



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Craffu ar Waith y Prif Weinidog](#)

[The Committee for the Scrutiny of the First
Minister](#)

26/02/2016

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

The 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

Jeff Cuthbert Bywgraffiad Biography	Llafur (yn dirprwyo ar ran Ann Jones) Labour (substitute for Ann Jones)
William Graham Bywgraffiad Biography	Ceidwadwyr Cymreig (yn dirprwyo ar ran Paul Davies) Welsh Conservatives (substitute for Paul Davies)
David Melding Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Eluned Parrott Bywgraffiad Biography	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Owen Evans	Dirprwy Ysgrifennydd Parhaol, Llywodraeth Cymru Deputy Permanent Secretary, Welsh Government
Carwyn Jones Bywgraffiad Biography	Aelod Cynulliad, Llafur (Prif Weinidog Cymru) Assembly Member, Labour (The First Minister of Wales)
James Price	Dirprwy Ysgrifennydd Parhaol, Llywodraeth Cymru Deputy Permanent Secretary, Welsh Government

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

Stephen George	Clerc Clerk
Joanest Varney-Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Kathryn Thomas	Dirprwy Glerc Deputy Clerk

Graham Winter

Y Gwasanaeth Ymchwil
Research Service

*Dechreuodd y cyfarfod am 11:16.
The meeting began 11:16.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

David Melding: Good morning, everyone, and welcome to this meeting of the Committee for the Scrutiny of the First Minister. Can I just make some housekeeping announcements? These proceedings will be conducted in Welsh and English, and, when Welsh spoken, there's a translation on channel 1. Channel 0 will broadcast our proceedings. Please switch off mobile phones or other electronic devices or put them onto 'silent'. We don't expect a routine fire alarm. So, if we hear the bell, please follow the instructions of the ushers.

Sesiwn Graffu ar Waith y Gweinidog—Adolygiad o Bynciau y Craffwyd Arnynt mewn Cyfarfodydd Blaenorol Ministerial Scrutiny Session—Review of Topics Scrutinised in Previous Meetings

David Melding: It's a great pleasure to welcome the First Minister here this morning for the last meeting of this committee. We are very grateful for your attendance, First Minister, and we now want to go over some of the issues we've raised with you in the course of the fourth Assembly. Before we start, do you want to introduce your officials?

The First Minister: Yes, I have with me the two Deputy Permanent Secretaries—James Price on my right and Owen Evans on my left.

David Melding: I should say that we have apologies from Paul Davies, Ann Jones and Jocelyn Davies. I'm very pleased to welcome William Graham and Jeff Cuthbert as today's substitutes.

I'd like to start, First Minister, with some questions about the legislative programme. I'm going to truncate this somewhat because you had a long session before the Constitutional and Legislative Affairs Committee on Monday and I don't particularly want to go over that ground. But I'd like to

start with one very interesting question, which I don't think was much discussed on Monday and that's how you think the Government has performed in the participation of the wider community in feeding ideas into the consultation processes there were for the preparation of the legislative programme and then as it was conducted through the Assembly and whether there is best practice that you want to continue or any shortcomings you want to address in that respect.

The First Minister: I think that the process of engagement has worked well. We've seen that in the sense that legislation has been welcomed by many organisations who work in particular sectors. If I had to give one example where working with those outside of Government was particularly important, it would be the human transplantation Act. It was hugely important to work with the medical profession. It was hugely important to work with charities and organisations who deal with people who are waiting for organ transplants. So, from our perspective, it's invaluable that we are able to engage with outside organisations, not just at the genesis of a particular policy that leads to legislation being taken forward, but at all stages of the legislative process.

David Melding: In terms of other Bills, would you say that others have matched that level of participation or has it been more challenging, perhaps?

The First Minister: No, I think there's been a consistent approach. I think we have engaged with the public and with third sector organisations and with the private sector. We have no reason to suspect, when it comes to any of our Bills that became Acts, that there was a lack of consultation or that organisations felt that they weren't able to have their say in seeking to influence policy as legislation was developed.

David Melding: Another challenge, I suppose, as a legislature in the fourth Assembly, having full primary law-making powers for the first time—and this is faced by Parliament and it's faced in Scotland and Northern Ireland—is the whole balance in modern life that you can have in legislation of what's on the face of the Bill and what's in secondary regulations. How do you think you have performed in terms of where a substantial amount has been left to secondary legislation—that the policy intention is clearly indicated at a time when the primary legislation is receiving its full legislative scrutiny? Because that's obviously in the public interest and something, I think, that adds to the strength of the scrutiny process.

The First Minister: Well, I would argue that the balance has been correct, of course. From our point of view, the approach that we take is: what needs to be placed upon the face of a Bill so that it's there for many years, potentially, and what needs to be approached in a more flexible way? So, for example, eligibility criteria in certain pieces of legislation. That is bound to change. Sometimes, that change is affected by changes at UK level, but that flexibility is needed in certain areas, and that's where secondary legislation, of course, becomes more important. We try and place as much as we can on the face of a Bill. That's important to ensure that the policy intention is as clear as possible; but nevertheless, there will be areas where flexibility is crucial.

David Melding: Just to take the social care Act, then, this question of balance is an important one; but then, if you are using secondary legislation for important things like eligibility criteria, giving a clear policy direction at the point of the legislative scrutiny is important, I think. How do you think you've performed in that Bill, or how did you perform with that Bill and others, where secondary legislation was going to deliver a lot of the policy intent?

The First Minister: I would argue that we've got the balance right. Others would have a different view. I understand that. This is not an exact science. It's important, when a Bill is presented to the Assembly, that, when it comes to what is proposed to be in secondary legislation, there's an indication of the Government's thinking in terms of the approach it would take to drafting the secondary legislation without, of course, at that point, being able to express what the detail will be.

David Melding: Just for the record, on Monday, in the Constitutional and Legislative Affairs Committee, there was a long discussion, really, about the desirability for complex and controversial Bills having a presumption for a draft Bill to be introduced first; and then also for nearly all Bills to have a compulsory Report Stage. I think it's fair to say, whilst not ruling these devices out, you want them all at your discretion rather than something that is embedded into our legislative process and the right of us as Assembly Members to expect. Are you going to move on any of that? I know it's only been four or five days.

The First Minister: Four days on, and in the interest of consistency, I'll try and stick to what I said on Monday. When it comes to draft Bills, we take the view that we will publish draft Bills where it's proportionate and appropriate to do so. With a particularly complex piece of legislation, a draft Bill is certainly helpful. With other items of legislation that are quite short and quite often

uncontroversial, a draft Bill would seem to be a stage that would be unneeded at that point. With a Report Stage, again I'd argue the same: that there are, certainly, items of legislation where a Report Stage is certainly useful and desirable. However, I'll come back to the point that I'm not convinced that this is a problem; that the great challenge that the Assembly has faced since 2011 is to draft, scrutinise and pass primary legislation in a way that was unknown to us, mainly, before 2011. Yes, we had the legislative competence Order process, we had measures, but we've had 24 Acts in five years, which is a substantial amount. That's been done. Nobody has suggested that the scrutiny has been, in some way, faulty. Nobody has suggested that the legislation has been unsound once it's been passed. So, I'd start from the basis that there is not a difficult problem here that needs to be fixed, but nevertheless there will be occasions when a draft Bill and a Report Stage, particularly with more complicated Bills, will form an important part of the process.

David Melding: I think most observers would agree with you that, given that the fourth Assembly has been the first Assembly to have proper primary law-making powers—. I think the Government has drafted a coherent legislative programme, and I certainly believe the Assembly has subjected the programme to adequate scrutiny. Indeed, if you look at human transplantation, I think you could say that was a model of best practice. Whatever your views on that are, it was an excellent scrutiny process. However, I suppose as a new institution, and doing things in an innovative way, we perhaps could've looked at our status as a unicameral Assembly and tried to lengthen the scrutiny process by this presumption of draft Bills and then Report Stage. We don't have another round at it, do we? We don't have an upper Chamber where, if things have really emerged in the progress of legislation through the lower House, it then goes to the upper House. So, I'm not sure that that question has been adequately addressed yet. We seem pretty much to have half of the Westminster process and we work with that vigorously and well, but we ignore the fact that we're not bicameral, as they are.

The First Minister: But I'm not sure that that's a flaw here. One of the arguments that was used in the referendum in 2011 by those who didn't want the Assembly to have primary powers was that, because the Assembly was unicameral, the legislation wouldn't be properly scrutinised. I don't accept that; I think it has been. There are numerous examples of unicameral legislatures around the world that are well able to pass primary legislation that is sound, clear and is understandable. So, I'm not convinced that there is

a need for adding in extra stages as of right—stages that would become a normal part of the process—to seek to solve something that I don't believe is actually a problem.

David Melding: Okay. I have a different view to you on that and that was fully rehearsed on Monday; I don't think it's going to be particularly productive to go over that again, but I think for the benefit of the other Members, you've stated that position and it's a fair one, whether you're convinced or not. Do any other Members want to come in on this issue of the legislative programme? William.

William Graham: Good morning, First Minister. Thank you for your paper. You say in that that it's been a steep learning curve—I think we'd all agree with you there—and you go on to say that you've been reflecting upon lessons learnt from experiences and you've mentioned that this morning. Are there any particular examples of how you think specific lessons have been learnt?

The First Minister: I think there are three things I'd point to. First of all, the amount of time that it took to begin the legislative process after the election in 2011. That took longer than many of us had anticipated; it attracted criticism, I'm aware of that, and I think that was something that we had to learn, that, in fact, the process couldn't be started as quickly as we would've wanted.

Secondly, the amount of primary legislation. We've passed a lot of legislation in five years. I'm not sure that there will be a need to have quite as much in terms of number in the Assemblies that are to follow. Thirdly, of course, as I mentioned before, realising that introducing fresh legislation within 12 months of an election is problematic given the fact that we're in a situation where legislation would fall when the Assembly rises.

There's another factor that has not yet come into play, but which troubles me for the future. That is, at the moment, of course, there is an intervention power on the part of the Attorney General. It's not impossible that an Attorney General acting in a particular way could actually cause legislation to fall in this Assembly by simply referring legislation to the Supreme Court and delaying the process, leading to a situation where the legislation was not finished until the Assembly rose and the legislation would then fall. So, there is that fact. It has not happened, but it is a factor that does trouble me—that there exists a process where it would be possible for the Attorney General to effectively cause legislation to fall simply by referring it to the Supreme

Court. Now, that hasn't happened; that sort of ill will hasn't been displayed, but nevertheless, it's something that concerns me in terms of Assemblies to come.

