

Finance Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date:

Thursday, 16 October 2014

Meeting time:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Bethan Davies

Committee Clerk

029 2089 8120

FinanceCommittee@wales.gov.uk

Agenda

- 1 Introductions, apologies and substitutions (09:00)**
- 2 Papers to note (09:00–09:05) (Pages 1 – 55)**
- 3 Welsh Government Draft Budget 2015–16: Evidence Session 3 (09:05–10:30) (Pages 56 – 86)**
FIN(4)–18–14 Paper 1
Research Brief

Jon Rae – Director of Resources, Welsh Local Government Association

Cllr Ellen ap Gwynn – Leader, Ceredigion County Council

Chris Lee – Director of Financial Services, Rhondda Cynon Taf County Borough Council

Dave Street – Corporate Director Social Services, Association of Directors of Social Services Cymru

(Break 10:30 – 10:45)

4 Welsh Government Draft Budget 2015–16: Evidence Session 4 (10:45–11:45) (Pages 87 – 108)

FIN(4)–18–14 Paper 2

Research Brief

Gareth Coles – Public Service Delivery Officer, Wales Council for Voluntary Action

John Watkin – Chief Executive, Denbighshire Voluntary Services Council

Ele Hicks – Policy & Funding Officer, Diverse Cymru

5 Welsh Government Draft Budget 2015–16: Evidence Session 5 (11:45–12:15) (Pages 109 – 114)

FIN(4)–18–14 Paper 3

Auriol Miller – Director, Cymorth Cymru

Sam Austin – Operational Director, Llamau

Simon Hatch – Director, Carers Trust Wales

Kieron Rees – Policy and Public Affairs Manager, Carers Trust Wales

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

Item 7

7 Welsh Government Draft Budget 2015–16: Consideration of evidence received (12:15–13:00)

Finance Committee

Meeting Venue: **Committee Room 2 – Senedd**

Meeting date: **Thursday, 2 October 2014**

Meeting time: **08.30 – 12.44**

This meeting can be viewed on Senedd TV at:

<http://www.senedd.tv/Meeting/Archive/5f05222e-ad77-486a-97c2-6abe50e70d1d?autostart=True>

Cynulliad
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Wales



Concise Minutes:

Assembly Members:

Jocelyn Davies AM (Chair)
Peter Black AM
Christine Chapman AM
Mike Hedges AM
Alun Ffred Jones AM
Ann Jones AM
Julie Morgan AM
Nick Ramsay AM

Witnesses:

Dame Rosemary Butler AM, Presiding Officer
Claire Clancy, Chief Executive & Clerk of the Assembly
Nicola Callow, Assembly Commission
Jane Hutt AM, The Minister for Finance and Government Business
Jo Salway, Welsh Government
Matt Denham Jones, Welsh Government
Jeff Andrews, Welsh Government

Committee Staff:

Bethan Davies (Clerk)
Meriel Singleton (Second Clerk)
Tanwen Summers (Deputy Clerk)

Don Peebles (Expert Advisor)
Martin Jennings (Researcher)

1 Welsh Government Draft Budget 2015–16: Pre–budget report from CIPFA

1.1 The Committee received a briefing from Don Peebles, Expert Adviser.

TRANSCRIPT

View the [meeting transcript](#).

2 Introductions, apologies and substitutions

2.1 The Chair welcomed the Members to Committee.

2.2 There were no apologies.

3 Papers to note

3.1 The papers were noted.

3.1 Supplementary Budget 2014–2015: Welsh Government response

4 Assembly Commission Draft Budget 2015–16

4.1 Peter Black AM absented himself for this item and item 8 due to his role as a Member of the Assembly Commission.

4.2 Members scrutinised Dame Rosemary Butler AM, Presiding Officer and Commission Chair, Claire Clancy, Chief Executive and Clerk to the Assembly, and Nicola Callow, Director of Finance on the draft Assembly Commission budget 2015–16.

4.3 The Presiding Officer agreed to raise at the next meeting of the Business Committee the issue of ushers collecting Members' notes from the Chamber to help with the Record of Proceedings and also committed to investigating the possibility of alternative travel options for educational visits from schools.

4.4 Claire Clancy agreed to look into the copyright issues relating to the Carbon Trust report and make it available to Members if possible and provide the Committee with information on who owns Ty Hywel.

5 Welsh Government Draft Budget 2015–16: Evidence Session 1

5.1 The Committee scrutinised the Minister for Finance and Local Government on the Welsh Government's draft budget for 2015–16.

5.2 The Chair indicated she would ask the relevant committee to explore with the portfolio Minister if the cuts to the Supporting People programme will be delivered equally across Wales or will some areas see larger cuts.

5.3 The Minister agreed to:

- provide a note to the Committee clarifying the position on non-domestic rates providing it does not undermine negotiations with the UK Government;
- share with the Committee some of the early advice the Government has received on the process of devolving stamp duty land tax;
- confirm the arrangements for allocating money to Local Authorities specifically for social services;
- provide the Committee with more information on the prospect of a skills gateway for adults in relation to the Careers Wales service;
- check on the publication of an evaluation on the Pupil Deprivation Grant and provide the Committee with details; and
- provide the Committee with details around invest-to-save funding.

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

6.1 The motion was agreed.

7 Welsh Government Draft Budget 2015–16: Consideration of evidence received

7.1 The Committee considered the evidence received.

7.1 Consultation Responses – Welsh Government Draft Budget 2015–16

8 Assembly Commission Draft Budget 2015–16: Consideration of evidence received

8.1 The Committee considered the evidence and noted that a draft report will be prepared for consideration at the Committee meeting scheduled for 8 October 2014.

9 The Well-being of Future Generations (Wales) Bill: Committee correspondence

9.1 The Committee discussed the correspondence.

Finance Committee

Meeting Venue: **Committee Room 3 – Senedd**

Meeting date: **Wednesday, 8 October 2014**

Meeting time: **09.04 – 11.48**

This meeting can be viewed on Senedd TV at:

<http://www.senedd.tv/Meeting/Archive/be4d6295-1fc7-4b48-b366-d935ec1011ca?autostart=True>

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National
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Concise Minutes:

Assembly Members:

Jocelyn Davies AM (Chair)
Peter Black AM
Christine Chapman AM
Mike Hedges AM
Alun Ffred Jones AM
Ann Jones AM
Julie Morgan AM
Nick Ramsay AM

Witnesses:

Helen Birthwhistle, Director, Welsh NHS Confederation
Adam Cairns, Cardiff and Vale University Health Board
Paul Roberts, Abertawe Bro Morgannwg University Health Board

Committee Staff:

Bethan Davies (Clerk)
Tanwen Summers (Deputy Clerk)
Don Peebles (Expert Advisor)
Martin Jennings (Researcher)

View the [meeting transcript](#).

1 Introductions, apologies and substitutions

1.1 The Chair welcomed the Members to Committee.

1.2 There were no apologies.

2 Welsh Government Draft Budget 2015–16: Evidence Session 2

2.1 The Committee took evidence from Helen Birtwhistle, Welsh NHS Confederation, Adam Cairns, Cardiff and Vale University Health Board and Paul Roberts, Abertawe Bro Morgannwg University Health Board on the Welsh Government's draft budget for 2015–16.

2.2 Helen Birtwhistle agreed to provide a note to the Committee on the effect of litigation on the risk pool.

3 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

3.1 The motion was agreed.

4 Welsh Government Draft Budget 2015–16: Consideration of evidence received

4.1 The Committee considered the evidence received.

5 Consideration of draft report on the Assembly Commission draft budget 2015–16

5.1 Peter Black AM absented himself for this item due to his role as a member of the Assembly Commission.

5.2 The Committee considered and agreed the draft report.



Jocelyn Davies AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

8 October 2014

Dear Jocelyn

Assembly Commission Draft Budget 2015-16

Following our appearance at Finance Committee on 2 October 2014, I am writing with the additional information we discussed.

Education service and the transport subsidy

The Commission is keen to ensure we offer the best educational experience to all school and youth groups that engage with the Assembly. Part of our response to the recent youth engagement consultation is to ensure our support attracts wider youth audiences, not just through schools. This work, together with the Committee's interesting suggestion of extending the transport subsidy to cover other means of public transport such as trains, will now form part of a wider subsidy review we have decided to undertake before the end of the year. Although we are confident that the current subsidy supports schools, reviewing it with the wider youth engagement aspirations in mind will help us to identify changes that can better support schools and deliver our priorities and goals.

Bae Caerdydd
Caerdydd
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

Ffôn/Tel: 029 2089 8233

E-bost/Email: Claire.Clancy@wales.gov.uk

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh



Members can find details of the existing arrangements in the attached guide (Welsh and English). I would also highlight that the intranet link <http://members/services/communications.htm> provides further information on education and outreach visits in Members areas.

Sustainability and publishing the Carbon Trust report

I am pleased to report that we can indeed share the information in the Carbon Trust report. We are making arrangements for the executive summary including the recent Carbon Reduction Route Map, to be published on the Sustainability web pages along with contact details should anyone require further information. The web address is: http://www.assemblywales.org/en/abthome/about_us-commission_assembly_administration/sustainability/Pages/sustainability.aspx.

In the meantime, I have attached the executive summary for ease of reference.

Estate

The Committee also sought further information on the estate. The landlord for Tŷ Hywel is a company incorporated in the British Virgin Islands called Broader Company Ltd. Our day-to-day dealings, and the payment of rent, are through their appointed managing agents, CBRE Ltd of Bristol, appointed in March 2014.

We will continue to explore every opportunity to purchase Tŷ Hywel including the avenues that increasing devolved powers and constitutional change may bring.

Best Practice Budget Processes

On the wider issue concerning budget processes, the Commission welcomes the Finance Committee's report – Best Practice Budget Processes – which fits well with our work to ensure that Assembly is fully prepared to deal with its new powers and responsibilities.

This area is already part of our planning for the Fifth Assembly as well as our work on capacity planning to ensure that we can provide all necessary



support for the legislative programme during the remainder of the Fourth Assembly. These matters are being addressed by my Management Board and Investment and Resourcing Board, as well as by the Commission itself. We will continue to monitor the Committee's work in this area and take account of your conclusions as they emerge.

If you need any further information at any time, please do not hesitate to let me know.

Yours sincerely

A handwritten signature in black ink that reads "Claire". The signature is written in a cursive style with a long horizontal flourish underneath.

Claire Clancy

**Prif Weithredwr a Chlerc/Chief Executive and Clerk
Cynulliad Cenedlaethol Cymru/National Assembly for Wales**

Cc Dame Rosemary Butler AM, Angela Burns AM, Nicola Callow

**Darganfod
Dadlau
Dewis**

—
**Discover
Debate
Decide**

Canllaw Ymweliad
—
Visit Guide



Beth yw Cynulliad Cenedlaethol Cymru?

Mae Cynulliad Cenedlaethol Cymru'n cynnwys 60 o Aelodau Cynulliad o bob rhan o Gymru. Maen nhw'n cael eu hethol gan bobl Cymru i'w cynrychioli nhw a'u cymunedau, i wneud cyfreithiau ar gyfer Cymru, ac i sicrhau bod Llywodraeth Cymru yn gwneud ei gwaith yn iawn.

What is the National Assembly for Wales?

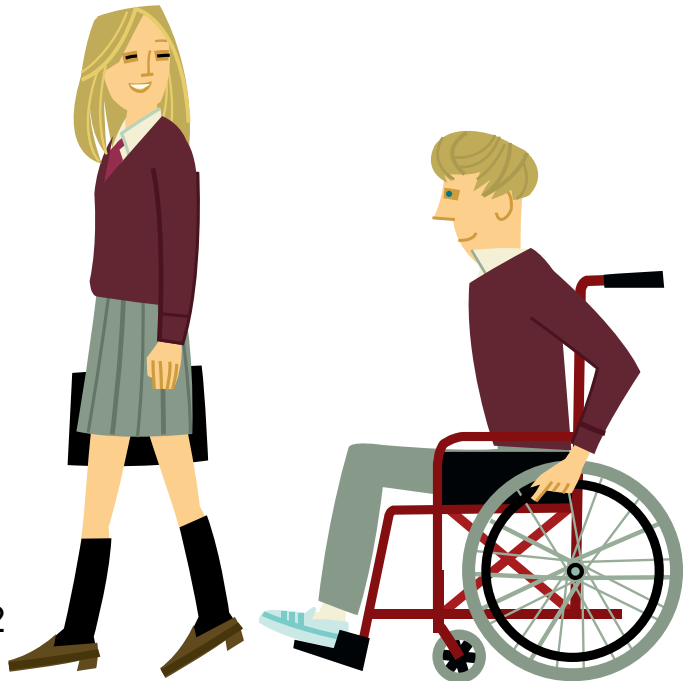
The National Assembly for Wales is made up of 60 Assembly Members from across Wales. They are elected by the people of Wales to represent them and their communities, make laws for Wales and to ensure the Welsh Government is doing its job properly.

Croeso

Welcome

Diolch am archebu ymweliad ar gyfer eich grŵp; rydym yn edrych ymlaen at weithio gyda chi. Mae'r Gwasanaeth Addysg yn cynnig gwahanol fathau o ymweliadau grŵp. Ystyriwch yn ofalus sut fath o ymweliad rydych chi wedi ei archebu gan ddarllen yr holl wybodaeth berthnasol. Bydd y wybodaeth hon yn egluro'r hyn y dylech ei wneud cyn eich ymweliad.

Thank you for booking a visit for your group; we look forward to working with you. The Education Service offers various options for group visits. Please check carefully which kind of visit you have booked and read all relevant information. This information will tell you what you need to do before your visit.

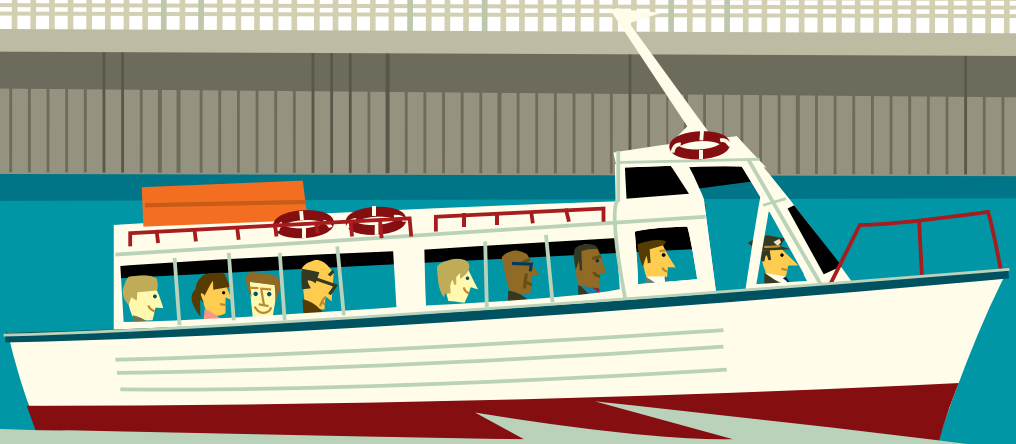


Eich Ymweliad

Your Visit

Bydd eich ymweliad yn dechrau yn Siambr Hywel, sef y siambr drafod ar gyfer pobl ifanc yn Nhŷ Hywel, ac yn gorffen yn y Senedd. Mae pob ymweliad yn cael ei drefnu'n ofalus felly mae'n bwysig iawn eich bod yn cyrraedd yn brydlon er mwyn i ni fedru cyflwyno'r rhaglen lawn i chi. Gofalwch eich bod yn caniatáu amser ychwanegol i fynd drwy'r system ddiogelwch.

Your visit will begin in Siambr Hywel, the Assembly's youth debating chamber in Tŷ Hywel, and finish at the Senedd. Each visit is structured and it's really important that you arrive on time so we have time for the full educational programme. Please allow some extra time for going through security.



