



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

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Mercher, 1 Hydref 2014
Wednesday, 1 October 2014

Cynnwys **Contents**

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

Ymchwiliad i Ailgylchu yng Nghymru: Tystiolaeth gan y Gweinidog Cyfoeth Naturiol
Inquiry into Recycling in Wales: Evidence from the Minister for Natural Resources

Bil Llesiant Cenedlaethau'r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 6
The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 6

Bil Llesiant Cenedlaethau'r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 7
The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 7

Bil Llesiant Cenedlaethau'r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 8
The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 8

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Jeff Cuthbert	Llafur Labour
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
Llyr Gruffydd	Plaid Cymru The Party of Wales
Alun Ffred Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Julie Morgan	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jenny Rathbone	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

James Byrne	Ymddiriedolaethau Natur Cymru, yn cynrychioli Cyswllt Amgylchedd Cymru Wildlife Trusts Wales, representing Wales Environment Link
Haf Elgar	Ymgyrchydd, Cyfeillion y Ddaear Campaigner, Friends of the Earth
Glenn Everett	Cyfarwyddwr y Rhaglen Mesur Lles Cenedlaethol, Swyddfa Ystadegau Gwladol Director, Measuring National Well-being Programme, Office for National Statistics
Peter Jones	Swyddog Cadwraeth, RSPB Conservation Officer, RSPB
Anne Meikle	Pennaeth WWF Cymru Head of WWF Cymru
Russell Owens	Pennaeth y Rhaglen Newid Gydweithredol, Llywodraeth Cymru Head of Collaborative Change Programme, Welsh Government
Martin Peters	Rheolwr Cydymffurfio, Swyddfa Archwilio Cymru Compliance Manager, Wales Audit Office
Michael Palmer	Rheolwr Datblygu Cynaliadwy, Swyddfa Archwilio Cymru Sustainable Development Manager, Wales Audit Office
Jasper Roberts	Pennaeth yr Is-adran Gwastraff ac Effeithlonrwydd Adnoddau, Llywodraeth Cymru Head of Waste and Resource Efficiency Division, Welsh Government
Carl Sargeant	Aelod Cynulliad, Llafur (y Gweinidog Cyfoeth Naturiol) Assembly Member, Labour (the Minister for Natural Resources)

Abbie Self	Cyfarwyddwr Cynorthwyol y Rhaglen Mesur Lles Cenedlaethol, Swyddfa Ystadegau Gwladol Assistant Director, Measuring National Well-being Programme, Office for National Statistics
Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales
Mike Usher	Arweinydd Sector Iechyd a Llywodraeth Ganolog, Swyddfa Archwilio Cymru Sector Lead, Health and Central Government, Wales Audit Office

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

Alun Davidson	Clerc Clerc
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Peter Hill	Dirprwy Glerc Deputy Clerk
Catherine Hunt	Ail Glerc Second Clerk
Andrew Minnis	Y Gwasanaeth Ymchwil Research Service
Adam Vaughan	Dirprwy Glerc Deputy Clerk
Karen Whitfield	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 08:59.
The meeting began at 08:59.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Alun Ffred Jones:** Bore da. A gaf i eich croesawu chi, Aelodau, i'r pwyllgor, a chroesawu'r Gweinidog i'w ymweliad wythnosol â'r pwyllgor yma? Rydych yn gwybod y rheolau ynglŷn â larymau tân ac i ddilyn yr ystlyswyr allan. Dylai pawb ddiffodd eu ffonau symudol, os gwelwch i fod yn dda. Rydym yn gweithio'n ddwyieithog yn y Cynulliad yma ac, felly, defnyddiwch glustffonau. Mae cyfieithiad ar gael ar sianel 1 a pheidiwch â chyffwrdd y botymau ar y meicroffonau. A oes unrhyw Aelod eisiau datgan buddiant o dan Reol Sefydlog 2.6? Gwelaf nad oes. Nid ydym wedi derbyn ymddiheuriadau. Dyna ni. Diolch yn fawr.

Alun Ffred Jones: Good morning. May I welcome you, Members, to the committee meeting and welcome the Minister for his weekly visit to this committee? You know the rules in terms of fire alarms and to follow the ushers out. Everyone should switch off their mobile phones, please. We operate bilingually at the Assembly and, therefore, please use the headsets. Interpretation is available on channel 1 and do not touch the buttons on the microphones. Does any Member wish to declare an interest under Standing Order 2.6? I see that no-one does. We have not received any apologies. There we are. Thank you very much.

09:00

**Ymchwiliad i Ailgylchu yng Nghymru: Tystiolaeth gan y Gweinidog Cyfoeth
Naturiol**
**Inquiry into Recycling in Wales: Evidence from the Minister for Natural
Resources**

[2] **Alun Ffred Jones:** Croeso i'r Gweinidog. Pwrpas y sesiwn hon yw cymryd tystiolaeth gan y Gweinidog ar yr ymchwiliad i ailgylchu. Dyma'r sesiwn dystiolaeth olaf fel rhan o'r ymchwiliad byr hwn. Cafodd yr ymgynghoriad ei lansio ar 9 Mai, ac rydym wedi cael llawer iawn o ymateb—mae 3,252 o bobl wedi llenwi'r arolwg a 73% o'r rhain yn bobl ifanc. Rwy'n credu efallai mai dyna'r ymateb gorau mae unrhyw bwyllgor wedi'i gael i alwad am dystiolaeth. Felly, mae hynny yn werthfawr iawn, iawn. Felly, bore yma, croeso i'r Gweinidog. Gofynnaf i'r Gweinidog gyflwyno'i hun a'i dîm heddiw.

Alun Ffred Jones: Welcome to the Minister. The purpose of this session is to take evidence from the Minister on the inquiry into recycling. This is the final evidence session as part of this short inquiry. The consultation was launched on 9 May, and we have received a huge response—3,252 people have filled in the survey and 73% of those were young people. I think that that is the best response that any committee has had to a call for evidence. So, that is very, very valuable. So, this morning, welcome to the Minister. I ask the Minister to introduce himself and his team.

[3] **The Minister for Natural Resources (Carl Sargeant):** Good morning, Chair, again. It is a weekly appearance and it is always a pleasure to be with you. I ask my team to introduce themselves and give their job titles.

[4] **Mr Roberts:** Good morning. I am Jasper Roberts, deputy director responsible for waste and resource efficiency.

[5] **Mr Owens:** Good morning. I am Russell Owens and I am head of the collaborative change programme.

[6] **Alun Ffred Jones:** Diolch yn fawr iawn. Rwyf am agor gyda chwestiynau eithaf cyffredinol. A ydych yn credu bod y targedau ailgylchu uwch a nodir ym Mesur Gwastraff (Cymru) 2010 yn dal i fod yn gyraeddadwy, Weinidog?

Alun Ffred Jones: Thank you very much. I will open with some general questions. Do you believe that the higher recycling targets set out in the Waste (Wales) Measure 2010 are still achievable, Minister?

[7] **Carl Sargeant:** Yes.

[8] **Alun Ffred Jones:** Beth ydych yn credu yw'r prif heriau o ran cyrraedd y cyfraddau uwch hynny?

Alun Ffred Jones: What do you believe are the main challenges to achieving those higher rates?

[9] **Carl Sargeant:** Chair, thank you for the opportunity to broaden my response. I am very positive about the opportunities that we have in Wales, but they are challenging. The recycling rates for local authorities to deliver on are an uphill climb, but we are really well placed in Wales. In fact, we are really well placed across the whole of Europe. If we were isolated in terms of Wales in the European context, we would be the fourth highest recycling country in the whole of Europe currently. I think that that is something that we should be incredibly proud about, but not be complacent in terms of driving the agenda and moving forward.

[10] You asked me what the challenges are. There are several. Finance is always going to be a challenge in terms of how local authorities use their finances to develop new techniques

and improve recycling rates. Consistency is another one. However, fundamental to all of that, Chair, is culture change and we are seeing a massive shift already. Again, I celebrate the fact that we are doing so well, but the fact remains that this is about people and the way that we use and react to waste and how we operate in society. There is a generational issue. You would probably agree with me that a lot of the younger people get recycling much more than perhaps others in our community. When we talk to young people and they actually physically do this in school, it is a great opportunity and signal for moving forward; recycling becomes the norm. So, there are some communication challenges with the general public at large, and finances and consistency across authorities moving forward.

[11] **Alun Ffred Jones:** Russell George is next on this point.

[12] **Russell George:** Good morning, Minister. When you answered the Chair, you gave a firm 'yes' that you do think that the targets are achievable, but it is local authorities, rather than you, that will have to deliver them. Yes, they are achievable, but do you think that local authorities will meet the targets that you set?

[13] **Carl Sargeant:** Yes.

[14] **Russell George:** My question is: how can you be so confident in that, knowing that it is the local authorities that actually have to deliver the targets rather than you?

[15] **Carl Sargeant:** It is a fair question. As I have already explained, I am really pleased and encouraged by the way in which local authorities are already performing and the way in which we are well in advance of European directives. As I said, we are in the top four in terms of the whole of Europe. I have every confidence that local authorities can do this, but again, exploring the issues that I mentioned to the Chair about the three fundamental challenges that we face, this is something that local authorities will also find challenging. For me, why would we not do this? I mean, for local authorities and the consideration of sustainability and wellbeing in our communities, the critical element around climate change is around recycling and reusing. So, local authorities are absolutely at the front line of determining the quality of their local communities. I have every confidence in their ability to continue the good work that they have strived to do.

[16] **Alun Ffred Jones:** I think that Jeff Cuthbert is going to ask questions on the different approaches taken by local authorities.

[17] **Jeff Cuthbert:** Thank you, Chair. Good morning, Minister. Regarding variations in collection practices, we know that the Welsh Government's preferred method for this is the kerbside sort collection. There is evidence from local authorities that suggests that a move from co-mingling to kerbside sort collection may lead to a drop in recycling. I would be grateful to know your views about the robustness of that evidence. There are developments in technology, in terms of modern materials recovery facilities. Are you still confident that kerbside sort collection is the best way forward to achieve the 70% target?

[18] **Carl Sargeant:** Of course, I accept that there are always new technologies coming through, and that is something that my team and local authorities have to keep abreast of. It gives us an opportunity sometimes, in terms of effectiveness. The cost balance of collection, et cetera, versus the outcome, can change with technology moving forward. What we have been able to demonstrate, through some studies around the blueprint approach to recycling that we have commissioned, is that there is clear evidence that there are savings to be made. There was a study by the Ellen MacArthur Foundation looking at the opportunities in Wales, and at the content of recycling and how we do it. There was a suggestion that a circular economy could give Wales a return of between £0.9 billion and £1.9 billion, which is a massive cost saving in terms of the way we do business. There are very few examples where

people have moved from co-mingling to kerbside sorting. There is one close to my constituency—Cheshire West has done that. There are examples of that being done, where there are improvements in recycling rates. The blueprint study that we commissioned indicates cost savings and improvements, and we believe that the adoption by all authorities of the blueprint will lead to the target figure of 70%, as the Member indicated, and that that is quite achievable.

[19] **Jeff Cuthbert:** Following on from that, perhaps you could clarify why there is—unless I am misreading the evidence—a resistance from local authorities to the move towards kerbside sort collection. Also, are you confident that the method of calculation to reflect the quality of materials collected and rejects rates is appropriate?

[20] **Carl Sargeant:** Regarding the first point around consistency, I mentioned this as a challenge for moving forward to achieving high levels of recycling. In my former life as Minister for local government, I had lots of conversations with local government colleagues. There are strong personalities and strong views about the best way to do things locally. This is something that we must challenge sometimes. If they can demonstrate to us why that is the best way of doing it, there may be some mileage in it. However, we have done a long-term assessment about achieving the 70% target and moving to 100% recycling. That is the aspiration, and we know that the blueprint will deliver this. Therefore, we are saying to communities and local authorities that are not doing kerbside collection, ‘You have to be able to demonstrate the reason why that is not the case, why you are not achieving this, and where you see the pinch points coming, because you are going to have to change to a system that delivers on the targets; this is not optional’. Of course, there could be penalties imposed on authorities that do not deliver on their targets. Sorry; what was your second point?

[21] **Jeff Cuthbert:** It was about the method of calculation.

[22] **Carl Sargeant:** Okay. My team works incredibly hard to ensure that the data that are collected are robust. That is really important because, again, this is not just about ticking boxes and numbers; this has a massive impact on communities and climate change. What we put into landfill or what does not go into landfill is something that is critical across the whole waste stream, whether that is organic waste, metals or otherwise. We have to understand what we are measuring and why we are doing that. The data from my team, I can confirm, are robust in that process.

[23] **Alun Ffred Jones:** Antoinette is next on this point.

[24] **Antoinette Sandbach:** In terms of co-mingling or kerbside collection, obviously, where you have quite high-density populations, particularly living in flats where space is very limited, not having that co-mingled option makes it quite difficult for some people to be able to recycle effectively. In our survey, one of the things that people said that they liked about their recycling collection was that their recycling system was easy to understand and follow. Do you accept that, where there are those high-density populations and what I would call limited space, the various boxes that residents would have to use to recycle items themselves rather than having the co-mingled collection may well lead to a drop in recycling rates, if they have to keep what some residents would regard as smelly boxes inside their flats, rather than having the space to put them outside?

[25] **Carl Sargeant:** Yes, of course. I think local authorities are adopting a very different approach to this now. It is about understanding what the needs of that local community are, whether that is flat based, or others. I know that Russell George, who is a keen recycler, lives in a flat and I am sure that he recycles well and I expect that he does not have smelly boxes sitting on the tops of his cupboards. [*Laughter.*] That is because he is interested in doing that. He wants to be part of that community. I do not accept that it is only some part of the

community's responsibility and not others. Notwithstanding that there are issues regarding high-rise blocks of flats.

[26] However, there are solutions too. Cardiff is a good example of where there are collection points for food waste and cardboard waste, et cetera. So, it is not onerous; I just think that it is a task that we all have to adopt and that is a communication issue for us—talking to people early on about the reasons why we should do this, long term. That is an important factor.

[27] **Antoinette Sandbach:** Do you understand then, why councils say, 'Well, we understand what the target is—it's a 70% target—and we want to move towards it, but we don't want to be told how to move towards it. We will try to achieve it in the long term over the time frame, but we need that flexibility to get there in order to keep the goodwill of our residents'? If residents become disengaged, the risk is that they stop recycling altogether.

[28] **Carl Sargeant:** Yes, of course. The key word that you used there was 'try'—'we will try to get to 70%'. That is not an option. Actually, we have to do this because of climate change. This is not because we have some aspiration of it just being nice to recycle. This is a real issue. If we do not recycle, there is a consequence. Therefore, I am really happy for councils to understand how best to do that, but they have to be able to demonstrate to me that the 70% target is not something that they will try to reach; they will reach it by whatever method they use and they have to be able to demonstrate that to us. The blueprint, we believe, gives them the route map to deliver that, but there are some councils that continue to use other methods. I accept that there are some challenging areas, but it does not let anybody off the hook.

[29] **Antoinette Sandbach:** Given that 70% target and the fact that there may be changes around packaging, for example, and you have a weight based system at the moment, if there are substantial changes where suppliers of goods and materials reduce their packaging substantially because of the pressure that will come to bear in the next few years, will that not affect the financial viability of councils in terms of the methods that they choose? Are they not right to perhaps have that flexibility in how they choose to get to that 70%?

[30] **Carl Sargeant:** As I said—I think I responded to that question in my previous answer—I am happy for councils to have flexibility, but they have to be able to demonstrate that they will get there. We are saying that we have a solution here. The blueprint gives you the option to get there. We have done all of the workings and we know that this will work. We have evidence in terms of communities and how it operates and there are still some authorities that choose to use other methods of collection. One reason may be that they understand their community; other reasons may be that there is some self-interest.

09:15

[31] **Alun Ffred Jones:** There is evidence—. We received evidence from Caerphilly, for example, that it is achieving high recycling rates, but not through your preferred method. What do you say to those authorities? To change will be costly at a time when they are under severe pressure. What do you say to those?

[32] **Carl Sargeant:** I am really pleased that Caerphilly is achieving its targets, and it is impressive. However, with many authorities achieving the recycling rates that they are, the question for Caerphilly and others is: are you going to be able to achieve the 70% target for recycling with the current methods that you use? That is the key for them and, for me to understand better, they need to be able to demonstrate to me that that will happen. Otherwise, there is no other option and there has to be a change in the way that collection methods are delivered.

[33] **Alun Ffred Jones:** Llyr is next, then Jenny Rathbone.

[34] **Carl Sargeant:** Sorry, Chair, is it possible for Jasper to comment on one of the questions?

[35] **Alun Ffred Jones:** Yes.

[36] **Mr Roberts:** I was just going to add something in respect of local determination. Welsh Government has published the blueprint, which is a high-level guide to what we think is best practice. However, the way we then are using that is that we have not imposed it on local authorities; we are trying to work with individual local authorities to test out the options at the local level and see how it works in practice. That is working very well. We are working with around half of local authorities in Wales on specific locally focused service reviews. A couple have changed over and have adopted the kerbside method. Of course, the blueprint reflects wider issues than just the meeting the recycling target, which is important; it also reflects the objectives that the Welsh Government has on sustainability outcomes, environmental outcomes and cost reduction. The very important aspect of the work with authorities is about reducing the cost of services. If you look at the data, you see that there is huge cost variation across the country. There is a difference that is almost double between some authorities in terms of the cost of collection. Doing a detailed local option appraisal is important. It is very context specific. Separate collection will not necessarily work for every household. It is likely to work for the majority of households, but it has to be planned locally to identify where it works, where it does not work and where the other benefits are, like cost reduction.