William Graham: Would you propose some way how that couldn't arise?

The First Minister: Well, the reason why the Attorney General is involved is because of the single jurisdiction. I've rehearsed that issue many times in the past, but it does worry me that that's a possibility. I don't say that it would be done deliberately, but it's certainly a concern that future Assemblies would have to have. There are three lessons, particularly, for us. I've outlined them and what all who are involved in this place have to bear in mind for the Assemblies to come.

David Melding: Okay. I think we would like to move to our second area of questioning now, which is on your delivery unit, and William will take the lead on that for us.

William Graham: Thank you, Chair. Could you give us an example of where the delivery unit has identified a barrier to delivery and, as such, has made a real difference to the delivery of a policy objective?

11:30

The First Minister: The delivery unit has been the subject of much discussion over the years, almost as if it is seen as a secretive organisation, but if I could just explain what it does: the purpose of the delivery unit is to co-ordinate work across Government. Let's say, for example, there is a particular piece of legislation that requires there to be cross-departmental involvement—and the wellbeing of future generations Bill is an example of that—then the delivery unit co-ordinates that. I meet with the head of the delivery unit on a weekly basis. She will give me an update on how things are progressing in terms of legislation and in terms of policy, where areas need to be pushed harder, and where there are areas where there's a need to make sure that co-operation continues. It's my way of co-ordinating what Ministers do and what the Government does as a whole.

It's also the case that I hold a bilateral every term with each Minister and Deputy Minister. It's a kind of star Chamber in that sense. I know that Jeff has had experience of it. It's my opportunity to test, to probe and to ensure that I'm satisfied that the work that's being done is being done to the

standard and at the speed that I'd expect. It's very similar to the kind of units that have existed in Westminster, under the Prime Minister's control, in years gone by.

William Graham: So, they would alert you to non-delivery?

The First Minister: Well, it wouldn't get to that point. It's their job to make sure that if there's any issue that needs to be speeded up, that that's done, and if there are issues where there needs to be improvement of co-ordination across departments, then that will be flagged up at an early stage.

William Graham: And so you would attempt to have a delivery unit in your next administration.

The First Minister: Certainly a delivery unit or something like it. In any Government there is a need to ensure that departments work together, and that there's seamless working between Ministers. The only person who can ensure that is the First Minister, and so it's important to have a body of people who report directly to the First Minister, and are the First Minister's eyes and ears within Government. That's the way to co-ordinate what goes on.

William Graham: It's been suggested that perhaps some departments have their own indicators for measuring performance. Is that likely?

The First Minister: They all have their own indicators to measure performance, but the delivery unit—. The delivery unit is judged on the delivery of the programme for government. Its main task would be to make sure the programme for government is delivered, and the effectiveness of the delivery unit is measured against the programme for government.

David Melding: Jeff Cuthbert.

Jeff Cuthbert: Thank you. You alluded to the Well-being of Future Generations (Wales) Act. Would you agree that that overarching Act will demand that there is a delivery unit, or something very much like it, to ensure good co-ordination across all Welsh Government departments?

The First Minister: There has to be. Co-operation is something that, in any event, is fundamental to the working of Government, but, of course, there has to be a mechanism to ensure that that co-operation is in place and is

functioning as it should. That's what the delivery unit does.

David Melding: Eluned.

Eluned Parrott: Can I ask what the consequences are for failure to deliver? If we look at an example—perhaps the special educational needs Bill, which we had hoped would be brought forward during this Assembly. It was originally going to be part of another piece of legislation. It was brought out of that, but obviously it's not likely to be completed now within this Assembly. What would be the role of the delivery unit in making sure that things like that don't fall off the table, as it were, or fall out of time, and what are the consequences if things are not delivered in the timescale that had been provided for?

The First Minister: Ministers are answerable to me, and if I were to be dissatisfied with their performance, there would be consequences. Ultimately, I answer to the people of Wales at an election, so that's the line of accountability.

Eluned Parrott: Thank you.

David Melding: I think we can now move to our next section, again with you, William, on child poverty.

William Graham: Thank you, Chair. There's been a degree of progress made in reducing child poverty in Wales over the three years since you last discussed this, in the light of our having, sadly, the highest rate of child poverty of any UK nation—that's been rather stable for the last seven years.

The First Minister: Well, we have recently—last year, in fact—refreshed our child poverty strategy. There has been some progress. The number of workless households has fallen. Over the last four years we've created or safeguarded 150,000 jobs. We know that employment is at a record level. Unemployment is lower than in Scotland, Northern Ireland and, indeed, London. We know that the foremost path out of poverty is employment and, therefore, income. It's not quite as easy as that, because what's important is not just that people are in jobs, but that they are in fairly and reasonably paid jobs, and that means increasing people's skill levels. The more skills anybody has, the more likely they are to earn more. That's why, of course, we have schemes like Jobs Growth Wales, it's why we've had schemes such as Communities First that have sought to raise people's skill levels to put them

in a position where they are, firstly, employable and, secondly, can increase their levels of income over time.

We have achieved our target to break the link between educational attainment and poverty in the foundation phase. That's been done three years ahead of time. I know—or, if I recall rightly—in December, the Minister announced a more challenging target to continue to drive improvement for the foundation phase. We are on track to achieve our target to reduce the number of young people who are not in employment, education or training—who are NEET—and we have the Healthy Child Wales programme, which will bring about a consistent universal core healthcare programme across the nation for the early years, which will particularly benefit those living in poverty. What we cannot, of course, control are external factors: what happens within the benefits system particularly and, of course, what happens within the world economy. But, nevertheless, when it comes to creating employment, Wales has done well over the past five years. There have been some difficulties, and Port Talbot is an example of that, but certainly, when it comes to unemployment, and particularly when it comes to increasing the employment rate, those figures have improved.

William Graham: Some of the Work Programme participants say that they're unable to access particular support schemes in Wales. Is this a failure, because it illustrates, rather, what you say: as you said, with more employment, poverty should reduce, but if everybody can't gain access to some of the support schemes—.

The First Minister: It depends what support schemes you're talking about.

William Graham: These are some of the ones that you've outlined already, where they're on an existing scheme and can't therefore participate in others, sometimes because of age.

The First Minister: Well, age has been an issue. I know that the Member is aware of the pledges that my party launched last week, but that's for a different occasion in May. Our priority was to ensure that we increase the skills and confidence of, and opportunities for, young people. That will change after May, depending on the results of the election, of course. But we knew that youth unemployment was significantly higher than unemployment in the population as a whole.

Jobs Growth Wales was predicated on listening to what businesses were

saying to us, particularly from the discussions I'd had with businesses, in which they were saying to me, 'Look, we're a small or medium-sized enterprise, we'd like to take on somebody, or maybe more than one person, but we just can't afford the time or the money for the training, and that would be an enormous help to us.' And that was at the heart of the success of the scheme. So, the focus was on younger people, because their unemployment rates were so much higher than the general population. That said, of course, we do know increasingly that there are fewer and fewer people who are in a job for all their working lives. More and more people require retraining—maybe more than once in the course of their working lives. This is looking back rather than forward, but this is one of the issues that we would seek to address after May.

William Graham: Thank you. Perhaps giving slight hostage to fortune, First Minister, would you welcome the devolution of specific tax and benefit levels?

The First Minister: I'd be very reluctant to agree to the devolution of benefits. My concern is that the benefits system is one of the threads that holds across the whole of Great Britain and, in effect, Northern Ireland, even though there is a level of devolution there of benefits. The general taxation system is another example of that. The more we break up that fiscal unity, the more difficult it becomes to ensure that money is circulated to areas that need it most. Now, we know in Wales that we benefit, on a per capita basis, far more generously than is the case in other parts of the UK. If I give you an example, on attendance allowance, we have 4.8 per cent of the population, but we have 7.1 per cent of the claimants. Anything that caused us to lose out as a result of devolution of certain benefits clearly wouldn't be in our interests. Council tax benefits were devolved; we didn't ask for them. They were devolved, but only 90 per cent of the budget was devolved. My concern is that where we see benefits being devolved, not at our request, the full budget wouldn't be devolved, or that the budget would be devolved on a Barnett basis and that, of course, leaves us in a position where—. If that happened with attendance allowance—we've no indication that that would be the case, but if it did happen with attendance allowance, you're talking about a gap of over £100 million.

David Melding: Jeff.

Jeff Cuthbert: Thank you very much. Yes, First Minister, I think you rightly highlight, of course, that decent employment with the right skills level is

crucial in terms of tackling the issue of child poverty. I'm wondering what your view would be on the devolution, not necessarily of benefits, but of the full Work Programme to Wales, because I know there have been instances where there were people who were mandated on to the Work Programme, but would have liked to have switched to Jobs Growth Wales but were not able to because of that mandation. Do you think it would be to our advantage to have control over all those work programmes and, indeed, other issues? I note, obviously, the offer of an increased apprenticeship programme. The implications, as far as we understand them, that the apprenticeship levy might have on our own programme, which is all linked to skills, of course, and employment—.

The First Minister: It would make sense if skills and training and the work programmes were devolved. There are budgetary issues, of course, that would need to be addressed, but at the moment we are seeing a clash between different schemes run by different Governments. I don't think that's in the interest of the individual. It would certainly make it easier in terms of being able to have a more consistent approach to skills, training and apprenticeships if the issue of devolution was addressed.

David Melding: Eluned.

Eluned Parrott: Thank you, Chair. Just briefly on that point, clearly, the UK work programmes are intrinsically linked to the benefits system, and it's through the benefits system that people are mandated to take part in a work programme. So, how would it work—devolving the work programmes without devolving the benefits?

The First Minister: I think it would be possible to do that. I mean, clearly, we would have to examine what it meant in terms of people being mandated to be on particular programmes, and there's no doubt that there would be a challenge to ensure that the work programmes fitted with what would be a GB-wide benefits system. As I say, my concern is—. I think you can separate the two; I think you have to make sure that the two systems don't clash again with each other. You've heard my concern about what it would mean if certain benefits were devolved, but I think it is possible to have the work programmes devolved and to work out an understanding with the Department for Work and Pensions in terms of what that would mean for the benefits system.

Eluned Parrott: Okay, thank you. If I might move on, Chair—

The Deputy Presiding Officer: It's with you now, Eluned, to look at major infrastructure in north Wales.

Eluned Parrott: Thank you very much. I wanted to talk about major infrastructure with particular respect to north Wales. You'll be aware that there is a persisting perception in north and also in mid Wales that the south, and the south-east in particular, get more than their fair share of infrastructure investments. How have you challenged that perception?