Cadwch mewn cysylltiad

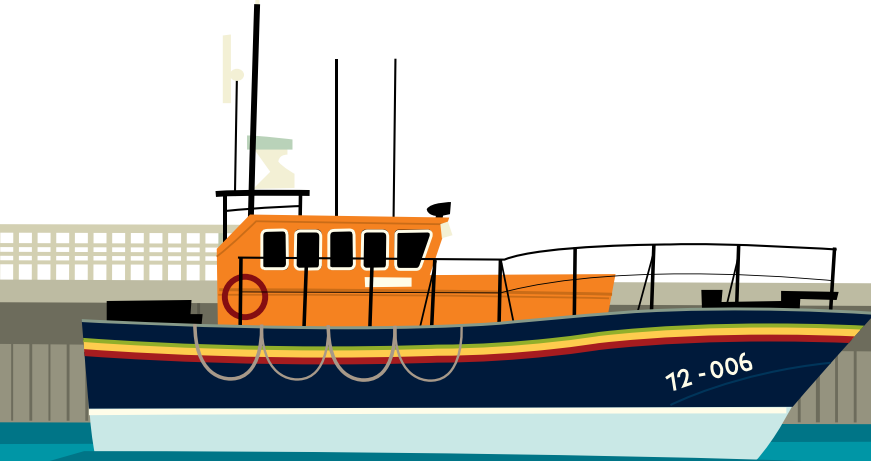
Wrth i chi archebu'ch ymweliad, dylech fod wedi cael gwybodaeth am uchafswm y disgyblion y gallwch eu cynnwys yn eich grŵp. Os yw nifer y disgyblion yn newid yn sylweddol ar ôl i chi drefnu'r ymweliad, a fydddech cystal â rhoi gwybod i'r Tîm Archebu cyn gynted â phosibl drwy ffonio 0845 010 5500.

Gofynnwn i chi hefyd roi gwybod i'r Tîm Archebu os bydd oedi sylweddol yn ystod eich siwrnai.

Keep in touch

When you booked your visit, you should have been given information on the maximum group sizes we are able to accommodate. If there is a significant change in the number of pupils you will be bringing, please let the Booking Team know as soon as you can on 0845 010 5500.

We also ask that you let the Booking Team know if there's a substantial delay to your journey.



Cymhorthdal Teithio

Travel Subsidy

Mae gan ysgolion sydd y tu allan i gylch o 10 milltir o Fae Caerdydd yr hawl i gael cymhorthdal teithio o £1 y filltir am un daith y flwyddyn mewn bws yn ôl ac ymlaen o'r Cynulliad Cenedlaethol. Nodir swm y cymhorthdal teithio y mae gan eich ysgol chi hawl i wneud cais amdano ar eich ffurflen archebu.

Schools outside a 10-mile radius of Cardiff Bay are entitled to receive £1 per mile travel subsidy, for one coach per year, for a return journey to the National Assembly. The travel subsidy your school is entitled to is shown on your booking form.





Pack Page 16



Cymryd Gofal

Yn ystod eich ymweliad, chi fydd yn gyfrifol am eich myfyrwyr; gofalu fod y gymhareb rhwng athrawon a disgyblion yn cydymffurfio â chanllawiau'r awdurdod lleol.

Take Care

During the visit, you will be responsible for your students; please make sure that the teacher to pupil ratio complies with local authority guidelines.

Bwyd

Os ydych wedi trefnu lle i'ch disgyblion fwyta'u pecynnau bwyd, bydd y lle ar gael i chi ar ddiwedd eich ymweliad. Sylwch na fydd modd prynu bwyd na diod yn ystod eich ymweliad.

Food

If you have booked the lunch area for your pupils to eat their packed lunches, this will be available for you at the end of your visit. Please note that you will not be able to buy any food or drinks during the visit.



Atyniadau Eraill

Other Attractions

Siop y Cynulliad

Mae siop yn y Senedd sy'n arddangos doniau o Gymru ac sy'n rhoi cyfle i brynu cofroddion ac anrhegion.

Assembly Shop

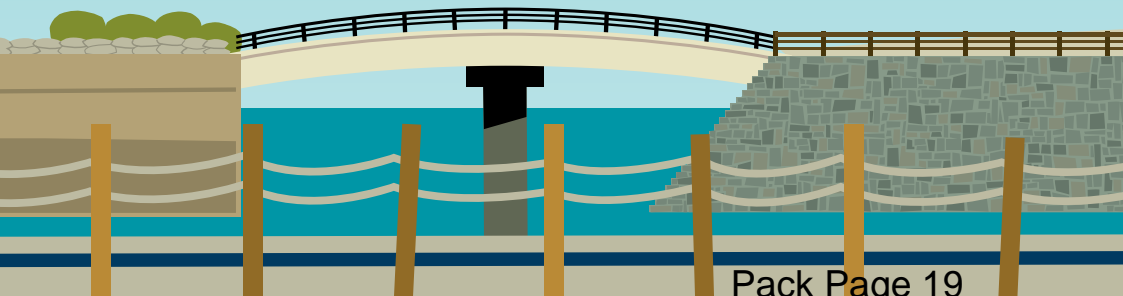
There is a shop in the Senedd which offers a showcase of Welsh talent and an opportunity to purchase souvenirs and gifts.

Y Pierhead

Mae'r Pierhead ar agor fel canolfan ymwelwyr a digwyddiadau sy'n cyd-fynd â gwaith y Cynulliad, ac sydd hefyd yn cynnwys arddangosfeydd sy'n adrodd hanes yr adeilad eiconig hwn, rhai ohonynt yn rhyngweithiol. Mae'n bosibl y byddwch am fynd â'ch myfyrwyr i weld y Pierhead tra byddwch ym Mae Caerdydd. Mae tafleni gweithgaredd ar gael yn y dderbynfa.

The Pierhead

The Pierhead is open as a visitor centre and events venue that complements the work of the Assembly. It also contains displays and exhibitions, some of which are interactive, that tell the story of this iconic building. You may like to visit the Pierhead with your students while you are in Cardiff Bay. Activity sheets are available at reception.





Cyn eich Ymweliad

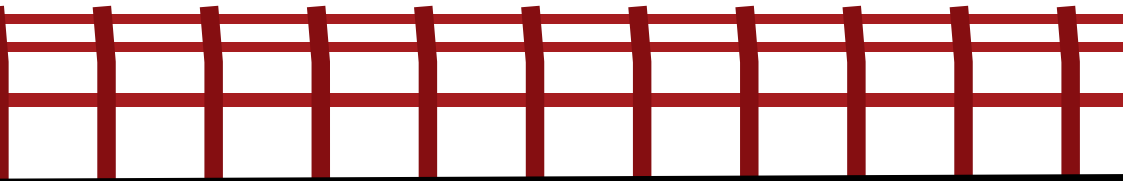
Before your Visit

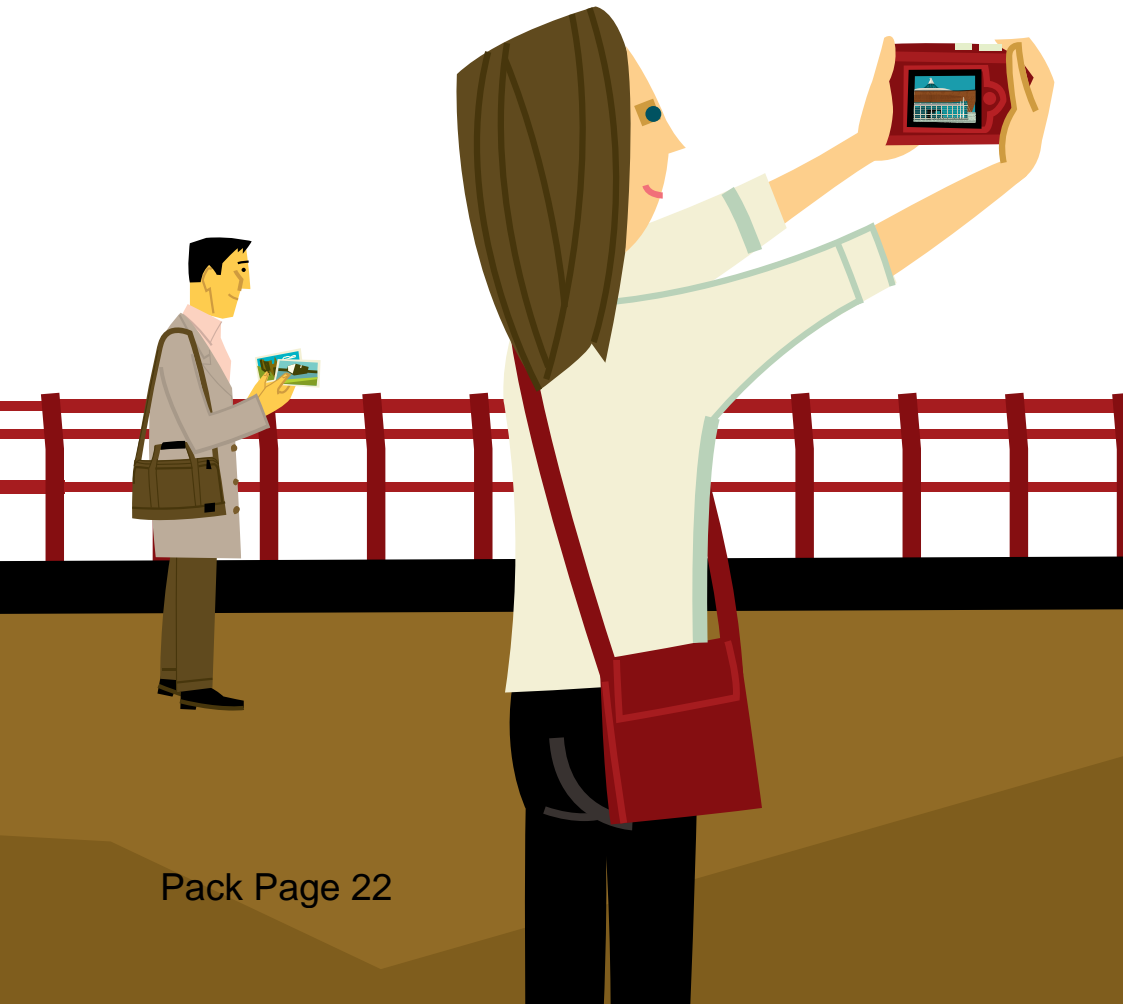
Ar ôl i chi archebu, byddwch yn cael e-bost cadarnhad. Bydd yr e-bost yn cynnwys ffurflen archebu a dolenni i'r ffurflen cymhorthdal teithio a'r ffurflen asesiad risg.

Bydd angen i chi gwblhau'r ffurfenni hyn a'u dychwelyd atom drwy ein cyfeiriad rhabost cyn eich ymweliad.

After you made your booking, you will receive a confirmation email. This email contains a booking form and links to the subsidised travel and risk assessment forms.

Send your completed forms to our freepost address prior to your visit.









**Discover
Debate
Decide**

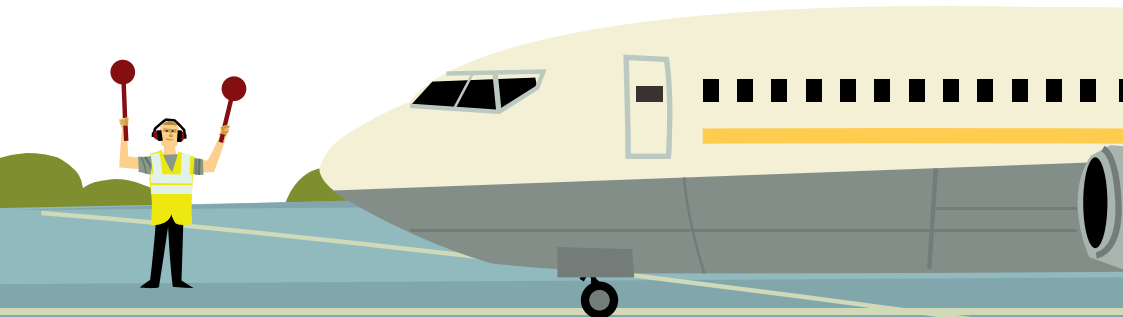
**Darganfod
Dadlau
Dewis**

Aseiad Risg

Risk Assessment

Rydym wedi paratoi Aseiad Risg ar gyfer ymweliadau addysgol, ond gofynnir i chi gynnal eich Aseiad Risg eich hunan ymlaen llaw. Dylech ystyried y risgiau nad yw'r Aseiad Risg cyffredinol yn delio â nhw, fel y risgiau sy'n gysylltiedig â theithio o'r bws i adeiladau'r Cynulliad, ac ati.

We have carried out a Risk Assessment for educational visits but we also ask that you complete your own Risk Assessment before your visit. This should take into account risks not covered by our assessment, such as risks associated with travelling from the bus to the Assembly building etc.



Asesiad Risg

Ar ôl cwblhau'r Asesiad Risg, dylech ei anfon atom ni drwy'r post.

Risk Assessment

Please send us your completed Risk Assessment in the post.



Cyfeiriad rhabbost addysg

Education freepost address

**Rhabbost SWC 3358
Gwasanaeth Addysg
Cyfathrebu
Cynulliad Cenedlaethol Cymru
Bae Caerdydd
CF99 1GY**

**Freepost SWC 3358
Education Service
Communications
National Assembly for Wales
Cardiff Bay
CF99 1GY**

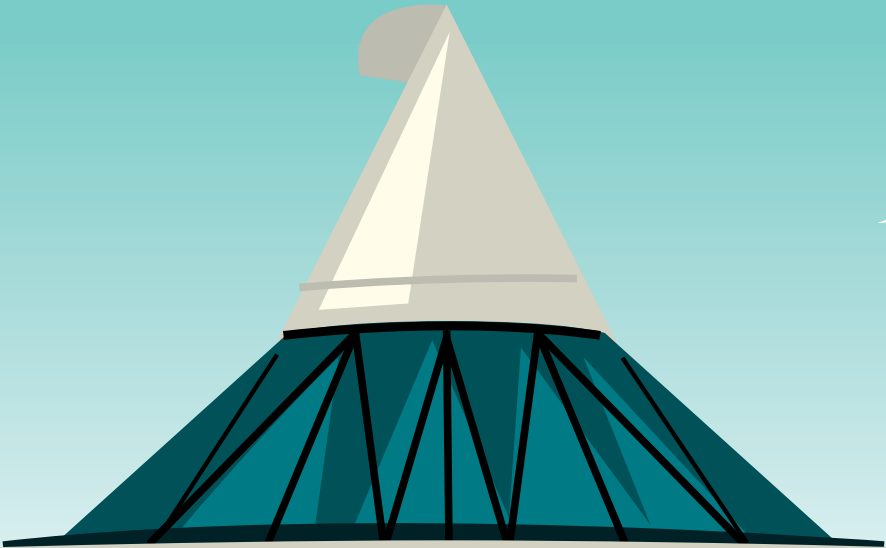


Dysgu a Meithrin Sgiliau

Learning and Skills

Mae ein rhaglen addysg yn helpu disgyblion a myfyrwyr i feithrin eu sgiliau sylfaenol a'u dealltwriaeth o wleidyddiaeth. Yn ddbynnol ar eu hoed a'u gallu, gallwn roi gwybodaeth am y meysydd allweddol a ganlyn drwy ein rhaglenni a'n hadnoddau:

Our educational programmes help pupils and students to develop their political literacy and key skills. Depending on age and ability, the following key areas are covered by all our programmes and resources:



- y gwahaniaeth rhwng Cynulliad Cenedlaethol Cymru a Llywodraeth Cymru
 - pwerau'r Cynulliad
 - pwy sy'n eich cynrychioli chi?
 - swydd Aelod Cynulliad
 - sut y caiff Aelodau'r Cynulliad eu dewis?
 - beth sy'n digwydd pan fydd y 60 Aelod Cynulliad yn cyfarfod yn y Senedd yng Nghaerdydd?
 - sut i gysylltu ag Aelodau'r Cynulliad
 - cyfansoddiad gwleidyddol y Cynulliad
 - lliwiau'r pleidiau gwleidyddol
-
- the difference between the National Assembly for Wales and the Welsh Government
 - the powers of the Assembly
 - who represents you?
 - the job of an Assembly Member
 - how are Assembly Members chosen?
 - what happens when all 60 Members meet at the Senedd in Cardiff?
 - how to contact Assembly Members
 - the political make-up of the Assembly
 - political party colours

Gwybodaeth

Information

Tîm Gwybodaeth ac Archebu

0845 010 5500

E-bost

gwybodaeth@cymru.gov.uk

archebu@cymru.gov.uk

Information and Booking Team

0845 010 5500

Email

assembly.info@wales.gov.uk

assembly.bookings@wales.gov.uk





T 0845 010 5500



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Carbon Reduction Route Map

National Assembly for Wales

Executive Summary

The National Assembly for Wales (NAW) should be commended for achieving a greater than 30% reduction in carbon dioxide equivalent (CO₂e) emissions since 2008/09. Successful energy management projects have included lighting upgrades, Building Management System (BMS) improvements, and metering and monitoring systems.

