

[256] **Huw Lewis:** As of now, yes.

[257] **Mr Hill:** Just to expand on what the Deputy Minister said, there have been a number of different discussions about the proposed Measure: there would need to be, as you can imagine. At the moment, the departmental business units have a role in ensuring that a number of things are complied with prior to decisions formally coming to Ministers to be made. This will run through a similar process, so the cost that we are talking about in the first instance—and we have already talked about the opportunity costs of the training—would be the opportunity cost of complying with the duty. Over time, we would expect that cost to dissipate as people become more familiar with it and it becomes a normal part of the department business unit's business, because that is what they do.

[258] **Angela Burns:** Rosemary, before you go on to ask about the children's scheme, I know that Andrew has to leave and has a burning question that he wishes to ask. So would you like to ask your burning question now, Andrew?

[259] **Andrew Davies:** Get the sprinklers on, quickly. Deputy Minister, the legislation committee is looking at the issue of redress and the rights of the child. I know that you have promised to look at this, because your initial response was that there would be a process of judicial review, but the committee felt that that was the nuclear option, and, as such, it would be beyond the means of anyone to challenge the decisions made by Ministers. What measures are you thinking of putting in place? In the Proposed Welsh Language (Wales) Measure, there is financial assistance for legal costs relating to challenges. So, what are you looking at, if you are able to say, and what resources might be available?

[260] **Huw Lewis:** I do not have a novel proposal, because there are multiple avenues for seeking redress if a child or young person, or someone representing a child or young person, wants to carry forward a complaint and seek redress in some way or other. First, Meic, our national advocacy service, is now operating, which would signpost a child or young person to the correct advocate or adviser, depending on what the problem or issue was. The Assembly already has a complaints process and a petitions process. Most powerfully as regards this age group, we have the children's commissioner, who has the power and duty to follow through on children's complaints and concerns and take them to us. There are also Assembly Members—we do this sort of work on behalf of our constituents all the time. There are also the committees—the list goes on. The Assembly is extraordinarily permeable when it comes to seeking redress, but if you are searching for something particular to this age group that enhances its ability to raise its voice, I would point to the children's commissioner.

[261] Perhaps I frightened some horses when the first thing that popped into my head in answer to the questions of the legislation committee was judicial review, because that is and would always be seen as the last resort. It is important that the last resort of judicial review is there and no-one is suggesting that that should be taken away, but there are multiple avenues through which someone could seek redress without having to go to judicial review.

[262] It should also be remembered that the purpose of this legislation is not to implement a bill of rights, which children and young people could look at and decide that, when such and such an article within that bill of rights has not been complied with, they should take a Minister to court or to task over it. We have signed up to the UNCRC through the United Kingdom Government. We are signatories to it. What this legislation does, at the request of the United Nations committee, incidentally, is to fit as best we can the spirit of the UNCRC into the devolved context. We are saying that the best way to do that is to modify the behaviour of the Welsh Ministers, and that is what we are doing through the proposed Measure. It does not present a menu of rights to children and young people. It presents a list of duties to politicians, but the menu of rights was created by the UN and the British Government signed up to it.

3.40 p.m.

[263] **Andrew Davies:** The point that I was making, Chair, as the Deputy Minister knows, because we had a similar discussion in the legislation committee, is that there does not seem to be consistency. Some of the legal advice that the committee has had is that the way that the legislation is drafted makes a legal challenge to any breach of the proposed Measure virtually impossible whereas, in the case of the proposed Welsh Language (Wales) Measure, financial assistance is provided by the language commissioner for a legal challenge. My point is that there is inconsistency. The proposed Measure is about decisions of a strategic nature that are made by Ministers, and while there are the children's commissioner and other avenues for reports, they do not have legal sanctions or the same sanctions as is the case with the proposed Welsh language Measure.

[264] **Huw Lewis:** My understanding is that the children's commissioner can assist financially in a legal case and support a youngster in that way.

[265] **Andrew Davies:** My point is that the legal advice that the committee has received from lawyers from outside Government is that the way in which the legislation is currently drafted and the option that the Government is currently pursuing makes a legal challenge virtually impossible. While the children's commissioner may well be able to provide financial assistance in a legal challenge in other areas, in the case of the proposed Measure, the advice is clearly that there is no opportunity for a successful legal challenge.

[266] **Angela Burns:** Deputy Minister, we have strayed over our allotted time. However, could I just detain you for another five minutes? Do you have that time?

[267] **Huw Lewis:** Yes, sure.

[268] **Angela Burns:** I want to do so simply because we have to report on the proposed Measure next week. I would be grateful if Members could stay behind for 15 minutes after the public meeting so that we can meet in private to look at a few emerging themes and so that John and I can start to draft some ideas. I ask everyone to ask their questions very quickly. Rosemary, I think you had one final question on the children's scheme.

[269] **Rosemary Butler:** You have already referred to this in the meeting, Deputy Minister, but the proposed Measure contains provision to enable the children's scheme to be changed to reflect recommendations and other documents that emanate from the UN committee. Has any work been done to establish how frequently the children's scheme would be amended and the financial implications of that?

[270] **Huw Lewis:** In the normal run of events, as I understand it, there is the five-year cycle that we talked about earlier; that is, the quinquennial cycle that the United Nations uses. We would have to have the ability to amend if necessary because of other situations that could arise. For example, the UN committee could decide that it had a burning issue that it wanted to introduce and might want to amend the UNCRC full stop, and it could do that at any time that it wanted to. In Wales, in relation to the scheme in particular, issues could be presented to us as an Assembly by the commissioner, an individual, an organisation, a partner, a body, the voluntary sector or whoever it may be that would lead us to amend the children's scheme. We will have to be flexible. My understanding is that, over the past 20 years, the UNCRC has made 12 'general comments', as they are called, which would have led to triggering a process such as this. So, it takes place pretty infrequently. The UN does not run around doing this on a weekly basis.

