

**Mid 04-01(min)**

**Meeting of the Mid Wales Regional Committee**

**Date:** Friday 2<sup>nd</sup> November 2001

**Time:** 10.30am

**Venue:** Village Hall, Aberporth

**Attendance:**

<b>Delyth Evans, Chair</b>	Labour	Mid and West Wales
<b>Cynog Dafis</b>	Plaid Cymru	Mid and West Wales
<b>Glyn Davies</b>	Conservative	Mid and West Wales
<b>Elin Jones</b>	Plaid Cymru	Ceredigion
<b>Nick Bourne</b>	Conservative	Mid and West Wales

**Committee Secretariat:**

<b>Stephen Thomas</b>	Deputy Committee Clerk
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**Apologies:**

<b>Kirsty Williams</b>	Liberal Democrat	Brecon and Radnorshire
<b>Mick Bates</b>	Liberal Democrat	Montgomeryshire

**Substitutions:** None

**Declarations of Interest :** None

## **Agenda Item 1: Discussion session on the development of a Strategy for Older People in Wales**

The Chair briefly introduced this item. She said that the strategy for Older People in Wales was being developed by the National Assembly and a consultation paper published in July. As part of the consultation process, the four regional committees of the Assembly are discussing what should be included in such a strategy with the organisations that work with and provide services for older people.

A draft Strategy should be available by March 2002; it will then be considered by the Health and Social Services Committee in the spring of 2002 and published by the summer of 2002.

### **Organisation**

#### **Powys County Council**

Representatives:

Chris Mann, Chair, Social Services Department

Phil Robson, Head of Operations (Older People and Physical Disability), Powys Social Services Department

The following key points were made in presentation:

- The Assembly should provide appropriate resources to ensure the success of the Strategy.
- Many of the problems facing older people in Powys stem from the county's extreme rurality, these include problems of accessing information and community care services, and social isolation.
- Powys Social Services Department is well geared to meet the needs of older people in the county. It is forging stronger relationships with colleagues in the health sector and looks to involve older people in the planning and development of services.
- The Committee needed to be mindful of the fact that a national service framework for older people has already been developed in England. A framework for Wales should aim to build on this.
- The ethos of service provision needs to change from the culture of dependency to one of "enabling".
- The Strategy will need to reflect the fact that no agency can work in isolation and that services should always aim at integration. The role of the independent sector is also vital; unless local authorities can buy care at a price which is realistic for the standards we should expect, care standards may seldom rise above the minimum.

- Powys Social Services Department has externalised all its residential care homes to BUPA partnerships and these contracts are already paying dividends in terms of the Department's financial position.
- Welfare benefit take-up campaigns in Powys, continue to highlight the difficulties so many people experience accessing benefits to which they are entitled.
- Equipment provision for older people in Wales has been neglected over the years. In England, considerable additional funding has been made available for equipment services and there is the same need for additional funding in Wales.
- The issue of housing renovation grants also needs consideration. The system needs reform so that older people can receive appropriate and timely assistance.

## **Organisation**

### **Ceredigion County Council**

Representative:

Parry Davies, Director, Social Services Department

The following key points were made in presentation:

- Mr Davies restricted his comments to Independent Residential Nursing Homes. This was a matter of great concern within the County as several have closed within the Authority area during recent years.
- The Council calculate that a total of 122 residential places have been lost over the past two years.
- The loss of these places can be partly attributed to closures, but also to other issues surrounding room sizes, staff and management qualifications and staff retention.
- Ceredigion County Council welcomed the recent independent regulatory inspection process which will have a significant impact on the county.
- The Authority welcomed the recent National Assembly Strategy on Workforce Issues and the additional monies allocated to raise awareness of social care in Wales, but the short term nature of the funding will not enable it to address the underlying issue of fees to the Independent Nursing and Residential Sector.

## **Organisation**

### **Dyfed Powys Health Authority**

Representatives:

Dr William Ritchie

Mr Stuart Moncur

The following key points were made in presentation:

- Older people, especially those at the top end of the age group, use health services to a much greater extent than the younger population.
- In the hospital sector, over two-thirds of all beds are occupied by persons over the age of 64. Consequently, health services form a very important element in any strategy for older people.
- The recently established national service framework in England could provide a focus for developing similar standards in Wales.
- A strategy for older people must contain core principles developed across a spectrum of care needs and should address issues of inequality and poverty in relation to elderly carers and access to transport.
- Rehabilitation and respite care would also be a key component in any strategy and a multi-disciplinary team approach would go some way to ensuring a range of improved outcomes. It is essential that there is coherence between the strategy for the elderly and other health related strategies.
- The strategy should consolidate the good ideas already in the pipeline and properly resource them.