The Assembly Commission has adopted a long term strategic approach to carbon management. As many of the 'quick win' projects have been implemented, technical support has been sought to advise on new targets and to prioritise investment.

This Carbon Reduction Route Map details the existing and potential commitments to manage and reduce CO₂e emissions and energy costs. It provides a robust framework for achieving emission reductions through the implementation of good housekeeping, invest-to-save and renewable energy projects. An annual budget is allocated specifically for CO₂e emissions reduction measures.

The new strategy will run until 2020/21, with a full interim review to be performed in 2017/18.

Carbon Emission Analysis

The CO₂e emissions for 2012/13 are 1,720 tCO₂e/annum.

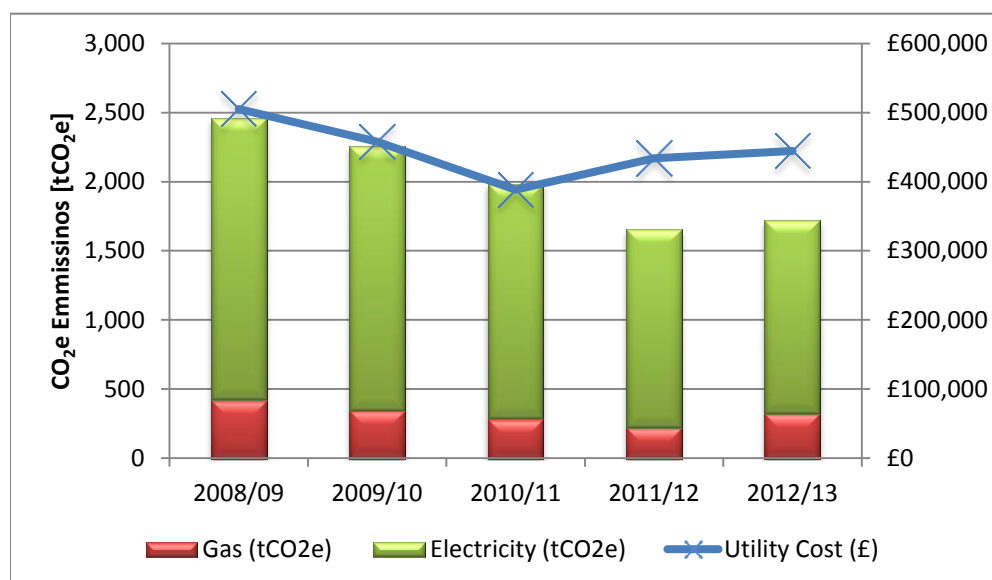


Figure A Absolute Carbon Emissions & Utility Cost

Assessment Against Baseline and Target

The CO₂e energy emissions for NAW for 2008/09 were 2,457 tCO₂e/annum and have been updated in line with DEFRA 2013 guidance for CO₂e emission factors. The current carbon management plan (upon which this route map will build) runs to 2015 with a targeted 40% reduction on 2008/09 energy emissions. This gives a target of 1,474 tCO₂e/annum.

Without further interventions to manage emissions the NAW will not achieve its existing target. However, achieving the targets will insulate the Assembly against increasing utility costs, and will enhance institutional reputation and overall sustainability.

Financial and CO₂e Options Evaluation

Energy consumption for existing buildings can initially be minimised by driving down energy demand (through passive building design and operation techniques) before focusing on energy efficient plant and controls.

As part of this study the energy performance of Tŷ Hywel, Pierhead Building and the Senedd was surveyed and recommendations made.

Table A - Building Survey Initiatives Summary

Initiatives	Cost Saving [£/year]	CO ₂ e Savings [tCO ₂ e/annum]	Cost [£]	Estimated Payback [Years]
Good Housekeeping	£42,250	168 tCO ₂ e (9.8%)	Absorbed current budgets	Immediate
Invest to Save	£85,545	347 tCO ₂ e (20.2%)	£726,500	8.5 years
Total	£127,795	515 tCO₂e (30.0%)	£726,500	-

Opportunities for integrating Renewable Technologies into the strategy have been reviewed for further feasibility assessment. These require a high commitment and a risk management based approach. The interventions are demonstrated graphically to highlight the possible CO₂e reduction initiatives that could be implemented.

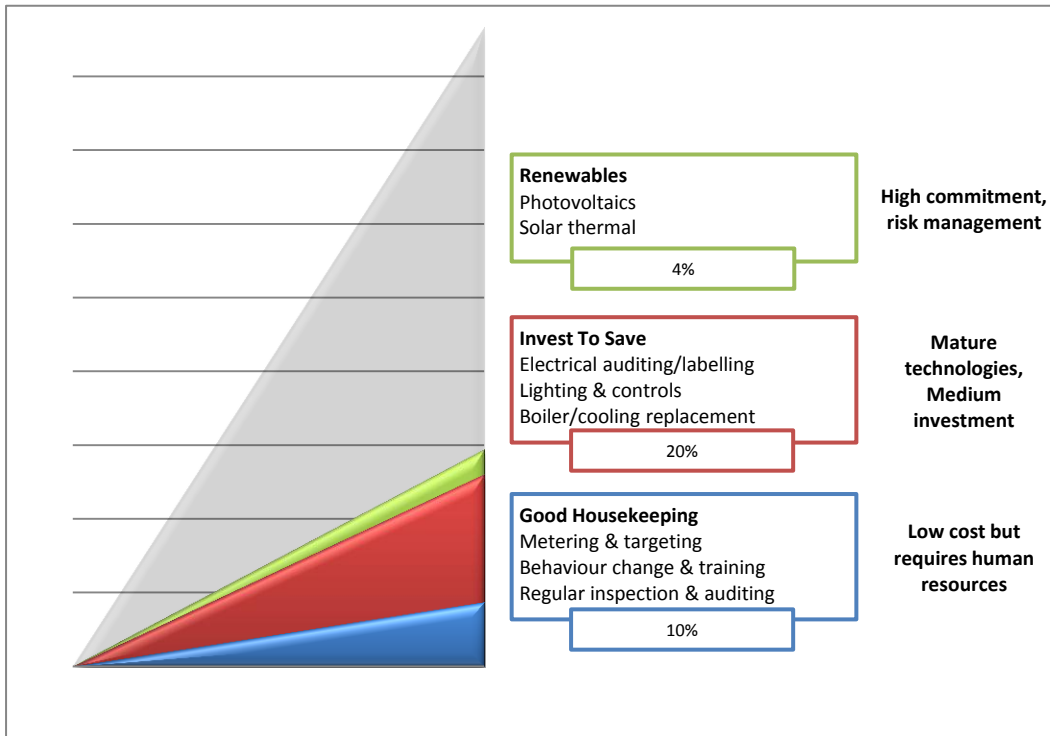


Figure B CO₂e Reduction Initiatives

Implementation Plan Targets

Table B - Summary of targets

	Year	Target	Strategy Focus
Short Term	2015	10%	Focus on implementing Good Housekeeping measures and develop invest to save initiatives funding.
Medium Term	2017/18	10%	Complete invest to save initiatives. It would be advisable to allocate 10% of the more readily achievable target savings in the medium term with the remainder in the long term.
Long Term	2021	10%	Target the remaining 10% of the invest to save initiatives, and allocate budget to investigate use of renewable energy.

Implementation Plan

The projection below highlights how the absolute reduction in CO₂e emissions could be attained through targeted reduction interventions.

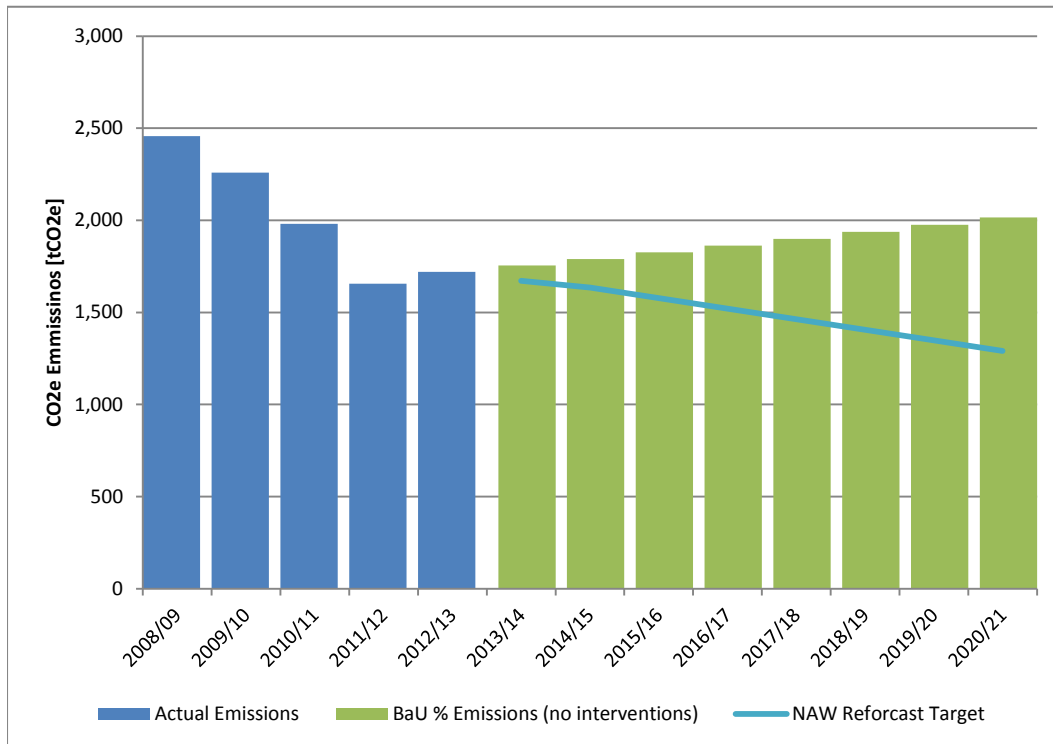


Figure C Implementation Plan CO₂e Emission Projections

The capital cost of the interventions exclude inflation/other cost increases during the period. If these initiatives are addressed the following business case would be demonstrated:

- Recommended £100,000 annual budget for works
- Total utility cost value at stake estimated £128,000
- Good Housekeeping 168 tCO₂e (10%) CO₂e emissions reduction
- Invest to Save 347 tCO₂e (20%) CO₂e emissions reduction
- An overall payback of 8.5 years
- Renewable Technologies excluded from target

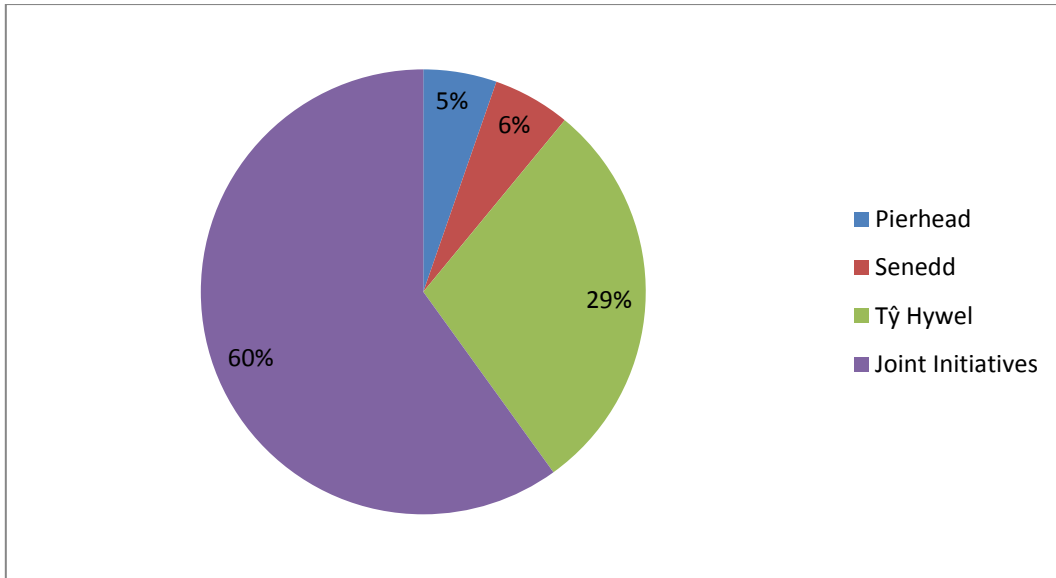


Figure D Implementation Plan CO₂e Emission Savings by Building

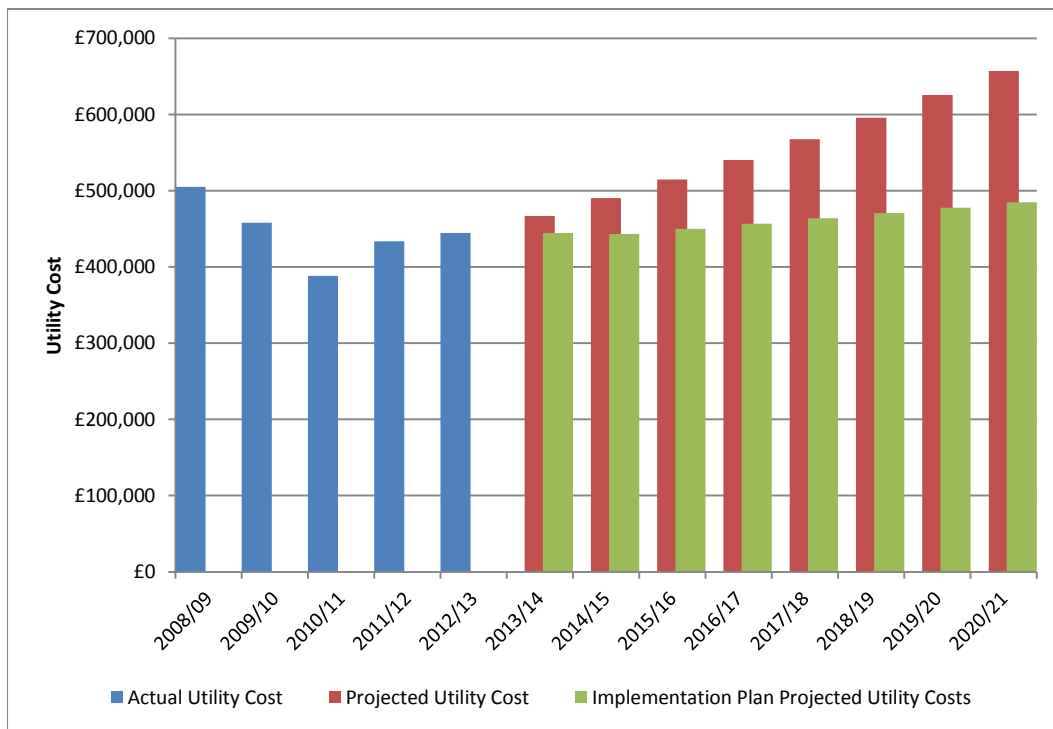


Figure E Implementation Plan Utility Cost Projections

Under this scenario NAW is set to achieve its challenging carbon management targets, utility costs will be managed and the associated risks reduced.