The First Minister: Well, first of all, of course, we know that on a population basis, most people live in the south; that's true, but that doesn't mean that the south should get a disproportionate share of investment. If we look at what's been done over the past five years, we've seen the opening, for example, of the Llandysul bypass, which I think predated the election in 2011. We've seen the opening of the Llanddowror bypass, the A477, which has made a huge difference to communities there getting down to Tenby and Pembroke Dock, and that side of the Cleddau estuary. The Newtown bypass is moving ahead—hugely important for the people there and the difficulties that they face. We've seen the Four Crosses bypass being completed, of course. We've seen the Glandyfi bends being improved, a particularly difficult stretch of road for people travelling between Aberystwyth and Machynlleth. We've seen improvements on the A470 between Cross Foxes and Maes yr Helmau—straightening the road. There's still ongoing work on the A487 going in from Llandysul to Synod Inn, which I observed with my own eyes on Friday.

If you go further north, we can also see the work that's been done between Dolwyddelan and Pont-yr-Afanc on the A470, and the work on the A55 at the moment—there is major work taking place on the tunnels. It's inconvenient for people, I understand that, but it's £42 million-worth of work that needs to be done on the road, on the A55.

11:45

We've announced the funding for the flood scheme on the junctions between Aber and Tai'r Meibion, and also dealing with the flooding at Talybont. We're looking now at moving forward with a study on what needs to be done on the Menai, so that the A55 becomes a dual carriageway along its whole length, which it isn't, of course, over the Britannia bridge. Further east, it's the gateway to Wales, the A494, and we're looking at ways of ensuring that that

scheme moves ahead. There are problems with the A55 that have existed since it was built. It's a busy road and there are sections of it with a dual carriageway without a hard shoulder. We know that the sections through the Pen-y-Clip and Penmaenbach tunnels are not ideal because of the way the road was built. They are not easily resolved overnight, but nevertheless we are investing in improving the resilience of the road.

If we look at rail, we're obviously looking at increasing the frequency of the central Wales line services. We'd like to see the electrification of the north Wales main line. We are moving ahead with plans for a north-east Wales metro service, based not just around the Wrexham-Bidston line, but around the bus services that exist in that part of Wales. There are opportunities there to do that. We have invested, of course, in improvement works on the Wrexham-to-Saltney junction stretch of the railway—that has not been without its difficulties.

We've dealt with Network Rail and it has not been a happy experience, mainly because Network Rail—. Well, I've met with them, so I've put this question to them, but they don't have a proper idea of the condition of their assets—there's no proper survey. So, as the work's been carried out in Wrexham and Saltney junction, future line speeds have been affected by the fact that there are two level crossings there—that was known before, as far as I can tell—and over a capacity issue with a particular bridge, which was not known beforehand, and issues regarding the concrete encasing of the signal cabling, which, again, were not known to Network Rail. So, we are facing difficulties in dealing with Network Rail, who, themselves, are not aware of the challenges that exist on particular sections of line. So, that's not been the smoothest experience, but nevertheless it is something that we're determined to move forward with.

Eluned Parrott: Okay, thank you. Clearly, when it comes to changing perceptions and presenting the facts, rather than in an anecdotal way, such as a list of individual projects, maybe producing an analysis of where the capital and revenue investments are going geographically across Wales, I'm wondering if the Welsh Government does produce such an analysis and how that compares to an analysis of the most disconnected communities in Wales, so that, rather than being on a crude population base, we're actually looking at this on a needs-based formula.

The First Minister: I've seen them, but James has them at hand.

Mr Price: Yes, I pulled them off this morning because I thought we might be asked this. Actually just to add flavour to what the First Minister's said really, they show a very strong picture that is counter to what most people would expect. So, the expenditure per head of population in all of Wales on roads for 2011 to 2014 is—and this is on an index basis—£134. So, that's what everything has to be compared to. North Wales is above that at £135; mid Wales is significantly above at £200; south-west Wales is above at £149 and south-east Wales is quite a lot below at £118. So, the perception that south Wales and south-east Wales has got all of the funding is clearly not the case, and one of the reasons for that is that we know that there are economies of scale: the more people who use the scheme—and we talked about this in a different committee—the better value for money per person it is. So, those were the figures on roads.

On broadband, which I also pulled out, First Minister, if you'd like me to cover that: spend in the north is nearly £80 per head; in the south-east, it's £40 per head; in mid Wales, £80 per head; and in the south-west, it's about £55 per head.

Eluned Parrott: Thank you. I think, if we look at those, the longest list was on road interventions. I might note that the rail interventions that you've been talking about are largely future aspirations as opposed to past delivery, although I recognise that the Wrexham-Saltney issue is something that has been ongoing. The most popular mode of public transport in Wales is buses, and there's been a really huge decline in the number of people using buses across Wales, but there's been a particular loss of services in north Wales. So, what actions have you taken to halt those declines and make sure that those communities that are not served by rail are still served effectively by public transport like buses?

The First Minister: If I can come to that in a second, can I just mention one thing about rail before I do? Members will be aware that the Department for Transport have taken a position that they do not think that services that terminate in England should be run by the Welsh franchise. What troubles me about that is that it affects the Cardiff-Manchester service, but if you look at the north Wales main line and the central Wales line, it would mean that the Welsh franchise wouldn't run any services at all on those lines, because the central Wales line services all go at least to Shrewsbury, if not beyond to Birmingham, and if you look at the north Wales main line, all the services currently going across the main line eventually end up in Chester. If that is the position of the UK Government, it would effectively mean that, apart from

the Conwy valley, every single line north of Merthyr wouldn't be run by the Welsh franchise. That's something that, obviously, as Members can imagine, doesn't find favour with us. ScotRail runs the sleeper service into Euston. There is no reason why a Welsh-based franchise should not run services into England. That is of great concern to us, as you can imagine.

Buses. The difficulty with buses has been that the buses are not devolved. They will be, on the face of the Wales Bill. I don't see that being a problem, and I look forward to bus regulation being devolved. I'm sure that Members, like me, have had the experience of dealing with the traffic commissioner in Birmingham. They are not happy experiences in terms of how it works for Wales, but once bus regulation is devolved, that then gives us far more opportunity to be able to look at a more strategic approach to bus transport, and particularly at how buses can connect in with the rail network in a way that is only possible now through persuasion, rather than through regulation. I think there'll be great opportunities once bus regulation is devolved.

Eluned Parrott: But there have been interventions in places, for example, like the Vale of Glamorgan, where the Welsh Government has intervened where there's been a market failure, and that has not, I think, been replicated in parts of north Wales that have seen similar losses of services.

The First Minister: The local authority, of course, has a role here as well. If you look, for example, at Carmarthenshire, their Bwcabus service has been superb in terms of the way it's worked. It's been copied elsewhere in Wales. We have to work with local government to make sure that services like that continue in the future. If you look at the Cardi Bach service that runs between Cardigan and, I think, Newquay, that again has been something that we've been able to work on to make sure that the service continues. It's a hugely important service for people who use that section of the coastal path.

So, yes, it is possible to provide money in order to keep a service going, but, of course, it's also important to have the powers of regulation to make sure that—. I mean, you can't create a service that runs at a loss to the operator, clearly. But, that ability to regulate will make it far easier to be able to ensure that we don't see a situation in the future, for example, where a company pulls out of a service completely, as we saw with the bus services in Ceredigion. People were left wondering for a while as to whether there'd be any bus services at all running down the A487. That was resolved through local bus companies taking over the service, but it's the sort of situation we need to avoid in the future.

Eluned Parrott: Finally, on this section, if I may, you've established a Transport for Wales company to manage transport across Wales in terms of the south Wales metro and in terms of the north Wales metro, as I understand it, and all of the rail franchising as well. How do you think that will be able to overcome, again, this perception that transport in Wales is Cardiff-centric and that the attention is going to the big schemes—the attractive and high-profile schemes—rather than the needs of their local community in more isolated areas?

The First Minister: Well, the south-east Wales metro is a model. It's the most obvious one to begin with because of the number of rail networks that exist coming into Cardiff, but it can also be a model, not just for the north-east of Wales, but also for the Swansea bay region as well. So, it's natural that Cardiff will be the first, given the fact that it's the biggest population centre and has the existing structure already in place. The key will be, of course, to make sure that the franchise, after 2018, delivers frequency—true; quality, which is not always the case; and that we see more growth in passenger numbers on all the lines in Wales. I take your point: it can be difficult to combat the view that people hold that everything goes to the south. I don't think it's particularly unique to Wales. I think it happens in many, many countries where the capital is seen as getting all the investment. We have the figures to show that that isn't the case, but if I'm being realistic, it is difficult to see that ever disappearing. But it will be absolutely crucial that Transport for Wales, as an organisation, delivers for the whole of Wales. It has to; hence the name. Yes, it will have responsibility over the metro in the south-east of Wales, but it's equally as responsible for making sure that services are running on the Conwy valley and making sure that services are running as they should on the Cambrian Coast line, so that people know that they can expect a decent level of service wherever they live in Wales.

Eluned Parrott: Thank you.

David Melding: First Minister, to be a little provocative, if Saltney junction was between Cardiff and Newport, do you think we would have had a situation where a Welsh Government first committed to it in 2008, promised it by 2015, and in 2016 we're told that there are still profound problems with the negotiations that the Government's having with Network Rail? I mean, the Welsh Government is not a puny entity, is it, you know? You can go in there and—well, the Americans would have an expression for this; but anyway—you could indicate to them your severe displeasure, and you've got very

skilled people, like Mr Price here, who have all the technical back-up and wherewithal behind them. I mean, this is going on years and years and years.

The First Minister: I will bring James in in a second, who will give, I'm sure, his first-hand experience of dealing with the situation. I don't think it would make a difference wherever it was in Wales. They're technical issues that have arisen, and they've arisen after the event. We were given the impression by Network Rail of what the challenges would be, and more challenges have arisen during the course of the process because, as I say, Network Rail are not really aware of what the full condition of every mile of track actually is. I'll ask James to come in on this.