[37] **Llyr Gruffydd:** Rydych yn sôn am ostwng costau. A gaf daflu hwn i mewn? Cefais sgwrs ddifyr iawn gydag un awdurdod lleol dros yr haf a oedd yn awgrymu, os yw'n gorgyrraedd ei dargedau presennol y byddai'n rhatach iddo anfon y gweddill i safleoedd tirlenwi.

Llyr Gruffydd: You talk about reducing costs. May I just throw this in? I had a very interesting conversation with one local authority over the summer, which suggested that if it exceeds its current targets it would be cheaper for it to send the rest to landfill.

[38] **Mr Roberts:** I think I can guess which one that is, because I have had similar discussions. You have to do the whole life-cycle analysis. In the longer term, the savings are greater, but also there are other objectives than simply meeting the target. There are the wider sustainability objectives for Welsh Government. There is the contribution to the green economy. There are jobs to be generated in reprocessing and remanufacturing. There are a lot of other benefits, which comes back to what the Minister said about the total business cost benefit to Wales, which is part of what Welsh Government sees as the bigger picture. If I am right that I am thinking of the same local authority as you, so far, it has resolved to go on pursuing the target.

[39] **Llyr Gruffydd:** Er eglurder, rwy'n meddwl mai tafod yn y boch oedd sylw'r awdurdod lleol. Wedi dweud hynny, wrth gwrs, gyda'r pwysau ariannol cynyddol, mae'n bosibl y bydd pwysau gwleidyddol yn dod o fewn y cyngor i symud i'r cyfeiriad hwnnw. Hoffwn ddatblygu'r thema o gwmpas rhai o'r arferion anffodus, efallai, a allai ddeillio o'r drefn sydd ohoni. Mae targedau yn seiliedig ar bwysau yn un elfen. Mae peth o'r dystiolaeth yr ydym wedi'i

Llyr Gruffydd: Just to be clear, I think that the comment made by the local authority was tongue in cheek. Having said that, with increasing financial pressures out there, it is possible that there may be political pressures within the council to move in that direction. I would like to develop the theme around some of the unfortunate practice, perhaps, that could be resulting from the current system. The targets based on weight are one element. One piece of evidence that we have received

derbyn yn awgrymu y gallai yrru arfer anghywir, i raddau helaeth, gydag awdurdodau yn cael eu temtio, efallai, i gasglu peth o'r deunydd trymaf nad yw o reidrwydd y deunydd mwyaf gwerthfawr a defnyddiol pan ddaw at ailgylchu. Beth allwch chi ei wneud i sicrhau nad yw'r demtasiwn honno yn cael ei gwireddu? A ydych yn meddwl bod targedau yn seiliedig ar bwysau yn addas?

is that it could drive the wrong practice, to a large extent, with authorities being tempted, perhaps, to collect some of heaviest material, which is not necessarily the most valuable or useful material when it comes to recycling. What can you do to ensure that that temptation is not realised? Do you think that weight-based targets are suitable?

[40] **Carl Sargeant:** There are a lot of different ways of measuring recycling rates: carbon impacts or weight-based targets, as the Member says, or the outcomes of recycling, et cetera. We think that weight-based targets are appropriate. We have seen a significant reduction in terms of waste capture and waste into landfill. I think that municipal waste in Wales fell from 1.9 million tonnes to 1.5 million tonnes between 2005 and 2012, which is a massive reduction—nearly a quarter, in terms of waste.

[41] This is about the whole issue of the life cycle of waste, from purchase to end product, and people's understanding. The point that Antoinette made, in terms of packaging, et cetera, is that people then start to realise what their waste quantum is, with some families asking, 'Are we throwing that much food waste away every week? Are we contributing to this amount of recycling?' Before, it just used to go in a black bin bag and was thrown out. Now, there is a responsibility to understand what your impact is on communities.

[42] I think that the weight-based target is appropriate, but when you start to get to the bigger numbers—70% plus—it is not optional which waste products you pick. You have to start thinking about everything, because of those numbers. As I said earlier, it is not just about organic waste. The whole gamut of metals included in that is really important, and also an asset to local authorities. Aluminium and metal are great commodities to sell.

[43] **Llyr Gruffydd:** Rwy'n derbyn y pwynt. Wrth gwrs, un awgrym sydd wedi'i wneud i ni yw y dylai'r Llywodraeth ystyried datblygu targedau ar gyfer deunyddiau penodol—y rhai sydd fwyaf gwerthfawr yn amgylcheddol ac yn economaidd; mae alwminiwm yn un enghraifft. A yw hynny'n rhywbeth rydych yn ei ystyried, neu'n agored eich meddwl iddo?

Llyr Gruffydd: I take the point. Of course, one suggestion made to us is that the Government should consider developing targets for specific materials—those that are most valuable, environmentally and economically; aluminium is one example. Is that something that you are considering, or are open to?

[44] **Carl Sargeant:** No, it is not. I think that it is really important that we consider a holistic approach. There could be indirect consequences—positive ones—for local authorities if they were to adopt their own internal practices around the capture of specific targets for particular elements. Again, as we see, there is unlawful trading of scrap metal in areas, which continues despite licensing. So, that might be something that local authorities are keen to adopt, in terms of attracting a waste stream and a target to deliver on that. However, it is not something that I believe we, as Government, should specifically be looking at. As I said, when you start getting to the big numbers, the whole waste stream is important for collection, in order to ensure that you achieve your tonnage capacity.

[45] **Julie Morgan:** I wondered, Minister, what you feel could be done on a national level, from the Government, to increase awareness and encourage people to recycle even more. Do you have a national communications strategy that you are working on?

[46] **Carl Sargeant:** Waste Awareness Wales is currently ongoing; it is doing a great job. Keep Wales Tidy is another example of work that goes on. Again, across the whole waste stream, you have the community elements of this. I think that the most proactive that we can be is through education. That is not through a curriculum-based approach—the reason that we should recycle is because it is important—but around the practicalities of what we see young people doing, so it becomes the norm. It is the norm for me, and I expect for many Members around this table, to collect food waste separately, but there are some communities that still struggle with that. I think that this is the generational issue of getting young people to do it in school—recycling plastics and paper and so on—so that it becomes the norm, and feeds directly into households and to communities. So, there is a big push there. That is what we need to do in our schools. We have some eco schools looking at how that operates. We have the messaging. Peter Davies has recently made many statements around what we need to do in terms of supporting recycling. Peter made a really interesting comment that I absolutely support: currently we have 22 systems, which is a bit confusing for communities. It is about consistency, as I said earlier to the Chair: how do we get people doing the same thing as a norm?

[47] Communications is a real challenge; it always will be. However, I think that, if we can get young people—. You have had a great response in terms of committee evidence from young people, as you were saying earlier. It is great that people are engaged in this process, and that is key for me. Young people will look after their communities and the globe, as they move forward.

[48] **Julie Morgan:** What about a national campaign? Are you thinking of anything like that?

[49] **Carl Sargeant:** As I said, we fund Waste Awareness Wales, promoting recycling and that, and, again, local authorities do this on the side of their vehicles too. It is nothing that we are considering any further financial support for, given the very difficult financial climate that we find ourselves in. We are encouraged by community engagement currently and we think that the targets that we are reaching, which I demonstrated to you earlier on, are things we should be very proud of. Wales is very clearly adopting the recycling approach.

[50] **Alun Ffred Jones:** Mick Antoniw is next.

[51] **Mick Antoniw:** I have a very small point following on from that. Do you think that the connection between people and communities and the actual end product—? The most important thing that comes back to me is that people are quite suspicious as to whether it all gets dumped together and whether the recycling takes place and what the benefits of it are. It always seemed to me that that connection in terms of, ‘This the end product of what you are doing’ is the weakest point in it.

[52] **Carl Sargeant:** I accept that, but I think that that is, again, about articulating the reasons. This is not just about recycling waste because it is a good thing to do, because we like to do it and because the Minister says that we should. Actually, this is about the responsibility of communities, people understanding the direct impact of what they do—that their activities have an impact on global climate change. That is a tough sell for some people, but we have to keep pushing this. Again, there are things in place with local authorities, Government awareness programmes and local authority awareness programmes, encouraging people to take responsibility for their own waste streams. You can tell people until you are blue in the face, ‘You have to do this’, but people will not do it until they are ready to do so. The point that Antoinette—. We have to make this as easy as we possibly can. There has to be some flexibility in the system—I accept that—but, actually, we have to drive these targets. This is really important in terms of our global climate change agenda and it is something that in Wales we are doing incredibly well.

[53] **Llyr Gruffydd:** I just want to reiterate one of the comments made by the WLGA in evidence to us. It was urging the Government to issue some sort of national restatement of the importance of recycling, so that is maybe something that you could consider. It would not necessarily have to be a big campaign, but just for that political message to be brought much more to the fore of the Government's discourse.

[54] **Carl Sargeant:** That is an interesting comment.

[55] **Mr Roberts:** If I could add slightly more technical detail, what you have reported about in terms of what the public sees going on is a factor and it is one of the things that is driven by the co-mingled approach in some areas, because they see their stuff all being mixed up and not being easily separated again later. However, we are trying to improve the data. Welsh Government requires local authorities now to provide information about end-use destinations, which helps us to understand what happens to waste, but, again, I have to report that we are facing some resistance from some local authorities about tracking waste right through the system.

[56] **Alun Ffred Jones:** What percentage of householders actually recycle?

[57] **Carl Sargeant:** Jasper will answer that one. [*Laughter.*]

[58] **Mr Roberts:** Gosh, that is a good question.

[59] **Alun Ffred Jones:** I thought that would be right up your street, Minister. [*Laughter.*]

[60] **Mr Roberts:** We have over 96% coverage for food waste, for example, which is the one that we have tracked in most detail. Every household has the opportunity to recycle, but, clearly, from the current returns, participation is not at 100%. Russ, do we have a rough figure?

[61] **Mr Owens:** I think it is typically 70% to 80%.

[62] **Alun Ffred Jones:** Is it as high as that?

[63] **Mr Owens:** That is what we are being advised.

[64] **Mr Roberts:** We do find that in surveys people say that they are recycling to an extent that is not borne out by capture rates. So, there is an obvious task to be done there to get people to convert their good intentions into actual actions and putting stuff in the right receptacles.

[65] **Antoinette Sandbach:** I suspect that I would not come through in that capture rate because all of my food waste goes to my chickens. [*Laughter.*]

[66] **Russell George:** So, you are recycling.

[67] **Antoinette Sandbach:** Yes, I am recycling but in a different way that would not show up in local authority figures.

[68] **Mr Roberts:** It does get netted off because it comes off the gross total.

[69] **Antoinette Sandbach:** What we were told in our survey is that the real barrier that the 3,000 people who responded to us were saying to us is that there is a lack of information about what they could recycle, what was recyclable and what was not. You know, that really,

in terms of communication, rather than just stating the overall objective—. People do not know which box the Tetra Pak needs to go into, for example, because it has plastic on the inside and paper on the outside. Really, that is what the information has to be—what is recyclable and how do I do it?

09:30

[70] **Carl Sargeant:** I acknowledge the point that the Member raises and the evidence that has been provided for the committee. However, what we see is that the majority of people find this to be quite an easy approach to recycling. They understand exactly what they are supposed to recycle and how they are supposed to do it. So, I think that there are issues about communications, and we have to get that right. My point earlier, Chair, was that we have 22 different ways of doing this. So, in Flintshire and Wrexham, say, there are different ways of collection in terms of the interpretation of what recycling is and different messaging. That is why consistency is really important; it is going to be critical in terms of driving the high-level targets that we need to achieve. That is why the blueprint is really important. We are all doing this in the same way. There is a Welsh agenda and Welsh messaging about what we do in terms of recycling. It is very high level, but it still gives flexibility for local authorities to adapt it to their local communities. What is really interesting—and I am sure that the committee has focused on this, but if not it may want to—is the issue that, among some of the local authorities that are absolutely hitting their targets in terms of recycling, there are significant cost differences in the way that that is interpreted, in terms of what the cost is to recycle by local authorities in 22 different ways. That is something that you may wish to compare in terms of the data that you may have at your disposal.

[71] **Alun Ffred Jones:** You mention the 22 different ways. Why did the Government not insist on a single consistent method throughout Wales when recycling started? We are talking about 2002 to 2003. I think that that was one of the recommendations from this committee at that time.

[72] **Carl Sargeant:** Of course. There are two elements to this, are there not? There is the journey, and taking authorities and people with you on that journey. We should not be shy of celebrating the fact that we are doing really well in Wales. We have something to sell here, in saying that we outstrip the whole of the UK in terms of what we are doing, so we are doing something right here. However, this is about the journey and taking people with you on that recycling journey. We think that we are well on the way to delivering that. One of the issues you raise is why we did not instruct local authorities to do it this way. It is the very point that Russell George made right at the very beginning about costs to local authorities, and transitional costs for local authorities can be quite high. So, when you move from one system to another, there is a cost in doing that. Actually, we are seeing local authorities deliver on the target rates that we need to meet, but what they should be thinking about, and what the grant system enables them to do, is get into a space where, when they need to get to the 70% target, if they are not going to achieve that with the method that they are employing now, they can see what they need to do and how they need to get there by making that transition. They should be planning that now. Do not come to me in 12 months' time saying, 'We can't make the 70% target because one week we are doing it this way but we need to change to the blueprint method and we have no money to do this'. Actually, we should be planning for that now, and that is where the conversation between my team and local authorities is really important in taking people with us, taking local authorities with us and remembering the democratic right of local authorities to make those choices, too.

[73] **Alun Ffred Jones:** Llyr wants to come in.

[74] **Llyr Gruffydd:** Do you honestly believe that, at a time when local authorities are facing these unprecedented cuts, with front-line services being cut across the board,

councillors are going to accept a recommendation to spend millions of pounds on changing their recycling fleet—their vehicles? I have to say that many of them are telling us that they are not convinced, actually, that the change that you are encouraging them to make is going to drive the improved results that we all wish for.

[75] **Carl Sargeant:** I would be really interested to hear from any elected member who does not believe that climate change is happening. The fact of the matter is that it is happening and the consequence of increasing our waste across the globe, including the waste for which we are responsible in Wales, is that we have to be responsible for our waste streams. The minutiae of an elected member having a view on the ward that they represent—and there are fantastic councillors across Wales—. The fact is that they also have a duty for the wellbeing of their community. Part of that wellbeing duty is not just financial modelling of what is affordable and what is not; it is about making sure that the sustainable development policy interventions of the local authority are applicable for its community, and the waste stream is absolutely part of that. I will not push away from targets that we have set and nor should they. The fact is that I know that one local authority that is currently in existence had three different types of waste collection when I visited it; that is an interesting concept. What we have to do is get authorities to understand, at the appropriate time, that that target is something that they are going to have to achieve. I accept that local authorities are under immense pressure to deliver public services. Waste collection is one of them, and that is something that we have to take on the chin and understand the agenda around climate change.

[76] **Alun Ffred Jones:** I call Russell George on this issue of targets.

[77] **Russell George:** We have talked a lot about targets, but what happens if a local authority is not meeting its targets? Clearly, you will say that you and your officials will work with the council and challenge it, but what ultimately happens? How effective are penalties going to be? Could you talk about penalties and your views on them?

[78] **Carl Sargeant:** There are penalties available to us to impose on local authorities now for increased levels of landfill. I think that it is around £200 a tonne that we could impose on local authorities. I have been quite generous. What I do not want to do is fine local authorities for not meeting their targets. We have to understand the reason behind it. However, if they cannot demonstrate to me that there is an intent to reach the targets appropriately, maybe through the elected members saying, 'We are not going to invest in this, because we are going to invest in something else,' I will be less friendly in my approach to considerations of infraction charges on local authorities. Penalties are available for us to impose on local authorities, and we will consider them appropriately in each case.

[79] **Russell George:** That will not happen, of course, because you have said that you believe that local authorities will meet their targets in any case.

[80] **Carl Sargeant:** I hope so.

[81] **Russell George:** Yes. With regard to local authorities that are not meeting targets now, have you or your officials had discussions with those local authorities in more detail about the penalties that they might be facing?

[82] **Carl Sargeant:** Yes.

[83] **Russell George:** Can you expand on that?

[84] **Carl Sargeant:** We are in discussions with local authorities that fail to meet their targets. Again, the discussions that my officials have are about understanding whatever pressure a local authority has been under for it not to be able to meet the target. When I

receive advice from my officials, I will take that seriously as to whether I believe that to be the case, or otherwise, and whether I will impose infraction charges or not.

[85] **Russell George:** Are there penalties on the 70% target? I am not clear on that. There are penalties on the current target, but are there penalties on the 70% target as well?

[86] **Carl Sargeant:** It will be consistent. It is an approach to 70%, is it not? So, there are incremental changes as we move forward. The next target is 58%, so I expect local authorities to be meeting that 58% target.