IMPORTANT NOTICE

All costs and savings stated in this report are based on the data available at the time of the report.



Jocelyn Davies AM
Chair of the Finance Committee
National Assembly of Wales
Tŷ Hywel
Cardiff Bay
Cardiff
CF99 1NA

7 October 2014

Dear Jocelyn

I am pleased to provide the Committee with the latest Corporate Performance Report of the Assembly Commission, for the period April-June 2014.

I apologise that this latest report was not available to the Committee in time for your scrutiny of the Commission's draft budget last week. We will add it to the final budget document when we lay the budget in November. For next year, I will ensure that you do receive the report in time to make use of it in your work on our draft budget.

The indicators and targets have been reviewed following a full year of reporting and some changes have been made where the Commission has identified more meaningful measures. In summary, we have:

- introduced more stretching targets for circulation of committee papers and publishing the committee Record of Proceedings;
- introduced a new measure for the issue of Marshalled Lists for Stage 3 Bills (to supplement the legislative timetable graph which we have moved to the Annex with the other graphs);

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Ysgrifenyddiaeth Comisiwn y Cynulliad/Assembly Commission Secretariat



- included details of repeat participants in CPD activity to better reflect attendance by Members and their support staff;
- included more detail on social media interactions, such as total engagement figures for Facebook, Twitter and Senedd tv as well as adding YouTube minutes watched; and
- introduced new measures for ICT delivery and satisfaction.

When incorporating these changes we have kept in mind the Finance Committee's request that we should still be able to demonstrate trends in performance over time.

Many of the indicators show an improving position based on comparisons with the same period last year and, where that is not the case, the Commission is taking action to make progress.

I hope the Committee continues to find our report informative and helpful. Please do not hesitate to contact me if you have any queries or would like any further information.

Kind regards

Claire Clancy
Prif Weithredwr a Chlerc/Chief Executive and Clerk
Cynulliad Cenedlaethol Cymru/National Assembly for Wales



**National Assembly for Wales
Assembly Commission**

**Corporate Performance Report of
the Assembly Commission**

April – June 2014

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales and holds the Welsh Government to account.

A summary of this document is available in languages other than English and Welsh upon request.

National Assembly for Wales
Cardiff Bay
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National Assembly for Wales
Assembly Commission

Corporate Performance Report of the Assembly Commission

April – June 2014

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Introduction

The corporate body for the National Assembly for Wales is known as the Assembly Commission. The Commission serves the National Assembly for Wales to help make it a strong, accessible and forward looking democratic institution and legislature that delivers effectively for the people of Wales.

The Commission consists of Dame Rosemary Butler AM, the Presiding Officer, and four Assembly Members nominated by each of the four party groups represented in the Assembly: Peter Black AM; Angela Burns AM; Sandy Mewies AM; and Rhodri Glyn Thomas AM. The Commission is responsible for the strategic direction of Assembly services and is accountable to the Assembly. Day-to-day management and delivery is delegated to the **Chief Executive and Clerk**.

The **Assembly Commission Strategy 2011-16** sets out our goals for the Fourth Assembly. Our goals are to: provide outstanding parliamentary support; engage with the people of Wales; promote Wales; and use resources wisely.

In support of the Commission's strategic goals, we have five priority areas for change, innovation and investment for this Assembly. These are set out in the **Assembly Commission Strategy 2014-16** - a revised corporate plan developed to provide greater clarity and direction for staff on our strategy, priorities and various elements of governance.

Performance reporting

This is first report for the financial year 2014-15. We have reviewed a number of indicators and made changes to improve the clarity of our performance reporting. These changes are shown in the text for the relevant indicators. We have also made some improvements to the annual satisfaction survey of Assembly Members and their staff. Again, changes are shown in the text for the relevant indicators.

This report provides information on the corporate performance of the Commission for the period April 2014 – June 2014, as follows:

- a traffic light summary sets out the overall performance under each of our strategic goals;
- a more detailed breakdown looks at the individual indicators that feed into that summary;
- appropriate comparators, from a range of sources, are provided where available.

Performance in providing outstanding parliamentary support

Improving or maintained levels of performance can be seen over the period in terms of timeliness of the services provided. 100% of committee and plenary meetings in the period took place without disruption, for the first time since we have been reporting on our KPI's.

The number of Members undertaking Continued Professional Development (CPD) activities has shown a marked increase from the same period last year whilst the number of Commission staff learning Welsh has been maintained.

A more integrated approach to how we support our committees has enabled us to improve our service to Members by being able to tailor our work to the needs of individual Members and provide more support for them to work in the language of their choice - this is well illustrated by the increase in the Member satisfaction score for working in the language of choice from 6.20 in 2013 to 8.90 in 2014.

Performance in engaging with the people of Wales and promoting Wales

The increase in the number of people visiting the Senedd and Pierhead in the past year has continued in the current period, with an increase of around 40% from the same period last year in the number of visitors taking guided tours. Engagement through social media continues to increase with the number of Twitter followers growing and views on YouTube increasing substantially.

We have built on the successful launch of the Microsoft machine translation software by promoting and demonstrating it to external stakeholders and the media throughout the reporting period.

We have introduced an enhanced approach to encourage engagement from young people. We have also publicised the various ways in which young people can get involved in the work of the Assembly, including via <http://www.yourassembly.org> and [@yourassembly](#) [#yourassembly](#) and developed new methods for gathering evidence for committee enquiries.

Performance in using our resources wisely

Our budgetary performance for the period shows that we are on course to ensure that the year-end underspend will be within the 1% target and that we will exceed our £500,000 Value for Money target. The development of a 10 year maintenance and investment plan for our estate has meant that we have been able to forecast and allocate spend in this area more accurately than in previous years. Our sickness absence figures have continued to improve, with our target of <3% being achieved for the year to June 2014 (2.45% compared with 3.35% as at June 2013).

We continue to reduce our energy consumption, with a 36% reduction as at June compared with the baseline year of 2008-09. We are on target to achieve our waste to landfill targets of zero tonnes with a reduction in the period to 0.88tonnes (compared to 2.9tonnes in the same period last year.)

Access to information

The Commission publishes an **Annual Report and Accounts**, providing an overview of performance on an annual basis, linking performance with the money we spend in providing services to the Assembly. The Commission publishes a range of other information about its annual budget and key organisational policies, available [here](#).
















The Commission is happy to provide further information if you would like to learn more about our work:

You can contact us [here](#).

Guidance on access to information is available [here](#).















Corporate Performance Measures - Achievement against Strategic Goals

Summary overview of the more detailed KPI information that follows (see matching KPI groups)

KPI group no.	Providing Outstanding Parliamentary Support	April - June 2013	April - June 2014	Comment - for detail see Page 6-8
1	Member Satisfaction	 amber	 green	No change in scores for plenary and committee meetings: the score for working in language of choice has increased from 6.2 in 2013 to 8.9 in 2014
2	Timeliness and Service Delivery	 green	 green	Consistently high performance on timeliness of committee papers, publishing Records of Proceedings and responding to research enquiries. Also no disruptions to business in the period
3	Professional Development	 green	 green	Welsh learner numbers maintained and engagement CPD activity continued to increase
4	Progress on Corporate Plan Priorities	 green	 green	Progress towards "world class committee support" through integrated delivery, plans developed to enhance business processes using ICT, progress in enhancing bilingual services
KPI group no.	Engage with the People of Wales and Promote Wales	April - June 2013	April - June 2014	Comment - for detail see Pages 8-11
5	Member Satisfaction	-	 amber	Score of 6.7. This is a new measure with no comparator from previous surveys
6	Engagement at the Assembly	 green	 green	Visitor numbers continued to increase and visitor satisfactions levels remain high
7	External Profile of the Assembly	 green	 green	Continued steady growth in social media interactions, and school and international engagement levels maintained
8	Progress on Corporate Plan Priorities (better engagement)	 green	 green	Charter for Young People developed, increased social media interactions, promotion of machine translation tool, new methods for gathering evidence

Corporate Performance Measures - Achievement against Strategic Goals

Summary overview of the more detailed KPI information that follows (see matching KPI groups)

KPI group no.	Use Resources Wisely	April - June 2013	April - June 2014	Comment - for detail see pages 11-14
9	Member Satisfaction	 green	 green	Improved scores across each category with significant increases to ICT scores
10	Budgetary Performance	 green	 green	Performance on track to meet targets for less than 1% underspend and £500k Value for Money savings
11	Staff	 amber	 green	Sickness absence rates well below target and sector average, high number of performance reviews completed to time
12	ICT Customer Service	 amber	 green	Good performance on achievement of SLA targets and high scores for customer satisfaction (both Members and staff)
13	Governance	 green	 green	Payments to suppliers and Members well within target rate, 3 of 13 FOIs missed deadlines due to exemption applied and the need to consult widely with those affected, no audit recommendations outstanding
14	Sustainability	 amber	 green	Continued reductions in energy consumption and waste to landfill
15	Progress on Corporate Plan Priorities (making the most of the estate)	 green	 green	Ten year investment and maintenance programme agreed and being delivered

Key



RED: There are significant issues impacting the achievement of business objectives. To achieve delivery, changes must be made to timing, costs and/or scope.



AMBER: There are issues or risks which must be addressed. However, successful delivery is achievable without major impacts to budget, service standards or target dates.



GREEN: Work is meeting agreed standards or is proceeding to plan. All known risks are being managed.

Corporate Performance Indicators

Goal : Provide outstanding parliamentary support							
	Comparator	Target	Apr – Jun ¹ 2013-14	Apr – Jun ¹ 2014-15		Narrative	
KPI on Member satisfaction, comprising:							
1	Plenary meetings	7.70 in 2013	8.00	7.70	7.70	⇒	Results from the 2014 survey of AMs. Scores showing no movement or an increase from broadly comparable scores from the 2013 survey.
	Committee meetings	7.90 in 2013	8.00	7.90	7.90	⇒	
	Working in language of choice	6.20 in 2013	8.00	6.20	8.90	↑	
KPI on timeliness and service delivery, comprising:							
Pack Page 43 2	% of committee papers issued by deadlines agreed with each Committee	n/a	100%	n/a	98.81%	-	Average April - June. No comparator as the measure has changed to show deadlines as agreed with each Committee as opposed to the Standing Order deadline of less than 2 days.
	% of research service enquiries answered within agreed deadline	98% average 2013-14	100%	99.00%	98.10%	↓	Average April - June.
	% of plenary Record of Proceedings published within deadline	100% average 2013-14	100%	100%	100%	⇒	Average April - June.
	Number of committee/plenary meetings affected by failure to deliver Commission services	12 out of 306 (3.92%) in 2013-14	Zero	6 out of 86 (6.9%)	0 out of 95 (0%)	↑	Total April - June. There were no disruptions in the period.
	% of committee Record of Proceedings published within 5 working days	n/a	100%	n/a	96.00%	-	Average April - June. Target changed from 14 days to 5 days so there is no comparator. Missed targets were due to increased volume of work and staff absences in May and June.
	% of Marshalled Lists for Stage 3 Bill proceedings issued by Standing Order deadline	n/a	>2 days of debate	100.00%	100.00%	⇒	Average April - June. Time spent on stages of each piece of legislation is shown in graph in the Annex.

Corporate Performance Indicators

Goal : Provide outstanding parliamentary support							
	Comparator	Target	Apr – Jun ¹ 2013-14	Apr – Jun ¹ 2014-15		Narrative	
KPI on professional development, comprising:							
3 Pack Page 44	Number of staff learning Welsh	34 (as at Mar 2014)	Increase number of Welsh learners	31	34	↑	As at June. A new indicator on Welsh capacity is being developed as part of the project to enhance bilingual services.
	Total number of new AM/AMSS participants in CPD activity	41 / 155 in 2013-14	Maintain number of AM / AMSS engaging in CPD	18 / 73	25 / 68	↑	As at June. Repeat participant figures reflect total attendance by all AM/AMSS in all CPD activity in the period. Number of new AMs engaging and total attendance at CPD activity have continued to increase. Number of new AMSS participants and the numbers of total attendance by AMSS are slightly lower than the same period last year.
	Number of repeat AM/AMSS participants in CPD activity	407 / 641 in 2013-14		105 / 198	107 / 171	↓	
Progress on Corporate Plan priorities							
4	Enabling the Assembly to be as effective as possible through the support we provide, including through the impact of the next stages of our ICT Strategy	-	Green	Green	Green	⇒	Progress towards the vision of world class Committees has included: strategic planning of committee work programmes, delivering better engagement with stakeholders and briefing; greater consistency for receipt of papers and evidence; more tailoring of support to Members by understanding their preferences; fully bilingual briefing to more committees, in accordance with Member preferences. Several projects planned or under way to improve the use of technology (e.g. use of Sharepoint as a platform to improve business processes, replacing old technology in the Siamb, improvements to the process of broadcasting, recording and archiving Assembly proceedings).

Footnote 1. The April – June period is not relevant to all of the indicators, for example for the Member satisfaction survey results and where we are comparing with a baseline period. | Page 6

Corporate Performance Indicators

Goal : Provide outstanding parliamentary support						
	Comparator	Target	Apr – Jun ¹ 2013-14	Apr – Jun ¹ 2014-15		Narrative
<i>Progress on Corporate Plan priorities (continued)</i>						
4	Enhanced bi-lingual services	-	Green	Green	Green	⇒ Continued to work with Microsoft to improve the accuracy and reliability of the jointly developed Machine Translation tool; promoted its use; and established a dedicated resource to promote and monitor the quality of the data input into the Hub. Feedback from users has been positive and has been used to identify areas for improvement. Also widened the provision of bilingual briefings for Committees and, for the first time, uploaded YouTube content providing a choice of English or Welsh subtitles.

Goal : Engage with the people of Wales and Promote Wales						
	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
<i>KPI on Member satisfaction, comprising:</i>						
5	Engaging with the people of Wales	-	8.00	-	6.70	- Results from the 2014 survey of AMs. Due to a change to the question asked it is not possible to identify a comparator from the 2013 survey.
<i>KPI on engagement at the Assembly, comprising:</i>						
6	Number of visitors to the Senedd/ Pierhead	168,505 total 2013-14	Increase compared to 2013-14	43,328	47,169	↑ Total April - June. Visitor numbers continuing to increase with 15,700 average per month compared to an average of 14,400 per month in the same period last year.
	Number of visitors on tours	15,466 total 2013-14		3,570	5,027	↑ Total April - June. Number of visitors on tours continued to increase with 1,676 average per month compared to an average of 1,190 per month in the same period last year.

Corporate Performance Indicators

Goal : Engage with the people of Wales and Promote Wales							
	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative	
KPI on engagement at the Assembly (continued), comprising:							
6 Pack Page 46	Number of events organised on the estate	370 total 2013-14	Increase compared to 2013-14	109	92	↓	Total April - June. Slightly lower than same period last year.
	Visitor satisfaction levels	87% average 2013-14	80% good/ satisfactory ratings	n/a	87%	⇒	Total April - June. Average score from Senedd visitors has remained constant. Improved measures are being developed.
	Joint events organised with Wales Governance Centre	5 total 2013-14	-	3	1	↓	Total April - June. Although there were fewer joint events than in the same period last year, the status remains green as there is no target for this indicator.
KPI on external profile of the Assembly, comprising:							
7 Pack Page 46	Committee reports promoted by either broadcast or print media	81% average 2013-14	100%	88%	100%	↑	Average April - June. All six committee reports published received media coverage.
	Average time spent on a visit to our web pages	3mins 59secs average 2013-14	Aim to increase each period	5 mins 22 secs	2 mins 20 secs	↓	Average April - June. An indicator to better measure interaction with the Assembly website is being developed.
	Number of interactions on social media:						
	Facebook - likes / engagement	2,610 at March 2014	Aim to increase each period	1,875	2,720 / 532	↑	Total as at end of June. Steady increase in number of followers (average 1.3% increase per month). From April 2014, the number of people engaging with the Assembly on Facebook (from likes, comments and shares) has been added.