Mr Price: Clearly, what the First Minister said, in my view, is completely right. This is not down to—

The First Minister: I'm glad to hear that. [*Laughter.*]

Mr Price: It's not down to Welsh Government. It's down to Network Rail. Really, what's behind this is the powers that, currently, the Welsh Government doesn't have. So, you're quite right: if this was something that was devolved, we would have been in there, we would have been all over them, and we would have had the powers to make a difference. We have been into Network Rail. We have been regularly on their backs on this. I looked the other day and I think the Minister for economy has had over 10 high-level meetings with various different people just in the last year on this. So, this is being taken very seriously, but we have Network Rail who don't understand the condition of their assets. It was only when they went to do the work, for example—physically went to do the work and turned up on site—that they discovered that the signalling cables were concreted in. If we were doing that on the roads, which are within our control, I think people would rightly be disciplined for that type of inept behaviour, really. That is why we want to get power over these things. It's not just in north Wales that this has happened; the Cardiff area signalling renewal on the main line in south Wales was pretty badly run as well. Without sort of wishing to wind anybody up, some of their work has been described as, 'Badly designed, badly implemented and doesn't work'. I think Wrexham to Saltney is a very good example of that.

We have just recently looked at that scheme again and are trying to stretch the scheme out a bit further to see if we can get the benefits that were originally envisaged but along a longer section of track. But for me, I think it adds weight to the argument that we have about having the same powers

over Network Rail that Scotland has over Network Rail.

David Melding: William.

William Graham: Thank you, Chair, yes. During a more recent visit to north Wales with a general welcome of the new nuclear power station at Wylfa Newydd, there doesn't seem to have been a great deal of thought—I note that it's not in your infrastructure investment notes either—about the distribution line to get not just the power out from the nuclear power stations but also the renewable energy that they're generating on Anglesey. Have your officials been looking at this, because it'll cause, to put it mildly, some inconvenience to some and a great annoyance to others?

12:00

The First Minister: It's not devolved, of course, and it's right to say that this is still an issue that's not properly resolved, especially as far as the local community are concerned. It's still an issue that's ongoing. It's a matter, ultimately, for National Grid. Of course, in Scotland, it is devolved. The proposals that we have before us in the current Wales Bill would devolve a significant amount of power to the Assembly in terms of permitting the development of new energy generating plant, but, of course, no powers over the way that the power is then transmitted. The difficulty then is, of course, that it would be possible, in the future, for consent to be given to a substantial power station, only to find that there's no consent to transmit the electricity. So, it is something, certainly, that we've been pushing National Grid to resolve with the community, but, again, it's something that isn't within our powers. James, anything to add?

Mr Price: No, I think you've covered that.

William Graham: Thank you, Chair.

David Melding: I'd ask you to take us to the next section, then, Eluned, on relationships with the third and private sectors.

Eluned Parrott: Thank you, Chair. Obviously, we raised this some time ago and I wonder if you can give us an idea of how private sector panels are co-ordinated across Government. For example, there have been two different private sector panels on business rates—that's one subject—but there are, at any one given time, a huge number of panels in operation. How are they managed to make sure that their work is co-ordinated?

The First Minister: Well, I'd argue it's an example of us engaging with organisations. They are task and finish groups. The only standing structure that meets on a regular basis is the Council for Economic Renewal. Beyond that, of course, each Minister will take a decision as to what kind of task and finish group they want to put together to formulate a particular policy and who should be on that task and finish group. But it's for individual Ministers to decide which groups they feel they need to work with in order to develop their policy.

Eluned Parrott: With a relatively small private sector, particularly when it comes to major companies based here in Wales, clearly, there are a number of individuals who have been called upon on many occasions. How does the Welsh Government monitor the demands it's placing on those individuals, and what support is given to them to make sure that doesn't have a detrimental impact on their other business activities?

The First Minister: We wouldn't, of course, seek only to recruit from within Wales. We want to get the best ideas wherever they may come from, whether that involves people who are of Welsh origin, who bring their expertise back to Wales—Terry Matthews is an example of that—and we are grateful for the time that so many individuals give us. That said, from the conversations I've had, they appreciate—it is difficult work, I understand that, but they do appreciate being able to formulate policy and to influence Government in a far more direct way than certainly was the case 20 years ago.

Eluned Parrott: With regard to the third sector, when we met previously to discuss this, I think in a letter afterwards you stated to us that you felt that the third sector had an overreliance on public sector funding. How has that changed over the last 18 months?

The First Minister: Well, it's right to say that the budget for the third sector has shrunk. That's in line with the shrinking we've seen in our own budget. I think it's important that third sector organisations maximise their ability to attract funds from elsewhere. It's not easy to do that, I understand that, but, nevertheless, it's something that needs to be constantly thought of.

In terms of the relationship between ourselves and the third sector, of course, we do have the joint working that's taken place between the Government itself and Third Sector Support Wales, which is important. We try not to impose burdens on the third sector or to transfer burdens from

ourselves on to the third sector. We seek to work with them, rather than put them in that situation. But third sector organisations themselves have had to find ways, given the budgetary situation, to look elsewhere to maximise their income.

Eluned Parrott: How do you help them to do that? You'll be aware that, in this last budget, there were a number of organisations that felt that the sudden, unexpected and very significant reduction in budget would, in some cases, threaten their existence. We had many discussions, for example, with the science museum Techniquest. They do a lot of work for the Welsh Government in terms of providing teachers with the continuing professional development skills that they need to be able to confidently teach science in schools. How do you help them plan for a reduced reliance on the public purse?

The First Minister: Well, the joint working that I mentioned earlier between the Welsh Government and Third Sector Support Wales is the basis of this. So, advice and support on fundraising is a central function of the core funding that we give to TSSW. I'll give you some examples of how that's worked. We've seen, for example, the work that's been done by the Institute of Fundraising Wales. There was a successful joint conference on crowdfunding that took place last autumn. We also give core funds to the Community Foundation in Wales. That encourages philanthropic giving. It's been successful in recent years, and that of course helps, then, third sector organisations to look at philanthropic donations in order for them to obtain more funds in the future.

Eluned Parrott: And how much of the gap in public funding have those sources been able to fill?

The First Minister: The WCVA themselves have said that, between 2013 and 2014, the dependence on public funding has remained fairly static, so I think it's probably fair to say that, in those years, there wasn't a significant change. But in many ways the current financial climate has caused organisations to have to go out there and look at crowdfunding, look at talking to other foundations—whether they be foundations set up by businesses, whether they be set up by individual philanthropists—in order to maximise their income. Yes, of course they will be dependent on core funding. There's never going to come a time when there's no Government funding. But, nevertheless, we have to make sure that the balance is right between Government funding at a time of shrinking budgets and funding

that might be available elsewhere through philanthropists or through business foundations.

Eluned Parrott: There has been a move from core funding towards more contract-based funding, but the problem, of course, with project-based funding is that it is very often requires the organisation to be presenting a new area of work, something that is additional activity, and, that being the case, there's a removal of—if you remove the core, there is reduced capacity to actually do additional work. How are you making sure that core services that the third sector provides that we value and that contribute to Welsh Government objectives are not damaged by a move towards more short-termism, which isn't necessarily in the interests of the organisation in terms of their long-term planning, but could also mean, for example, that staff contracts in the future in the third sector are very much less reliable?

The First Minister: Well, core funding's important to organisations, but it's also important that they demonstrate delivery in certain areas and on certain projects. We believe that we get that balance right. I certainly wouldn't want to move to a situation where everything was done through core funding. It's more difficult, then, to demonstrate how that money is delivering for those organisations and those who rely on those organisations. So what we seek to do is to get the balance right between the two.

Eluned Parrott: You'll be aware that there's a concern that an over-reliance on public funding in the third sector impedes our civic society's ability to scrutinise Government objectively, and there have been examples where politicians have queried whether or not the third sector felt fully free to engage in scrutiny of legislation—for example, in the Active Travel (Wales) Act 2013, when some disability groups retracted a criticism that they'd had. There were also some causes for concern over domestic violence legislation in this place, where there had been changes in opinion and a suspicion of political influence. How do you make sure that those third sector organisations that do rely on the Welsh Government for funding—for core funding and for contracts—are still absolutely free to be an independent critical friend in our civic society?

The First Minister: It's hugely important. It does us no favours if we have organisations who are not telling us what's actually happening. The last thing I would want to see is to be in a Government where people tell you constantly what they think you want to hear. It's what you need to hear that's important. So, they don't have to fear at all in terms of what they might say. It's

analogous to the situation with the commissioners. The commissioners are appointed by Ministers, and, beyond that, they're completely autonomous. They can say whatever they want. I wouldn't invite them to, necessarily, but they are free to do that. Organisations that receive funding from Government needn't fear in that way. There are no criteria that we use when we look to fund organisations that look at what they've said or what they've done in the past.

Eluned Parrott: Okay. Thank you.

David Melding: William.

William Graham: Thank you, Chair. The national procurement service that you set up: it had a budget of about £5.9 million, and you had stated it would be self-funding by March of next year. Is that now likely?

The First Minister: James.

Mr Price: Do you want me to cover this? The original business case for the national procurement service, which works on the basis of a levy—. That's the way it becomes self-funding: it does procurement on behalf of the whole of the public sector in Wales, seeks to reduce the total cost of what people are buying, but also to have social benefits for Wales as a whole, and, in doing so, charges a levy to the people who use that service to pay for the national procurement service. The original business case looks to have been slightly over-optimistic, but I think that's on the basis that it underestimated the change of opinion that was required in the wider public sector. There is, particularly in local government and in some of the non-Welsh Government parts of the public sector, a cultural issue, where people still want to hold on to procurement themselves—at, I think, a fairly junior level within some of these organisations. We are making real progress on that, and it will pay for itself, but I think we're about 12 months down the line in terms of doing that. There's just been a review and everything looks in line, but we just have to change a few more people's perceptions about being prepared to use a national procurement service, rather than always doing procurement themselves in their own organisation.

William Graham: Thank you very much.

David Melding: I'll now ask Jeff Cuthbert to lead on the questions on climate change.

Jeff Cuthbert: Yes, climate change, First Minister. Obviously, at the end of last year, we had the Paris conference and the outcomes of that, and, of course, the provisions of the Well-being of Future Generations (Wales) Act 2015 come into force in April. Could you say a little bit more about how you expect the FG Act to help to deliver on carbon reduction commitments at a national and local level, and the general leadership that the Welsh Government will be giving to ensure a consistent message and understanding about the importance of carbon reduction?

The First Minister: If I could refer particularly to the Environment (Wales) Bill, rather than the FG Act, at this stage, because the Bill itself ensured that clear interim targets and carbon budgeting are an integral part of the Bill itself, the aim is that at least an 80 per cent reduction in emissions should take place by 2050. So, there is a target. The difficulty is, of course, that we don't fully control the levers by which carbon emissions can be reduced, but, nevertheless, we have that target. And there will be occasions where emissions do rise, mainly because of our energy-intensive industries. So, for example, if we see an increase in steel making, it's good for the economy, but it's not necessarily good, of course, in terms of carbon emissions—despite, in fairness, the investment that's been made by Tata particularly in reducing its own carbon footprint at Port Talbot.

