



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cyllid](#)

[The Finance Committee](#)

13/07/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w dystiolaeth, nodir y rheini yn y trawsgrifiad.

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. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mike Hedges Bywgraffiad Biography	Llafur Labour
Nick Ramsay Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
David Rees Bywgraffiad Biography	Llafur Labour
Simon Thomas Bywgraffiad Biography	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)

Eraill yn bresennol
Others in attendance

Alwyn Jones	Swyddog Arweiniol Gwasanaethau Oedolion, Cyngor Sir Ynys Môn a Chadeirydd Penaethiaid Gwasanaethau Oedolion Cymru Gyfan Lead Officer Adult Services, Isle of Anglesey County Council and Chair of All Wales Heads of Adult Services
Dilwyn Williams	Prif Weithredwr Cyngor Gwynedd Chief Executive, Gwynedd Council
Jenny Williams	Cyfarwyddwr Gwasanaethau Cymdeithasol, Cyngor Bwrdeistref Sirol Conwy ac Is-lywydd Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol Cymru Director of Social Services, Conwy County Borough Council and ADSS Cymru Vice President

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

Owen Holziger	Y Gwasanaeth Ymchwil The Research Service
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Cath Hunt Ail Glerc
Second Clerk

Kath Thomas Dirprwy Glerc
Deputy Clerk

*Cynhaliwyd y cyfarfod yng Nghanolfan David Hughes, Biwmares.
The meeting was held in David Hughes Community Centre, Beaumaris.*

*Dechreuodd y cyfarfod am 10:00.
The meeting began at 10:00.*

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introductions, Apologies, Substitutions and Declarations of Interest

[1] **Simon Thomas:** Bore da, bawb. **Simon Thomas:** Good morning, Galwaf Bwyllgor Cyllid y Cynulliad everyone. I call the Finance Cenedlaethol i drefn, gan groesawu Committee of the National Assembly pawb i Fiwmares ac i le hyfryd ar to order, and I welcome everyone to bwys y castell. Rŷm ni'n falch iawn o Beaumaris and to this beautiful place fod yma, ac mae gennym ni ddau by the castle. We're very pleased to dyst y bore yma, yn ymwneud â'r be here, and we have two witnesses this morning, related to the Social Llesiant (Cymru) 2014 a chostau Services and Well-being (Wales) Act deddfwriaeth yng Nghymru. 2014 and the cost of such legislation in Wales.

[2] Rŷm ni'n mynd i holi'r tystion We're going to ask the witnesses jest mewn eiliad, os caf i yn gyntaf some questions in a second, if I could atgoffa'r Aelodau i dawelu unrhyw first remind Members to put any ffonau symudol ac ati, gan fod yr mobile phones and so forth on mute, offer cyfieithu sydd gyda ni fan hyn because the interpretation equipment bach yn wahanol. Atgoffaf bawb, we have here is slightly different. wrth gwrs, fod yna gyfieithu, a bod y Could I remind everyone that there is cyfieithu ar sianel 1. Mae lefel y sain interpretation on channel 1 and wreiddiol ar sianel 0. amplification on channel 0? Ymddiheuriadau: mae gennym ni Apologies: we do have apologies ymddiheuriadau gan Steffan Lewis ac from Steffan Lewis and Eluned Eluned Morgan. Morgan.

10:01

Papurau i'w Nodi Papers to Note

- [3] **Simon Thomas:** I Aelodau'r pwyllgor, a gaf i ofyn i chi jest nodi'r papurau sydd gyda ni i ddechrau'r cyfarfod? Mae gennym ni lythyr oddi wrth Gyllid a Thollau ei Mawrhydi at Nick Ramsay, sydd yn cadarnhau bod swyddog cyfrifyddu ychwanegol ar gyfer y gyfradd treth incwm Cymru wedi'i benodi—hynny yw, bod datganoli treth incwm yn mynd yn ei flaen o safbwynt cyllid a thollau—a hefyd, cofnodion y ddau gyfarfod diwethaf. Hapus i nodi'r papurau? Diolch yn fawr iawn.
- Simon Thomas:** For the Members of the committee, could I just ask you to note the papers that we have? We have a letter from Her Majesty's Revenue and Customs to Nick Ramsay, which confirms that the additional accounting officer for the Welsh rate of income tax has been appointed—that is, devolution of income tax is going ahead in terms of revenue and customs—and also, the minutes of the last two meetings. Are you happy to note those papers? Thank you very much.