[87] **Russell George:** So, as the targets are going up, you intend to carry on the policy of putting a penalty in place as the targets progress—

[88] **Carl Sargeant:** The exact same position as we are in now will continue until we reach 70%.

[89] **Alun Ffred Jones:** On this point, I call on Jeff Cuthbert.

[90] **Jeff Cuthbert:** I beg your pardon, it is not on penalties.

[91] **Alun Ffred Jones:** All right. Antoinette, do you have a question on penalties?

[92] **Antoinette Sandbach:** No.

[93] **Alun Ffred Jones:** I call on Jeff Cuthbert.

[94] **Jeff Cuthbert:** I think that, in fairness, when you were asked about meeting the targets, it was to ask whether they were achievable; that was the phrase, and that was what you responded to. However, I agree, in principle, that there needs to be a blueprint, and that, as far as possible, there should be a consistent method across Wales, with scope for some flexibility. I know, for example, that my borough council, quite typical of many Valleys communities, consists of an awful lot of terraced streets where there are practical difficulties in terms of complete separation, because of lack of space and because the vehicles will not go down the back lanes. There are practical issues to overcome, but I do not doubt the intention of the local authority to try to meet its target. May I also follow something up? Antoinette raised the issue of food waste. That is a big issue in my constituency, and I am sure in others as well. There is no lack of willingness to participate in the recycling of green waste and food waste, but what needs to go hand in hand with that is the proper control and management of the sites—the facilities—that actually then process that waste. I have written—not to you, but to your predecessor—about the poor management of a large facility that is causing severe nuisance for local people and is putting them off recycling food and green waste. I assume that that sort of arm, through Natural Resources Wales in particular, would have to be part of this process.

[95] **Carl Sargeant:** If I may, I think that that comes into a planning context, actually. I would hope that facilities are purpose built and are effective in what they do. The Member alludes to a local facility that perhaps is not performing, in his opinion, as it should. I would be happy to look at that in more detail—

[96] **Jeff Cuthbert:** I will send you more detail.

[97] **Carl Sargeant:** I think that the general principle is the way in which we dispose of food waste—. We have anaerobic digestion, and there is a digester in north Wales that I shall be going to see very shortly. There are technologies that deal with this very effectively, but we have to be mindful also, through the planning process, of how that may or may not impact

on local communities as well. Transport is, indeed, one of the aspects that should be considered at the planning stage, as opposed to the process of what we should do and how we should complete the end product of recycling. I think that this is more of a planning issue than a process issue for waste collection.

[98] **Jeff Cuthbert:** I shall write to you.

[99] **Alun Ffred Jones:** On co-operation, I call Jenny Rathbone.

[100] **Jenny Rathbone:** The sustainable waste management grant has increased from £1.5 million in 2001-02 to £473.5 million in 2012-13. These are huge figures. What, therefore, are the sticks and the carrots for you to ensure that local authorities are moving towards one system rather than 22?

[101] **Carl Sargeant:** That is an interesting point. To be perfectly honest with you, through the Chair, I am three weeks into this post and this is something that I am really considering in terms of what we need to do to ensure that we get this consistency, because, for me, that is a critical factor in moving forward. So, I have always been one to encourage local authorities to be creative, but you get to a point where there are some challenges on Government agendas. We have the 70% target—are we going to get there? Can my team convince me that we are going to get there, unless we do something about the way in which we change funding streams et cetera? I am not aware of that, yet; I am being open, and I will write to the committee, if that is helpful, at the appropriate time. I just need to understand the dynamics of what finances actually do. Actually, what they have enabled us to do is to be the fourth best in the whole of Europe. I am incredibly proud of that, but will we get to the 70% target without some modifications in the way in which we give finance to local authorities? Is it a shared agenda, or is it just taking cash? We need to understand that better. I think that Jasper has some more interesting points on the finances specifically, Chair, if that is helpful.

[102] **Alun Ffred Jones:** Yes.

[103] **Jenny Rathbone:** Then I will come back on that.

[104] **Mr Roberts:** May I share some of the early results from the change programme work that we have been doing with individual local authorities? If you go back to the blueprint, for example, the high-level figure was £20 million to £30 million in savings, potentially, across Wales from adopting the blueprint. However, for a couple of the authorities that we have worked with so far, we are looking at an upfront investment in the region of £4 million. The Welsh Government is helping with about half of that, and it is predicting annual savings for the local authorities concerned in excess of £1 million per annum. Those are by no means the biggest savings that we have identified in the option appraisals at the local level about how to apply the blueprint, but we are still working with the others—there are about seven or eight authorities working with us. We are looking at substantial savings, potentially, but it is, as the Minister says, about the transitional cost of bringing in those savings. You do not renew a fleet today simply because you want to change the service; you look for the window of opportunity when that fleet needs replacing anyway, and that is when you start to plan your investment. However, the figures coming through now on the change programme indicate very substantial savings for local authorities.

[105] **Alun Ffred Jones:** You mentioned that some local authorities are more expensive—that is, collection is far more expensive for some than others. Can you provide us with figures on that—not today, but in future?

09:45

[106] **Carl Sargeant:** We will seek to provide you with some more detail on that, Chair.

[107] **Jenny Rathbone:** Our ultimate target is zero waste, so reduce, reuse and then recycle. In terms of reducing the amount of waste, have you considered having deposit schemes on bottles, for example? I spent my childhood going around collecting Tizer bottles. Is this something that we have the powers to do?

[108] **Carl Sargeant:** Again, I will have to refer that to Jasper, if I may.

[109] **Mr Roberts:** It was something that Welsh Government looked at a while back now, but it has been looked at in conjunction with external stakeholders. At the time, the analysis suggested that, because we had completely lost the infrastructure that supported such schemes in the past, it would be expensive to try to re-establish that. Therefore, it was not necessarily our best option in the short-term. It is successful in other countries, but we do not have the means to do it at the moment.

[110] **Jenny Rathbone:** Perhaps it is something that we can come back to. The other thing is reuse. Antoinette has the reuse scheme for her chickens, and it is about horses for courses. If you have a large garden, you can compost your food waste and some of your garden waste on site. If you live in a flat with no amenity outside, clearly that is not going to be possible. I think that it is about the fairness agenda, really—if 80% of the population is recycling 80% of their waste and 20% of the population is only doing 10%, people start to think ‘Why am I bothering?’ I think that it is a completely spurious argument about flats or terraced houses; you just have a slightly different system of doing it. Obviously, it has to be amended to the type of accommodation people are living in. Conwy County Borough Council, which is now at the forefront with this recycling, is saying that it could make a lot more money if it collaborated in the marketing and selling of the materials. What could you do about that?

[111] **Carl Sargeant:** I welcome any local authority that wants to collaborate in terms of the whole agenda, but I have heard lots of this before. My message is, ‘Get on with it; get on with some of these issues’. There are some really proactive, innovative local authorities, and Conwy demonstrates exactly that—that it can do more. The whole public service agenda is not just about recycling—it is about what we do best together. I think that there are some real questions here, as I have peddled for a long time in various committees. Having 22 ways of doing this is not good for public services. We are delivering on our targets and achieving the targets set. However, could we do more if we did this in a more cohesive way? If local authorities come to me with ideas and concepts about what they need to do to move to the next level, at some point in time—the Williams agenda is one example—we are going to have to say, ‘Look, you must do this together. This is about optimising your collection rates and optimising your cash flow.’ The examples that the Member gave in terms of the cleverer ideas about local determination—. This is not just my agenda, fortunately—there are programmes through Communities First et cetera that do some fantastic work around recycling for local communities and understanding about home-grown digestion, wormeries et cetera, which have a great impact on communities.

[112] So, it is about community ownership. That is what I said about not the Government saying what you must do, but people taking responsibility for their own high street as well.

[113] **Jenny Rathbone:** So, in terms of procuring recycling boxes, so that we are all using the same type of boxes et cetera, are local authorities able to access the invest-to-save fund?

[114] **Carl Sargeant:** I would imagine that they would be able to, in terms of that process, but what you have to get them to agree first of all is that they all want the same. That is more important. Again, because local communities want something different and want the easy option, we have a pilot scheme at the moment with the tri-partition box for collection, which

local authorities are trialling. Again, we have 22 different ways. If someone in a local authority, to take the process right back to the beginning, had said, 'Look, why don't we all buy this particular blue or green box', it would be much cheaper, but we did not do that. We operate in 22 different ways.

[115] **Alun Ffred Jones:** Why did the Government not suggest that they do that?

[116] **Carl Sargeant:** Colleagues around this table will be quite familiar with the fact that they also suggest that we should not be interfering on local determination either. However, when we get to the point of maximising levels of recycling, the only way that that will be achievable will be through a consistent approach. That is why we are giving flexibility to local authorities to get there. I believe that that is the appropriate way to deal with this issue.

[117] **Joyce Watson:** I welcome you to your new post and interest in this subject, Minister. I wonder whether you feel that an independent review of the evidence used by Welsh Government to support its kerbside approach might help to increase local authorities' support for this collection method.

[118] **Carl Sargeant:** No, I do not. We have been able to demonstrate and articulate this. Jasper mentioned some figures earlier to say, 'If you do this, this is what will happen'. We can demonstrate the effects of early investment showing that transition gives you a specific outcome. It goes back to the old adage: if people do not want to do this, they are not going to do it. No matter what report or independent analysis you get, they just will not do it. I will have to look at local authorities and ask, 'Will you achieve 70% recycling?' If they say that they will not, I will need to put in some more positive intervention. That is something that I will consider as we move forward. At the moment, we run a pretty happy ship in terms of recycling, and they are doing a really good job. I hope that we can work with them to get there. However, there are some personalities who do not want to change, because they think that they know best at the time. However, the crunch will be the 70% target.

[119] **Alun Ffred Jones:** We have two questions: William Powell, then Antoinette.

[120] **William Powell:** Minister, from everything that you have said this morning, collaboration is central to your thinking in this area. By common consent, local authorities are facing a very difficult budget round in the coming period. If individual local authorities are looking at rationalising their network of civic amenity sites, to what extent would you look to them to be consulting and collaborating with neighbouring authorities, particularly if particular sites under threat are very close to current local authority boundaries and might adversely impact upon populations beyond that local authority area?

[121] **Carl Sargeant:** One of the issues there is the local authority determination target. I live on the border, and unless you have a Flintshire postcode, there is no way you can tip in Flintshire, and likewise in Chester. There is some logic behind that. However, actually, it is not beyond the realms of local authorities that want to work together to understand what their collective target is. I know that Members were involved when we discussed the Gypsy/Traveller regulations in the housing Bill. The fact is that we can have a shared agenda, but we have to understand how it will operate. We have to grow up, and two or three authorities have to think about their collective responsibility and how they are going to do it. It happens in some areas. There are some conversations beyond political boundaries, which I welcome. There has to be some structure there. I would really encourage the Welsh Local Government Association to start to have that discussion about what is the regional collection approach to waste and other elements that fall under my portfolio. It has to be the way to go, because there are cost savings to be had by doing that, bearing in mind the financial pressures that they are currently under.

[122] **Antoinette Sandbach:** I want to go back to something that Jenny Rathbone said, which is about reuse. We see sites such as Freecycle. I cannot help thinking that, in some respects, you are looking through the wrong end of the binoculars. I really want to know what you are doing to target the creation of waste in the first place, through unnecessary packaging—of which I feel there is an enormous amount—and what you are doing to encourage upcycling. I know that in Flintshire, for example, there is a fantastic organisation called Refurbs Flintshire, which is a brilliant example of upcycling. So, rather than concentrating on—. Surely, the aim has to be not to get it into the waste stream in the first place. We have heard a lot about what is getting into the waste stream, but how are we stopping it from getting in there, and are you supporting things like Freecycle, where it does not exist in a local area?

[123] **Carl Sargeant:** I absolutely agree with you. The panacea would be to not create the waste in the first place. That is the ideal situation. The closed loop effect of dealing with all of that is something that we aspire to in terms of our ‘Towards Zero Waste’ strategy. There are things that we need to start talking about with suppliers in terms of their waste packaging and the directives that surround the packaging of their food products et cetera, as well as other areas, in terms of what we do and what is applicable in Wales. The Member will be aware of the carrier bag charge that we have in Wales. Again, it is like the seat belt panacea; everybody did not want it at the time, but now everybody celebrates that we have it and people are adopting that policy everywhere across the UK—fantastic. There are conversations that my team need to have with that supplier network. There is clearly a market being created in terms of upcycling or recycling. There have been grants available, both European and Welsh Government grants, for organisations seeking to do work that is similar to what Refurbs Flintshire does. Again, we are committed to doing that. So, it is the whole cycle for us; it is not just about the waste stream at the end and what you are going to do in terms of landfill or otherwise. I absolutely agree that it is from start to finish and it is about how we get the complete package in order to reduce the amount of waste coming into the waste stream at the very beginning.

[124] **Alun Ffred Jones:** I will cut you off there, Minister; our happy hour comes to an end for this morning. No doubt we will meet up again over the coming months. Diolch yn fawr iawn. Thank you very much for coming in and presenting the evidence. We will take a short break now and return to question the Auditor General for Wales in our next session.

*Gohiriwyd y cyfarfod rhwng 10:00 ac 10:13
The meeting adjourned between 10:00 and 10:13.*

[125] **Alun Ffred Jones:** Bore da a **Alun Ffred Jones:** Good morning and chroeso yn ôl i’r pwyllgor. welcome back to the committee.

Bil Llesiant Cenedlaethau’r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 6 The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 6

[126] **Alun Ffred Jones:** Pwrpas y sesiwn hon ydy cymryd tystiolaeth gan Archwilydd Cyffredinol Cymru ar y Bil Llesiant Cenedlaethau’r Dyfodol (Cymru). Mae papur briffio ar gael. A gaf eich croesawu chi, Mr Huw Vaughan Thomas, atom ni? A hoffech gyflwyno’ch hunain a’ch swyddogion i’r pwyllgor, os gwelwch yn dda?

Alun Ffred Jones: The purpose of this session is to take evidence from the Auditor General for Wales on the Well-being of Future Generations (Wales) Bill. There is a briefing paper. May I welcome you, Mr Huw Vaughan Thomas to us? Would you like to introduce yourself and your officials to the committee, please?

[127] **Mr Thomas:** Gyda phleser, [128] **Mr Thomas:** With pleasure, Chair. I

Gadeirydd. Symudaf yn gyntaf i fy ochr dde. Mae Martin Peters yn gyfrifol am y ddeddfwriaeth a phethau felly sy'n effeithio ar fy ngwaith. Mae Mike Usher yn edrych ar ôl materion sy'n ymwneud â'r Llywodraeth a'r gwasanaeth iechyd ac mae Michael Palmer yn edrych ar ôl y pwnc arbennig hwn.

will move to my right hand side, first. Martin Peters is responsible for legislation and associated issues that affect my work. Mike Usher looks after matters in relation to the Government and the health service, and Michael Palmer looks after this particular subject.

[129] **Alun Ffred Jones:** Diolch yn fawr iawn. Rwyf am ofyn i Antoinette Sandbach i ddechrau'r holi, os gwelwch yn dda.

[130] **Alun Ffred Jones:** Thank you very much. I will ask Antoinette Sandbach to start the questioning, please.

[131] **Antoinette Sandbach:** I will start at the beginning, as it were, which is the explanatory memorandum. You have made an assessment that your role, as described in the explanatory memorandum, is inaccurate. How do you see that impacting on audit and review of the delivery of the Bill, if that has not been assessed properly?

[132] **Mr Thomas:** I think it is regrettable; in Westminster, issues relating, for example, to other Government departments, would be cleared interdepartmentally before a Bill is presented. I think that would have prevented, in this Bill, errors in the explanatory memorandum, both about my costs and also about my duties.

[133] The risk is, I think, that there will be a very real expectation gap. If we go back to the White Paper, I thought that there was a degree of streamline-ness and, indeed, acceptance that there would be a duty placed on me to audit and that the commissioner would have the responsibility of encouraging, guiding and generally promoting and that the Bill itself would be to do with the general principles. Of course, the Bill has changed and that is something that the Government needs to explain.

[134] However, as regards my duties, there is actually a very real expectation gap being created. If Ministers and the officials advising them believe that I will be carrying out an annual review of each particular body, they will be sadly mistaken. Indeed, they get wrong my powers and they get wrong the explanatory memorandum explaining those powers. Neither existing legislation nor the Bill, as they construe it, places a duty on the AGW to do what they think I should be doing. That is despite repeated advice to them. Given my concern on this matter, I have obtained the views of Leading Counsel; that is not something that I would normally do, but I am happy to share that with the committee afterwards if it so wishes. It actually sets out very clearly what I can do under my existing powers and what I cannot. I think that, particularly—. I do not want to go into a position of saying that is something that I refuse to do, because that is not the case. It is simply that I cannot do what the Government is thinking that I can do.

[135] Ideally, if it was not for this problem, I would like to be able to review quite closely bodies' compliance with the requirements of the Bill over time. I think, probably at the beginning, it would be a fairly heavy look, just to make sure that they are absorbing the Bill requirements and that they are starting to implement it, and then, gradually, over time, I would look at the effectiveness of what it is that they are doing. So, it would be a fairly flexible approach. I think that that is right.