Footnote 1. The April – June period is not relevant to all of the indicators, for example for the Member satisfaction survey results and where we are comparing with a baseline period. | Page 8

Corporate Performance Indicators

Goal : Engage with the people of Wales and Promote Wales							
	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative	
KPI on external profile of the Assembly (continued), comprising:							
Pack Page 47	Twitter - followers / engagement	25,283 at March 2014		17,465	28,268	↑	Total as at end of June. Steady increase in number of followers (average 3.8% increase per month). Number of people engaging with the Assembly on Twitter will be available for future reports.
	YouTube - minutes watched / views	39,325 / 20,177 totals in 2013-14		5,876 / 2,817	13,344 / 7,615	↑	Total April - June. Average 4,334 minutes watched per month. From April 2014, the total number of views on YouTube has been added - average 2,556 per month with higher than average volume in May (see graph) due to celebration of 15 Years of Devolution.
	Use of Senedd TV	67,059 / 6,191 totals in 2013-14	Aim to increase each period	20,823 / 1,613	12,780 / 1,289	↓	Total April - June. Users now also included. Decrease due to targeting of tweets to newer committee Twitter channels and increasing popularity of YouTube during this period due to producing lots of accessible video content. Viewing figures should increase now that the new Senedd tv site, offering more functionality across multiple devices, is live.
	Number of new schools engaging with education outreach for the first time	106 total 2013-14 (44 outreach)		43 (18 outreach)	32 (17 outreach)	↓	Total April - June. 32 new schools engaged, of which 17 were engaged through education outreach.
	Average monthly traffic to Record of Proceedings pages - Plenary Only	7,578 average in 2013-14		9,347	6,320	↓	Average April - June. Lower than average views over the period compared to the 2013-14 average but this ranged from 4,386 in April (which included a 3 week recess period) and 7,926 in June.
	International engagement to and from the Assembly	200 total in 2013-14 (ave. 17 per month)	-	36	67	↑	Total April - June.

Corporate Performance Indicators

Goal : Engage with the people of Wales and Promote Wales

	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
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Progress on Corporate Plan priorities

8	Better engagement with the people of Wales	-	Green	Green	Green	⇒	New Charter developed setting out the Assembly's commitment to involve young people directly in our work, by reaching out, engaging and giving feedback, to be underpinned by an enhanced online offer and strengthened support for Committees. Further expansion of Assembly social media channels, in terms of number and sophistication, including YouTube and Twitter. Continued diversification of the ways in which we gather evidence as part of Committee inquiries, from using different techniques to targeting new stakeholder groups.

Goal : Use resources wisely

	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
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Member satisfaction rating for:

9	Allowances and staffing	8.30 in 2013	8.00	8.30	8.70	↑	Results from the 2014 survey of AMs. Scores showing an improvement from broadly comparable scores from the 2013 survey.
	Ty Hywel and Senedd	7.60 in 2013	8.00	7.60	7.80	↑	

KPI on budget, comprising:

10	Budget - % underspend forecast at year end	0.07% year end 2013-14	<1%	1.20%	2.16%	↓	Expenditure will be carefully managed to ensure the year end underspend is within the 1% target.
	Budget – spend vs. profile	1.24 end year 2013-14	within 2% profile	1.41%	2.04%	↓	Expenditure is in line with expectations.

Footnote 1. The April – June period is not relevant to all of the indicators, for example for the Member satisfaction survey results and where we are comparing with a baseline period. | Page 10

Corporate Performance Indicators

Goal : Use resources wisely						
	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
KPI on budget (continued), comprising:						
10	Value for Money target and achievement	£508k year end 2013-14	£500k	£246k	£231k	↓ Predominantly achieved via vacancy management and on target to achieve or exceed £500k in the current year. Savings are re-invested in delivering against Commission priorities.
KPI on staff, comprising:						
Pack Page 49	% sickness absence	2.44% (rolling average at Mar 2014)	<3%	3.35%	2.45%	↑ Rolling annual average, as at June. This represents an average of 5.4 days per employee against the CIPD public sector average of 8.2 days.
	% completion of staff performance reviews	89%	100%	89%	97%	↑ Percentage of mid-year reviews recorded on the new HR/Payroll system by May 2014.
	Staff engagement level (from staff survey)	78% 2012	80%	81%		↑ Result from 2013 survey showing 81% recommended the Assembly as a great place to work. A new staff engagement indicator is to be developed using staff survey results which will allow benchmarking against other organisations.
	Number of staff - headcount and FTE	412 people 393.87 FTEs March 2014	-	381 people 364.89 FTEs	427 people 405.26 FTEs	As at June. The turnover rate was 5.96%.
KPI on ICT:						
12	% achievement against SLA targets for all incidents	n/a	100%	n/a	86.92%	n/a Average for April - June 2014: April - 96.38% (276 calls), May - 88.62% (325 calls), June - 81.94% (465 calls). 37% of missed SLA targets were recorded under the Software Fault category, followed by Hardware fault at 24% and other at 21%. This is a new indicator and there are no comparators.

Corporate Performance Indicators

Goal : Use resources wisely							
		Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
KPI on ICT (continued):							
12	Customer satisfaction score for incident handling (out of 9)	n/a	8.00	n/a	8.8	n/a	Average April - June. This is a new indicator and there are no comparators.
	Member satisfaction rating for ICT in Ty Hywel and Senedd	6.60 in 2013	8.00	6.60	7.50	↑	Results from 2014 survey of AMs. Comparator is the corresponding result from 2013.
	Member satisfaction for ICT in Constituency/Regional Offices	6.10 in 2013	8.00	6.10	6.70	↑	
KPI on Governance, comprising:							
13	Average days taken to pay Members and suppliers compared to target	3.55 average in 2013-14	<10 days	3.94	4.16	↓	Average April - June 2014.
	Number of 'Freedom of Information' requests answered	51 total 2013-14	-	10	13	-	April - June 2014. One response was late due to applying an exemption and two were late due to consultation with AMs and their support staff.
	% FOI requests answered to statutory deadline	88% on time 2013-14	100%	100%	77%	↓	
	Number of Internal Audit recommendations overdue	-	Zero	0	0	⇒	April - June 2014.
KPI on sustainability, comprising:							
14	Combined energy footprint (Cardiff Bay Estate)	Baseline year 2008-09	40% reduction in total energy emissions by 2015	-	-36%	↑	As at June. A strong start to the year with continued reductions in electricity and gas consumption resulting in a 36% reduction in cumulative emissions. This provides an excellent platform for the remainder of the year.

Footnote 1. The April – June period is not relevant to all of the indicators, for example for the Member satisfaction survey results and where we are comparing with a baseline period. | Page 12

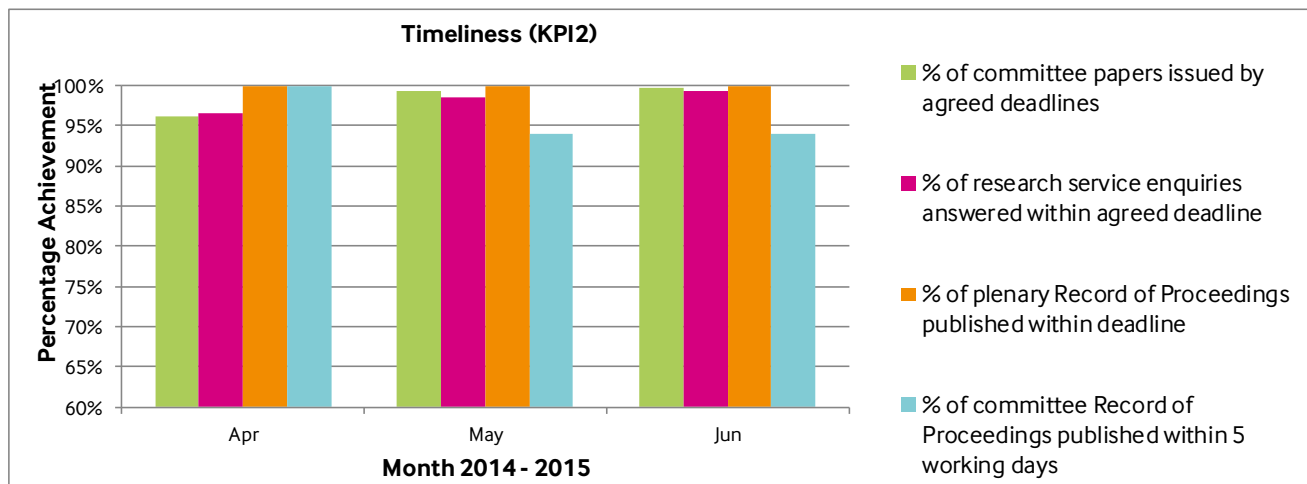
Corporate Performance Indicators

Goal : Use resources wisely						
	Comparator	Target	Apr - Jun ¹ 2013-14	Apr - Jun ¹ 2014-15		Narrative
<i>KPI on sustainability (continued), comprising:</i>						
14	Waste to landfill	43 tonnes in baseline year 2010-11	0 tonnes by March 2015	2.9t	0.88t	↑ As at June. Improved recycling and enhanced segregation have led to consistently low levels of landfill waste month on month, making the zero waste target an achievable reality by 2015.
<i>Progress on Corporate Plan priorities</i>						
15	Making the most of our Estate	-	Green	Green	Green	⇒ A forward investment and maintenance programme for the estate has been prepared incorporating the outputs from a review of the estate commissioned earlier in the year. The programme will enable targeted and prioritised investment in the estate to ensure that resources are used wisely and the estate continues to provide a suitable working environment for building occupants and an enhanced experience for visitors.

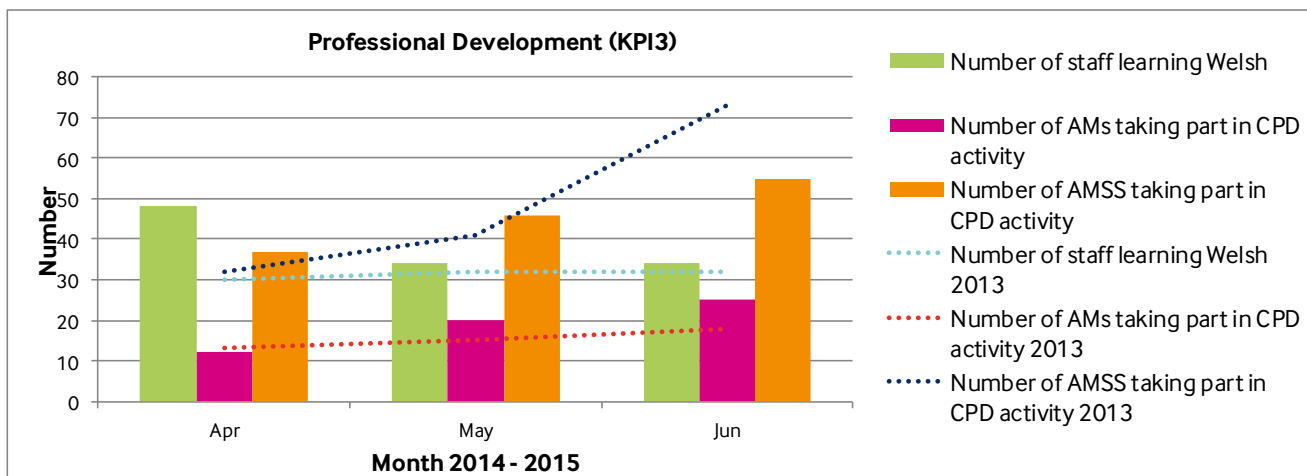
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Annex - Graphs

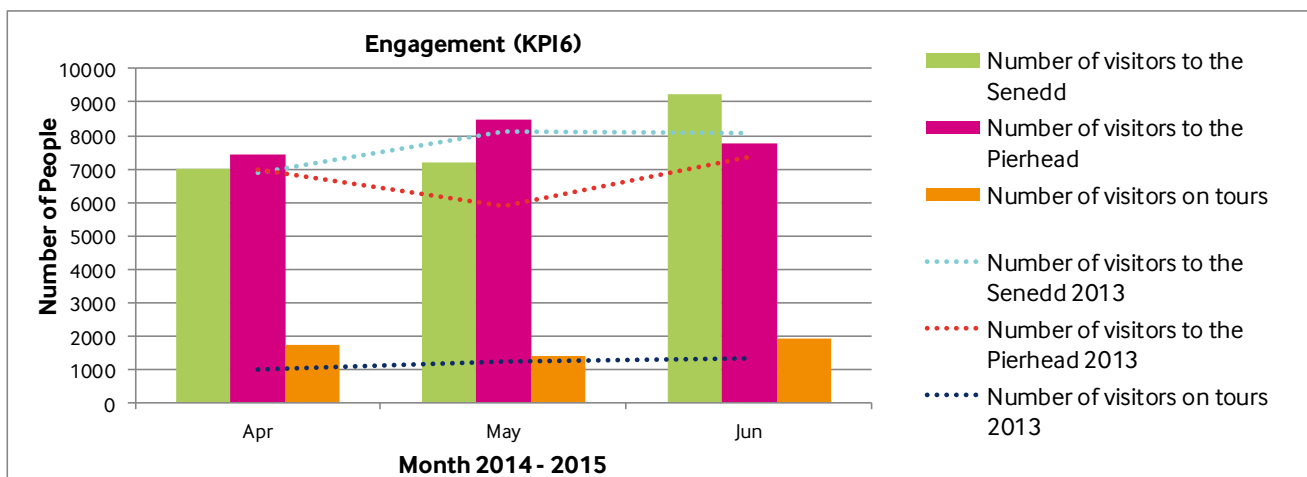
These graphs present the trends for some of the information in the detailed tables.



Narrative: Consistently high performance on timeliness continuing the trend from 2013-14. The % of committee papers issued is now measured against the deadline agreed with each committee as opposed to the Standing Order deadline of 2 working days before the meeting. The % of committee RoP published is now measured against a more stretching target of 5 working days as opposed to 14 days previously. Comparisons with 2013 has therefore not been possible.



Narrative: The number of Welsh learners has remained constant apart from an increase in April due to attendance at intensive Welsh lessons. The numbers of new AMs and AMSS engaging in CPD activity (which includes Welsh lessons) continues to increase.

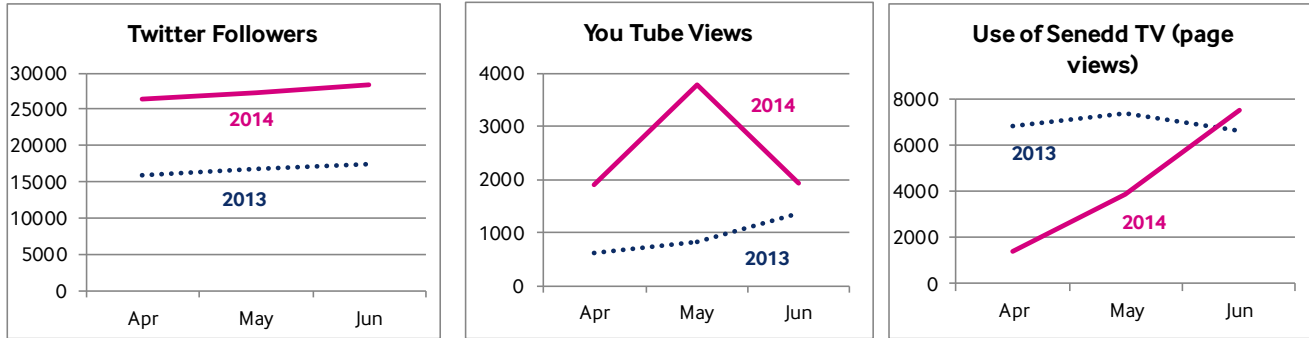


Narrative: The target for engagement at the Assembly is to increase each year. The detailed table (see page 5) also shows high levels of customer satisfaction for visitors to the Senedd.