When we talk about sustainability, we talk about social and economic sustainability as well as environmental, and sometimes there are trade-offs. For example, if you look at a carbon footprint, you have to trade off the contribution that a particular enterprise makes to the economy in terms of jobs and in terms of sustaining communities as against the increase that might be there in terms of carbon emissions from an environmental perspective. But that target is an ambitious target and, of course, it's there in the Bill.

Jeff Cuthbert: Yes, thank you for that. I appreciate, of course, that the target is an overall target but, within that, there will be, no doubt, some increases from industries like steel making—although I know that Tata, for example, are investing in renewable electricity generation as well, so there is progress there. Are you satisfied that the progress of a target of a 40 per cent reduction in overall emissions by 2020 is on course? Because I know in one of the committees—the Enterprise and Business Committee that I sat on; no, it's the Environment and Sustainability Committee—we've had evidence to suggest that it's not being met at the moment. But do you feel confident that

you will meet it, and what other changes may need to come in the longer term?

12:15

The First Minister: It'll be challenging to meet that target. If we look at—. We have two targets particularly in the programme for government. One is a 3 per cent annual reduction in emissions in devolved areas, and two is a 40 per cent reduction in overall emissions by 2020. In terms of the 3 per cent target, we've well exceeded that because we know that emissions have fallen by 14.7 per cent. But against the 40 per cent target, no. I mean, the situation has been more difficult, partly because of the increase in production in manufacturing plants that do have a significant carbon footprint. But again, that's because of the fact that, of course, some of them have bigger order books and they're doing better.

I think the key is with industries that have a significant amount of emissions is to work with them, as we've done with Tata, to reduce those emissions in the future, looking in particular at gas recapturing at Tata itself. It's not going to be possible to create a situation where their emissions are going to be low, because of the nature of the work, but we can, of course, help them to reduce them in the future.

Jeff Cuthbert: And finally from me, Chair, on this section, we're aware that there's a new curriculum being developed for schools, of course. Do you feel that that curriculum will give sufficient emphasis to the importance of reducing our carbon footprint and other climate change issues? And then, of course, on the skills issue generally, do you feel that there is sufficient emphasis on the importance—both in terms of thinking and practice—about acting in a more sustainable way that will help to reduce our carbon footprint?

The First Minister: Yes; of course, 'A Curriculum for Wales—a Curriculum for Life' was published in October, which outlines our plans for the development of the curriculum in the future, but perhaps I can ask Owen to come in with some more detail.

Mr Evans: First of all, we've got a good track record already in focusing on climate change within schools. We've run the Eco-Schools programme now for a number of years, spending just under £400,000 on it next year through Keep Wales Tidy. What Eco-Schools has given us, I think, is one of the

highest participation rates anywhere across the world in engaging in climate-change-related activities in schools, and it's good to see that almost half of our schools have gained the international green flag award.

Now, one of the forming principles of 'Successful Futures' is around creating this rounded citizen for the future, and I think one of the key things about having a wholesome curriculum that actually takes all aspects of development of the child and the learner is that it will give us an opportunity to mainstream climate change right across the subjects. One of the big changes that 'Successful Futures' will bring to us is that we stop having silo subjects that we have to pick out, but it will give us an opportunity to really emphasise the importance of climate change right across the portfolio of curricula.

Jeff Cuthbert: May I have a final final question?

David Melding: You may.

Jeff Cuthbert: On this point, we had the very welcome news of the expanded apprenticeship programme of 100,000, and it will be a good balance in terms of apprenticeships and higher-level apprenticeships. Will it be the case that, in all relevant apprenticeship frameworks, the issues around what we call the green skills and the green growth will be inherent within them?

Mr Evans: Perhaps if I turn to James, but just before I start, the biggest thing I think that's come through over the past few years, particularly from the further education sector, and also apprenticeships, is that there's some fantastic practice around preparing people for the future industries that we'll need.

Mr Price: I mean, I think, simply put, 'Yes' would be the answer, because the people who will be putting the curriculum together for those will be basing them on what industry needs, and all industries know that a key part of what they need to do is to benefit from the green economy, because it's something that people expect, but also because they know that it makes good business sense to do so, both in terms of getting the demand from the world economy, but also reducing costs. So, inherently, it will be within that, yes.

Jeff Cuthbert: Thank you.

David Melding: Anything from other Members? Eluned.

Eluned Parrott: Thank you. In terms of leadership on climate change, clearly you'll know that my party was a bit disappointed that we didn't go further in terms of the reduction targets that we wanted, but if we want to see real change, we're going to have to see that commitment going right across every single Government department—every single Government department understanding what it is going to do to reduce its own contribution to that, whether that's health, where maybe they could reduce some of the bureaucracy and reduce the amount of paperwork that's used as opposed to electronic work.

We've just talked about transport and we've talked about a lot of transport investments. There was a very, very long list of road investments, and some rail, but no mention whatsoever of active travel. So, the question is: how convinced can we be that this Government has been absolutely committed across the piece to reducing those carbon emissions when things like active travel and investments there appear to be, really, an afterthought?

The First Minister: We did pass the active travel Act—

Eluned Parrott: Indeed, but an Act itself doesn't do anything unless it's implemented.

The First Minister: It's a good starting point. For me, if we look at cycling, we know that there are increasing numbers of people who cycle to work, but I suspect there is a ceiling on the number of people who will do that if they have to share the road with traffic. People become nervous if they are on a busy road with cars around them. The way to resolve that is to ensure that there are more and more cycle paths that are separate from traffic. We have, in Cardiff, the Taff Trail and we have other examples of former railway lines and permanent ways that have been used for cycle paths and that's where we want to work with local authorities in the future in order to provide ways where people can cycle to work. There are some people who are confident enough to be on the road with cars, but there are many who are not. For them, the answer lies in making sure that there are more cycle paths. So, for example, where there are new road schemes, we look to put in cycle paths as well. The Church Village bypass is an example of that.

Eluned Parrott: But that's a huge challenge—isn't it—in the existing city centres, for example, in Cardiff, where many of the suburban streets simply

don't have a lot of room to be able to do that. Surely, we need to be thinking not only about the infrastructure investment, which is somewhat slow in being visible, but also about changing the behaviour of traffic within our cities by introducing more 20 mph zones—those kinds of steps to make sure that people can interact with traffic without feeling that their city streets are given over entirely to the car.

The First Minister: I think that's a fair point. The aim has to be that, on busy traffic routes, there is an alternative for cyclists and walkers. I often think that an incredible example of foresight is the old Briton Ferry bridge, which has a cycle track on it and was built well before my time. So, that was extraordinary the way that that was done, but very welcome.

It's important, and the active travel Act does this, to ensure that, whenever there is a new road scheme being developed, provision for walkers and cyclists is seen as an intrinsic and normal part of the development of the road for cars—that where you build a road, you look to ensure that you put a cycle path alongside it.

Eluned Parrott: What about other departments? What are they doing within their remit? Do they have to report, for example, through the delivery unit on what they're doing to reduce the carbon impact of their work?

The First Minister: Yes, it would be the delivery unit that has the responsibility to co-ordinate that.

Eluned Parrott: It will be, but it hasn't been previously—is that the case?

The First Minister: It is the delivery unit's responsibility to co-ordinate cross-Government work, including that.

Eluned Parrott: And there's been a reporting duty on carbon emissions to the delivery unit since when?

The First Minister: The delivery unit's job is to examine what's been done across Government and to identify any issues that need to be flagged to my attention. It's not been done with emissions—it's not been flagged up as a particular difficulty because all departments know that it's a responsibility that they share.

Eluned Parrott: Okay, thank you.

David Melding: Jeff, do you want to take us on to the next section on the promotion and marketing of Wales?

Jeff Cuthbert: Yes, Chair, thank you. I wonder, First Minister, if you could comment on the achievements of the Just Ask Wales campaign and the evaluation that may have been done in terms of value for money, especially linking into the promotion of Wales as a tourist destination and a place, more generally, to invest and do business.

The First Minister: Yes. If I could deal with the tourism issue first. Just Ask Wales was launched in January 2014. I think this committee had a letter in October that indicated that there was a 10 per cent uplift in enquiries in the first year of operation. It's generated over 120,000 visits to the website. We know that there was a year-on-year increase in site traffic from 2014 to 2015 of 35 per cent. So, it certainly encouraged people to find out more about Wales and, of course, we've had events such as the sporting events, Hay, WOMEX and so on that have been hugely important in terms of selling Wales to the world as a tourism destination.

In terms of the statistics, in the first 10 months of 2015, we saw an increase in the number of trips to Wales. Wales's share of trips within Britain was 8.5 per cent—so, significantly higher than our population share. Expenditure on visits to Wales in the first 10 months of 2015 was up by 10.4 per cent—I think I'm right in saying a record-breaking year. In terms of overseas visitors, the number was marginally down in 2015—about 1 per cent—but expenditure significantly up—some 13 per cent. We know when it comes to accommodation occupancy that occupancy rates have improved.

In terms of investment, we've just seen the best foreign direct investment figures for 30 years. The reason why I believe that's happened is that I, back in 2011, took the opportunity to reorganise the way in which our offices worked abroad. We had offices in China and India and America, but I wasn't happy with the way that their work was co-ordinated. They all report back to me now on a monthly basis so they know that, whatever they do, I know about and I see what they're doing. We've reopened some offices, Dublin being one example. We've reorganised the North America office so that the headquarters is in Washington as the political capital, and that makes it a lot easier to be able to attract investment in when you've got the right structure in place—and also working with UKTI. Before 2011, there was literally almost no work with UKTI, and that's certainly changed. The working relationship is

much better. Many of our people abroad are embedded with UKTI, so they can draw from the expertise that is coming in from UKTI itself, and that's certainly been helpful. But, above all else, what investors value is the fact that they can get decisions quickly and meet Ministers. I've been on trade missions abroad and, when a Minister goes on a trade mission, doors open that otherwise wouldn't open—political doors that wouldn't open to a trade mission that wasn't politically led.

If we look at Aston Martin as an example, which Members will forgive me for using as an example ad nauseam, it was two years of work; there were 20 sites that Aston Martin were looking at, and it certainly wasn't the case that we offered them the most money—far from it. There were financial offers elsewhere, but they were very happy with the relationship that they had with our own officials. We have a very good team in place. They work very well. Edwina Hart, as the Minister, spent much time with Aston Martin; I spent a lot of time talking to them. These things all take work. And that's, to me, what makes a difference. I've heard arguments, saying, 'Well, actually, we should leave this to the UK Government.' Yes, we work with the UK Government, but the reality is that it would just leave the field open to Scotland and Northern Ireland. We have to be able to look at—. We can't replicate what UKTI does, but we have to target our target markets in a very focused way in order to attract that kind of investment.