10:15

[136] The easiest way would be to do what the White Paper was suggesting: place a duty on me. The Assembly is able to do that. That avoids the difficulty over my discretionary value-for-money examination, where I cannot guarantee that every year I will look at sustainable development or the application of the Bill. I need, under legislation, to take account of

competing priorities, the views of the Public Accounts Committee and others in deciding an annual programme. I cannot guarantee that there will be a particular place for a sustainable development review.

[137] Equally, I think that there is an issue about the fact that, when I do my financial audit of accounts at every public body, it will not be a case that I will be able to pick up the work that this legislation suggests. It also leaves us a gap, I think, with central Government departments, and particularly the Welsh Government itself.

[138] So, I hope that I have outlined that we do have a very real difficulty in trying to apply what the Welsh Government officials think I could apply under the legislation.

[139] **Antoinette Sandbach:** Do you think that it is rectifiable via amendment to the Bill and, if so, how would you like to see us amend it? Or, would you like to see us just say, ‘Right, it is not doing what it says on the tin; let us go away and start again’?

[140] **Mr Thomas:** No, I think that it is quite simply that the Assembly has the power to put a duty on me. I think that a fairly straight-line duty, which can easily be drafted, would actually resolve these issues.

[141] **Antoinette Sandbach:** I think that if you are aware of a similar duty existing elsewhere and could provide a copy of that amendment, together with the legal advice that you have received, that would be very helpful for this committee in the future.

[142] **Mr Thomas:** I would happily write in with that.

[143] **Antoinette Sandbach:** I know that you touched on this, in part, in your answer, but I would like you to go back to the interlocking nature, potentially, of your role and that of the future generations commissioner. How would you like to see the dividing lines drawn there?

[144] **Mr Thomas:** I think that I touch on, in my comments to the committee, the experience that we have in using our good practice exchange. Audited bodies and those subject to either inspection or audit get very twitchy at times when sharing stuff with others. I would like the commissioner to have the ability to encourage—that seems to me to be the key role of the commissioner—and for my role to be audit. Going back to the White Paper division, I thought that was the right division.

[145] **Alun Ffred Jones:** Russell, do you want to come in on this?

[146] **Russell George:** Yes, sure. Thank you, Chair. On what you have just said now in answer to the first question that Antoinette asked, I was quite staggered by it, really. I would have thought that that conversation should have taken place before the drafting of the legislation, let alone this stage at committee. Did the Welsh Government approach you for your advice and seek a conversation with you prior to the drafting? Did you not have these conversations then? What was the outcome?

[147] **Mr Thomas:** Part of the reason for my officials being with me is that we have indeed attempted to explain this to the Welsh Government on several occasions. Mike, do you want to comment?

[148] **Mr Usher:** Thank you, Huw, yes. During the period running up to the preparation of the White Paper, we had quite extensive discussions with Welsh Government officials and the Bill team. Those were very constructive discussions and the principles within the White Paper we really had no difficulty with. We provided a response on the White Paper as well, particularly in respect of the proposed role for the auditor general. It was proposing, in the

White Paper, a duty on the auditor general and we were very comfortable with that and the way that would fit with the FG commissioner. That would also have enabled us to meet the stated policy intent of the Welsh Government that there would be consistency of approach in audit across each of the sectors across the public sector landscape—so, in central Government, in health, in local government. So, up until the White Paper, there was no difficulty.

[149] Since then, it is fair to say, we have continued discussions and we have been meeting very regularly with the Bill team and other officials. However, I think that we have encountered some considerable difficulty in having engagement whereby they are able to explain to us the shift in the Welsh Government's position from the White Paper to what has appeared in the Bill. We did not see the Bill prior to its publication and the Welsh Government concluded that it was unable, or did not wish—we do not know—to share it with us.

[150] **Russell George:** Is that unusual?

[151] **Alun Ffred Jones:** I am not sure whether that is relevant. I think the points have been made quite clearly now. We will take those on board and if you can provide us with any additional information we would be very grateful. I would like to move on. Jenny Rathbone is next.

[152] **Jenny Rathbone:** I want to focus on paragraph 20 of your submission where you talk about reducing the extensive assessment requirements placed on the auditor general by the Local Government (Wales) Measure 2009. By amending the Act, do you envisage that there are some things that the auditor general is currently obliged to do, that could be—. By amending the Act in the way you suggest, would that enable you to stop doing some things that you do not think are that effective? Would local authorities see less reporting on some things?

[153] **Mr Thomas:** What I am doing is highlighting in that reference the fact that, currently under the local government Measure, local authorities are under a duty of improvement with regard to a number of measures, including issues of sustainable development. What I am saying is that if, indeed, the purpose of the Bill is to create a central principle, then there is a conflict created and one way of addressing that would be to revise the local government Measure. If you revise it, you can therefore save money on that side and the costs, obviously, defray the work that will be done under this legislation.

[154] **Jenny Rathbone:** Okay, so local authorities would be able to see a reduction in their fees as a result of the streamlining of your approach, if this Bill went ahead in the way you suggest.

[155] **Mr Thomas:** There would be an adjustment. Obviously, there is work that we will need to do to under the local government Measure and there will be some work that we will need to do under this legislation. However, hopefully, the cost will be less.

[156] **Jenny Rathbone:** So, you are not suggesting, obviously, that you are not going to go on looking at education, but that you would be looking at education in the light of whether the activities were sustainable.

[157] **Mr Thomas:** It is more that there is a requirement in the local government Measure on local authorities to produce particular plans. So, it is about getting that lighter touch and then, in turn, I will audit the extent to which they have prepared their plans. So, it is not changing the requirements on local authorities. It is making it clear what the main central organising principle is.

[158] **Alun Ffred Jones:** Mick, would you like to come in?

[159] **Mick Antoniw:** I have some difficulty with these questions because—. Is there actually a need with this legislation for you to be involved, because it seems to me that the legislation is aspirational in setting up a guiding framework for public bodies to operate within and the commissioner is the person who will identify, make comments and report and so on? Your involvement remains exactly the same—it is to do with the actual decisions taken by the bodies. The Bill provides for the bodies to choose a particular course that they have to consider. At the end of the day, is not the only real consideration of yours, once a decision has been taken to go down a particular road, the actual way in which that is implemented?

[160] **Mr Thomas:** You are right that there are two approaches that can be taken. One is simply to say, ‘We’ve passed this piece of legislation, as we have passed others’, and that, at some point in the future, I will look back and say, ‘I think I need to select for a value-for-money study this particular exercise to see how it is being carried out’. So, under that particular model, yes, you could have allocated to, if you like, the commissioner both an encouraging and a policing role. That is one particular approach. However, what the Welsh Government is seeking is for me to check that every particular body every year is doing work under that. If it wants to do that, and if that is regarded as a requirement of the legislation, that is my argument that you need to put me under duty. Otherwise, I will take that lighter approach of, perhaps in two or three years’ time, checking how it works. Taking Natural Resources Wales as a model, that was set up, I audit it every year—clearly, I audit it every year—but I am looking to see how the legislation worked out in terms of creating it as part of the value for money study I am doing now. So, it gives you a different approach on this. I am not arguing that I must audit these particular bodies every year for this function, but if you want me to do it, it needs to be a duty.

[161] **Mick Antoniw:** I suppose the point I am coming to is that, in terms of the Bill and what it seeks to achieve—bearing in mind that it proposes to appoint and fund a commissioner—is it not logical in terms of the best use of money and resources that the actual achievement of goals is the function of the commissioner?

[162] **Mr Thomas:** That is indeed one approach that you can take. My function as auditor general is actually to exercise in relation to all legislation a view of how effective it has been, looking at it in hindsight and so on. However, it is because there is, under the design of the Bill, a requirement, an expectation, on me to do something every year, that I am taking the argument that I have. Alternatively, you can indeed go down that route there. However, I do wonder whether having a commissioner that is both an encouraging body and a policing body is something that will necessarily be able to deliver. However, that is something that can be tried out. You might regard the work that is done by the older people’s commissioner in the same way. There is an encouraging bit, but in terms of the reports she can produce she actually points very clearly to where improvements are needed. However, you need one more step if you want to audit every year.

[163] **Mick Antoniw:** In the achievement of the goals, there are clear and inevitable conflicts, and those conflicts relate to how you interpret wellbeing, resilience, prosperity and so on. It seems to me that those are things that it is actually very difficult to apply a traditional audit approach to. So, even if a duty is created, and even if there is a duty on you to look into these things, are you not being given an almost impossible task? You are being put in the position of almost being a judge and jury of the achievement of goals that are, ultimately, a political evaluation of achievement.

[164] **Mr Thomas:** I am going to ask Mike Palmer to respond to you. Mike has spent the last year endeavouring to come to an answer to indeed those questions.

[165] **Alun Ffred Jones:** We look forward to the answer. [*Laughter.*]

[166] **Mr Palmer:** Thank you for setting me up. [*Laughter.*] I think that there are a number of points here. The auditor general, in his response to the consultation, made the point that we felt that the White Paper approach was a more measured approach. It sought to put in place a set of principles, and those principles would govern the way that people set their objectives and the way that they went about achieving those objectives. That is replicated in many places in the private sector as well because it is flexible and can be applied proportionately. So, if you say that you have a set of principles and that you require people to be clear about what they are trying to achieve and how they are going to achieve it according to these principles, you put a framework in place and then people agree their own outcomes and ways of delivering them, and they do it according to those principles. You can apply that at different levels. So, I think that that is the first important thing to say.

[167] The second thing is that the reason we have made that point is because our own work and a lot of the research shows that, unless goals are agreed and owned at the appropriate level, there is a risk that people will focus on how they make what they are doing match the goals, commonly known as ‘gaming’, and so the focus becomes how they show that they are meeting these goals rather than whether they are actually improving the wellbeing of people or making things better for people.

10:30

[168] To answer your question about the audit office, in a sense, it is no different to our normal bread and butter. Local authorities, health boards and other public sector bodies set objectives and we assess how they are doing. The important thing there, as you quite rightly point out, is that in many instances these objectives are political—they are political ambitions—and it is not about second guessing the objectives, it is about saying, ‘Okay, you’ve set these objectives, you’ve set these outcomes, you’ve put in place this range of measures to achieve them, how effective have you been in delivering on that?’

[169] **Mick Antoniw:** Having regard to the goals, do you think that they would benefit from being more specific, or slightly tighter in their drafting, because it seems to me that they are very generalised goals that, perhaps, leave too much room for evaluation?

[170] **Mr Palmer:** That is an extremely well-made point, and we refer to this in our response. The desire to set goals at a national level is completely understandable inasmuch as it is trying to get alignment with the UN programme, but the observation that I would make is that the UN programme and the programme for setting SD goals is not putting them on the face of legislation, so it is a different dynamic. It is completely understandable to try to align what we are doing in Wales with what is going on internationally. However, we note that two risks arise by trying to put goals in at that level and on the face of legislation. First, either the goals are so broad that people can pretty much just say that whatever they are doing fits under them, and so you are not actually driving change, or there is a drive for more specificity, and before you know where you are you are prescribing and you are closing down the freedom of organisations to agree their outcomes at the relevant level. So, it raises two very difficult areas there, which is why, after looking at our own work and research on gaming and the dysfunctional behaviour that can arise out of targets—and that has been well reported in recent years—in our response, we express the feeling that the principles approach is better, because you allow organisations the flexibility to agree their outcomes and goals at the appropriate level, but to do it within a framework, which is the principles, namely that they take account of the long term and they look at collaboration, et cetera.

[171] **Alun Ffred Jones:** Should a Bill provide for flexibility? Is there not a contradiction

in terms here?

[172] **Mr Palmer:** I refer back to what works, really. We could look at a number of areas, for instance, the health service, where there have been a number of well-publicised examples of targets that have resulted in very dysfunctional behaviour, where people have focused on demonstrating that they are meeting targets as opposed to the wellbeing of patients. I will not go into the details now, but they are well publicised. So, with all of this, there is a balancing act, is there not? If you are putting in place legislation that is seeking, as is the stated aim here of the Government, to strengthen governance—the way that people make decisions—I suppose that you have two stark choices. You either constrain the ability to make decisions and prescribe what people do or you try to put in place a framework that helps people to make decisions in a way that you seek to direct.

[173] **Mr Thomas:** If I could add clarity, it really is a matter for the Government to choose whether it wishes to do that on the face of the legislation, or whether it wishes to seek Order-making powers so that that can be done as time progresses.

[174] **Llyr Gruffydd:** To continue this discussion, it is very key, the way that you measure performance in terms of achieving the goals, is it not? That brings us to the indicators, which I think you describe as being appropriate, although they need to be realistic. We already have sustainable development indicators in Wales, which, to my mind, have not really driven policy change or influenced, in as meaningful a way as I would like to think, spending decisions, for example. There are some caveats here in your evidence, that you believe that the Bill alone cannot guarantee the relevance, measurability and accuracy of indicators. So, how can we do that, then?

[175] **Mr Thomas:** Mike, do you—

[176] **Mr Palmer:** Sorry, Llyr, but could you just—

[177] **Llyr Gruffydd:** It is not that I am sceptical about indicators, because, you know, we have had indicators for sustainable development in Wales for many years. What is going to change, in a sense? How can we ensure that those indicators are meaningful and that they actually do drive the societal and cultural change that we are looking for?

[178] **Mr Palmer:** Okay; thanks. I think that the Commissioner for Sustainable Futures has noted in a number of his commentaries on the Government's annual SD reports that the existing indicators have almost sat to one side, and it has not been evidenced how they have informed policy or performance, in many ways. Going a bit further back, we referenced that also in our 2010 report, in that the competing priorities situation meant that the indicators were not having the traction that they could have.

[179] In terms of going forward, there is an important process here, and I think that it is encouraging that, in recent years, the Government has placed a lot of emphasis on trying to strengthen the focus on outcomes because, traditionally, the public sector, for a whole host of very good reasons, pays a lot of attention to procedures, processes, et cetera. The Government has put in place a number of programmes to try to strengthen the focus on outcomes, and that really has to be the starting point: clarity about what the Government is trying to achieve, and working back from those ends to the means, and then saying, 'Okay, if that's the case, how do we measure what matters?' You know, how do we ensure that the indicators are telling us something really important about what we are trying to achieve, rather than being a technical exercise in which we say, 'We'll get a set of indicators in place'. The technical exercise is important, because the indicators need to be reliable, but there needs to be a marrying of the two processes, to be focused on how we can make sure that what we are measuring is adding real value and is telling us something important about what we are trying to achieve, and how

we try to ensure that, as far as possible, they are reliable.

[180] **Llyr Gruffydd:** There is also a health warning around the fact that it is not solely within the realm of public service organisations to affect those outcomes, in a sense.

[181] **Mr Palmer:** Well, that is a very important point, because I think that there is a lot of evidence to show that that is where many of the problems with performance reporting arise. In essence, you have two aspects to performance reporting. You have reporting on how Wales is doing as a whole—so, as a whole population at a Wales level, at a county level, or at a town level—on how active and healthy we are. A measure of that would be levels of obesity. That, clearly, is a collective endeavour. It requires the collective endeavour of all parts of civil society, including citizens themselves, and a collective responsibility. However, if we are talking about specific services being provided, be they leisure services, training courses, or something like that, then those are the responsibility of whoever is providing the service and whether the people receiving the services are actually better off as a result. It is quite important to make those distinctions, because quite often, de facto, and almost accidentally, an organisation responsible for the environment gets held accountable for whether the rivers are clean or not, which is clearly not appropriate.

[182] **Alun Ffred Jones:** Joyce Watson, do you want to come in?

[183] **Joyce Watson:** On public services and the proposals for them that are set out in the Bill, you have made observations that they are very detailed, prescriptive and focused on process. Do you have any specific amendments that you think might help in addressing that?

[184] **Mr Thomas:** The thing about the public service boards in this particular bit of legislation is that it does seem odd, if I can put it like that. You have a general piece of legislation that applies to all public bodies, and then the provisions on public service boards are extremely detailed. It is a matter for the Government to justify why it wants to put such detailed provision in legislation in this particular Bill, but it just looks a bit out of kilter.

[185] **Alun Ffred Jones:** Does that answer satisfy you, Joyce?

[186] **Joyce Watson:** In some respects, it does.

[187] **Mr Peters:** Would you like me to answer that? For example, in clause 36 you have a big list of people—. Sorry, I am looking at the wrong list. You have a long list of assessments at some points that boards have to take into account, but the long list does not include anything that relates to the environment. Perhaps a more simplified clause that requires boards to take account of relevant information would help to ensure that relevant information is taken into account, without it focusing very particularly on a particular set of assessments. That is a potential streamlining. However, these are matters for the Government, not for us.

[188] **Alun Ffred Jones:** Would that not make the legislation even more vague?

[189] **Mr Peters:** Not in substance, no.

[190] **Mr Palmer:** I think that there is always a balancing act here, is there not? We have noted—a number of responses have picked up on this point as well—on this particular aspect that there is a list of social assessments that need to be taken into account. If you want to maintain faith with the thrust of the Bill, you have two choices: you either add a raft of economic assessments and a raft of environmental assessments to that long list, in which case the thing arguably becomes unwieldy, or you take it up a level and you say that you require bodies to take account of the relevant environmental, economic and social assessments, as my colleague Martin said.

[191] **Alun Ffred Jones:** Russell, do you want to come in?