Annex - Graphs

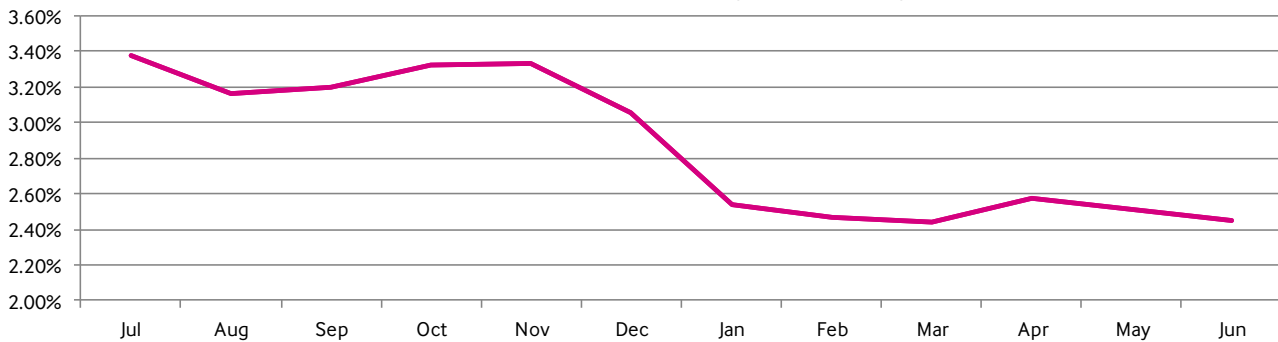
These graphs present the trends for some of the information in the detailed tables.

External profile (KPI 7)



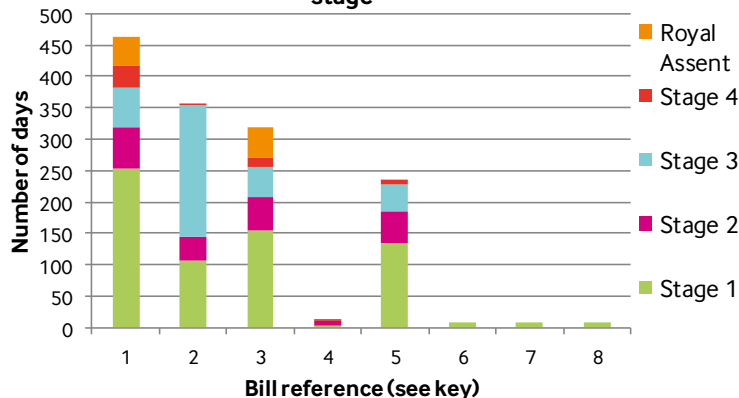
Narrative: The data on external profile (KPI7) is shown separately, as the number of Twitter followers is cumulative, while the YouTube views and Senedd TV page views are the totals for each month. As expected, this shows continued steady growth in Twitter followers (average 3.8 per cent increase per month). There have been fluctuations in YouTube views, as in May 2014 we celebrated 15 Years of Devolution with a number of short YouTube videos that were very popular (showing that YouTube views are dependent on the quality of the content we create). Senedd TV shows fewer page views during this period as it included a three week recess period (only one week of which was in April in 2013).

% sickness absence (Commission Staff) - rolling annual average (KPI 11)



Narrative: Sickness absence figures continue to show a general downward trend, exceeding the target of 3 per cent in each month since January 2014.

Legislative Timetable: time taken to complete each stage



Ref Bill (Stage as at end June)

- 1 Social Services and Well-being Bill (Complete 1 May)
- 2 Recovery of Medical Costs for Asbestos Diseases Bill (Awaiting Supreme Court Judgement)
- 3 Education Bill (Complete 12 May)
- 4 Agriculture Sector Bill (Emergency Bill) (Awaiting Supreme Court Judgement)
- 5 Housing Bill (Awaiting Royal Assent)
- 6 Holiday Caravan Sites (Wales) Bill (Stage 1)
- 7 Higher Education (Wales) Bill (Stage 1)
- 8 Gender Based Violence, Domestic Abuse and Sexual Violence (Wales) Bill (Stage 1)

Narrative: This graph shows the time it has taken for each Bill to go through the legislative process. It reflects which Bills have received Royal Assent (i.e. are completed) or are still going through the legislative process in the period April to June 2014.

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales





Welsh Government draft budget proposals for 2015-16

16 September 2014



WLGA • CLILC

Introduction and Context

1. The WLGA represents the 22 local authorities in Wales while the three national park authorities and the three fire and rescue authorities are associate members. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
2. There is no escaping the impact that the current period of austerity is having across the public sector in the UK. It is clear that local government across the UK has been forced by Government to make the most difficult decisions of any part of the public sector.
3. Despite the welcome upturn in the UK economy, the impact on the public sector looks set to continue for some time since as the Welsh Government itself states in the recent "Reforming Local Government White Paper" that "even the most positive forecasts estimate that public expenditure will not return to pre-2011 levels until around 2022."
4. There are also a range of circumstances that coalesce to form an extremely uncertain future, with the Scottish referendum in September, the general election in May 2015 and differing views on the future organisation of local government in Wales all impacting in some way on strategic service delivery planning within local authorities.

Q1. The impact of the 2014-15 Welsh Government Budget

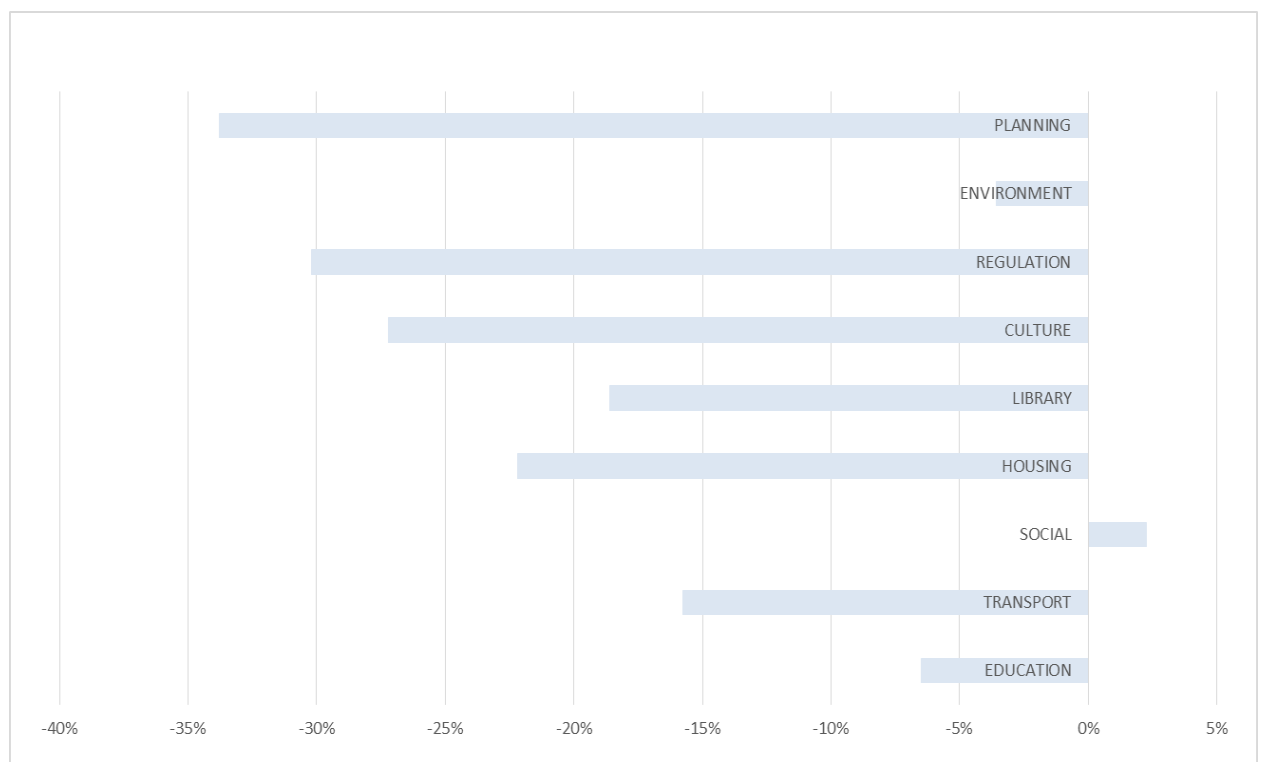
5. The current financial year was the last year of the 2010 Spending Review period. As the WLGA pointed out to the Finance Committee last year, councils had been planning 0.5% increase in core funding consistent with the forward indications published in 2011. The Minister wrote to Leaders in May 2013 warning that indicative figures were no basis on which to plan. When the draft budget and settlement were announced the eventual published reduction of 3.4%¹ in core funding equated to a reduction of £148.5 million in grant.
6. Coupled with unavoidable increases in expenditure such as the need to ensure adequate funding within schools' budgets and increased demand in social services, this led to Councils needing to find around £280 million in savings, despite an average council tax increase of 4.2%.
7. The impact of the 2014-15 budget decision should not be seen in isolation. In 2012 the WLGA commissioned the Institute of Fiscal Studies (IFS) to assess the future

¹However, on a like for like calculation, the reduction was actually 3.9% due to the inclusion within the RSG of ongoing additional funding for the council tax reduction scheme which was treated as "growth" by Welsh Government.

prospects for local government expenditure in Wales² and this analysis was adapted for their work with Wales Public Services 2025³.

- At the time the IFS estimated that in the early years of the austerity programme of the UK government, local government spending had been falling in real terms. They estimated that spend from 2009-10 up to 2012-13 had fallen by around 7.3% in Wales (half the reductions experienced in England) and analysed spending on a service by service basis. Extending this analysis for the latest data available is set out in figure 1 below.

Figure 1: Real terms change in service spend between 2009-10 to 2014-15



Source: IFS, WG RA returns 2014, HMT GDP deflators 2014 (Q1)

- Only expenditure on social services has shown a real terms increase since the onset of austerity. Despite protection for education, expenditure has fallen by 6%. The most likely explanation is that education spending outside Individual Schools Budgets is taking a disproportionate share of funding reductions coupled with the fact that the protection itself is pegged to below inflation changes to the WG budget.
- Spending on Environmental services has dropped 4%. This covers a number of spend areas including street cleansing and flood defence, however over 80% of this spend is on waste services including recycling.

² [Local Government Expenditure in Wales: Recent Trends and Future Pressures. IFS \(2012\).](#)

³ [Scenarios for the Welsh Government Budget to 2025-2026. IFS \(2013\).](#)

11. Spending on Transport shows a decline of 16%. Although expenditure in this area accounts for around 5% of local government spend, this type of infrastructure spend is most closely associated with economic growth. Indeed spending in two other areas that are most closely associated with economic development reinforce the proposition that the economic recovery may be hampered by extreme disinvestment in this area. Expenditure on planning and economic development is down 34%, and spending on non-HRA housing services is down 22%. As the Finance Committee highlighted in its report on the draft budget for 2014-15⁴ last year "...there is a disconnection between the WG's stated priorities – jobs and growth – and a budget whose clearest priorities are indicated by directing additional money towards the health service."
12. Other areas of spend also covered in figure 1 relate to cultural expenditure (including sports and leisure) and libraries. Since 2009-10, the former has reduced by 27% and the latter by 19% in real terms. These are the only two area of service expenditure that have now dipped below spending levels in 2001-02 when adjusted for inflation. Spending on regulation is down by 30% and along with sports and leisure, might be considered areas of spend that are preventative.
13. Clearly, with reductions of this magnitude, to describe these as efficiencies or isolated cuts is an understatement. Services are being hollowed out. Spend in these areas attracts a lot of attention from Assembly Members and various Commissioners because they are valued by the public. The Joseph Rowntree Foundation⁵ has shown that many of these 'other' services are relied upon by vulnerable groups. They also prevent negative social outcomes driving demand in other budgets including the NHS⁶.

Local Government Performance

14. Local Government Performance data for 2013-14 was recently published by the Data Unit⁷. The service headings broadly correspond to those in figure 1 above. Table 1 below shows how those services performed in 2013-14 compared to 2012-13. At a Wales level, 70% (31) of the 44 indicators which are comparable between 2012-13 and 2013-14 show improvement. The gap in performance (between the best and worst performing authorities) narrowed in 59% (26) of the indicators. For 43% of the indicators, performance improved and the gap between the best and worst performing authorities narrowed.

⁴ [National Assembly for Wales \(2013\). Scrutiny of Welsh Government Draft Budget 2014-15, page 5.](#)

⁵ [JRF \(2013\). Coping with the cuts? Local government and poorer communities.](#)

⁶ [Office for Disability Issues \(2007\). Implications for health and social care budgets of investment in housing adaptations, improvements and equipment: a review of the evidence.](#)

⁷ [Local Government Performance 2012-13. Data Unit \(2014\)](#)

Table 1: Local Government Performance 2013-14

<i>Service Area</i>	<i>No of comparable indicators</i>	<i>% of indicators where performance improved</i>	<i>% of indicators where the gap narrowed</i>	<i>% of indicators where performance improved and the gap narrowed</i>
Education	11	82%	64%	55%
Social Care	20	60%	60%	40%
Housing	3	100%	67%	67%
Environment & Transport	6	83%	50%	33%
Planning & Regulatory Services	2	50%	50%	50%
Leisure & Culture	2	50%	50%	0%
Overall	44	70%	59%	43%

Source: Data Unit (2014)

Q2. Concerns about the Indicative 2015-16 Welsh Government Budget

15. Our major concern is the inability to rely on indicative figures while attempting to introduce significant reductions in funding in a planned and rational way based on sound evidence and with an appropriate lead-in time. At the time of the 2014-15 budget publication last year the forward plans for LG spending showed a reduction in core funding of 1.55%. The former Local Government Minister has again indicated that we cannot use this figure for forward planning and the reduction could be as high as 4.5%. The Welsh Government approach to forward planning has now departed significantly from the approach it took to multiyear settlements in the past. This had provided the basis for sound medium term financial planning since 2008.
16. Other concerns raised in our evidence to the Finance Committee last year remain, including the continuation of a centralised approach to funding which manifests itself through continued use of specific grants and the protection of certain service budgets.
17. There are significant concerns about the sustainability of services that are funded by specific grant, especially concessionary fares, sustainable waste management grant and supporting people. Announcements around specific grants tend to be late in terms of financial planning, close to or actually within the financial year in question. Even more worryingly, some grants such as some education grants are subject to in-year reductions in 2014-15. Again this comes back to sustainable financial planning. As the National Union of Teachers' recently pointed out⁸ "The Welsh Government talks of three year budgets but this one has barely lasted six months."

⁸ [NUT Cymru \(2014\). Press Release: Robbing Peter to Pay Paul.](#)

18. The OECD recently pointed out⁹ that the whole approach of specific grants in education “*can create confusion, be unsustainable in the long term...*”. The OECD state that this is contributing to a fragmented to approach to educational improvement and question whether this is conducive to the schools own financial planning.