[271] **Rosemary Butler:** Twelve times in 20 years is about once every 18 months, which is fairly frequent, unless they are all done at once, of course.

[272] **Ms Chisholm:** A general comment in itself would not necessarily mean that the children's scheme would need to be amended. The Deputy Minister would have to take a view on that, and there would have to be consultation with the external parties who have been involved in developing the children's scheme as well. So, there would be quite a significant process involved in looking at a general comment before there was a view about whether the children's scheme would need to be amended.

[273] **Rosemary Butler:** I will not ask you how much it would cost to amend it once, as you would not be able to tell us, but what is the cost of one consultation exercise?

[274] **Ms Chisholm:** The current costings are based on a five-yearly cycle, which is built into the cost of the central team. If there were to be more frequent amendments, the central team would need to do that work, and that would then be at the expense of other work that it would be doing on implementation and supporting implementation. So, it would be a case of striking a balance.

[275] **Rosemary Butler:** I just wondered whether we had any idea of the cost. That is all.

[276] **Ms Chisholm:** It will be contained within.

[277] **Angela Burns:** Brian, do you want to—

[278] **Chris Franks:** You are not going to get it.

[279] **Nick Ramsay:** Welcome to the Finance Committee.

[280] **Angela Burns:** Committee, order please. We are running out of time.

[281] **Brian Gibbons:** A number of reports flow from this. For example, there will be reports on compliance with the due regard duty and so on. However, I did not see anything specifically in the regulatory impact assessment on the cost of publishing these reports.

[282] **Huw Lewis:** The cost is included in the cost of the central team, which presupposes a five-yearly report.

[283] **Rosemary Butler:** Do you have that cost?

[284] **Huw Lewis:** It is within the cost—

[285] **Janet Ryder:** Can you quantify the cost?

[286] **Ms Chisholm:** Do you mean the cost of the central team?

[287] **Janet Ryder:** Can you quantify those costs for us?

[288] **Ms Chisholm:** They are in a letter you have had, I believe.

[289] **Brian Gibbons:** I am looking at year three, from April 2012 onwards. It is £272,000, and the opportunity costs are £299,000, so, putting actual and opportunity costs together, the total is about £0.5 million.

[290] **Angela Burns:** Thank you very much, Deputy Minister. There is one small bit that we were going to discuss with regard to the cost of imposing a duty on Welsh Ministers to promote knowledge of the UNCRC. However, if I may, Nick, I would like to whip these



questions away from you and ask two very quick questions. Can you quickly say what assessment you have made of the most effective way to raise awareness?

[291] **Huw Lewis:** I can see that Marcus is bursting to get in here. The first and, I think, more sensible way is to begin by asking children and young people, but I will hand over to Marcus.

[292] **Angela Burns:** This is about raising awareness of the convention.

[293] **Mr Hill:** Yes. We have done some work in conjunction with the non-governmental organisations in Wales, mapping what exists in terms of materials and tools to raise awareness of the UNCRC and, in doing so, to promote knowledge and understanding. That revealed some interesting gaps, particularly because a great deal of that information has been produced in an international or outside-Wales context. However, it also revealed some things that have been produced in Wales. Since that time, we have spent quite a bit of time planning our work, and responding to the areas and gaps identified. In doing so, and in developing tools through the action plan, we worked with groups of children and young people when developing tools for them, with groups of parents when we were developing tools for them, and with groups of teachers when we were developing tools for them. We have taken that approach to ensure that what we are producing is fit for purpose and addresses the known gaps.

[294] **Angela Burns:** I want to clarify section 7 of your explanatory memorandum, in which you say that these costs do not include any costs for the proposed duty under section 5 of the proposed Measure. You say that all you are doing is formalising the previous commitment under article 42 and that, at the moment, you are using UNCRC funding of approximately £300,000. What happens when that allocation of funds goes?

3.50 p.m.

[295] **Huw Lewis:** We already have commitments regarding the dissemination of information to children and young people in particular that can be utilised to do this. CLIC is an obvious one to point to. What happens in schools through the personal and social education curriculum is another example. The Let's Get It Right website is another example, as well as free-standing time-limited interventions, one of which you have mentioned. There is another from Save the Children, and UNICEF also has its own. I suppose that we are talking here about the evolution of this proposed Measure. We want this sort of work to evolve our relationship as a devolved body with the children and young people of Wales, so that we include this as a matter of course and it is one of the things that we do, in the same way as we pay attention to disability or equality legislation. This should just be how we do it. When we disseminate information and raise awareness through the organisations and budgets that we already use for that purpose, this would be a part of that process.

[296] **Angela Burns:** So, this is about mainstreaming it.

[297] **Huw Lewis:** Yes, mainstreaming it. I could have said that in one sentence, could I not?

[298] **Angela Burns:** Maybe I should be a Minister. *[Laughter.]* Do not panic. I am not one. Deputy Minister, I thank you and your officials very much for your time today. We will send you a copy of the Record of Proceedings, if you would like a copy. Suzanne, I appreciate your second visit here, and I also thank you for attending, Marcus.

3.51 p.m.

**Cynnig Trefniadol**  
**Procedural Motion**

[299] **Angela Burns:** I move that

*the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37.*

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

*Derbyniwyd y cynnig.*  
*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 3.51 p.m.*  
*The public part of the meeting ended at 3.51 a.m.*