[192] **Russell George:** You said that the estimated costs contained in the budgetary impact assessment are somewhat underestimated. Can you expand on that and talk about what you believe to be the true costs of the Bill?

[193] **Mr Thomas:** Clearly, it is not normal for me to audit at the various impact assessments, but what did strike us from looking at the bits in the explanatory memorandum that related to this is that, first of all, they got my costs wrong because they have taken another figure in to that element. There is also the way in which they costed the staffing cost, for example. I indicated in my evidence on this that this does not include the on-costs, which add 30% to a salary. Some of the salary figures that they have used for local authorities did seem odd. We have just done work at the Public Accounts Committee looking at the costs of senior salaries in local authorities. These certainly seem to underplay the salary costs.

[194] So, there are a number of areas where we said, 'Does this really give a realistic cost of the particular exercise?' Short of carrying out an audit, I do not think that I can do much more than to say that there are a number of areas where the estimate looks a bit odd and underplays costs.

10:45

[195] **Russell George:** You have also mentioned that there is a conflict between the Local Government (Wales) Measure 2011 and the Bill. Could you expand on that?

[196] **Mr Thomas:** Yes. Do you want to do that one, Martin?

[197] **Mr Peters:** I am happy to; thank you. The Measure obviously requires local government bodies to produce improvement plans and improvement reports. They have to devise improvement objectives. This seems to sit in parallel to that, in that there is a further requirement to set objectives and it is not clear how the two are going to be reconciled. So, because of that parallel nature, it does seem that there is an increasing cost.

[198] **Russell George:** Is there an amendment that you could suggest to correct that, or is that not possible, do you think?

[199] **Mr Peters:** I think, as we have suggested before, that streamlining the local government Measure would help. It is a piece of work to be done. I do not think that we are talking about a three-line amendment.

[200] **Mr Thomas:** The way in which the current local government Measure is drawn up requires me to look at each individual authority by authority. If that were removed and we just looked at a duty to undertake sustainable development examinations, I would actually have the freedom not only just to look authority by authority, but also at how they are collaborating with other bodies. I think that I have expressed elsewhere the view that the local government Measure is heavy in terms of its requirements on local authorities. I have to audit it, but I talk regularly to the Welsh Government about means by which I can lighten the burden that that particular Measure puts on local authorities.

[201] **Russell George:** Going back to your earlier answer, it seems that the regulatory impact assessment states that Welsh Government officials have liaised with the Wales Audit Office as part of the ongoing discussions on the costs. Are you disputing that that has happened?

[202] **Mr Usher:** The explanatory memorandum, in paragraph 386, does indeed say that Welsh Government officials have liaised with us as part of ongoing discussions. It does not actually reflect the results of those discussions. So, the costs that they are reporting here in respect of the auditor general are not actually the costs that we think will be associated with the Bill. We have not seen the Bill provisions. Any discussions that we had on costs were predicated on the White Paper proposals, which are quite different. So, we have issues with the costs.

[203] **Russell George:** So, what are the costs?

[204] **Alun Ffred Jones:** May I suggest that, if that information is available, you provide it in writing to the committee? However, you have stated that an audit of the Welsh Government's underlying working papers would be possible, including the practicalities of potential benefits of undertaking—. Now, you mentioned that before, auditor general. If the committee was so minded, would you be willing to undertake such work? That is if the committee was so minded; it has not made a decision yet.

[205] **Mr Thomas:** I am required to consult with the Public Accounts Committee before I accept items of work. So, it is subject to the views of the Public Accounts Committee, and also, to Welsh Government making documentation available to us. However, it could be done.

[206] **Alun Ffred Jones:** Are there any further questions? No.

[207] Diolch yn fawr iawn i chi am ddod i mewn y bore yma ac am roi tystiolaeth mor glir a chadarn i ni. Rwy'n gobeithio y bydd yn help garw i ni wrth inni ystyried y Bil hwn. Thank you very much for coming in this morning and for giving us such clear and robust evidence. I hope that it will be a big help to us as we consider this Bill.

10:49

Bil Llesiant Cenedlaethau'r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 7 The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 7

[208] **Alun Ffred Jones:** Bore da a chroeso atom. Rydym yn falch iawn o'ch cael yma i gyflwyno'ch tystiolaeth. A gaf ofyn i chi gyflwyno eich hunain i ddechrau? Cychwynnwn ar y chwith, gyda Haf Elgar. **Alun Ffred Jones:** Good morning and welcome. We are very pleased to have you here to give your evidence. May I ask you to introduce yourselves to start with? We will start on the left, with Haf Elgar.

[209] **Ms Elgar:** Haf Elgar, o Gyfeillion y Ddaear Cymru.

[210] **Ms Elgar:** Haf Elgar, from Friends of the Earth Wales.

[211] **Mr Jones:** Peter Jones, RSPB Cymru.

[212] **Ms Meikle:** Ann Meikle, from WWF Cymru.

[213] **Mr Byrne:** James Byrne, from Wildlife Trusts Wales, but representing Wales Environment Link.

[214] **Alun Ffred Jones:** Diolch yn fawr iawn i chi. Mae gan yr Aelodau nifer o gwestiynau i'w gofyn i chi, felly dechreuwn gyda Julie Morgan. **Alun Ffred Jones:** Thank you very much. Members have a number of questions to ask you, so we will start with Julie Morgan.

[215] **Julie Morgan:** Thank you, Chair, and good morning. I wondered whether you felt there was enough emphasis on international issues in this Bill, and, in view of the fact that the main theme coming out of the national conversation was climate change, what do you think about the Bill as it stands in relation to those issues?

[216] **Ms Meikle:** Perhaps I could start on the international impacts. I certainly think, from our perspective, that it is one of two major flaws in the Bill. Nowhere at the moment in the goals and principles is it explicit that public bodies must consider and mitigate for impacts outside of Wales, and I think it is very difficult to imagine how you can consider properly the wellbeing of future generations if you do not think of what is happening outside of Wales. We source a lot of our food and a lot of commodities that we depend upon in a world where there is a lot of competition for those resources, and that it is going to grow. So, there are going to be issues around that. We also rely on many global systems, such as the climate, as you said, for our own health and wellbeing. So, if you do not take that into account, and do not ensure that, then you are really not addressing sustainable development. I cannot put it any more bluntly than that.

[217] **Alun Ffred Jones:** Are there any other views?

[218] **Mr Jones:** We have all, perhaps, in the last couple of days, seen the ‘Living Planet Report’, which has been published by WWF and others, and, of course, from a biodiversity point of view, the findings of the ‘Living Planet Report’ in terms of population and species reduction globally are quite frightening and startling—and that is over a relatively short period of time. Of course, that reflects back then in terms of how, in this Bill, we approach the whole issue of biodiversity recovery. As you will have seen from the RSPB written evidence, we are particularly concerned to ensure that the restoration and the enhancement of biodiversity in Wales is seen as a sustainable development priority. You cannot have sustainable development without a healthy environment, and, therefore, as you will have seen from our evidence, we are very keen to promote that. The ‘Living Planet Report’ is evidence that this is a global phenomenon that, of course, will need to be addressed globally.

[219] **Julie Morgan:** Thank you. Sorry, did you want to say something, James?

[220] **Mr Byrne:** I would just like to say that I am also the WEL representative on the Climate Change Commission for Wales. I know that Peter Davies has given evidence previously on this. Obviously, it is about the future generations commissioner having a strong role in relation to climate change and setting targets and also that the expert panel of the current Climate Change Commission for Wales should be reinforced.

[221] **Julie Morgan:** Haf, did you want to say anything on that?

[222] **Ms Elgar:** Only to reinforce that, of course, the interim report of the national conversation came out on the same day as the Bill, so, possibly, the result of that could not be taken into account in a timely manner. However, we hope now that, through amendments, climate change can be emphasised in the Bill, through the goals, through measurements and through a definition or principle that takes environmental limits into account. So, there are numerous areas where we believe that the climate change aspect can be strengthened throughout this Bill.

[223] **Alun Ffred Jones:** Roedd yr **Alun Ffred Jones:** The auditor general archwilydd cyffredinol yn awgrymu y gallech suggested that you could go in one of two fynd i un o ddau gyfeiriad efo'r Bil; unai directions with this Bill; either by simplifying drwy symleiddio'r diffiniad o ddatblygu the definition of sustainable development and cynaliadwy a'i wneud yn un cyffredinol a making it a general one that would include

fyddai'n cynnwys pob elfen, ond heb eu henwi, neu ychwanegu at y diffiniad er mwyn cynnwys mwy o gyfeiriad at rai o'r materion rydych wedi cyfeirio atynt. A oes gennych unrhyw farn ar ba ffordd y dylai'r Bil ei chymryd?

every element, but without naming them, or adding to the definition to include greater reference to some of the matters to which you have referred. Do you have an opinion on which direction the Bill should pursue?

[224] **Ms Meikle:** I am sorry, Chair; my translation equipment is not working, so I did not get all of your points. Sorry; I was fiddling with it. It is not operating.

[225] **Alun Ffred Jones:** A yw'n gweithio o gwbl?

Alun Ffred Jones: Is it working at all?

[226] **Mr Byrne:** Mine is working.

[227] **Mr Jones:** Mine is working, too.

[228] **Alun Ffred Jones:** Y cwestiwn yw: a ydych yn meddwl y dylid symleiddio'r diffiniad, neu wneud y diffiniad yn fwy cyffredinol, neu a ydych yn meddwl y dylid ychwanegu at y diffiniad sydd yn y Bil? Haf, a oes gennych farn ar hynny?

Alun Ffred Jones: The question is: do you think we should simplify the definition, or make the definition more general, or do you think that the definition should be added to in the Bill? Haf, do you have an opinion on that?

[229] **Ms Elgar:** I gychwyn, nid oes unrhyw beth sy'n cael ei alw yn ddiffiniad yn y Bil. Mae'n siŵr taw adran 3, 'Egwyddor datblygu cynaliadwy', sy'n mynd yn agosaf at ddiffiniad, ond byddem yn hoffi, ac rwy'n credu ei bod yn bwysig, gweld diffiniad o ddatblygu cynaliadwy yn y Bil, yn rhannol achos ei fod yn strwythur ar gyfer deddfwriaeth gyffredinol yng Nghymru—y Bil cynllunio sy'n cael ei gyhoeddi yr wythnos nesaf, er enghraifft. Mae'n bwysig, er mwyn cael cysondeb ar draws deddfwriaeth yng Nghymru, ein bod ni efo un diffiniad o ddatblygu cynaliadwy. Fel rwy'n dweud, mae adran 3 yn agos at gynnig diffiniad ar hyn o bryd, ond mae'r ieithwedd a ddefnyddir, sef *seeking to*—nid yw gennyf yn Gymraeg—yn gwanhau hynny a'n golygu nad yw'n ddiffiniad mewn gwirionedd. Felly, rydym yn meddwl y gellid cryfhau hynny.

Ms Elgar: To start, there is nothing that is called a definition in the Bill. I suppose that it would be section 3, 'Sustainable development principle', that is closest to a definition, but I would like, and I think that it is important, to see a definition of sustainable development in the Bill, partly because it is a structure for general legislation in Wales—the planning Bill that is being published next week, for example. It is important, to have consistency across legislation in Wales, that we have a single definition of sustainable development. As I say, section 3 is close to including a definition at the moment, but the terminology used, which is 'seeking to'—I do not have it in Welsh—dilutes that and means that it is not really a definition. So, we think that that could be strengthened.

[230] O ran yr hyn a awgrymodd y gynghrair datblygu cynaliadwy y llynedd fel diffiniad, fe wnaethom gael un adran a oedd yn cyfuno'r egwyddor, y nodau yn y Bil hwn a rhai o'r egwyddorion sydd yn adran 8(2), fel y rhai hirdymor. Nid dyna a welwn yn y Bil hwn; felly, mewn ffordd, mae'n rhaid inni ddelio â'r hyn sydd o'n blaenau, yn hytrach na chychwyn o'r cychwyn. Felly, mae modd rhannu'r diffiniad cyflawn yn dair adran. Nid

In terms of what the sustainable development alliance suggested last year as a definition, we had one section that combined the principle, the goals in this Bill and some of the principles that are in section 8(2), such as the long-term ones. That is not what we see in this Bill; so, in a way, we have to deal with what is in front of us, rather than starting from scratch. So, it is possible to split the full definition into three sections. We do not have

oes gennym wrthwynebiad i hynny, cyhyd â bod y geiriad yn glir a bod y berthynas rhwng y gwahanol adrannau yn ddigon clir. Nid ydym yn credu taw dyna'r sefyllfa ar hyn o bryd.

an objection to that, as long as the wording is clear and the relationship between the different sections is clear enough. We do not think that that is currently the situation.

[231] **Alun Ffred Jones:** Iawn. Galwaf ar Mick Antoni.

Alun Ffred Jones: Okay. I call Mick Antoni.

[232] **Mick Antoni:** I have a point on the issue of definition. There have been several years of discussions, none of which have come up with a definition that is either acceptable or does not create a whole host of new problems. Is it not the important thing to take the definition as it is set with the goals in Part 2? Is it not the goals that are probably more important than attempting to have a more defined definition that may, in fact, be incapable of real beneficial definition?

[233] **Alun Ffred Jones:** Peter Jones, do you want to come in?

11:00

[234] **Mr Jones:** Yes. Thank you, Chair. I agree that the goals are extremely important insofar as one can, in a sense, understand the structure of the Bill. The six goals, effectively, constitute an attempt to define a sustainable development duty to be delivered through the various proposals set out in the Bill. However, that does not get away from the importance of ensuring that there is a strong understanding of what is meant by sustainable development. Whether you choose to call it a principle, or whether you choose to call it a definition, I think that it is important to understand quite what we mean by sustainable development.

[235] What is clearly missing from the Bill in terms of its definition or principle—although alluded to, importantly, in the explanatory memorandum that accompanies the Bill—is that there is no reference either to living within environmental limits or to Wales using only its fair share of global natural resources. If sustainable development means anything at all, it means both of those things; therefore, it is very important, in our view, that both are included in section 3 or in one of the goals, to make it clear that what we mean in this Bill by sustainable development is living in recognition of the finite natural-resource capacity of the planet.

[236] **Mick Antoni:** But—

[237] **Alun Ffred Jones:** May I just bring in Anne?

[238] **Ms Meikle:** I would very much agree with Peter, because, clearly, you have to look at the whole structure to get a sense of what is meant by sustainable development, and I would agree that that is the other vital concept that is missing. I think that it can be fixed, as Peter says. You could, for instance, amend goal 1, which, at the moment, says, 'proportionate use of resources', or something or other, and we have suggested that you could put 'a proportionate share of resources within the carrying capacity of ecosystems', or however you want to do it—you could word it in several ways. You can change the wording, but it needs to be bounded by something to give it that sense that is in 'One Wales: One Planet' quite clearly of having to reduce the amount of resources that we are using and making things more resource efficient. As Peter says, if you are not going to use 'fair share of resources', you need some boundary as to what you mean by 'proportionate'. You could add it there, and there are other places where you could add it. You could add it to the first principle, in fact; it could be a principle as opposed to a goal.

[239] **Mick Antoniw:** How does that provide any greater measurable evaluation? What ‘proportionate’ means and what ‘capacity’ means are all things that, subsequently, have to be dealt with by indicators and prioritisation of those indicators. Is this not a bit of a wild-goose chase, really?

[240] **Ms Meikle:** I think not, because they appear in other legislation around the globe and ‘carrying capacity’ has a very clear meaning in those contexts. However, in the sense of, ‘Yes, you would have to have further guidance and indicators’, well, that is true of all of those goals, in my view. What do you mean by a ‘healthier Wales’? Well, everybody might have their own views of what ‘healthier’ means. So, they all need subsequent clarification.

[241] I think that one of the key points for us around the goals is that, in our view, one thing is missing, which is that concept of environmental limits. However, if you are going to clarify what you mean by SD, then I think that we would suggest that you have to put a requirement in here to set targets that set a scale to this, because I think that the one thing that it does not do is—. The reference group actually said in its evidence to the national conversation that it is about whether this is going to drive change and whether it is sufficient to drive change. I think that you could, reasonably, as any public body at the moment, suggest that you were working towards those goals; surely, everybody is trying to make a healthier Wales, or whatever.

[242] What I think is not clear enough is what is different and what you are trying to change. It is actually a scale and timing issue. If you are trying to be a low-carbon economy, when will that happen? How big a challenge is that to you and how big a priority do you have to give that when you are setting your objectives? Personally, I do not think that it is clear enough from this; therefore, there has to be some other step. The way that the United Nations’ sustainable development goals operate, for example, is that they have the same as you have here: a very broad statement of what the goal is—ending poverty, or whatever it is—and, beneath it, you have smarter objectives that are measurable and time-bound. Again, I think that you could amend some of the criteria around the objectives to try to make them so that they are established with much smarter targets going forward so that people are clear.

[243] **Mick Antoniw:** Do you think that there is enough clarity in the goals on the social and economic aspects that are part of the objective of the Bill?

[244] **Ms Meikle:** I do not think that any of them are 100% clear. I think that you have them in there, but they all require, I would suggest, clearer explanations of what you are trying to achieve through setting targets and then requiring people to take those targets into account when they set their objectives.

[245] **Alun Ffred Jones:** Antoinette is next.