Jeff Cuthbert: Thank you very much, First Minister. Yes, the Aston Martin announcement is tremendously good news and is a world statement as well in terms of car manufacturing. No doubt, the 2015 apparent contradictions could be due to the way hotels in Cardiff and around Cardiff raised their prices during the Rugby World Cup, but who knows.

Your report as well refers to the 145,000 jobs supported by the Welsh Government during the fourth Assembly. Is there any assessment of the net economic impact of that and to what extent has the use of European structural funds been important in that area as well?

The First Minister: James.

Mr Price: That's a very well-timed question because we're just looking at this now in terms of evaluating all of the economic development effort of this term of Government. The figures I had presented to me just literally yesterday suggest that around £7.8 billion of GVA has been contributed to Wales as a result of those 145,000 jobs.

12:30

I checked it myself because I didn't believe it. I was talking to Owen about this, but the numbers do add up. So, in essence, what you've got is 145,000 jobs, and we've taken a conservative assessment of about £30,000 to £35,000 GVA per head and a conservative multiplier of 1.6. That doesn't take into account things like changing the perception of Wales, which are things like the investment that Aston Martin will do, and it doesn't take into account the changing perception of the marketing activities that we take part in. It's not something that we've looked at for a long time, actually—the aggregate impact, in that way—and we're going to do a bit more work on it. But that's the level of figures we're talking about, which has a cost-benefit ratio of something like 40:1 which, I think, is pretty good.

Jeff Cuthbert: Thank you. And the issue of the EU funds?

Mr Price: EU funds are used for a significant proportion of that. So, if you look in any year—. You're kind of catching me on the top of my head now.

Jeff Cuthbert: I didn't mean to.

Mr Price: Between, I think, 3,000 and 6,000 jobs are directly created every year as a result of the EU funds that, just within the economy, science and transport portfolio, we use. Wider, across Government, it will be bigger than that. So, there will be a significant proportion of that as a result of EU funding. I'm sure that Welsh European Funding Office evaluations will prove that.

Jeff Cuthbert: Thank you.

David Melding: William.

William Graham: Thank you, Chair. First Minister, in a recent survey, less than 20 per cent of people in the tourism industry felt that enough money was being spent on marketing. How would you address that? Also, how would you have greater involvement with all sectors, really, within the tourism industry, not only in the decision-making process but in promoting Wales as a destination for tourism?

The First Minister: I think it's probably axiomatic that those involved in an

industry would say that more money needs to be spent on promoting it, and I can understand the sentiment behind that. Nevertheless, we've been very active in promoting Wales, and the figures, I'd argue, speak for themselves in terms of the number of visitors. We are, of course, in the first year of a series of three themed years to promote Wales. It's the Year of Adventure this year. It will be the Year of Legends next year, and the Year of the Sea in 2018. What we've done is to promote Wales, obviously, around the world in terms of adverts on television channels as well. We're exploring—and I've already met with the Football Association of Wales—how we can use the European championship to promote Wales in France. There are some opportunities there for us in Paris itself, but across France too, with the major international sporting tournament to do that. The world of tourism is a crowded market. You have to distinguish yourself, and one way of doing that is to have these themed years so that people are aware of what's available in Wales. We focus on that very strongly in any particular year and then move on to the next theme. That, I think, will help to make us different.

William Graham: In terms of the Year of Adventure, you will know that, particularly in north Wales, extreme sports are now becoming very popular. Of course, that helps to extend the season, doesn't it? So, how will you facilitate that?

The First Minister: Well, it's already been done. I mean, if you look at Surf Snowdonia, that's an all-weather attraction. If we look, for example, at what's been done in Penrhyn quarry, with Zip World, with Bounce Below, and further plans again that I know that the business involved have for extending what's been an incredibly successful business model. In three years, it's employing more than 200 people. It's right to say that it's important that we're able to present ourselves as an all-year-round, all-weather destination. We can't change the weather, but nevertheless it's attractions like Zip World, like Surf Snowdonia—to give you examples in the north—that are there all year round in order for people to see Wales as a destination to come at any time of the year, much in the way that Iceland has done. If you look at the way that Iceland has marketed itself, particularly with the northern lights between October and March, they have marketed themselves as an all-year-round destination in a part of the world that, perhaps 10 or 15 years ago, people hadn't thought of. I have a particular weakness for it because I proposed to my wife there. Nevertheless, there are good examples that we can learn from around the world as to how to market ourselves as an all-year-round destination as well.

William Graham: Thank you.

David Melding: Eluned.

Eluned Parrott: Thank you. With regard to the thematic years, I think they're a great way of capturing the imagination and of packaging and branding different kinds of opportunities, but we do need to make sure, don't we, that those thematic years are themes that all of Wales can engage with? Now, the Year of Adventure and the Year of Legends are both themes that you can, without stretching the imagination too much and not being too desperate with it, apply to every corner of Wales. The Year of the Sea perhaps less so. I know our rivers are tidal, but Hay-on-Wye is going to struggle a little bit with the sea, perhaps. I'm wondering, first, how you ensure that those years are going to be widely used and continue to be very popular across the entire of Wales, but also how much further we are going to go with thematic years. In 20 years' time, are we going to be desperately scrabbling around for a new theme—the year of the donkey, the year of the anything? The question is, really, there must be a limit to the thematic years and what they can achieve for us, so what's the next step to build on from that?

The First Minister: That's a fair point. We will evaluate how the themed years have worked over three years, but we can't do it forever, clearly.

Eluned Parrott: Indeed.

The First Minister: What's important is nimbleness of foot in the tourism market, to look for new opportunities. You have a successful marketing campaign, it works for a while, but you don't stick with it forever. After three years, the next step, then, will be to look at what the next stage is to make Wales distinct. Building on the sporting events that we already attract to different parts of Wales, building on the exposure it will get in the Euros in June, all these things come together in formulating where we go next after the themed years.

Eluned Parrott: How do we make sure that we're using those themed years? Clearly, with the adventure one, we've talked about the kind of extreme sports and so on, but how do we make sure that all of these thematic years are helping us to raise the value of the tourism visits to us? One of the critical elements of that is that it is not just about the attractions and the experiences that people have, but it's also about the quality of the accommodation. We know that tourists staying in hotels spend more than,

perhaps, the tourists who stay, traditionally, in caravans, for example. So, how do we make sure that, as the years progress, we are deriving the highest level of value and higher levels of jobs as a result of the investment we're making?

The First Minister: Yes. It's important that we do have a large number of tourists who come into Wales, and they are not looking to spend lots of money, and they're welcome, of course—it's an important part of our market. But we also need to develop our tourism offer to those who've got some money in their pockets, who will spend money when they're on holiday. The Year of Adventure is an example of that. We have things to do in Wales, some are free—the Wales coastal path—some, of course, are paid, and I've already mentioned, for example, Zip World. It's the same with the Year of Legends. People will come into Wales, they'll want to see the castles, and they'll want to know about the history of Wales. Again, they're people who might go to Italy or might go to a country where that offer is available to them, but they'll come to Wales because what we offer is better. That's our hope. The same with the Year of the Sea.

In terms of accommodation, there's no doubt in my mind that the consistency in quality of accommodation in Wales has increased phenomenally in the past 20 years. There are some parts of Wales where, probably, we could do with a few more, but, nevertheless, we have some superb B&Bs, we've got superb guesthouses, superb hotels, and there are more of them opening all the time. Where people stay is the ultimate impression that's given to them of the country that they're in, but there's been a huge improvement, not just in the offer with accommodation. We've helped with some of that and European funds have helped with some of that—I think of the St Brides hotel in Saundersfoot—but also in terms of the food offer, which is, I would argue, vastly superior to the days of soup or juice on the menu in hotels as a starter, which some younger people—. I was talking to somebody yesterday who didn't believe that, who is much younger than me. So, that's improved as well.

I do think we can offer something that's consistent in terms of accommodation quality and is consistent in terms of the food offer. We're not just primary producers of food, but we're also able now to offer restaurants that tailor to different budget ranges. We have, I think at the last count, over 70 breweries in Wales, as well. We've seen that improve as well. A lot of people will want to come to Wales to taste what we have—to try Welsh food, to try Welsh drink—and then, of course, they will look to buy it when

they leave Wales. All these things work together, to my mind, to show Wales as a quality destination.

Eluned Parrott: They do, but a lot of making sure that people can access all of these things and do access all of these things is how we package them. You mentioned Iceland. You get off an aeroplane in Iceland and you already know that there is a bus that will take you to three things in a package and take you back to your hotel. There are organisations that are making sure that it is easy for people to access what they have to offer. If you look, for example, at—you talked about the coastal path, and it's a fantastic facility—long-distance paths elsewhere there's more in the way of packaging with bed-and-breakfasts and restaurants. If you look, for example, to the West Highland Way, there's a well-known guide, and you walk this bit and you stay in this town and you can eat in these places. We need to be doing more of that. What is the Welsh Government doing to make sure that the offer we have around the coastal path is packaged in a way that benefits those coastal communities?

The First Minister: There are several companies that already do this, not just on the coastal path, but when it was the Pembrokeshire coastal path, as a self-contained path, and the Offa's Dyke Path and Glyndŵr's Way as well. There are companies that already provide that provision where luggage is moved from one place of accommodation to another.

My suspicion is that with—. There are two types of people who want to walk. There are people who want to walk from A to B to C, who want their luggage moved, and they tend to be happy to stay in good accommodation but they don't want big hotels, and there are other people who want a base, will walk from that base, but want to come back to that base every night, and they, I think, would look to have a level of service and a level of hotel grade that's higher than the former group. That's pure speculation on my part, but, nevertheless, that's what I've noticed over the years. The key for us is to be able to offer both, of course.

Eluned Parrott: Okay. Thank you.

David Melding: First Minister, I'd like to move on to the Welsh language now. The Welsh language impact assessment framework was launched in 2014. I understand it's being reviewed. I wonder what the outcome of that review of the Welsh language impacts assessments was, and whether further training has been rolled out for Welsh Government staff.

The First Minister: Well, the impact assessments have been in place for 15 months. We are revising them at the moment to include more specific questions on expenditure on the Welsh language across Welsh Government, so, in addition to the direct spend of about £31 million, the aim of the assessments is to better understand how much is spent on Welsh in relation to specific programmes and, of course, the subsequent impact upon the language. New measures have also been introduced to ensure that language considerations are placed in policy and legislation decision folders to Ministers, and I know that there is further training for staff on the use of the framework planned in April, where there is a policy focus week taking place.