Ymchwiliad i'r Amcangyfrifon Ariannol sy'n Cyd-fynd â Deddfwriaeth: Sesiwn Dystiolaeth 8—Cymdeithas Cyfarwyddwyr Gwasanaethau Cymdeithasol Cymru (ADSS Cymru) Inquiry into the Financial Estimates Accompanying Legislation: Evidence Session 8—Association of Directors of Social Services Cymru (ADSS Cymru)

- [4] **Simon Thomas:** Fe awn ni ymlaen, felly, i groesawu'n ffurfiol y tystion. A gaf i ofyn i chi, i ddechrau, jest i ddatgan eich enwau a'ch swyddogaethau, jest ar gyfer y cofnod, os gwelwch yn dda?
- Simon Thomas:** We move on, therefore, to formally welcome the witnesses. And could I just ask you to start by stating your name and role for the record, please?
- [5] **Ms Williams:** Helo. Ydy hwn arno?
- Ms Williams:** Good morning. Is this on?
- [6] **Simon Thomas:** Nid oes angen cyffwrdd â rhain; byddan nhw'n gwneud hynny.
- Simon Thomas:** You don't have to touch the mics; they'll be operated.

[7] **Ms Williams:** Hello, bore da. I'm Jenny Williams, strategic director of social services and education for Conwy County Borough Council.

[8] **Simon Thomas:** Diolch yn fawr. **Simon Thomas:** Thank you.

[9] **Mr Jones:** Fi ydy Alwyn Jones, **Mr Jones:** I'm Alwyn Jones, head of pennaeth yr adran oedolion yng adult services in Anglesey council. nghyngor sir Fôn.

[10] **Simon Thomas:** Diolch i chi, ac **Simon Thomas:** Thank you very mae croeso i chi ateb cwestiynau yn much, and you're welcome of course Gymraeg neu'n Saesneg, fel rydych to answer questions in English or chi'n teimlo'n gysurus. Os caf i ofyn Welsh as you would wish. If I could yn gyntaf—. Rydym ni'n edrych ar ask you, first—. We're looking at the gostau deddfwriaeth, ond yn cost of legislation, but specifically in benodol, efallai, yn eich achos your case, the Social Services and chithau, Deddf Gwasanaethau Well-being (Wales) Act. Just Cymdeithasol a Llesiant (Cymru). Jest generally, how has the Act changed yn gyffredinol, sut mae'r Ddeddf yma the way in which you provide services wedi newid y ffordd rŷch chi'n mynd among local authorities and your o gwmpas darparu'r gwasanaethau partners as well, and what do you gan awdurdodau lleol a phartneriaid feel the Bill tried to deliver, and do hefyd, efallai, a beth ydych chi'n you feel that the Bill is on the right teimlo oedd y Bil yn ceisio ei path? gyflawni, ac a ydych chi'n teimlo bod y Bil ar y trywydd yna?

[11] **Ms Williams:** Fe wnafl i **Ms Williams:** I'll start. gychwyn.

[12] I'll speak in English if that's okay. I think, in relation to the impact of the legislation, obviously the legislation became law and was applied to local authorities in April 2016. The Association of Directors of Social Services Cymru had been working quite significantly in the run-up to that legislation becoming live, really, in relation to the original White Paper and also the sustainable social services approach. I think the challenge has been—. We would absolutely concur that we have to move to a more preventative approach to enable us to support individuals in the community much earlier, to reduce the financial burden in relation to costly higher end services. I don't think that's new. I think that's something we've been working on for many years within social care, but the legislation has definitely changed that

focus and given us the mandate to look at a range of services where, perhaps, we didn't have those duties previously. So, a statutory director—. There's a clear section within the Act that requires me to develop that range of preventative services. That wasn't a statutory duty previously, and I think preventative service, when we were looking at council budgets, and of course, the efficiencies, which I'm sure we'll come on to, they were the easy cuts, really, and the easy targets to not develop. But now that there's that statutory duty and focus, we have seen quite a shift.