[246] **Antoinette Sandbach:** The Auditor General for Wales has suggested that we should, perhaps, take a principles-based approach to the Bill. Is that something that you agree with?

[247] **Ms Meikle:** I do not think that we would agree with it as the only approach. The original consultation proposed two approaches: either an outcomes approach or a principles-based approach. Basically, the majority of people who responded to that consultation said, ‘Well, actually, we would like this to be focused on outcomes, but we accept that the principles are really important because that is the “how”; it is part of the difference in culture. So, actually, we would like a mixed version’, which is what the Government has come back with. Where I would agree with the auditor general is that the principles perhaps do not get enough priority or emphasis in the Bill, and there are some things that could be improved or that are missing in them. So, I would agree that they are, perhaps, not strong enough.

[248] **Antoinette Sandbach:** Evidence that we have had suggests that this is very much

process driven. Again, the Auditor General for Wales said that there is a risk that people may start gaming behaviour—in other words, the behaviour that you have described already—to say, ‘We are already undertaking assessments about health and about social and economic wellbeing; therefore, we will fit our current behaviour into this Bill’ and nothing will, in substance, change. How would you amend the Bill to make sure that the change in approach is actually embedded rather than there being gaming?

[249] **Mr Jones:** May I just come back on that gaming argument? I have read, of course, the written evidence from the auditor general and his colleagues. I was not terribly persuaded by what they set out. I have not heard the evidence that you have heard this morning, but I was not terribly persuaded by what I read in the written submission. The fact of the matter is that what the Government is trying, through this Bill, to achieve is a change of behaviour; therefore, I do not quite follow the logic that says that there is going to be some kind of tick-box type of response to the objectives and that behaviour will remain unchanged. Provided the six goals, taken together, are properly understood and applied in terms of public bodies’ objectives, there will be a change in behaviour. I think that objectives, therefore, are important; the goals are important in terms of behaviour change, which is not to say that one does away with principles, of course. I seem to recall that ‘One Wales: One Planet’ and earlier sustainable development documents here in Wales were quite heavy on principles in terms of the principles of sustainable development. I think that it would be helpful, in fact, if there were a few more such principles set out in the Bill; for example, as we say in our written evidence, the precautionary principle is particularly important, going back to the question about environmental limits and Wales living within global capacity. Yes, it is difficult to know what environmental limits are if you are a decision maker facing major issues on a day-to-day basis. However, if you at least apply the precautionary principle in terms of such things as carbon emissions, biodiversity, nitrogen emissions and whatever it happens to be, and are conscious when making your decisions that you somehow have to do your best to limit and reduce, if you can, previous outputs and previous behaviours, you will have made progress. So, I think that the answer to your question, Antoinette, is that we need objectives and principles.

[250] **Ms Elgar:** If I may come in on that as well, I think that there is a gap currently between the aspirations, the goals, and the delivery, the driving of change. Of course, the national indicators will, to some extent, deal with that, but we are not going to see them until this Bill has been passed. As we can see with the current process, where the Welsh Government has national indicators, it does not seem to have worked very well. It seems to me that there are indicators and there are annual reports, but it is still a business-as-usual approach. Therefore, we think that there needs to be something in the middle of this Bill, that there need to be targets or measurements of progress in the Bill—

[251] **Antoinette Sandbach:** However, my colleague Llyr Huws Gruffydd made the point earlier, not to you but to earlier witnesses, that we have sustainable development indicators that seemed to sit in parallel and, actually, have not influenced behaviour in any way. What is there in this Bill that would make this any different?

[252] **Ms Elgar:** I do not think that we would necessarily be here to defend the Bill as it stands. I think that we would agree that there is an issue that it would either set up a parallel system, rather than being an overarching—. The original intention of the legislation was to be the central organising principle; I do not think that that comes across clearly in the Bill as it currently stands. Also, indicators alone do not necessarily drive change. They can show whether we are making progress or not, but there is a gap in the middle that we need to fill in this Bill of measurements and of targets.

[253] **Alun Ffred Jones:** I bring in James Byrne and then Jenny Rathbone.

[254] **Mr Byrne:** An aspect to that is the wording within the Bill, which we believe could drive change. At the minute, some of the wording in the Bill is rather weak. For example, in the definitions, it says ‘seeking to’, and we would like to see ‘to achieve more sustainable development’. On the wording within some of the goals, the resilient Wales one should be, ‘A biodiverse natural environment should be restored and enhanced,’ et cetera. However, some clear wording comes when it refers to the commissioner, where it is saying ‘to promote’; to ‘seek to safeguard’; to ‘encourage public bodies’; to ‘provide advice’; to ‘promote awareness’ et cetera. The processes driving it are weak. We would like to see stronger language: ‘to achieve’ these things and ‘to deliver more outcome-focused’ things. If the wording was stronger, we believe that that would have a better chance of driving behaviour change.

[255] **Alun Ffred Jones:** Do you want to come in on this point, Jenny Rathbone?

[256] **Jenny Rathbone:** Yes. Assuming that we suggest amendments to harden up the wording, is that, in itself, going to be sufficient, because it is still exhorting people? How are we going to make it change people’s behaviour?

[257] **Mr Byrne:** If it just says ‘to seek’, people can say, ‘We sought to do something, but it didn’t happen,’ but if the wording is ‘it must happen’ or there is ‘a requirement to happen’, then there should be a recourse to say that it did not happen. That goes back to another thing that we may talk about later, namely sanctions—

[258] **Jenny Rathbone:** That is what I wanted to come on to. What are the sanctions that you think need to be in this Bill to make the environmental objectives that you all seek, and many of us do too, stick? What teeth are required? Are they present or are they absent?

[259] **Alun Ffred Jones:** Anne, do you want to come in on this?

[260] **Ms Meikle:** It has slightly gone on to another point.

[261] **Alun Ffred Jones:** Okay. May I hold that question from Jenny for a minute? Do you want to respond to some of the other questions, Anne?

[262] **Ms Meikle:** I think that it is very important to say that we have never disagreed with the Government, right from the beginning, when we had the first conferences, that you need both substantive duties and procedural duties. We do not disagree at all that you need procedure, and this is quite a radical change for a Bill, but I saw part of the auditor general’s evidence earlier, and one thing that I would agree with him on is that you need absolute clarity that this is the overarching duty of public bodies. It is not one of many: it is the overarching duty.

[263] The other thing in terms of making it happen is that I think that there are, potentially, some loopholes for some delivery not to happen. The purpose of the Bill, again, we think is really important—sections 1 to 3 with the purpose and the aim et cetera are important parts of the Bill. At the moment, it specifically states that this is a governance Bill. The promise for this Bill was that it would embed sustainable development as the central organising principle in all the actions of the Government and public bodies. If, by restricting it to governance, advertently or inadvertently, you leave some actions out, then I do not think that you are delivering what was promised by the First Minister when he introduced this legislation.

11:15

[264] To do that, requires quite a minor change to the very first section—you just need to add something about functions. They are not necessarily major changes to the Bill; perhaps they are lots of tweaks to lots of places to try to strengthen its effectiveness.

[265] **Alun Ffred Jones:** Haf, wyt ti eisiau dod i mewn? **Alun Ffred Jones:** Haf, do you want to come in?

[266] **Ms Elgar:** Just to build on that, Anne has made some of my points, but I think that that is the point: it is not just one thing that we can do to change this Bill; it is about changing a lot of different sections so that there is a clear substantive duty, what it relates to in terms of goals, principles and definition, the measurements and targets, and then getting to the role of the commissioner, the relationship with the auditor general and compliance. So, in a way, the question cannot be answered in a single change, but there is a way to do it throughout the Bill.

[267] **Alun Ffred Jones:** Did you want to go on to compliance and sanctions, Jenny Rathbone?

[268] **Jenny Rathbone:** To follow this up, what sort of compliance and sanctions do you want to see in the Bill in terms of the role of the commissioner, the role of the auditor general and anything else that needs to be amended in this regard?

[269] **Ms Elgar:** In terms of the commissioner's role to start with, it is worrying that public bodies do not have to follow the recommendations of the commissioner, and that is problematic if we are looking at sanctions or remedies. The Bill has to be strengthened in order to make sure that there is an enforceable duty and that the powers of the commissioner are strengthened in order for the commissioner not to be undermined.

[270] Sanctions could be introduced into the Bill, whether they are financial penalties or naming and shaming. There are a range of sanctions that are completely missing from the Bill at the moment, but that might be because there is no clear duty that can be sanctioned, if you like.

[271] **Alun Ffred Jones:** James Byrne, do you want to come in?

[272] **Mr Byrne:** One of the things that we believe would strengthen the Bill is that the commissioner could be empowered to overrule a public body if, having considered its representations, it is required to act in accordance with the legislation. The Bill should not give allowances for a public body to ignore the commissioner's recommendation whenever it chooses, which my colleagues have already mentioned. The commissioner should also have powers of investigation, including requiring bodies to give evidence in inquiries into sustainable development behaviour. They are some of the things that we think that could strengthen the commissioner's hand, and bring about sanctions.

[273] **Ms Meikle:** I think that it is quite important to look at the relative roles of the auditor general and the commissioner. We certainly do not want the commissioner to have to do the job of the auditor general, because he or she will not have the resources to do that as effectively. What you really want the commissioner to be doing is to look at driving change, because this is quite a big culture change. If the auditor general looks at this and thinks there are failures in delivery—either systemic failures or failures of an individual local authority—one of the things that we would like to see, rather like the children's commissioner, is that this commissioner could then instigate an inquiry into those systemic failures, because there might be something that is a barrier to the implementation of this Bill across the piece. There could be all sorts of things. Somebody needs to do that, and it would be very unlikely to be the auditor general, because it might be policy-related things or some other issues. So, I think that there is something about giving this commissioner similar powers to some of the other commissioners to look into those inquiries, and to require information to do that.

[274] When it comes to accountability and remedy, this is where you have to start thinking

about who has the remedy. Maybe the Government is the body that does. Lots of sanctions can already be applied to, for instance, local authorities. You can call in plans or you can put them into special measures—there are all sorts of things—but none of those remedies are being proposed in this Bill. So, I am not sure whether it is always going to be the commissioner that has to do that; that may not be entirely appropriate. However, it may be appropriate for the commissioner or somebody to be doing that in respect of the Government, or to be advising the Assembly in respect of Government's compliance or otherwise. Somebody else perhaps needs to be looking at—.

[275] **Alun Ffred Jones:** There are two questions now: Russell and then Mick. I will take both questions and then see where we are.

[276] **Russell George:** My question follows on, really. I want to ask for your views on the independence of the commissioner. Can you expand on your views on that?

[277] **Mick Antoniw:** My question is on the commissioner and the interventionist role that you are suggesting.

[278] **Alun Ffred Jones:** You have two questions there on the commissioner and the commissioner role. Do you want to take those?

[279] **Mr Byrne:** With regard to the independence of the commissioner, we know that the commissioner will be appointed by Welsh Government, as it stands in the Bill. The budgets, work plan and staffing of the commissioner's office will also be agreed through Welsh Ministers. However, we do not believe that it gives a good independence. We believe that the commissioner should be appointed by, and responsible to, the Assembly rather than the Welsh Government because the commissioner will be potentially prescribing and giving advice to, and, potentially, sanctioning departments within the Welsh Government. So, potentially, there could be a conflict of interest there. So, we think, for independence, and for greater transparency, the commissioner should be responsible to the Assembly rather than to the Welsh Government.

[280] **Ms Meikle:** The other thing that I would add to that is about the appointment of the advisory group, which, at the moment, is being appointed by the Welsh Government and has some very specific people on it. This was actually something that was discussed quite a bit in the Minister's advisory group, and we felt very strongly that what should be appointed here is expertise across the range of topics within sustainable development. It should not, in effect, be a representative panel. I would say that what you actually need is a range of expertise across social, economic and environmental matters to help to advise and take forward this work. At the moment, the proposal is entirely about the people who come from the social aspects of that. I understand from their evidence that they are not entirely sure that they are the right people to be on there either. I think that it is also rather peculiar that it is the Government that would appoint that panel. After all, surely the commissioner should have a say in the kind of expertise required to do the job.

[281] **Alun Ffred Jones:** Are there any other questions on the commissioner?

[282] **Mick Antoniw:** Just for clarification, because the interventionist role that you have suggested is a complex area. Are you suggesting that almost any decision of a public body should be capable of being halted and that there should be a power to directly intervene, or are you seeing his role as really one that is to advise and focus on concerns?

[283] **Mr Byrne:** If a public body chooses to ignore the recommendations of the commissioner and has not even considered the recommendations, there should be some power to intervene, whether that is to have an inquiry or that some of the points that Anne raised

earlier could be enacted.

[284] **Mick Antoniw:** But that would be by judicial review in terms of a council not carrying out its statutory responsibilities. On the actual role of the commissioner himself, how far do you want his role to actually go?

[285] **Mr Byrne:** At the minute, within the legislation, there is scope for organisations to effectively ignore the advice of the commissioner. So, we believe that the commissioner should have that power to take organisations to task, to hold an inquiry and, as I say, to enact some of the points raised by Anne earlier.

[286] **Mick Antoniw:** Would it not be better just to amend those sections, with a duty to have due regard to et cetera? At the end of the day, with some of them, you are talking about democratically elected bodies as well.

[287] **Mr Byrne:** That could be one way around it, yes.

[288] **Llyr Gruffydd:** Clearly, I remain to be convinced—and many other people, I think—that this Bill can drive change in any fundamental issues around policymaking and decision making. The M4 example has been mooted previously in evidence—if that decision had been made post this legislation, how it would have been considered differently, and whether the ultimate decision might have been different or not as well. However, it reminds us, of course, that, in looking at the goals, public bodies might have to resolve potential conflicts between some of those goals. If you are seeking a more prosperous Wales, there may be implications for the healthier Wales or the more resilient Wales goals. How do you see local authorities dealing with that, and how can this legislation make it clear as to how they should strike that balance?

[289] **Ms Meikle:** I think that this comes back to why we sound a bit obsessed with sections 1 to 3. The audit office report of 2010 made a very good point, and subsequent reports have said the same. Sustainable development should not be one of a number of competing priorities. It should be the mechanism that helps you resolve those competing priorities. It is about being really clear about what you are trying to achieve and what you mean by ‘sustainable development’. One of the reasons that we were really keen that that purpose or clause, et cetera, was in at the beginning with what is now the sustainable development principle, was to help you interpret and make better decisions about those apparent conflicting priorities. Of course they will always remain; that is never going to go away. There were examples from our side—and they were discussed quite often in the reference group, for instance—regarding the fact that things like decisions for the long term or things that have impacts, particularly outside Wales, often do not get sufficient weight in a decision compared to the more short term and local issues. I think the Bill is trying very hard, for instance, to get more weight to the long term, which it is being very explicit about. We are trying to say that it also needs to do a bit more to get more weight on to some of the non-local issues. However, it is really only in relation to, ‘Okay, so what is this ultimate thing—this sustainable Wales?’ If that is really clear and you have a process, and this is where the real process stuff comes in—.

[290] The bit about the statement with regard to the objectives, and what you are planning to do to deliver them, is quite important, in the sense that it says, ‘You have to explain how you are going to achieve these goals through this mechanism.’ That is why the commissioner’s role in the beginning is about encouraging change, because it is going to be difficult for people to change their mindset from saying, ‘Okay, I am going reduce obesity’ to saying, ‘Okay, if I do that, and maybe if I deal with some of the transport issues or something else, I might actually do that’. You are trying to integrate the goals and the delivery of them. I think that, again, it could be slightly clearer within this Bill that you are trying desperately to

integrate them and not see them as always opposing. That is why some of the wording is a bit odd. For instance, it says ‘balancing’ short and long term. That is just not the same as not compromising the needs of the future. That is not the same as balancing the short term and the long term, because then you might say, ‘Well, on balance, I will put all my effort into the short term’. It is about trying to drive change, and you can get really picky on the wording. However, I think that you have to, in a way, to help people understand the change that you mean.

[291] **Alun Ffred Jones:** I will bring in Peter Jones on this.

[292] **Mr Jones:** Thank you, Chair. This discussion reinforces a point that I made earlier, in terms of having a longer set of sustainable development principles set out in the Bill than we have in the current draft, in order to provide guidance to decision-making bodies such as local authorities and, indeed, the Government itself, as to how to go about delivering on the six wellbeing goals. Clearly, there will be an important role for the future generations commissioner in providing that kind of guidance, but I think that the principles are absolutely essential. Once again, I would refer back to ‘One Wales: One Planet’, which, in many ways, was a better document than the Bill that we are looking at today.

[293] **Alun Ffred Jones:** Joyce, would you like to come in?

[294] **Joyce Watson:** Yes. This is about accountability and engagement, particularly the RSPB’s concerns about public service boards. You talk about concerns about the integration of those boards with the proposed environment Bill and how they should be addressed. Could you briefly say how you think we might address that?