## **Organisation**

### **Ceredigion NHS Trust**

Representative:

Hugh Chadderton

Consultant Nurse

The following key points were made in presentation:

- Strategy documents are not always clear about the big ideas that are needed to drive the development of health care. There are three big ideas that should be central to the development of a strategy for older people in Wales. These are:
  - High-level wellness
  - Participation
  - Dwelling

- There should also be a three-pronged approach to health in old age, focussing on how we can address risk in mid-life, looking at the experience of old age and how we allocate resources.
- In terms of high level wellness, the components are self-responsibility, nutritional awareness, physical fitness, stress management and environmental sensitivity. This big idea and these themes should be articulated in all health strategies but as not been particularly evident to date.
- With regard to participation, consumers of health care should be encouraged to participate in all aspects of health care planning.
- In respect of dwelling, health in old age is a changing mixture of familiar dwelling, fractured dwelling and new dwelling; government has a responsibility to invest in each of these.
- If policy strategies do not shift the emphasis from bio-medicine towards big ideas then they will do little better than previously.

## Organisation

### Wales Pensioners

Representative:

Jim Hammonds

The following key points were made in presentation:

- Wales Pensioners want to see a more radical approach to dealing with the problems of the elderly and to follow the example of the Scottish Parliament in challenging central government attitudes.
- Mr Hammonds asked the Assembly to challenge the acceptance of the Barnett formula and to give stronger weighting to the many anomalies faced by Wales.
- Free travel for the elderly is a priority. This would, for instance, enable pensioners to interact more closely with agencies such as the Assembly.
- Mr Hammonds stressed the importance of the volunteer and said that the funding given to his organisation was small in comparison to that given to Age Concern Cymru.

The following points were made in the open microphone session:

- **Alwyn Rowlands of the Alzheimer's Disease Society** said that there are 40,000 people in Wales with dementia and as the population increases so do the numbers of people suffering from Alzheimers. He fully supported the need for a strategy for older people but stressed the importance that the provision of long term care, the availability of services and the national service framework should play in any such strategy.

- **Lyndon Lloyd representing Beulah Community Council** welcomed the development of an older people's strategy but expressed concern at the lack of hospital provision in the South Ceredigion area. People often have to travel 30 or 40 miles to Glangwili and Bronglais to receive the treatment they require. Cardigan was in dire need of a consultant physician who specialised in the field of geriatrics.

Other comments noted were:

- That consideration should be given to direct grant aid to the voluntary sector.
- That the accident and emergency services in South Ceredigion needed upgrading.

## **ACTION:**

The Chair summed up by saying that she would write to the Assembly's Health Minister enclosing the evidence received at this meeting and ask her to feed this into the Strategy.

## **Item 2: Discussion session on the Aberporth airfield development**

The Chair explained the background to this item. She stated that as the Committee was meeting in Aberporth she felt it appropriate that it should discuss a key issue of local importance namely the water infrastructure problems in South Ceredigion, particularly in relation to the Aberporth airfield development.

The Committee received a team presentation from:

Dr Geraint Davies, Welsh Development Agency

Cllr Dai Lloyd-Evans, Ceredigion County Council

Donald Booth, QinetiQ

Marc Davies, Dwr Cymru

The four presenters spoke to their written submissions which are available at MID-04-01(p.5a-d).

The following points were made in the subsequent question and answer session:

- Discussion centred on the water supply problem in South Ceredigion and on the need for securing regulatory investment. Dwr Cymru explained that its investment plans were determined by OFWAT in periodic reviews over 5-year regulatory periods. In the 1999

Periodic Review, its water resource plans were not approved. OFWAT based its judgement on lack of need and lack of customer support. OFWAT's explanation of this and its understanding of resource needs in mid and south Ceredigion is published as an annex to these minutes.

- Some doubt was cast over the economic viability of the proposed airfield development. Mr Booth said it was not QinetiQ's intention to put on scheduled passenger flights, but to provide a fully operational and reliable air logistics service.
- Dwr Cymru aims to secure regulatory support and implement the proposed resource augmentation scheme as soon as possible.

### **Open Microphone session on the Aberporth development**

The following points were noted:

- Mr Robin Logan-Reid of ACTYMA questioned the long-term feasibility of QinetiQ. He said that unlike DERA, the company manufactures nothing but relies on high-tech joint ventures. The politicians and planners needed to assess the company and project for risk before giving it the go ahead. He felt that the prospects of establishing a civilian airport at Aberporth were nil. His views were echoed by other speakers who felt that the project should not proceed before detailed impact assessments had been carried out to assess potential noise levels and the impact on tourism. Complaints were also voiced that local residents opposed to the scheme were not being given the same opportunities as the developers to put their case forward.
- Other speakers took an opposing view stating that the development of the airfield and the technology park would bring great economic benefits to the area and stem the flow of young people moving away from the area in search of job opportunities.
- **ACTION:** Members agreed on the urgent need for Dwr Cymru to secure regulatory investment, certainly before the next scheduled Periodic Review in 2004. They supported the Chair's suggestion that the Committee should write on an urgent basis about this, to OFWAT and to Sue Essex, the Environment, Planning and Transport Minister.