[13] I think the main impact has been the information, advice and assistance duties. So, we now have a range of services and signposting responsibilities that we can ensure the public are aware of to give that pathway of service that is earlier in terms of people's lives, and the ability to assist and advise. And we've seen, across Wales, many local authorities developing single points of access now, with universal services, with the third sector, which is a bit of a different shift. That's on the positive. Maybe Alwyn will give you more of a balanced view, because there clearly have been challenges as well.

[14] **Mr Jones:** O ran atodi at beth mae Jenny wedi'i ddweud ar rai o'r sialensiau a beth rydym ni'n symud ymlaen, mae'r Ddeddf yn glir o ran beth ydy'r newid o ran y statud a beth rydym ni'n gorfod symud ymlaen gyda. Mae rhan sylweddol o'r Ddeddf i wneud efo newid diwylliant, ac felly nid yw'n fater o orffen un diwylliant un diwrnod a'i newid y diwrnod wedyn. Rydym ni'n ceisio dylanwadu ar ddiwylliant ar draws pob un mudiad ac unigolion a theuluoedd, ac wrth gwrs rydym ni wedi bod yn darparu gwasanaethau ers rhai blynyddoedd. Nid yw'n fater ein bod ni'n darparu gwasanaethau tuag at un diwrnod, ac wedyn mae'r Ddeddf yn dod i mewn ac mae pob peth yn newid. Felly, rwy'n meddwl mai un o'r sialensiau ydy *actually* cefnogi unigolion, ymarferwyr a

Mr Jones: In terms of adding to what Jenny has said on the challenges and moving forward, the Act is very clear in terms of the change in terms of statute and what we've got to move forward with. A significant part of the Act is to do with cultural change, and so it's not an issue of finishing one culture one day and moving to another one the next day. We're trying to influence the culture across organisations and individuals and families, and we have been providing services for some years. It's not an issue that we are providing services on one day, and then the Act comes in and then everything changes. So, I think that one of the challenges is actually supporting individuals, practitioners and other organisations in terms of that cultural shift that's happened and that is happening

mudiadau eraill o ran y newid yn y gradually.
diwylliant yna sydd wedi digwydd ac
sydd yn digwydd yn raddol.

[15] Beth rwy'n meddwl sy'n What's important is to identify that
bwysig i'w adnabod ydy nad ydy things can't happen overnight. You
pethau felly yn digwydd dros nos. have to give confidence and training
Mae'n rhaid rhoi hyder a hyfforddiant to the workforce. We've done a lot of
i'r gweithwyr. Rydym wedi gwneud that work. We've done a lot of work
lot o'r gwaith yna. Rydym wedi in terms of training workers jointly in
gwneud lot o waith o ran hyfforddi terms of support from the
gweithwyr ar y cyd o ran y organisations that we work with, and
gefnogaeth gan y mudiadau rydym to have a different kind of
ni'n gweithio gyda nhw, ac i gael conversation. You will see a focus on
sgwrs wahanol. Fe fyddwch yn gweld what's important for individuals and
ffocws ar beth sydd o bwys i outcomes. But, in order to reach
unigolion a'r canlyniadau. Ond wrth those outcomes, there are more
gwrs, er mwyn cyrraedd y responsibilities on individuals and
canlyniadau, mae yna fwy o their personal assets. The
gyfrifoldebau ar unigolion, eu conversation is different. So, what I
hasedau personol nhw. Mae'r sgwrs would suggest in terms of balance is
yn wahanol. Felly, beth fyddwn i'n that it's not something that happens
awgrymu o ran y balans ydy nad yw'n overnight; it's more evolution than
rhywbeth sy'n digwydd dros nos; revolution—that's what we're seeing.
mae'n fwy o *evolution* na *revolution* y
mae rhywun yn ei weld.