Q3. Expectations of the Draft 2015-16 Welsh Government Budget

19. The majority of Councils used the Indicative Settlement reduction of 1.55% in medium-term financial plans until the Minister wrote to Leaders again stating that published indicative allocations were subject to change. This is likely to have a drastic effect on local government budgets as Welsh Government is now suggesting that the reduction could be as great as 4.5% taking an additional £120m out of core funding. The impact nationally is set out in the model at Appendix 1.
20. The table shows that if education protection continues and social care pressures cannot be ameliorated through demand management then, nationally, Councils could be facing a cumulative shortfall by 2017-18 that could fall anywhere between £600m and £900m. For 2015-16, this will mean reductions of anywhere between 13% and 25% on ‘influenceable’ budgets. These are similar reductions to those experienced in 2014-15 and will certainly exacerbate the reductions in specific areas of service spend set out in Figure 1.
21. These are not abstract calculations, as local government leaders have pointed out in a recent letter to all AMs, MPs and MEPs. Figure 2 below takes a sample of four councils across Wales: one city, one rural, one Valleys and one urban north Wales. After protections are applied the impact is stark.

Figure 2: Impact of published indicative reduction of -1.5% and further reductions of -4.5%

	CARDIFF £m	TORFAEN £m	POWYS £m	FLINTSHIRE £m
Net Base Budget 2014-15	574.0	169.0	242.4	253.7
Budgets from which savings cannot be made (e.g. Delegated Schools budgets; CTRS)	270.0	56.0	87.0	94.6
Budgets outside of Specific directorate control (e.g. Debt financing costs etc)	76.3	22.0	40.3	21.6
Budgets to which reductions can be applied (includes Social Services)	227.7	91.0	115.1	137.5
Impact of reduction of 1.5% of AEF	-4.4	-1.4	-1.8	-2.0
Unavoidable additional financial pressures	-25.5	-8.4	-8.6	-11.9
Total reductions required	-29.9	-9.8	-10.4	-13.9
Reductions (@1.5%) as a % of unprotected budgets	-13%	-11%	-9%	-10%
Further impact of funding reductions up to -4.5%	-15.2	-4.6	-6.4	-6.7
Reductions (@4.5%) as a % of unprotected budgets	-20%	-16%	-15%	-15%

⁹ [OECD \(2014\). Improving Schools in Wales: An OECD Perspective.](#)

22. This clearly shows that under the published reduction of 1.5%, councils need to find savings of between 10% and 13% from unprotected budgets. Further reductions of up to 4.5% will now require savings of between 15% and 20%.
23. There are some positive aspects to council finances next year. Due to the consistent lobbying efforts of the WLGA, the WG and UK Government agreed last year to draw to a close the complex and archaic arrangements involved in funding the Housing Revenue Account. From April 2015, the government will put in place a self-financing arrangement whereby the 11 authorities with retained stock will buy themselves out of the HRA subsidy system. These authorities will be able to retain all their rental income which will allow them to consider additional borrowing
24. The borrowing will allow those that have not already done so to reach WHQS by 2020 and will also allow for some new build and reconfiguration. This is a win-win for the Welsh Government and councils. The only negative aspect of this is that the UK Government will be introducing a borrowing cap that will restrict the extent to which new build can place, a policy inconsistent with the rules that govern councils' ability to borrow on the general fund through the prudential system.

Future Financial Planning

25. The WLGA has worked with the LGA to find good practice over the border and many councils in Wales are speaking to their English counterparts directly on approaches to operational efficiency and concepts such as Co-operative Councils or Commissioning Councils. While transformational and transactional efficiency continues to make a contribution to budget shortfalls in England, the LGA report that 9 out of 10 councils in England are undertaking following activities:
- Reducing overall staff numbers
 - Delivering some services more efficiently
 - Reducing or restructuring the senior management team
 - introduced or increased charges for services
 - new service delivery arrangements with other public bodies
 - renegotiated existing service delivery contracts
26. The approach being taken in England by the UK Government is raising the spectre of comprehensive service failure by 2017-18. A recently published report by PwC¹⁰ concluded that more than half of council leaders in England believe some local authorities will fail to deliver the essential services residents require within the next year as the impact of government spending cuts increases.
27. Here in Wales, councils' own medium-term financial planning should be flexible enough to cope with uncertainty under differing assumptions. However the key

¹⁰ [PricewaterhouseCoopers LLP \(2014\). Local State We're In 2014.](#)

variable in the funding equation is RSG from the Welsh Government. All the indications are that 2015-16 will be the third year in a row that the published indicative settlement has been revised downwards in a way that makes sound financial planning untenable.

Q4. Specific Areas in Scrutiny of the Budget

a) Preparation for the Wales Bill

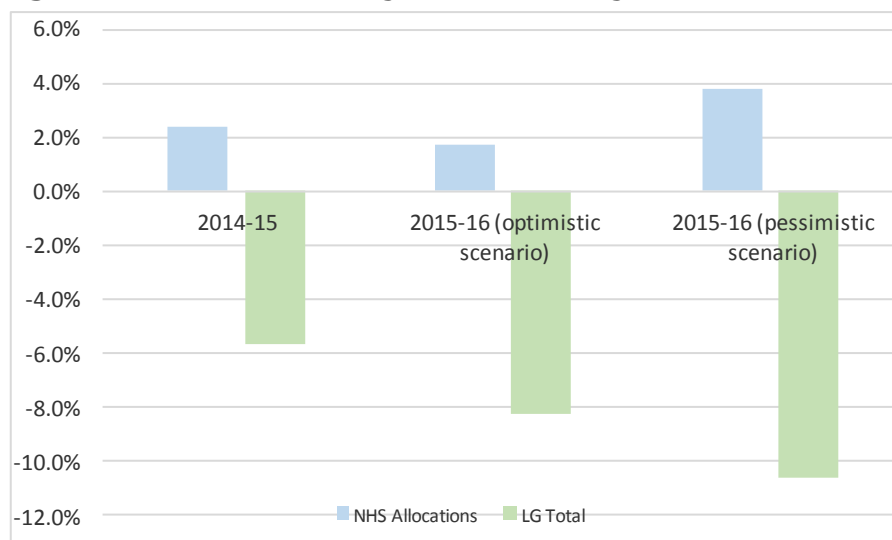
28. While there are limitations within the Wales Bill, it is important to recognise the potential opportunities afforded to the National Assembly for Wales and the Welsh Government, coupled with greater responsibility and accountability.
29. Undoubtedly, the devolution of tax and borrowing powers will increase the autonomy of the Welsh Government and provide greater levers through which to influence public policy, spending and economic growth in Wales. However, given its experience of late notice of significant reductions in indicative budgets, local government is extremely concerned about the impact of the potential for increased volatility within the Welsh Government's budgets.
30. Local government is the only part of the public sector to raise taxes within Wales currently and we are pleased that we can now share that expertise through the Welsh Government's Tax Advisory Group. As Gerald Holtham pointed out in a recent paper to the Institute of Welsh Affairs (IWA) "Taxation in Wales". It is crucial that the taxes already raised and collected within Wales are considered alongside the newly devolved taxes in an integrated way.
31. Local government would expect to be engaged and consulted on the full range of changes to be introduced in the Wales Bill, given its role within the constitutional arrangements in Wales.

b) Local health board financial arrangements

32. In the letter warning of changes to indicative plans back in June, the former Local Government Minister makes it clear that pressures in the NHS underpin the Welsh Government's decision to revisit the indicative plans for 2015-16. This was also the reason cited in the Education Minister's letter signalling in-year cuts to some education grants.
33. The Nuffield Trust study cited by the Welsh Government sets out demographic and unavoidable financial pressures that they are prepared to fund. However local government is now expected to absorb similar pressures within its own reducing budgets. This is a clear signal that local government services and employees now play second fiddle those of the health sector.

34. Demographic pressures within social services budgets are exhaustively documented in the work of Wales Public Services 2025¹¹ and are estimated to contribute pressure of £49m in 2015-16, rising to £97m by 2016-17 according to the table in Appendix 1. Other pressures cited in the Nuffield report apply equally to local government – price inflation, pay claims, changes in employer pension contributions and future pressures due to the introduction of the single tier pension. These will add £76m in pressures in 2015-16, rising to £225m by 2016-17.
35. Figure 3 below sets out in stark terms the differential treatment between health and local government in terms of funding. Such circumstances make it incredibly difficult for local government to engage with their local health boards on an equal footing. Between 2009-10 and 2014-15, funding for local government (specific and general grant) has reduced by 6% while funding for the NHS has increased at 2% in real terms.
36. In 2015-16, based on the current indicative allocations, NHS funding dips to just below 2% while local government funding will 8%. If the worst case scenario plays out, and more general grant is taken from local government is transferred to the NHS, then the local government will have absorbed real terms funding reductions of over 10% while the NHS will have experienced increases of around 4%.

Figure 3: Real terms change in WG funding for LG & NHS since 2009-10



Source WG Budget 2009-10, WG Budget 2014-15, LG Settlement 2009-10, LG Settlement 2014-15, HMT GDP deflators, (2014, Q1)

37. Inequality in the responses to the pressures facing local services, including social services, compared to health services is contributing to the difficulties facing the Welsh public sector. Finances are continuously channelled towards meeting the costs of current arrangements rather than being invested in innovative ways of delivering services as a whole, and implementing preventative measures in a holistic way.

¹¹ [Wales Public Services 2025 \(2013\). Future Pressures on Welsh Public Services: Financial Demand and Other Cost Pressures to 2025 and a Review of Potential Responses.](#)

c) Approach to preventative spending and how is this represented in resource allocation

38. As described in the WLGA's evidence to the Finance Committee last year there is a considerable body of evidence that demonstrates that the right intervention at an early enough stage across the early years, health, social care and criminal justice system can significantly diminish the need for more costly interventions in later life. The difficulty is to find the additional investment required to introduce these measures at a time of financial austerity while still managing to provide existing demand.

39. While there are a number of preventative policies that have been introduced by Welsh Government there remains a lack of a strategic approach to these that could yield the greatest results. Appendix 2 sets out some barriers to moving to a preventative approach to public service delivery that have yet to be addressed effectively.

d) Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced

40. In our experience, while local government and the WLGA are often involved in and consulted with during policy development, insufficient resource and effort is put towards ensuring a robust financial impact assessment process is undertaken and even where attempts are made to undertake such assessments, it is often late in the day and rushed. In our view, the best results are achieved where there is early collaboration in identifying and investigating the full implications of policy changes and a shared understanding of any potential costs and savings.

Conclusion

41. The combined impact of austerity and increasing demand is biting deeper into local public services. A lack of certainty around Welsh Government plans and flexibility in our own funding arrangements are hampering our attempts to undertake robust financial planning for the medium to long term. It means that managing budget reductions and transforming services cannot be done in an appropriately timely way.

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Appendix 1

Around 40% of a Council budget is spent on education services which is protected and pegged to 1% above the change in the Welsh Block. For each of the future years up to 2017-18, it is assumed that the commitment on education spend remains although it is impossible to predict the WG budget beyond the current Spending Round planning horizon.

Aggregate Medium Term Financial Plan

Net Revenue Expenditure (£m)	14-15	15-16	16-17	17-18
Education	2,363	2,386	2,410	2,434
Social Services	1,392	1,392	1,392	1,392
Fixed budgets	708	708	708	708
Other	1,057	1,057	1,057	1,057
Pay Award 1% (excludes schools)		21	42	64
Employer Pensions Costs - Teachers		13	23	23
Employer Pension Costs - LGPS		9	27	27
Single Tier Pension - loss of NI rebate			67	67
Price Inflation (Contracts, fuel, utilities, business rates)		33	66	99
Demographic Pressures (WP 2025 Assumptions)		49	97	146
CTRS Pressure		10	27	45
Total Expenditure	5,521	5,679	5,918	6,063
Funding (£m)				
Council Tax @ 4%	1,256	1,306	1,359	1,413
AEF @ -1.5%	4,265	4,201	4,138	4,075
Total funding AEF	5,521	5,507	5,496	5,488
AEF @ -2%	4,265	4,179	4,096	4,014
Total funding AEF	5,521	5,486	5,454	5,427
AEF @ -3%	4,265	4,137	4,012	3,892
Total funding AEF	5,521	5,443	5,371	5,305
AEF @ -4%	4,265	4,094	3,930	3,773
Total funding AEF	5,521	5,400	5,289	5,186
Budget shortfall with AEF @- 1%		173	422	575
Budget shortfall with AEF @- 2%		194	464	637
Budget shortfall with AEF @- 3%		237	547	758
Budget shortfall with AEF @ -4%		279	630	877

Social services accounts for around 25% of net revenue spend and it is assumed that it is subject to pressures set in the Wales Public Services 2025 report of around 3-4% per annum. A further 13% of a Council's budget cannot be controlled. This includes capital charges (payments on interest and debt repayment, including PFI)

and contributions to other organisations such as Fire Authorities. It also includes areas of the budget that are demand-led such as concessionary fares and the Council Tax Reduction Scheme (CTRS). These have the potential to increase and the cost of the CTR Scheme, in particular, is highly sensitive to the level of the Council's own council tax levels and caseload.

In addition councils have to plan for pay and price inflation and changes to the tax and pensions system. Over the next two years unavoidable pressures will arise from the changes to the tax and pensions regimes – these include

- a. Increase in the employers contribution to the teacher's pension (part year increase in 2015-16 and fully impacted by 2016-17)
- b. Increase in the employers contribution for the LGPS (part year increase in 2015-16 and fully impacted by 2016-17)
- c. Loss of the National Insurance rebate for contracting out of SERPS with the introduction of the Single Tier Pension (fully impacted by 2016-17)

Auto-enrolment will also commence in 2017-18 but this is difficult estimate. Additionally, there are likely to be a number of financial implications arising from legislation. Since the demise of the Expenditure Sub Group, there appears to be little joint understanding of these financial pressures.

On the funding side, net revenue expenditure is financed from two sources: the main block grant and council tax. Council tax is assumed to grow at 4% but under the new CTRS scheme a rise equivalent to this produces an immediate pressure of £0.4m as the Council has to fund the reduction scheme for increases.

Appendix 2

Barriers to fully implementing preventative measures

Funding

- There is too much pressure on budget holders to tackle negative social outcomes here and now, despite recognition this will have limited success in the longer term. This results in difficulty in freeing up money to finance preventative spend that is currently tied up in acute care and hospital provision.
- An increase in investment of preventative spend programmes is not cost-neutral and does not mean that existing “reactive budgets” can be immediately cut;
- The public service body or sector that invests in the preventative spend may not be the same body that derives the benefits;
- Budget restraints may make a concerted focus on preventative spend less likely.

Impact and Evaluation

- Given the nature of preventative policies, there is a significant time-lag between their implementation and the ability to provide clear evidence of their impact. It may be difficult to prove that a specific intervention was responsible for an outcome;
- The longer-term outcomes delivered by preventative spending measures may be difficult to evaluate.

Political and Financial Cycles

- The political cycle every four years means that some preventative spend projects may come to a premature end as they need to run for longer time periods in order to deliver results;
- The annual budget and funding cycles, sometimes with 2-3 year forward indications, do not provide enough certainty of investment for projects that need to be implemented consistently over a long time-frame

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

**Welsh Government draft budget
proposals for 2015/16
Submission to Finance Committee
September 2014**



1. Wales Council for Voluntary Action (WCVA) is a registered charity and umbrella body working to support, develop and represent Wales' third sector at UK and national level. We have over 3,350 organisations in direct membership, and are in touch with many more organisations through a wide range of national and local networks. WCVA's mission is to provide excellent support, leadership and an influential voice for the third sector and volunteering in Wales.
2. WCVA is committed to a strong and active third sector building resilient, cohesive and inclusive communities, giving people a stake in their future through their own actions and services, creating a strong, healthy and fair society and demonstrating the value of volunteering and community engagement.
3. We welcome the opportunity to submit initial information to the Finance Committee to help support its scrutiny of the Welsh Government's 2015-16 Draft Budget Proposals, and will be pleased to provide further analysis after the publication of the Draft Budget.