11:30

[295] **Mr Jones:** We are not necessarily challenging a role for these newly constituted public service boards, if that is the way that the Bill wants to take Wales. What we are questioning is how the work of the public service boards, including the proposed membership as set out in the Bill, would actually fit with the kind of the environmental concerns that we as RSPB and others will have arising, as we expect, from next year’s environment Bill. One has a situation set out in the Bill whereby the PSBs will be responsible for what they are being called local wellbeing plans. That is all well and good. However, included on the PSBs, at the moment, will be only one representative from Natural Resources Wales, who will presumably be the defender and promoter of the environmental perspective, if you like, in terms of developing those local wellbeing plans. However, the intention, as we understand it from the environment White Paper earlier this year, and hence likely to find expression in the environment Bill, is a commitment to area-based natural resource management plans or statements—I am not quite sure what the correct description should be. We potentially have a situation in which we are having environmental resource management statements by area, and we are having PSBs responsible for creating and delivering local wellbeing plans by area. There is a question as to the boundaries of these respective areas, because PSBs, as they are constituted, are likely to be defined by local authorities, whereas areas from an environmental perspective may, for example, be river catchment areas, rather than local authority boundaries.

[296] Then there is the whole question of local development plans, for which local authorities are ultimately responsible. So, you have three potential sets of plans there. Quite apart from concern about how they are all going to be integrated and who is going to be responsible for the integration and the delivery, from an RSPB point of view, there is the issue of how the environmental interest is best going to be promoted and defended in this way. We see a risk of muddle here. There is an important necessity, therefore, to clarify and sort this matter out. Of course, we suffer from not having the environment Bill as a basis for

which to see how Government may be thinking from that point of view. So, our concern here is muddle, potentially, and the other issue is the membership of the PSBs, which we regard as totally inadequate in terms of representing environmental interests and, potentially, social and economic interests in ensuring that the PSBs have the knowledge and understanding to be able to develop a proper local wellbeing plan, which will represent both the interests of the environment—that is to be delivered by the NRW—and the social and economic issues.

[297] **Joyce Watson:** How do you think that that could be addressed? You are talking about membership on PSBs and you say that there is only one body, NRW, as you see it, representing your views, or the views that you would like to be represented. How do you think it can be changed in accordance with what we are discussing, which is the Bill?

[298] **Mr Jones:** In terms of the membership of the boards, clearly there needs to be a broader representation not only of the environment, but potentially of other interests too to ensure that, regarding the work that the PSBs are entrusted with, they have the capacity and the knowledge to enable them to do that. In terms of the muddle issue, quite clearly, there needs to be some clarification as to which body and which plan, at the end of the day, will prevail. Some of us will recall the Wales spatial plan and all the muddle and confusion that that led to in disappearing into a managerial black hole, quite frankly. I am not sure whether I have the answer to what the management structure should be, but there clearly needs to be an area-based management structure that will integrate both environmental and social economic issues, but in a way that ensures that the environmental voice is given a strong and proper representation. That might be the proposed public service boards, or it may be something else.

[299] **Alun Ffred Jones:** Jeff Cuthbert is on this point, and then William Powell.

[300] **Jeff Cuthbert:** It is good to see you again; I remember earlier discussions but in a different capacity. I do not think that we have discussed the issue of public service boards before, so I am intrigued at this discussion. My understanding is that the public service boards will be able to co-opt appropriate individuals and expertise to assist them in order to achieve or to work towards the goals. I would certainly hope that there would be no attempt to sideline any one of the three key principles of the economy, the community or the environment. So, are you arguing, in effect, that you would want to see, either on the face of the Bill or clearly in guidance, some specific reference to expertise regarding environmental matters? Do you feel that that would strengthen the Bill?

[301] **Mr Jones:** I think the simple answer to your question is ‘yes’, Jeff. What we are looking to—

[302] **Alun Ffred Jones:** We will take that as a ‘yes’.

[303] **Mr Jones:** Okay.

[304] **Alun Ffred Jones:** Any further questions, Jeff?

[305] **Jeff Cuthbert:** You make a particular point about elected representatives and that there is only indirect accountability back to elected representatives. I know that there are more discussions on that matter, but what are your particular concerns regarding elected representatives as opposed to expertise? I am not saying that elected representatives do not have expertise—heaven forbid—but where is the balance there then?

[306] **Mr Jones:** There is a potential risk in relation to democratic accountability, I think, in terms of the PSB structure, with this very limited linkage back to the likely local authorities that are being represented through the proposed PSB. Also, we have to wait to see what happens with the implementation of the Williams report perhaps leading to a reduction in the

number of local authorities. In fact, to make this system work, I suspect that that will have to happen, because otherwise you are going to have 22 PSBs, or whatever it is, across Wales and poor old NRW trying to represent itself on each of those. It is unlikely to be very workable.

[307] However, I think that we somehow have to ensure that elected bodies—local authorities in this particular instance—do have a proper input. I am not an expert on this and I am not going to suggest a solution now, but I do feel that some further thought needs to be given, and perhaps expressed through the Bill, as to how the local authority representation is best going to be voiced and delivered in relation to these largely unelected PSBs that seem to be given enormous authority, potentially, in terms of local responsibility, but without the accountability back to the people who, ultimately, live in those areas and that have their own democratically elected councils. We have seen the diminution of council power; this seems to me yet a further attempt to diminish council authority.

[308] **Alun Ffred Jones:** William Powell is next and then Antoinette.

[309] **William Powell:** Diolch, Gadeirydd. Peter, you have just developed the point that was particularly exercising me in relation to the potential for a democratic deficit here. Do you think that there is any case to be made for certain of the bodies to have a consultative role within the PSBs, but not necessarily for voting powers because of that very issue that you have identified?

[310] **Mr Jones:** That is an interesting point, Chair. I must confess, I had not really thought about that in the way that you are proposing. I notice from the Bill that there is a proposal that local authority scrutiny committees will be given responsibility for looking at what the PSBs are proposing, but it is not clear to me what that would actually mean in practice in terms of who will prevail at the end of the day, as between the local authority and the PSB. What you are saying, William, is an interesting point. It is difficult to quite imagine how these PSBs will work as voting bodies as opposed to talking and deciding bodies, and whether some people should have votes and some should not. I could not comment at this stage.

[311] **William Powell:** I have one other issue, Chair, if I may. It would be very helpful to have the input, maybe, of some other members of the coalition here with regard to that matter. The RSPB has obviously developed the point around the PSBs considerably, but are there any other perspectives that colleagues have on this matter?

[312] **Ms Meikle:** I am going to confess that I do not. Certainly, in terms of—. We are slightly concerned about the availability of expertise, but, certainly in the context of the third sector alliance, there are other members of the alliance, from whom you will hear in a week or so, who have been much more concerned about those structures, et cetera, and I am afraid that it is not an area on which I think I have expertise to comment.

[313] **Ms Elgar:** I would only make a non-specific comment, which is that good governance and public participation are key principles of sustainable development, so anything that drew us away from those principles in the operating of sustainable development in this Bill would be worrying.

[314] **Mr Byrne:** I would just echo all of the comments that panel members have made, especially Peter's comments. As a member of WEL, I can say that most of the organisations in WEL will totally agree with the RSPB's comments.

[315] **William Powell:** One thing that local service boards have singularly failed to do is engage with the public they represent and seek to serve. Do you have any particular propositions as to how PSBs could learn from that relative failure and actually be more meaningful in engaging the public in the local areas they serve?

[316] **Mr Jones:** You are absolutely right, and there is certainly an issue of public awareness first of all about local service boards with the present arrangements and what they are, what they are doing, who sits on them and with what consequence in terms of local planning and decision making. There is a complete absence of understanding. Whose fault that is, I do not know, but clearly one lesson that has to be learned is that, if public services boards are going to operate in something like the way suggested in this Bill, they need to have a much higher profile and be seen to have a much higher profile, if that is not a contradiction, than the previous local service boards have had. How you engage the public with them is precisely my point. The public engages through local authorities. It engages through its elected representatives in local authorities. It is very difficult to see how they are going to engage with good people, however good they are, on the public services boards. So, some kind of public accountability and visibility will have to be put in place to ensure that what the PSBs are doing or planning to do in relation to wellbeing plans engages with the public. There would certainly have to be a consultation process put in place, which I do not see any reference to in the Bill at the moment.

[317] **Alun Ffred Jones:** But if the public—. I have engaged in this sort of exercise with the local service boards myself. If the public tells you something that is contrary to sustainable development principles, what do you do?

[318] **Mr Jones:** Well, it is the responsibility of the PSB to act in accordance with the legislation and the principles and objectives of the legislation and local wellbeing plans have to be SD.

[319] **Alun Ffred Jones:** We do not take any notice of the public then.

[320] **Mr Jones:** Well, the public, of course, is anybody and everybody—the odd voice here and there. The point is to give people the opportunity to express a view. At the end of the day, the PSB is the responsible body that will have to decide what it decides to act on and what it decides not to act on. That is always the case in a democracy.

[321] **Antoinette Sandbach:** It seems to me that there is effectively a second layer of bureaucracy going in between—. There is just a whole new layer of bureaucracy that is being created by this Bill, which has very little opportunity, actually, for public engagement, given how prescriptive the Bill is in relation to who is going to sit on the boards. The only way you are going to get this change of behaviour is for the public to buy into sustainable development.

[322] **Mr Jones:** Yes, agreed.

[323] **Ms Elgar:** I think that the Government is to be congratulated on the pilot national conversation that it undertook in the spring and summer. Hopefully, lessons can be learned about how that was rolled out and that expanded under this Bill. I think that that is the key component. The lessons we saw from the interim report were very interesting, particularly in our case around the importance of climate change for future generations, of course. There are still events ongoing. The Women's Institute had an event in Swansea yesterday as part of 'The Wales We Want'. We hope that that process will continue and expand—

[324] **Antoinette Sandbach:** I am sorry to interrupt you but if, as a member of the public, you cannot challenge or change representation on the public services board and your public services board is delivering something that perhaps huge parts of your community do not agree with, how then do you—. We have seen it in a negative context with the way that technical advice note 8 has been implemented in mid Wales and the impact that that has had on the approach to wind power. You could potentially put back the cause of sustainable

development by 20 years if you get it wrong.

[325] **Ms Elgar:** I am afraid, as I have said, that I have not looked at the public services boards section of the Bill in enough detail to answer on that. There might be a role for the commissioner to take that sort of complaint up.

[326] **Alun Ffred Jones:** We are coming to the end of the session and I would like you all to have an opportunity, perhaps, to suggest what you think your priorities would be in terms of the Bill or changing the Bill. However, if you want to make any other comments, you are welcome to do so. Anne, do you want to kick off?

11:45

[327] **Ms Meikle:** I wanted to go back to the principles, in a way, of decision making or governance that this Bill is trying to achieve. Certainly, it was quite a feature of the White Paper. We would absolutely agree, having done sustainable development exercises in terms of conservation planning and land use all around the world, that a key principle is community engagement in developing those plans. So, I think that the only thing you could perhaps do with that structure is to strengthen those requirements on community engagement in the process that is being undertaken to produce those plans. That would be my best guess, having tried to do that as well in a national park in Wales, which was interesting.

[328] **Alun Ffred Jones:** Right, are there any final comments?

[329] **Mr Byrne:** I would say that, in sustainable development decisions by public bodies et cetera, sustainable development should be the prism that all decisions are made through, including those of procurement and budgets. We would like to see the wording of the Bill strengthened to achieve outcomes rather than just seek outcomes and for the commissioner to have more of an independent role from Government and have a bit more teeth in being able to help guide the role of public authorities in Wales towards a more sustainable future.

[330] **Ms Elgar:** To finish on a positive, I guess, we, as organisations and as the sustainable development alliance, have been working on this sustainable development legislation for perhaps three years now and we really want to see it return to the groundbreaking, world-leading piece of legislation that we all hope it can be. So, we do remain positive. We want to work with committee members over the next six months to try to get it to be the Bill that is effective, clear and that will drive change and make a difference and lead us towards a sustainable Wales.

[331] **Alun Ffred Jones:** To achieve that, what changes need to be made?

[332] **Ms Elgar:** They are numerous. That is to say that the architecture of the Bill is complex at the moment, so we believe that there needs to be a clear and strong definition relating to climate change and international duties, a substantive duty placed on public bodies to achieve sustainable development, and for there to be measuring or targets in the Bill so that we are clear where we are going in terms of outcomes, and a strong independent commissioner—in a nutshell.

[333] **Mr Jones:** From an RSPB perspective, we are concerned that this Bill sets the context for what we are expecting in the forthcoming environment Bill next year. So, to reiterate, we would want stronger wording for ‘A resilient Wales’, along the lines suggested in our written evidence and clarification, as we have just been discussing, about the role of public services boards to ensure a proper role for the environment at that level and a proper understanding of how environmental planning is going to be delivered.

[334] There is one further thing that I want to add, which I do not think we have discussed at all this morning, which is the power of Ministers in the Bill to amend the Bill by regulation. As you will have seen from our evidence, we are particularly concerned that, as the Bill stands, it would be possible for Ministers to amend, change, eliminate or add to any one of the six wellbeing goals. We think that, if the Bill means anything, it must mean that the six wellbeing goals taken together represent an SD duty. We think, therefore, that it is very important that any proposal to amend any one of those goals must be through procedure that is at least akin to what you might call primary legislative procedure—the superaffirmative procedure, or whatever it is. We do not want a situation in which a Government Minister can come along in 12 months' time and simply strike out a goal and that the role of the Assembly would be minimal in terms of influencing that.

[335] **Alun Ffred Jones:** Anne, do you have anything to add?

[336] **Ms Meikle:** I am with Haf on this one. We really welcome the Bill and its ambition. We really want to help to amend it, to build on it. It has several—I do not think we have said this—innovative aspects. We did have an overview of it to look at how groundbreaking it is, and there are several bits of it that are pretty innovative and pretty groundbreaking, and, with a bit of amendment, we think that we could make it a much more effective Bill. We have already covered most of the key areas, but I would just go back to the international impacts, because I think that, somewhere, I have seen people suggesting that we do not have competence to do that. I would very strongly challenge the suggestion that the Assembly does not have competence over international impacts, and am happy to provide further information if that is helpful.

[337] **Alun Ffred Jones:** Diolch yn fawr **Alun Ffred Jones:** Thank you very much for iawn i chi am ddod i mewn y bore yma ac am joining us this morning and for giving us gyflwyno'ch tystiolaeth. your evidence.

[338] We will take a short break now. The sooner that we are back, then the sooner that we will finish today.

*Gohiriwyd y cyfarfod rhwng 11:50 ac 11:59.
The meeting adjourned between 11:50 and 11:59.*

Bil Llesiant Cenedlaethau'r Dyfodol (Cymru)—Cyfnod 1: Sesiwn Dystiolaeth 8 The Well-being of Future Generations (Wales) Bill—Stage 1: Evidence Session 8

[339] **Alun Ffred Jones:** May I welcome you to this session? We are taking evidence from the Office for National Statistics. We have your briefing papers. Perhaps you could introduce yourselves to us and note your positions.

[340] **Mr Everett:** I am Glenn Everett, director of the measuring national wellbeing programme at the Office for National Statistics.

[341] **Ms Self:** I am Abbie Self, assistant director of the measuring national wellbeing programme at the ONS.

[342] **Alun Ffred Jones:** Thank you very much. I will turn to Joyce Watson to start the questioning.

[343] **Joyce Watson:** Could you further clarify your statement that there is a need to be careful when using the term 'wellbeing'?

12:00

[344] **Mr Everett:** Certainly. Wellbeing is used extensively in many areas, and my view, as expressed, is very much that the prefix or adjective that goes with it is the important part. For example, we measure national wellbeing. It is our aim to give an overall impact of the progress of the whole of the UK. We also measure personal wellbeing, which is an assessment of people's individual wellbeing. Other assessments of wellbeing are things like community wellbeing, physical wellbeing, mental wellbeing—these types of expressions. Throughout the Bill, it seemed at times that it was moving between different areas of wellbeing. It is just one of those terms that are used extensively, and I think that it needs clarity at times.

[345] **Joyce Watson:** You also go on to say that

[346] 'the dimensions of sustainability and equity need to be further developed'.

[347] **Mr Everett:** Yes. What we have done is quite ground-breaking work, internationally as well. We have tried to measure the whole of the national wellbeing, which builds on international developments that gross domestic product was not enough just to measure progress. What we have done is to develop a framework where you could measure this. It is quite reassuring that the Bill picks up on the three main pillars of the environment, the economy and social. We further developed that to take in 10 domains, which include things like health, what we do, personal relationships, income, but also, contextually, what we live in, basically, with governance, environment and the economy.

[348] Cutting across all those are two dimensions, or further dimensions, of equality—or equity or inequality—and sustainability. The actual indicators may not be the same if you are trying to measure the sustainability of health, the economy or the environment to what we describe as the headline measure of today. There is a fair amount of academic research or approaches to this as to how you can actually measure a today-and-tomorrow-type of approach. So, not necessarily having the same indicators may tell you more.

[349] We are running a long-term development programme to develop these further, and it will take time. We have only recently, as of July this year, taken over from the Department for Environment, Food and Rural Affairs the publishing of the sustainable development indicators. What we want to do with those is to incorporate them in the overall measurement of national wellbeing, so it will be a further dimension of national wellbeing, perhaps using the same set of 10 domains.

[350] **Alun Ffred Jones:** How much interaction has there been between your office and the Government in Wales on the development of this Bill? Has there been any?

[351] **Mr Everett:** Very little at the moment. I have only come into this fairly recently, but I am planning to meet this week with the head of the statistics division, Glyn Jones, to start talking through the measurability-type issues associated with this Bill.