[16] Felly, rwy'n meddwl mai'r So, the challenge is that we continue
sialens ydy ein bod ni'n parhau i to develop and to provide that
ddatblygu ac i ddarparu'r newid yna, change, while at the same time
tra ar yr un pryd yn dylanwadu ar ein influencing our communities,
cymunedau, unigolion a mudiadau individuals and other organisations.
eraill. Mae'n bwysig nodi, er ei bod It's important to note that, even
yn Ddeddf gwasanaethau though it's a social services and well-
cymdeithasol a llesiant, bod y Ddeddf being Act, this Act influences other
yma yn dylanwadu ar fudiadau eraill organisations: health boards and the
hefyd: y byrddau iechyd, y sector independent sector. It's very
annibynnol. Mae'n bwysig iawn, ac important, and it is sometimes a
mae'n sialens weithiau i fod yn gallu challenge to be able to make that
gwneud y newid yna. change.

[17] Yn hanesyddol o bosibl, roedd gwasanaethau cymdeithasol yn ceisio gwneud y sgwrs yn fwy am beth oedd cryfderau unigolion—ei natur oedd helpu pobl a dod i fyny gyda'r ateb yn fwy aml na pheidio. Beth rydym yn ceisio'i wneud rŵan ydy cynnal sgwrs wahanol o ran ceisio gweld beth ydy asedau'r unigolion, beth sydd ar gael yn eu cymunedau, beth sydd ar gael o fewn eu teuluoedd nhw, ac mae hynny'n newid sylweddol. Mae hynny'n parhau i fod yn sialens ac fe fyddwn i'n awgrymu bod hynny'n mynd i barhau i fod yn sialens am y blynyddoedd nesaf.

Historically, possibly, social services were trying to make the conversation more about the strengths of individuals—its nature was helping people and coming up with a solution more often than not. What we're trying to do now is to have a different kind of conversation in terms of trying to see what the assets of individuals are, what is available in their communities, what is available within their families, and that is a significant shift. It is continuing to be a challenge and I would suggest that that's going to continue to be a challenge for the years to come.

[18] **Simon Thomas:** Diolch yn fawr. **Simon Thomas:** Thank you very much. David Rees.

[19] **David Rees:** Thank you, Chair. Alwyn, you talked about cultural change, which I'll come back to afterwards, but you also mentioned that there were actions being taken that weren't statutory, but became statutory. So, is it a fact that, in a situation like this Bill, some of the costs are unknown in reality, because you would have been doing them? What you've seen in this situation is that you haven't actually seen the cuts happen, so your costs haven't increased, technically, because you've still got your budget, but it would have gone down, perhaps, if they hadn't become statutory issues. So, would that be an underlying cost that isn't reflected, perhaps, when you look at the Bill? Because you might be saying, 'Well, we budgeted to do jobs, we do these services. We wouldn't do these services if the cuts came along, but because they've become statutory, we're now doing them, but our budget hasn't increased.' So, therefore, you might be assuming there's no additional cost, in a sense.

[20] **Ms Williams:** I think you've hit the nail on the head there. Yes, absolutely. As I said, obviously, we've been in times of austerity and real-terms cuts over five years, and the early intervention preventative services have been targeted. So, I think you're absolutely right. We've had to, in a sense, prioritise and protect those now, moving forward, now that the legislation requires us to have that range of duties. So, for instance, in my

council, where we've been looking at service prioritisation year on year, the early intervention preventative services are now being looked at very differently in terms of their role in reducing longer term costs. It's far too early to see that, because that's, I guess, the idea—that over a period of time we'll see a reduction in our costs.

[21] **David Rees:** So, is it possible that, when the Government was introducing the Bill, the costs actually are hidden, because you're currently doing them, maybe not because of a statutory requirement, but you've become required to do them, but it's not seen as a cost. Is that possible?