General comments

4. Although the Welsh Government is an important funder of the third sector in Wales (the Welsh Government and UK Government together provide 18% of the Welsh third sector's funding), the third sector only receives a tiny proportion of the Welsh Government's budget. WCVA's *Third sector statistical resource 2014* reveals that in 2012-13 Welsh Government's funding to the third sector represented only 2.2% of its entire budget. Local Authorities contributed 2.6% of their budgets to the third sector, and Local Health Boards contributed a mere 0.4%.
5. WCVA maintains that it is a false economy to cut third sector services: such cuts would not realise notable savings, and retained investment will help to deliver considerable added value through the sector's ability to lever in additional resources and deploy volunteers. At times of financial pressure it is important to consider how to make the Welsh budget go further and if properly engaged and supported the third sector can play a key role in achieving this and in working with Welsh Government to deliver its aims.
6. It should therefore be a priority to maintain support for third sector organisations who are able to maximise resources available in the community, lever other funding into their community, and support the massive contribution made by volunteers.

7. The Programme for Government recognised the third sector as a key partner in the delivery of the Welsh Government's agenda. More recently, the Welsh Government's document *Improving public services for people in Wales*, explicitly includes the third sector in its vision for public services: "Our public services are delivered through public sector bodies working with partners – in particular the third sector, and in some circumstances the private sector – to provide the best possible services." (p.11)
8. The document further states that Welsh Government "...will therefore continue to work with partners in the third sector and more broadly to this end, and make further announcements on supporting the development of co-production in Wales later this year." [...] "We will also continue to encourage the third sector to realise its full potential in supporting public services, recognising that there is a wide range of organisations which are covered within a broad definition of the third sector." (p.22)
9. This puts the third sector in a pivotal position in delivering this vision because it is the way communities organise, express collective concerns and give people the confidence and skills to challenge, and create change. The third sector works to enthuse, motivate and organise people and create community ownership and structures. This requires investment (grants and core funding), and volatility of funding severely weakens the sector's potential contribution to this agenda.

Analysing the Budget

10. The third sector is funded from a range of budget Actions across all Major Expenditure Groups, but apart from a few exceptions, in the majority of cases the detail is not visible at Action level. This has been a perennial problem. We would therefore like to remind the Committee that it is very difficult for third sector organisations to analyse and understand the implications of the figures in the published draft Budget due to the lack of detail below the Action level.
11. Providing more detailed information at as early a stage as possible is essential, whether in the Budget or the accompanying narrative, for the sector to be able to understand, scrutinise and prepare for the potential consequences of the Budget on their funding.
12. Nevertheless, it is clear that the third sector has suffered significant funding reductions in the current financial year, at national and local level.
13. In order for third sector organisations to be able to plan, access to relevant budgetary information and advanced notice of any changes are vital. We would highlight that 'Early and constructive dialogue', 'Timely decisions' and 'Security of funding' remain principles of the Welsh Government's revised *Code of Practice for Funding the Third Sector* (2014). Existing commitments and budget lines should be honoured; and Welsh

Government should enter into early dialogue, as required by its Code of Practice, about its funding for next year.

14. The third sector is a key strategic partner for tackling poverty, developing and delivering innovative anti-poverty services and programmes. Whilst the sector plays an important role in emergency relief, mitigating and alleviating poverty and its effects in the short and medium term, the sector is also in the vanguard of developing medium to long term and preventive anti-poverty approaches and interventions which tackle poverty and social exclusion at source, and treats people as assets. This approach requires financial investment in the sector and its capacities, investment which will pay off in the long term.

Funding mechanisms

15. We would like to draw the Committee's attention to the importance of choosing the appropriate method to distribute funds. Although the Budget is silent on the funding mechanisms used, in order to enable the full contribution of the third sector to public service delivery, it is important that the funding mechanisms are appropriate and proportionate to the activities.
16. In recent years, funding from contracts has increasingly become the default position, while grant funding has diminished rapidly. Where procurement is not legally necessary however, WCVA strongly advocates for the use of grants as the primary mechanism for funding the third sector. Grants can provide the basis for partnership with the third sector in service development and delivery, and can be used to invest in local organisations, communities and economies, thereby retaining resources in Wales. Furthermore, grants are exempt from VAT, whereas contracts for services may be subject to VAT, therefore a grant retains investment in Wales.
17. While WCVA welcomes initiatives by Value Wales to improve procurement policy in Wales, it remains the case that procurement practice often lags behind. Too often procurement is used as a blunt tool to deliver short term cost savings, looking to the competitive market for solutions, and moves towards fewer, larger and more generic contracts effectively exclude almost all third sector organisations from being potential partners in delivering public services.
18. The 2013 *Welsh Government Annual Report on Grants Management*, which sets out the Welsh Government's direct grants to the public, private and third sector, revealed that the third sector has taken the biggest cut in grant funding. Although superficially showing a significant drop in funding, further exploration and discussions with Welsh Government has revealed that the figures were distorted by funding being re-routed through Local Government. We look forward to the next report providing a firmer baseline on which to measure any variations in funding to the third sector.
19. A number of our members have however experienced a shift from core funding to project funding. The erosion of core funding has profound

consequences for third sector organisations, limiting their ability to operate flexibly and maximise the value of the investment by leveraging in additional resources.

20. Welsh Government's vision recognises the role of the third sector in delivering preventative services: "A key principle for developing and encouraging innovation in public services is prevention. [...] Crucially, it relies on effective integration of services between public service partners, including the third sector and the public themselves, wrapping their support around a person or a family rather than each organisation focusing solely on specific issues."
21. Whereas policy (e.g. *Improving public services for people in Wales*) and proposed legislation (e.g. the Well-being of Future Generations (Wales) Bill) emphasise a long-term approach to decision-making, there needs to be a corresponding long-term approach to funding the third sector.

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By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted



Carers Trust Wales response to the Finance Committee call for information – Welsh Government draft budget proposals for 2015-16

09 September 2015

About Carers Trust Wales

Carers Trust Wales welcomes the opportunity to respond to the Finance Committee's call for information on the Welsh Government draft budget proposals for 2015-16. Carers Trust is a new charity which was formed by the merger of The Princess Royal Trust for Carers and Crossroads Care in April 2012.

Carers Trust Wales works across Wales to improve support, services and recognition for anyone living with the challenges of caring, unpaid, for a family member or friend who is ill, frail, disabled or has mental health or addiction problems. With our Network Partners, local service providers across Wales, we aim to ensure that information, advice and practical support are available to all carers.

Our strategic aims are to

- Raise the profile of carers and the caring role
- Support the growth and development of solutions for carers
- Influence society to improve carers' lives
- Work with local partners to develop a strong network

Together with our Network Partners, we provide access to desperately-needed breaks, information and advice, education, training and employment opportunities. Our Network Partners benefit from the provision of grants, advice documents and reports to improve carers' services. We give carers and young carers avenues to speak to someone and make their voices heard, offline via our carers' services and young carers' schemes and online via our interactive websites.

Our vision is a world where the role and contribution of unpaid carers is recognised and they have access to the quality support and services they need to live their own lives.

Carers Trust is a registered charity in England and Wales (1145181) and in Scotland (SC042870). Registered as a company limited by guarantee in England and Wales No. 7697170. Registered office: 32–36 Loman Street, London SE1 0EH.

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We provide support, information, advice and services for the millions of people caring at home for a family member or friend. Our Network Partners reach carers of all ages and with a range of responsibilities, in their local communities. From helping carers to access local services, to making their views heard by opinion formers and professionals, together we help carers to connect with everyone and everything that can make a difference to their lives.

With carers' needs, choices and voices at the heart of everything we do, we strive to ensure that the enormous contribution they make to society and to those they care for is fully recognised, appreciated and valued.

Overview

1. Carers provide valuable unpaid care across Wales. Enabling carers to maintain their own well-being and the well-being of those they care for through carer-focused services is essential in promoting a healthier, more equal Wales.
2. A range of evidence demonstrates that carer-focused services, carer involvement and effective health-led strategic planning for carers improves outcomes not only for carers, but also for professionals and those that they care for. This includes delayed or prevented placement in residential care, delayed or prevented hospitalisation and quicker transfers of care.
3. Yet current funding arrangements - including commissioning arrangements nationally, through local health boards and Local Government – neither support nor sustain quality carer-focused services. Feedback from local services suggests that commissioners favour and prioritise low-unit cost over quality. Although this is in part attributable to changing policy priorities and processes in Welsh Government and Local Government, there has also been a downward pressure on Local Government budgets, currently the principal funders of such activities.
4. Carers Trust Wales welcomed the Intermediate Care Fund. However, feedback from local partners suggests that implementation of the Intermediate Care Fund has not been effective and has not included the voluntary sector as key strategic partners in the planning and delivery of the fund. We would advocate the continuation of ring-fenced funding for intermediate care but would argue for a more integrated and inclusive approach to implementation and changes to the way the Voluntary Sector is engaged.
5. **Carers Trust Wales would welcome the opportunity to expand upon this response in an oral evidence session with the Finance Committee.**

Response

1. What, in your opinion, has been the impact of the Welsh Government's 2014-15 budget?

- 1.1 Broadly, the downward pressure on local authority budgets has had a discernible impact on the funding and prioritisation of carer-focused services across Wales
- 1.2 Carer-focused services are evidenced to support the preventative agenda and as such the downward pressure on local authority budgets is likely to further impact the ability of carer-focused services to deliver quality care that supports reablement and delays hospitalisation.
- 1.3 Carers Trust Wales welcomed the introduction of the Intermediate Care Fund in the 2014-15 budget and calls for the continuation of some form of funding for intermediate care needs.
- 1.4 However, we do not believe that the budget has had the hoped for impact.
- 1.5 Feedback from local service providers regarding the allocation of and facilitated engagement with the Intermediate Care Fund is poor. Local partners have identified that there was little proactive engagement with the local voluntary sector. Community Voluntary Councils (CVCs) were used as local facilitators but unfortunately in some areas CVCs act as competitors with rather than enablers for the wide range of voluntary sector organisations across the community.
- 1.6 The voluntary sector, which is often responsible for delivering key services that meet the criteria of the Intermediate Care Fund, should have a much stronger strategic role in the planning and delivery of those services enabling the voluntary sector to genuinely co-produce local solutions. Currently the emphasis firmly remains with Local Authorities.

Looking at the indicative budget allocations for 2015-16, do you have any concerns from a strategic, overarching perspective, or about any specific areas?

- 2.1 Despite a number of issues around delivery and implementation, as outlined above, we have concerns regarding the apparent loss of ring-fenced targeted funding through the Intermediate Care Fund
- 2.2 This fund aimed to encourage collaborative working between services to support people to maintain their independence and remain in their own home, to drive a step change in the way services work collaboratively at both a strategic and operational level. It was intended to support the avoidance of unnecessary hospital admissions, or inappropriate admission to

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residential care.

2.3 From a broader strategic perspective, we have significant concerns regarding the ability of Local Government to adequately fund or prioritise carer-focused services – the social return of investment and preventative nature of such services is well-evidenced (and referenced in response to question 4), particularly given the downward pressure on Local Government budgets, set to continue in the indicative 2015-16 budget.

2.4 As such, a ring-fence of funding for carer-focused services would help secure quality carer-focused services, avoiding the prioritisation of cost over quality, and in doing so sustain the wellbeing of carers and those that they care for. This would be a demonstrable example of investing early to prevent greater expenditure on health and social care later – in other words, preventing the preventable.

2.5 Should the draft budget for 2015-16 align to the indicative budget published in the final 2014-15 budget, we welcome:

- that health and social services budgets would, at the very least, be maintained
- the continued commitment to the third sector, and as such a challenging, effective Welsh voluntary sector, through sustained funding in the indicative budget under 'Supporting Communities and People'.

3. What expectations do you have for the 2015-16 draft budget proposals? How financially prepared is your organisation for the 2015-16 financial year, and how robust is your ability to plan for future years?

3.1 We would expect the 2015-16 draft budget proposals to make adequate preparations for the forthcoming implementation of the Social Services and Well-being Act 2014. This Act will place greater duties on Local Government and Local Health Boards, including the requirement that carers be placed on an equal footing as those for whom they care and that the definition of the carer is broader.

3.2 We would expect these changes - including the broadening of the definition of a carer, the development of eligibility criteria for a care/carer needs assessment and plans, and the focus on enabling those with care needs and carers to reach their personal outcomes – will understandably have additional cost implications for the Welsh Government and Local Government.

3.3 Carers Trust Wales continues to support the additional provisions and entitlements included in the Social Services and Well-being Act 2014, but we are keen to ensure that these provisions have a tangible positive impact on carers and those that they care for

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across Wales. We would welcome a greater explanation from the Welsh Government of any budgetary commitments planned to ensure these provisions are delivered effectively.

3.4 There is currently a great deal of uncertainty around a number of budgets that make it difficult to adequately plan for future years. This includes further potential budget reductions for local authorities which would place carer-focused services as delivered by our local partners at risk, the planned loss of funding for the Carers Strategies (Wales) Measure 2010 and delays in the provision of information relating to the Welsh Government's funding of the third sector.

4. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific concerns on the areas identified below?

- a. Preparation of the Wales Bill
- b. Local health board financial arrangements
- c. Approach to preventative spending and how is this represented in resource allocation
- d. Impact of the Welsh Government's legislative programme and whether its implementation is sufficiently resourced
- e. Scrutiny of Welsh language, equalities and sustainability

4.1 Evidence clearly demonstrates that the strategic planning of and investment in carer-focused services has a long-term preventative impact on public services. Evidence demonstrates that carer-focused services contribute to reducing the amount of time spent in hospital by people with long-term health conditions and avoiding delays in the transfer of care¹²³. We also know that commissioning breaks and emotional support for carers can reduce overall spending on care and their need to access mental health services⁴.

¹ Williams, E, Fitton, F (1991) Survey of carers of elderly patients discharged from hospital. *British Journal of General Practice*, 41, 105 –108.

² Conochie, G (2011) *Supporting Carers: The Case for Change*; London: The Princess Royal Trust for Carers and Crossroads Care.

³ Bebbington, A, Darton, A, Netten, A (2001) *Care Homes for Older People: Volume 2. Admissions, Needs and Outcomes*; University of Kent: Personal Social Services Research Unit

⁴ Conochie, G (2011) *Supporting Carers: The Case for Change*; London: The Princess Royal Trust for Carers and Crossroads Care.

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4.2 However, investment in carer-focused services, and the processes through which carer-focused services are funded by local health boards and Local Government, have not adequately supported carer-focused services in providing key services that support the preventative agenda

4.3 Both despite and because of current and future budgetary and demographic pressures, the Welsh Government should be significantly uplifing spending on the preventative services delivered by the third sector in Wales. Third sector services are the glue holding many prevantative services together across health and social care and the planned reductions in these budgets locally means support will be reduced or removed for many vulnerable people in Wales.

4.4 In terms of the financial arrangements of Local Health Boards, we have concerns regarding the expenditure of the carer strategy funding across Wales. Currently, the effectiveness in the allocation of this funding across health boards has been variable and disparate, we remain unconvinced that all health boards have utilised this funding effectively and to the benefit of carers. It is also our understanding that the reporting process for this funding is such that the Welsh Government does not require local health boards to identify *how* the funding has been spent.

4.5 Carers Trust Wales is concerned about the lack of future funding allocations for carers strategies through local health boards from 2016 following the repeal of the Carers Strategies (Wales) Measure.

4.6 As outlined above, we also have concerns regarding the Welsh Government's legislative programme and how sufficiently resourced implemmentation is – particularly in regards to the Social Sevices and Well-Being Act. Given a number of key regulations are still subject to consultation and the outcome of technical groups, it is difficult at this point to make accurate projections of additional funding required, but so far there has been little indiciation of any additional commitment to investment.

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