### **Item 3: General Open Microphone session**

- John Adams-Lewis the Mayor of Cardigan made a statement to Committee on behalf of the people of Cardigan. He drew the Committee's attention to the predicament of Cardigan Castle and the recent decision of CADW that it, "did not consider that the surviving remains were of sufficient quality to warrant it being taken into national care". He stated that the people of Cardigan and many eminent historians would disagree with this statement. The Ancient Monuments Board did not publish their criteria for making this decision. Furthermore, the Board met in secret without a published agenda and its

decision only came to light after three months, and therefore past the legal deadline for it to be challenged. The people of Cardigan appealed that either CADW or Ceredigion County Council (or both) should address their responsibilities and should be encouraged, with the help of the National Assembly, to take the Castle into public ownership.

#### **Item 4: Minutes of the last meeting held on 13 July in Llanidloes**

The minutes were ratified with the addition of the following agreed amendment:

- Cllr Alun Lloyd-Jones said that Ceredigion County Council was hoping to extend solar clubs, formed in partnership with Ymlaen, for small and medium enterprises that are involved in the tourist industry. He added that there was a need to look very seriously at renewable energy targets, as far as wind farms were concerned. In his view, had meaningful targets already been in place, Ceredigion would probably have exceeded them. The issue of target-setting was one that needed to be looked at seriously, because in his view, some local authorities, were shouldering a greater load than others.

#### **Next meeting:**

The next meeting will be held in Theatr Brycheiniog, Brecon on 7 December.

**Committee Secretariat November 2001**

## **OFWAT'S PERIODIC REVIEW ASSUMPTIONS REGARDING SUPPLY/DEMAND BALANCE EXPENDITURE NEEDS IN WALES**

How price limits work

The Director General of Water Services has a duty to ensure that the water (and sewerage) companies of England and Wales can finance their functions. He also has a duty to ensure

these activities are carried out efficiently. In order to fulfil these duties, Ofwat collects information from the companies regarding their expenditure requirements, and then sets price limits every 5 years. The price limit is based on a 'package' of assumptions about a company's future costs and revenues.

If a company thinks that the price limits will not allow it to finance its functions, it may require a reference to the Competition Commission to re-examine the allowed price limits. After the 1999 price determination, Dwr Cymru did not appeal to the Competition Commission and accepted Ofwat's determination.

Price limits can also be re-opened within the five year period, but only under specific circumstances set down in companies' licences. These often relate to a change in the legal obligations faced by a company. The issue described in the mid and south Ceredigion area does not fall within the scope of these provisions.

Under this approach, Ofwat does not micro-manage the company's investment programme, but allows the company to prioritise its own investment needs. Ofwat's determination of price limits does not affect in any way the company's duties under s.52 and s.55 of the Water Industry Act 1991 to provide water supplies for domestic and non-domestic purposes.

#### Ofwat's assumptions about supply/demand balance expenditure

Our approach to the funding of supply/demand balance investments at the 1999 price review was not to attach finance to specific schemes. Our assumptions about supply/demand balance expenditure needs in 1999 were based on Dwr Cymru's projections of future income. This approach considered growth in revenue, from measured customers and from new connections to the network, as well as capital contributions from developers of sites requiring new connections to Dwr Cymru's system. These capital contributions are known as requisitioning charges and infrastructure charges. Companies are legally entitled to recover these in order to meet the costs of providing water and sewerage services to new customers.

Our approach to price limits constrains the rate at which *average* bills can go up, rather than placing limits on the company's total revenue. So we would expect that growth in demand for water services in any part of Dwr Cymru's area would lead to growth in company revenues, regardless of its price determination. Between periodic reviews, it is open to Dwr Cymru to finance investments in new resources and infrastructure to meet new demands for its services, from such growth in revenue.

#### Our understanding of resource needs in mid and south Ceredigion

At the 1999 Periodic Review, Dwr Cymru planned future investments on the basis of a 'no hose pipe bans' policy, and identified a need for expenditure to increase dry weather water resource availability in a number of specific areas, including mid and south Ceredigion. As set out in 'Future water and sewerage charges 2000-05' (p35), both the Environment Agency and ourselves believe that companies should retain the option to impose a temporary hose pipe ban as a demand management tool. Our view was that the security of supply schemes proposed by Dwr Cymru would result in an enhancement to the levels of service already offered by them. We assessed company's claims for enhancements to security of supply by examining past evidence of deficiencies (for example, the past use of hosepipe bans and drought orders to maintain supplies) and customer support for such expenditure; Dwr Cymru did not meet these criteria.

In Dwr Cymru's September 2001 update to its water resources plan, the company states that the transfer pipeline investment originally planned for Ceredigion will no longer be going ahead. However, the company does not mention any difficulties in supplying customers in that zone. On the face of it, the zonal water balance data provided by the company does not suggest immediate difficulties in meeting new demand in that region.

**Ofwat**

**29 October 2001**

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