[22] **Ms Williams:** Absolutely. There's a big requirement on co-production with the third sector and with our other partners. And, as I say, whilst we've been doing that sort of thing for many years, putting that on a statutory footing, which is absolutely the right thing to do, we lobbied quite significantly, really, for funding to implement the Act. It was considered to be cost neutral, but I think we would argue that it isn't cost neutral. And, as you say, with the element of protection of social services budgets widely, there are costs that possibly we could have seen reducing, had we not had the requirements. I think in the paper that we've presented, you've seen that preventative services are now being funded more significantly. Last year, I think it was £100 million across the councils that had been targeted to prevention, which is quite different really. So, that gives you a sense of—. It's almost that we're going to see our costs increase somewhat to get to the end of the outcome of reduced costs over time. Having said that—and I'll let Alwyn come in—we're seeing it's not just about reducing and managing demand differently because the population is what it is. The demographic is that people are inevitably living longer and need our services more than ever. So, the demand trajectory is also increasing at the same time that we're trying to introduce this legislation, so it's quite tricky.

[23] **Simon Thomas:** A gaf i jest **Simon Thomas:** Could I just ask ofyn—? Yn benodol ar hynny, ac you—? Specifically on that, and efallai bod Alwyn hefyd eisiau dweud maybe Alwyn wants to add rhywbeth, ond yn eich papur, rydych something, in your paper you said chi'n dweud yn benodol, 'Ie, mae'r specifically, 'Yes, the expenditure on gwariant ar wasanaethau ataliol tua preventative services is about £100 £100 miliwn', fel rydych chi newydd million', as you've said, but you also ddweud, ond rydych chi hefyd yn say that this is an area where savings dweud bod hwn yn faes lle mae'r in the future will have to come from, arbedion yn y dyfodol efallai'n gorfod because of meeting the statutory

dod ohono fe, oherwydd cwrdd â'r dyletswyddau statudol. A ydy hyn yn rhywbeth sy'n cael ei drafod ar lefel genedlaethol nawr, o ran gweithredu'r Ddeddf, neu a ydy e'n benderfyniad gan bob un cyngor sut i daro'r fantolen yma rhwng gwasanaethau ataliol a gwasanaethau statudol ac ati? Sut y mae'n cael ei weithio mas?

[24] **Mr Jones:** Mae o yn cael ei drafod ar y lefel genedlaethol o ran y pwysau sydd arnom ni. Yn naturiol, mae penderfyniadau o ran cyllidebau cynghorau unigol yn dod i lawr i gynghorau unigol o ran balans rhwng un adran a'r llall. Yn naturiol, fel mae Jenny wedi dweud, fel ADSS, mae'r trafodaethau'n digwydd ar lefel genedlaethol o ran sut rydym ni'n pwysu a mesur i sicrhau ein bod ni'n dod i sefyllfa lle gallwn ni gadw'r drol yn wastad.

[25] Beth roeddwn i'n mynd i adio, o ran y sgwrs gyntaf: rydw i'n meddwl ei bod hi'n bwysig, ac o bosibl nid yn y fan yma, tra'n bod ni'n nodi arbedion ar un llaw o ran ceisio cadw'r gyllideb mewn lle lle mae'r drol yn wastad, mae yna sialens hefyd, oherwydd ar yr un pryd ag y mae hyn yn digwydd, mi ydym ni hefyd yn cwrdd efo cynnydd yn y lefel—. O ran y gwasanaethau rydym ni'n eu comisiynu, ac rydym ni'n comisiynu'n sylweddol ar draws pob un cyngor, mae yna bwysau, i raddau, sydd ddim ar wyneb y Ddeddf yma, sydd i'w gwneud ag

duties. Is this something that's being discussed at a national level in terms of implementing the Act, or is it a decision by every council in terms of how to strike that balance between preventative services and statutory services and so forth? How is that being worked out?

Mr Jones: It is being discussed at a national level in terms of the pressure on us. Naturally, the decisions in terms of individual council budgets do come down to the individual councils in terms of balancing one department against another. As Jenny said, as ADSS, the discussion is happening on a national level in terms of how we weigh up how we reach a situation where we keep things on an even keel.