David Melding: And the impact assessments will give you the wherewithal to ensure compliance with the standards, which I think are all coming into force next month, and you're going to have to report on them the following year, I understand. I just wonder how robust the evaluation process is at the moment for those standards that you're putting in place.

The First Minister: Well, a new framework for assessing the impact of policy decisions on the language, as I mentioned, is being developed. It's being launched in preparation for implementing the policy-making standards. There's guidance, a data handbook and a template to ensure that officials have considered the effect of their decisions on opportunities to use the language.

David Melding: And then, to go away from these important questions of process, in terms of the development of the curriculum and, in general, learning Welsh as a second language, you want a renewed focus on learning Welsh primarily as a means of communication, particularly oral communication and understanding. As a Welsh learner, I think that's absolutely the right focus. Can you give us any examples of where that change of emphasis is taking place?

The First Minister: It will be part of the new curriculum. For most people who speak English, it is a means of communication and not a subject of academic study. Only for a small number of people is that the case. The same will be correct of Welsh, and I think part of the problem is that where you have a distinction between first and second languages, how do you measure that? What does that mean in terms of first and second language? Does it mean, for example, for someone like myself, who spoke Welsh first, but went to an English-medium school—what does that mean? I think breaking down that

barrier is helpful, because I think at 11 years old, particularly, there are too many children who will be regarded as first-language speakers and will therefore study most, if not all, of the curriculum through the medium of Welsh, and others who are seen as second language who will study Welsh as a subject and maybe a few subjects through the medium of Welsh as well. I think then you lose people at 11 when there's no need to do that.

For me, we should look on Welsh as primarily a skill—yes, it is an academic subject, but it's going to be that way for a relatively small number of people, as it is for English—and to develop a framework where people are able to assess their skills objectively.

12:45

Nobody thinks that their English isn't good enough to do an interview on TV. That's not the way people think. But lots of people who are Welsh speakers think that their Welsh is not good enough to use in a formal context, and they won't do it, even though their Welsh might well be good enough. What we're looking at is trying to find a way that people can assess themselves. It's possible in the future that you might have levels of fluency that people can assess themselves against that give them an idea of where they are and boost their confidence in the language, and therefore boost their use of the language.

David Melding: Finally, if I can ask a very macro question, the recent evidence from the census has shown that the decline of the language has been halted, amongst younger people anyway, and, demographically, this is feeding through, despite the slight slip in the last figures in 2011. We're now seeing that it's younger people and older people who are most likely to have the skill of speaking some level of Welsh, and then it's the middle group, perhaps educated at a time in the 1960s and 1970s, as I was, where, if you weren't from a Welsh-speaking home, you weren't likely to acquire very much by way of Welsh-language skills. We've talked a lot about climate change, about sustainability and setting targets for 2020 and 2050. Should we be doing that for the Welsh language? What would a bilingual Wales need to look like in 2050, for instance, in your view, in terms of the number of speakers?

The First Minister: I'd like to see us reach 1 million. The question is how we get there. It's not just a case of using the education system, although that's important. We have seen declines in the percentage of Welsh speakers in

parts of Wales where there is only Welsh-medium education. So, it's not the only story. I know, for example, if you look at the 1981 census figures for some parts of Wales, Ceredigion in 1981 for, I think, three to 15-year-olds, had a Welsh-speaking percentage of nearly 72 per cent. That's not the percentage in the general population now. So, having a high percentage amongst young people doesn't translate 30 years from that date to having a similar percentage in the general population. Yes, it is important to have a system where children are able to learn Welsh and use it naturally and fluently, but it's also important, of course, to give the opportunity to people to learn Welsh later on.

One of the things that we've done is to fund Welsh language centres around Wales. I opened the one in Cardiff yesterday. Many of them are in parts of Wales where Welsh is not the language of the street. We know that, for a lot of people, it's practice, and, secondly, people can feel that speaking Welsh feels a bit strange, because English is the medium in the particular part of Wales where, at this moment in time, they live. What the Welsh language centres do is offer people the opportunity to go somewhere where Welsh is the normal and expected form of communication. It gives people the chance to practise, it gives them a place to go where they know full well that they can use Welsh. In some parts of Wales, they can do that in the community; in other parts of Wales, that isn't the case.

David Melding: Eluned.

Eluned Parrott: Thank you, First Minister. I was at the opening of Yr Hen Lyfrgell yesterday, and those kinds of centres help people develop their conversational skills very well, I hope, and I look forward to seeing them work in the future, but one of the big issues that people have, even if they've been through Welsh-medium education, is a lack of confidence in their written Welsh. I note that you talk about there being a particular emphasis on oral communication in your paper, but, if we want to see a bilingual Wales, where documents are produced bilingually, where people are written to bilingually, if that's what they wish for, then people have to have confidence in written Welsh. How are we going to make sure that there is access to the additional training that people need to develop those kinds of skills so that, in the professional world, people are able to use Welsh effectively?

The First Minister: It's true. Welsh is quite—. It's very different in terms of the way English is perceived in society in the sense that people will accept Welsh as being perfectly acceptable, even when people miss the odd mutation or, if

you come from my part of Wales, where the mutations are different anyway. But written Welsh people expect to be perfect. There's no leeway there. And that does, of course, put people off writing in Welsh, even those who've been to Welsh-medium schools. Much of it, I think, rests on encouraging people to read more in Welsh, which will then help their writing. But, even before you get to that stage, you've got to convince them that their Welsh is good enough for them to be able to read in Welsh to begin with. So, it all comes back to encouraging people to gain confidence in their fluency in Welsh.

Once you get the conversational confidence and fluency, it's far easier then to move on to reading books in Welsh, and ultimately then, of course, to improve someone's written Welsh. But it's right to say that, for many Welsh speakers, they wouldn't use a Welsh service because it uses a particular type of formal Welsh they're not really familiar with. There are words they may not, again, be familiar with because, you know, words in English are broadcast every single minute of the day. In Welsh, it's not the same thing. If you said to most people, 'What is the Welsh for procurement?' they probably wouldn't be able to tell you even though they're Welsh speakers; it's not a word they're familiar with.

So, it's a staged approach I think you have to have with the Welsh language, where you create that conversational confidence that then moves on to confidence in reading and then, ultimately, to confidence in writing.

Eluned Parrott: Thank you.

David Melding: I think if there aren't further questions, we'll move to the next section, major public appointments, which is again with you, Eluned.

Eluned Parrott: Thank you very much, Chair. I wanted to ask about public appointments, and we raised this—I think it was last spring—in our meeting. We had a very open discussion about it; you indicated that you were willing to consider whether or not the accountability of major public appointments was everything that it ought to be. But then you'll be aware that the Children's Commissioner for Wales's review report made three recommendations on how that might be achieved: it talked about perhaps introducing a single Act covering all the commissioners and an ombudsman, perhaps looking at ways of introducing a more consistent approach across the appointment process, and also that there should be perhaps a movement of the appointment of the children's commissioner to the National Assembly for Wales. It does seem odd that there are discrepancies between the

appointment processes for roles that appear, on the face of it, and certainly to the public, to be very similar in nature, although tasked with different subjects. Why is it that the Welsh Government rejected all three of those recommendations to that review, considering the discussions we've had about, you know, a willingness to change?

The First Minister: I think the next Government will have to consider how to create greater consistency in terms of the appointments process, and the way in which the commissioners function. They were created at different times; there are more of them than there were, and I think it's inevitable that there will have to be a review to ensure that there's consistency across the board.

In terms of the way they are appointed, in terms of the commissioners it's never been the case that, where a commissioner is appointed, there's any kind of attempt to interfere in what they might say or do. They are independent, the same as judges are; judges in Scotland, for example, are appointed by the First Minister, but there's no suggestion that judges from then on are at the beck and call of the First Minister. I know that there are some who take the view that commissioners should be appointed directly by the Assembly. An interesting idea: I think it's how it would work in practice is what would need to be examined—how would the budget be determined properly, how would they be scrutinised in the absence of a Minister being able to do it, as well as a committee. I think there are issues there that would need to be looked at.

In terms of appointments process, there are, of course, regulated appointments and unregulated appointments. Regulated appointments have to comply with the Commissioner for Public Appointments' code of practice on ministerial appointments. There's no requirement to abide by that for unregulated appointments, but we do that anyway. So, it's important, of course, that people have faith in the appointments process and that people are appointed fairly.

Eluned Parrott: Indeed. It's not only the reality of independence and transparency that's important, but it's, of course, important that we have the appearance of it as well. And people will question why you've introduced in this Assembly term commissioners on the statute books who have appointment processes that are different to other commissioners that we also have operating in Wales, and whether any work has been done during the lifetime of this Welsh Government to look at the consistency of that

appointment process, and, if work has been done, why, when you were introducing new commissioners, you didn't take account of that.

The First Minister: Well, of course, the children's commissioner was the first one, if I remember. I think we are at the point now where the next Government will have to look at whether there are inconsistencies, how they can be managed, and to create a greater level of consistency amongst the commissioners. There are more of them now and I think that the time will come pretty soon when there will need to be that review.

Eluned Parrott: Okay, thank you. I want to look at the diversity of those appointed to boards serving on behalf of the Welsh Government. You talked about there being regulated and unregulated appointments. There's a target, is there not—a gender target—of 40 per cent of women on those boards? In terms of the regulated appointments, we seem to be moving very much in the right direction there and, in fact, in the last year, we did get to 42 per cent. But the unregulated boards are still seriously underrepresentative of women. The latest figures say 32.5 per cent membership. Why do you think there is a disparity between the regulated and the unregulated boards, if you are in fact going through the same process for both?

The First Minister: It's difficult to explain why that should be in terms of the discrepancy. Progress has been made in terms of the regulated boards. Unregulated: clearly the figures are not where we would want them to be. We have looked at how we ensure that people are aware of public appointments. There was a time, certainly 20 years ago, when it was all word of mouth. That's not appropriate for the present day.

So, just to outline a few of the steps that have been taken: e-mails are sent to everyone who has signed up for a public appointments alert when a new post becomes available. Work has been done with sponsor divisions to simplify the language used in job advertisements and the specification so that they're likely to appeal to the widest field of applicants—that's important. Job adverts and specifications promote diversity by emphasising, where possible, a candidate's ability rather than previous experience. We do encourage the use of Twitter and social media to appeal, particularly, to younger people who are more represented in social media. Importantly, as well, most public appointment posts now require a CV and a personal statement rather than a long application form, which I think is off-putting for many people. Ministers are made aware of the need for diversity at a board at the start of a campaign, and I have asked all Ministers to consider all

reappointments carefully in order to encourage greater diversity in new appointments. So, yes, it's disappointing what's happened with the unregulated appointments, but those steps have been put in place now to ensure that there's greater consistency between regulated and unregulated.