[352] **Antoinette Sandbach:** In terms of the likely time and resources required to effectively develop indicators for the measurability, as you put it, what resources and length of time do you anticipate that that will take?

[353] **Mr Everett:** How long is a piece of string? Sorry, that is a slightly flippant response. If I go back a little bit, we were spending about £2 million a year to start with on developing some of this, which includes quite a wide series of measures. We have published environmental accounts, we have developed measures of natural capital and economic wellbeing and we have published a suite of figures. We have also developed new survey questions to assess personal wellbeing. That is now reducing to about £1.5 million a year to

run a whole division and to run a suite of outputs throughout the year. We use about 20 sources of already published information to bring that together. So, for the Bill, it will depend on which goals and targets will be chosen to go into indicators or measures, whether they are already available so that it is just a matter of compiling them, or whether they are important enough to start a new collection, which could have significant costs. So, it will depend on the choice of targets in the end.

[354] **Antoinette Sandbach:** Do the measures that you are measuring and developing at the moment have status of national statistics?

[355] **Mr Everett:** I was going to say that every one of them has. We have only recently got national statistics status for the personal wellbeing questions, which are the four questions about life satisfaction: how worthwhile your life is, happiness, anxiety and yesterday. It took about three years of developing those to get them to a point where we could approach the UK Statistics Authority to get them assessed as a national statistic.

[356] **Antoinette Sandbach:** What is the advantage of having—. If we are going to have indicators—I think that the Government is talking about having indicators—what is the advantage of having them as indicators that achieve national statistics status?

[357] **Mr Everett:** The advantage, as I see it, is the independence of the UK Statistics Authority, which stamps them as a robust set of indicators. I will just read this quickly. It can mean that

[358] ‘the statistics meet identified user needs; are well explained and readily accessible; are produced according to sound methods; and are managed impartially and objectively in the public interest’.

[359] **Antoinette Sandbach:** So, in other words, if it does not have national statistics status, it may not be worth the paper that it is written on.

[360] **Mr Everett:** Possibly.

[361] **Llyr Gruffydd:** Sticking with the indicators, there is a requirement within the proposed legislation that the national indicator can be expressed as a value characteristic that can be measured quantitatively and qualitatively. Is that qualitative element more problematic?

[362] **Mr Everett:** The approach that we have taken on measuring national wellbeing is to use a mixture particularly of subjective and objective, qualitative and quantitative. I think that it is important often to get both. I would support using both, particularly for an understanding of what is going on. The example that I often quote is what is happening in crime. You can have an objective measure of crime—a crime rate, for example—and a subjective assessment of people’s view of crime in the area: fear of crime, fear of going out at night and that sort of thing. Recently, we had the two moving in different directions: the crime rate was falling but people’s fear of crime was going up. So, the message there could be for policy makers to think, ‘Well, actually, we might be getting the policy right, but we might not be getting the message right’, so it might be a communication issue. That can happen throughout some of these assessments.

[363] **Llyr Gruffydd:** So, where would we as an Assembly stand in terms of holding Ministers or public bodies to account on the qualitative stuff? Is there more wriggle room?

[364] **Mr Everett:** It depends again on the robustness of the numbers at times. We are still developing our measures of subjective wellbeing—the personal wellbeing. Again, we have

only just recently published the third year of data and it will take longer for us to fully understand the assessment and the movements in them. It can be that people's perspective changes over time. So, when you say 'wriggle room', I am not sure if it is just wriggle room. There is a clarity that may need to be understood about what the numbers say and the range, sometimes, of uncertainty around some of their estimates. That can be on the objective side as well.

[365] **Jeff Cuthbert:** First of all, on the use of indicators, clearly, the Bill refers to indicators being the main measures as to whether or not we are working towards the achievement of the goals, and those indicators will need to be robust, relevant and timely, hence the need for a 'future trends' report on a fairly regular basis to see how we are getting on and what more has to be done. So, in terms of the relevance of the 'future trends' report, do you have any views on how that might be constructed? Of course, we have sustainable development indicators now that play a role; they obviously have to be reviewed to make sure that they are up to date and as all-embracing as we want them to be. However, in terms of your work, how easy—for want of a better phrase—is it for you to make sure that we have indicators that can be applied to the situation in Wales within the competency of the Welsh Government?

[366] **Mr Everett:** First, could I go back to the indicators themselves and the links to the goals? Basically, my view is that you have the aspirational goals—you have six goals—which could lead to a set of targets related to those goals. I think that previous attendees were ranging that. Then you need to describe what indicators or measures you want to reflect those targets. So, it is only when you come to that—where you decide what level of robustness and quality and timeliness that you need the indicator to be, and what level you need to disaggregate it at—that you can decide whether it is currently available or whether it needs to be developed. The further you disaggregate it, the less reliable it may become. So, it will depend on the fitness for purpose of what the indicator should be and how it should be described. I am not sure that I have answered your question fully.

[367] **Jeff Cuthbert:** I will have to think about that. [*Laughter.*] Yes, in part, at least. However, I asked you about the competency of the Welsh Government. There are issues about international impacts as well, many of which we may not be able to control, although we are part of the international picture—of course we are. However, how well can we be assured that the indicators that we have are things that the Welsh Government can contribute to or apply?

[368] **Mr Everett:** This issue has come up even with the UN-led discussions on the sustainable development goals. Some of them are global, so how does that relate to an individual country? It is the same thing for Wales, as I see it. So, being able to see what you can control for versus what is a wider measure, not just in the UK, but for Europe and the northern hemisphere, almost, is one of those areas that will have to be considered when you look at the specific targets. So, you come back to the SMART principle—that it is relevant, available, timely and robust. It is those sorts of things. Climate change might be one that keeps on coming up. How much influence can Wales have on climate change? It could have some, so you would set the goal or target appropriately: that Wales could have an influence on and could have control for certain things.

[369] **Mick Antoniw:** I would like to approach the issue of indicators from a slightly different angle. We had evidence from the Minister earlier in the session, who said that there is a standard set of some 40 indicators and so on that are applied. I am not familiar with what any of these indicators are. Are they something that you are familiar with, in terms of which indicators are used at the moment for these things?

[370] **Mr Everett:** At the moment, we publish a set of sustainable development indicators.

There tend to be 12 headline measures and a further 30-something supplementary measures, to try to get a feel for all of that. We are going to review all of those, particularly how they relate to the sustainable development goals. These were developed by DEFRA over the years. Whether they are still relevant and whether they could be applied to Wales for this Bill is something that should be considered.

[371] **Mick Antoniw:** Of course, you can say that one indicator will be, whatever the measure used, that you want to create more jobs and reduce unemployment. The value of that may well be the quality of those jobs and how happy people are, because you may be creating rubbish jobs, so you are achieving with one hand but you are not progressing in terms of wellbeing or whatever on the other. In terms of this Bill and the goals that are set, is it the case that what we need to be considering in some detail is an almost tailor-made set of indicators that tie in with the goals and what we want to achieve? My concern with this legislation all along has been what the outcomes that we want to achieve are, and how we measure the progress of those. Regarding generalised indicators, without knowing what they are, it is very difficult for me to evaluate them.

[372] **Mr Everett:** My initial comment would be, yes, you should tailor it for what suits Wales and work with relevant statisticians and analysts to develop those at an early stage. One thing that often happens is that the measurability comes right at the end of a process, and you have developed what you really want to do without thinking whether it is measurable and what indicators you can, cannot or need to develop, because that is important. Again, I go back to the goals. The high-level goals are quite ambitious but difficult to measure, whether they are things like a healthy Wales or a prosperous Wales.

12:15

[373] Regarding the interdependencies of a lot of these, it is a complex multidimensional-type picture. The clarity you should look for surrounds the targets that you put alongside those goals, whether they are specific things, whether they relate to the economy, the labour market, GVA, GDP growth, or whether it is something in the environment such as measures of greenhouse gasses or protected lands—or whatever the measures are. It is similar with the social goals—whether you want an objective measure or a healthy measure that you could actually apply. The clarity would be in what those targets would be—whether there are certain tipping points or limits that you would want put on some of these. I am thinking in particular about some of the environmental issues. If those targets were there, then you can get a set of initial indicators towards those targets so you can monitor them over time. You may have certain time-bound targets—whether it is 2020, 2030, I do not know—but then you could look at the indicators and measures to see how you progress and that could be part of it. That is why I think that a tailored set would probably work best in relation to this Bill.

[374] **Mick Antoniw:** So, I think that what you are suggesting is that it is a fundamental part in terms of the Bill actually achieving some of the objectives as set out in the explanatory memorandum. What is your view on the goals themselves? They are very generalised goals. In terms of applying indicators to them, do you think that the goals need to have greater precision?

[375] **Mr Everett:** My view is that the goals as they stand are fine. They tend to be quite ambitious and high level. I think that the clarity is needed below that. The next level down would be what targets should be put against things like a prosperous Wales, a healthy Wales, sustainable Wales and these types of things. I have been doing some work related to the sustainable development goals, where, originally, there was a high-level panel report, which had only 12 goals internationally with 54 targets. As that progressed and was worked through, there was an open working group that reported in July this year that morphed those 12 goals and 54 targets into 17 goals and 169 targets. Everyone then said that that is impossible. Yes,

you can measure them and report on them, but they become almost too big to socialise and understand. So, there is the next phase in the synthesis report that we are expecting from the Secretary General, and whether he brings it back down to some sort of compelling story along the lines—. You can tell the story with those six goals, and that is what you want as a high-level aim for Wales. However, for me, it will not be the goals but the targets underneath that, which may change over time and through time. They may be originally set for 2017, 2020 or 2030, but those targets may change because you meet certain targets, and you may have new targets, and then you will have the indicators and measures to monitor those targets.

[376] **Mick Antoniw:** So, there is an absolute synergy between the two—in that one is pretty well meaningless without the other.

[377] **Mr Everett:** My view is that you have your ambitious goals, and they are supported very much by the SMART-type targets, and they are then monitored with the relevant indicators and measures.

[378] **Alun Ffred Jones:** Are you suggesting that targets should be in the Bill?

[379] **Mr Everett:** I am not an expert in that area at all. The clarity I would be looking for is of those targets, but they may need to change more often than the goals would. That is why I am not sure, technically, whether they should be in the Bill or not. It is not my area.

[380] **Llyr Gruffydd:** The other complexity, of course, around setting targets is that if you are looking to measure the performance against sustainable development principles, it is not exclusively within the gift of the public bodies that would be beholden to this legislation to deliver those. There are other external factors that can mean that they either do or do not meet those targets. How do you take account of that?

[381] **Mr Everett:** I mentioned before the complexity and multidimensionality of this. Even with your high-level goals, as individual goals, they also relate to each other. How you get a prosperous Wales may affect the sustainability, and part of the labour market may affect the health and vice versa. It is quite a complex system. We are trying to describe that in such a way as to simplify it. You are suggesting that if it is for a local authority, for example, it could have a specific measure that would be influenced by surrounding local authorities, or on a much wider international basis. It is very hard to separate all of that. You can have a target or an indicator, but it is almost the way that it is reported that might need further detail. Often, it is not just a number; you need the understanding of that number, so it is the description of how that or other factors might affect it.

[382] **Llyr Gruffydd:** Is there a simpler way of doing it then?

[383] **Mr Everett:** No. *[Laughter.]* Not that I know of, sorry.

[384] **Alun Ffred Jones:** William Powell is next.

[385] **William Powell:** Diolch, Gadeirydd. You stress again, as you did in your written evidence, the importance of indicators not being an afterthought and being critical to the success of this legislation. Could you give us an idea of the timescale for developing those targets and how demanding it would be in terms of resources and finance to develop a set of indicators that are robust and meaningful?

[386] **Mr Everett:** It is difficult to say how much resource or time that it would take. As a starting point, what we have already done, or are doing, with the sustainable development goals—and that was one of my suggestions—is seeing how this legislation fits or wedges with what is going on internationally and what could be learned from that. We have given

comments to the central Government on some of the indicators that are being suggested. I said that there were 169 targets and many of those are immeasurable. Some of them are quite obviously of the tick-box type and it is a 'yes' or 'no' answer, and whether you have certain things such as birth registers or death registers, which are relevant to some developing countries, but less so to the more developed countries. In relation to those, and in trying to whittle them down into a meaningful set of targets, the current timetable will probably take a couple of years.

[387] The work from the high-level panel started throughout 2013 and reported in late 2013. The open working group has been doing work this year and it will go through to this and, eventually, it will be September next year before the general assembly will agree them. So, it is a couple of years of just working through this. However, that is on an international stage with however many countries from the United Nations debating and negotiating what they want in and what they want out.

[388] We have been developing our measures of national wellbeing over the last three years or so, and there is still more work to do. I stress that the work on equality and sustainability will still take another couple of years before I think we can get a set of fairly meaningful, easy-to-understand indicators to report on. I can give you some numbers. As a rule of thumb, to ask, for example, four additional questions on the personal wellbeing work that we are doing, it costs us around £200,000 a year. Although, that is a big survey and it would not be as big if you were doing Wales—that is a UK survey of 160,000 people. You could do that and it would depend on fitness for purpose and what level you would want to survey that and the cost would come down or up. It depends which way you want to go and on the level of disaggregation, for example.

[389] **William Powell:** Sure. Are there any specific amendments that we could bring forward that would make the indicators less exposed to potential manipulation by the Government receiving them?

[390] **Mr Everett:** Part of what we mentioned before in relation to the national statistics is conducted under a national statistics code of practice, to which Abbie and I will be signed up. We are part of the Government's statistical service, as well as the statisticians working in the Welsh Government. We work under the same thing. So, as an independent body, the Office for National Statistics is independent of Ministers, we report straight to Parliament and we are seen as an independent publisher of indicators, and our best hope is that the numbers themselves are not debated, but that the results are debated. One of them would be to have national statistic status and one could be to ensure that they are published under an independent code.

[391] **Alun Ffred Jones:** Right, time is running out. Jenny Rathbone and Antoinette are next.

[392] **Jenny Rathbone:** Very quickly, I have some anxiety about the clause that allows Welsh Ministers to review and revise national indicators. How do you prevent a Minister from changing the national indicators because she or he does not like the outcome of 'failure to achieve' that might be evident by an indicator?

[393] **Mr Everett:** My understanding is that Ministers could change the goals. If there was an independent body reporting progress towards those goals, for example if it published a set of indicators, as we currently do, it would be removed from ministerial interference to publish those. So, if that would protect the indicators, we could have a regular publication of those, whether they are in an annual report or something similar, and it would be removed from ministerial interference if they were published under the national statistics code of practice.

[394] **Jenny Rathbone:** The Ministers may revise the national indicators, so even if you go on publishing them, they are not any longer the national indicators.

[395] **Antoinette Sandbach:** At least there would be a national indicator.

[396] **Jenny Rathbone:** I am strongly of the view, which I think Jeff Cuthbert was expressing, that we need to have things that the Welsh Government can actually influence, rather than indicators that we have no control over. The importance of the baseline is that you know how far you have gone, or travelled, since you decided to set this objective. So, if you are constantly changing the indicators, you never really get to find out how well you are doing. We know from the current indicators, set from 2003, that, in some things, we are doing okay and in others, we either do not know or we are not doing very well at all.

[397] **Mr Everett:** I cannot control everything. All I can say is that, if we had a regular publication of a set of indicators, we could maintain that. However, part of our role, I think, as an office, is to provide the service for decision makers as well as, for the general public, for example, to hold Government to account, so it is a bit of a two-edged sword that we would have. For example—and this is just off the top of my head—what we may do in that circumstance, if there were new indicators introduced, is probably to report on those but also to maintain the old indicators as a constant benchmark and a timeline. So, if we had, let us call it, a sustainable development for Wales report, we could have the current newly introduced indicators, and there could be a time series that we could make available, so that people could actually see what has changed from this to that. However, we could still report it if there was demand for it.

[398] **Antoinette Sandbach:** So, it could be possible for the future generations commissioner to, effectively, insist that all statistics were national statistics or, for example, to ask the Office for National Statistics to report against indicators that the Minister has changed.

[399] **Mr Everett:** It is possible.

[400] **Alun Ffred Jones:** Thank you very much for coming in. I will just ask you a final question. Do you think that the Bill as it is presently constituted will make a difference?

[401] **Mr Everett:** Thanks. I am not in America so I cannot plead the fifth amendment. [*Laughter.*] The answer is, basically, ‘yes’, but I think it does need some refinement. What I would seek is some more clarity about the definitions of wellbeing, for example, to actually make that difference, and to promote some sort of care about the level of disaggregation that may be needed, according to my reading of the Bill or proposed Bill, regarding the information available. My comment would be that, even if the data are not currently available, that does not mean that they are not important, and so it may be worth considering, where it is important and where you do not have a measure, that that may need development—and that is not just to ignore it.

[402] **Alun Ffred Jones:** Thank you very much, both of you, for coming in.

[403] **Mr Everett:** I am sorry if I spoke too much.

[404] **Alun Ffred Jones:** Not at all. It has been very useful for us, anyway, in our deliberations. Diolch yn fawr iawn. Thank you. That concludes the committee meeting for today.

*Daeth y cyfarfod i ben am 12:29.
The meeting ended at 12:29.*