Eluned Parrott: Clearly, it's disappointing. If we look at, for example, new appointments made last year, in the regulated boards, more than 60 per cent of new appointments were female. When we look at unregulated, it's just 25.88 per cent. That means that not only are you not likely to meet a 40 per cent target any time soon, but it means that you're actually falling away from a figure of 32.5 per cent. It is a decline in the number of women represented on those boards. So, the question does remain: when do you anticipate that you will hit that 40 per cent target in the unregulated board membership, if, at the moment, new appointments are going in the wrong direction?

The First Minister: I've already mentioned the steps that we've taken in order to make sure that that is dealt with with the unregulated boards. It's difficult to put a finger on exactly what the reason is, and when we have, of course—in the regulated sector, the target has, more or less, been hit, all our commissioners are women, but we do have, clearly, a challenge with regard to the unregulated appointments, which the steps that we've taken, we trust, will address.

Eluned Parrott: Can I ask, in terms of other protected characteristics, how diverse our boards are? We have a document here looking at the male-to-female ratios, but how representative are those boards of the ethnicity of Wales, of the sexual orientation of Wales and so on and so forth?

The First Minister: 'Not enough' is the answer to that. Coming back to the points that I made earlier, what we've tried to avoid is to have a situation now where, as soon as somebody is on the ladder, it's easier for them to climb up the ladder. In other words, if you've got previous experience, it's easier for you to then get further appointments down the line. That militates against those, quite often, from black and minority ethnic backgrounds. Now that it's a CV and a personal statement, we believe that that will assist—and, of course, the way in which we've widened the way in which appointments are actually notified, rather than people having to look in one particular place at one particular time in the hope that something is there, using social media, using e-mail in order to attract more diverse applicants.

13:00

Eluned Parrott: How does the number of applicants compare to the number of people appointed in terms of diversity? Are we appointing people at a proportionate rate from the pool that are applying or is it—

The First Minister: I would need to write to the committee on that with that information.

Eluned Parrott: Thank you. That would be very helpful. The other question I was wondering about with regard to those matters is whether you've done any research to discover whether or not those communication methods are actually effective in reaching the groups that you want to reach, if you are still struggling to find both women and people with other protected characteristics through the channels that you've chosen.

The First Minister: Again, if I could write to the committee on that with information on how that is being monitored and evaluated, that should provide the information required.

Eluned Parrott: Okay, thank you very much.

David Melding: First Minister, the final area we just wanted to discuss with you is recent constitutional developments, and I suppose we're focusing really on the draft Wales Bill and now the Wales Bill that is being prepared for introduction to the House of Commons and whether there is anything you can tell us about the ongoing discussions you've been having with the UK Government.

The First Minister: I can't tell you much beyond what I said on Monday, Chair. We wait to see what will happen next. We understand the Secretary of State will be considering the matter further next week.

David Melding: I notice that you and your Government have perhaps shifted ground a bit on the issue of a distinct jurisdiction and even, eventually, a separate jurisdiction. I think that reflects wider opinion and views and what the judiciary have been saying and a whole range of people, particularly on this issue of a distinctive jurisdiction, which might get us to a clearer constitutional place in terms of Welsh law just extending to Wales and being applied in Wales and formalising the requirement for the judiciary to be trained in Welsh law. I just wonder whether you sense any movement, perhaps, in terms of this area and perhaps it being advanced in the near

future.

The First Minister: The difficulty with the Wales Bill as it currently stands is that, at its very core is the requirement to preserve the single jurisdiction, and the practical effect of that, with the current draft, is that it makes it very difficult for the Assembly to do anything that changes the law of England and Wales. It implies that a divergence in the law is an exception that must pass a number of tests. That, firstly, goes against the 2011 referendum, which was clear in granting primary powers to the Assembly. So, when the process started, the issue of the jurisdiction had not crossed my mind, but, of course, when it became clear that the Bill itself was predicated on the single jurisdiction and that all the problems that resulted from that came back to the same source, it then became clear to me that a different approach had to be taken.

It was the Lord Chief Justice who made the point that it was possible to have an element of separation, if I can put it that way, between the jurisdictions and yet retain the same court system. The concern that I will always have about having—particularly in the short-term, but this is always going to be a factor—a separate court system and a separate criminal justice and penal system is cost. It's not so much the issue of what impression it would give as Northern Ireland has an almost identical system to ours even though it's a separate jurisdiction. People point to Scotland. Scotland is very different indeed; it's got a wholly separate set of principles upon which the law is based. So, we wouldn't, to my mind, ever want to be where Scotland is because it is very, very different in that respect.

But it is possible, I believe, to create formally a distinct jurisdiction that shares a court system with another jurisdiction. Practically, it simply means that judges are accredited to sit in Wales and in England. It means that legal professionals are accredited to work in both Wales and England. There is no difficulty with that. Some have expressed a concern that this would, in some way, create a barrier for lawyers who are qualified in England to work in Wales. Well, there are plenty of law firms in Northern Ireland now who are from London and are working in Northern Ireland. There's no problem there, and no-one would ever want to see that happen because it's in the interest of our legal profession to be able to operate freely in the large market that is England.

Neither is it in our interest to appear to be seen as so different that there's a problem operating as a legal professional within Wales. But the distinct

jurisdiction removes all that uncertainty. It removes the scenario where everything is predicated on this obsession of preserving the single jurisdiction exactly as it is, even to the point where, at the moment, we have the law of England and Wales as it applies in Wales. It's an incredibly complicated way of doing something, I think, really simple, where we have, on the face of some Bills, the declaration that it affects the law of England and Wales but it's not made clear that it only affects England or it only affects Wales. Now, I've got no desire to apply Welsh law in England even though, in theory, it can be done, if not in practice. To me, it's a simple way of resolving a conflict that exists within the Bill without creating a financial difficulty of creating a separate court system and a separate penal system, and without creating a physical separation between the professions on one side of the border and the other, and the judges on one side of the border and the other.

David Melding: There are some people, of course, who advocate a separate jurisdiction and just having that big bang, I suppose. Indeed, you know, in the English-speaking world a legislature usually does have its own jurisdiction—we're very unusual. But our history is also one of a deep administrative and legal union, and there are many people who say that a separate jurisdiction needs to be thought about very, very carefully indeed because of our historical circumstances. It just seems to me—and I wonder whether you agree—that moving to a distinct jurisdiction in terms of Welsh law applying and extending to Wales, and then the judiciary and legal practitioners being properly trained, as indeed they increasingly are—certainly judiciary are now required to have an understanding of Welsh law—seems a good place to get to, and it doesn't make a separate jurisdiction inevitable. That's a separate argument altogether. There's great merit in its own sense with the concept of a distinct jurisdiction. Is that your view at the moment?

The First Minister: I think it's wholly pragmatic approach. Yes, England and Wales has been a single jurisdiction since 1536. The last Welsh court—the Court of Great Sessions—disappeared in the 1830s. So, there has been that level of integration. That said, of course, the Northern Ireland jurisdiction is not even 100 years old. It was created at the time of Stormont, with an entirely separate court system and its own Court of Appeal created at that time. A separate jurisdiction means a separately administered court system, identical probably in structure to the one that exists in England, as Northern Ireland does. It does mean a separate Court of Appeal. It doesn't mean a separate higher court beyond that. I mean, the Supreme Court can act, as it

does for Northern Ireland, as the ultimate Court of Appeal, and it acts in that way for Scottish civil law, if not criminal law, but there would need to be a separate Court of Appeal. That carries a cost. A separate High Court judiciary carries a cost. If you devolve the courts, then the entire penal system comes with it. So, then you're looking at the police and you are looking at the prison system. Our prison system is not integrated. We don't have a women's prison, for example. We don't have a number of prisons across Wales that could probably accommodate the Welsh prison population. And there's the probation service and so forth. So, that's a major step, and it's not a step that I advocate, and certainly at this moment in time.

What we have here is a very pragmatic way of making it as easy as possible for the people of Wales, through their Assembly, to pass their own laws without there being artificial restrictions placed on that, without the cost that a separate court system at this moment in time would incur. So, for me, it's entirely practical. As somebody who worked in the system, there is nowhere else that I'm aware of where you have one jurisdiction with two legislatures in it who pass laws in the same policy areas. In the US, where there are a large number of jurisdictions, not just the state jurisdictions, people understand what is federal and what is state in the main, but they don't have a state jurisdiction where both the federal Government and the state Government pass laws within that jurisdiction. Therein lies the confusion. I've mentioned before that there are examples, I've been told by judges, of counsel coming from London particularly and arguing the wrong law in Wales, and, on a reasonable basis, they would argue, 'Well, it's the same jurisdiction'. When I was in practice, if someone had said to me, 'Will you go and take a case in the Isle of Man?', I'd have thought, 'Right, it's a separate jurisdiction, the principles and the law are the same, the architecture's the same, but the legislation is going to be different. So, find out about it'. I don't think that message got through with practitioners outside of Wales, even though practitioners inside of Wales do understand it.

David Melding: Thank you, First Minister. That's very helpful. Are there any other questions on the constitutional side? Okay. I don't think there's any need to go over ground that has been well covered in other fora, so it just remains for me to repeat our thanks, as we stated at the beginning of the meeting, First Minister. I think these have been very useful sessions. We're grateful for the time you've devoted to them and the friendly candour in which I think the sessions have been conducted. We're also grateful for the co-operation we've had from you to meet in other areas of Wales. I think that's been particularly valuable and it's a pity we can't do more of it, but we

have done it regularly. I think that's been of great benefit to this committee. So, thank you, once again, for your attendance.

The First Minister: Thank you.

13:11

Papurau i'w Nodi Papers to Note

David Melding: We just have one paper to note, which is a letter from the chair of the UK Parliament's Joint Committee on Human Rights to the Presiding Officer, and you'll note the issues that are raised there. I think this letter has been sent to all committees, so if we can note that.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cynnig:

Motion:

bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in 17.42(vi).

accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

David Melding: I now move the relevant Standing Order that we conduct the rest of our proceedings in private, unless any Member objects. I don't see any Member objecting, so please switch off the broadcasting equipment and clear the public gallery.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 13:11.

The public part of the meeting ended at 13:11.