But what I was going to add, in terms of the first discussion: I think it is important, and possibly not here, while we note savings on the one hand in terms of maintaining a budget on an even keel, there is also a challenge, because at the same time, we're meeting with an increase in the level—. In terms of the services that we commission, and we do commission significantly across every council, there is pressure, to an extent, that's not on the face of this Act, which relates to minimum pay, which is rising every year, significantly. This is a good thing—

isafswm cyflog, sydd yn codi yn flynyddol yn sylweddol. Mae hynny'n beth da—rydym ni i gyd yn cytuno â hynny—ond mae hynny hefyd yn rhoi pwysau ychwanegol o ran cyllidebau unigol sydd, er ar wahân i hwn, yn berthnasol pan fyddwn ni'n sôn am gyllidebau cynghorau a'u gallu i sefyll yn stond. Er mwyn sefyll yn stond, mae'n rhaid gwneud arbedion, os ydy hynny'n gwneud synnwyr.

we all agree with that—but it does add extra pressure in terms of individual budgets. Although it's separate from this, it is relevant when we talk about council budgets and standing still. To stand still, we have to make savings, if that makes sense.

[26] **Simon Thomas:** Ydy, diolch, ac os caf i jest ofyn un peth penodol cyn symud ymlaen. Rydych chi newydd ddweud bod hwn wedi cael ei ddisgrifio fel Bil ac wedyn Deddf 'cost-niwtral', ac mae hwn yn derm y mae'r Llywodraeth yn hoff iawn o'i ddefnyddio, ond rydych chi wedi awgrymu'n gryf iawn nad yw e wedi bod yn gost-niwtral yn hynny o beth. A ydych chi'n gallu rhoi argraff i ni o'r ffordd roeddech chi, fel cyfarwyddwyr yn y maes, yn ymwneud â'r Llywodraeth wrth i'r Bil fynd drwyddo? A oedd gennych chi gyfle i herio'r costau a oedd yn y Bil? A oedd gennych chi broses o gytuno ar hynny, neu a oeddech chi'n teimlo bod y Llywodraeth, jest yn syml, wedi dweud, 'Mi oedd yna arian ychwanegol yn y pen draw, ond oedd, wedi dod, rwy'n meddwl'? Sut oeddech chi'n ffeindio'r broses yna? A oedd hi'n broses agored? A oeddech chi'n teimlo'n hyderus yn ei chylch hi? A oeddech chi'n meddwl ei bod hi'n broses braidd yn anodd ichi ymwneud â hi?

Simon Thomas: Yes, it does, and if I could just ask one more specific thing before moving on. You've just said that this was described as a Bill and then an Act that is 'cost-neutral', and that's a term that the Government is very fond of using, but you've suggested very strongly that it hasn't been cost-neutral in that sense. But could you give us an impression of the way in which you, as directors in this area, were engaged with the Government as the Bill went through? Did you have an opportunity to challenge the costs in the Bill? Did you have a process of agreeing on that, or did you feel that the Government just simply said, 'Well, there was additional money, ultimately'? How did you find that process? Was it an open process? Were you confident about it or did you think that it was a difficult process to engage with?

[27] **Ms Williams:** I think, as ADSS Cymru, we were given the opportunity to give evidence on certain sections of the Act. My expertise was around safeguarding, so I did feel that I was invited to give evidence to committee, and did that, and then colleagues, I think, respectively, gave evidence. In relation to the challenge back about the resourcing of the Act, I think, where, perhaps, we weren't very clear is what we thought were going to be the increased cost implications. It was a bit of an unknown, so we probably lost that battle, but certainly we did suggest that, without additional resources, or certainly resources just to make that transition into the new legislation, we would struggle. We did lobby hard to try and influence the Act being a statutory responsibility for health, which, obviously—. The name of the Act, we wanted it to include social care and health, and obviously it's social services and well-being, and there are duties that extend to our health partners. But more recently we've been giving evidence to the social care parliamentary review, and we feel strongly that, in order to look at managing our budgets effectively, we have to look at more integration of health, and that's something that I didn't feel that we were strongly heard on in the run-up to the legislation.

10:15

[28] **Simon Thomas:** Diolch yn fawr. Mike Hedges.

[29] **Mike Hedges:** I'll start with a word of warning here—

[30] **Nick Ramsay:** [*Inaudible.*]—sorry, Mike.

[31] **Mike Hedges:** I was going to say that you talk about integration with health—health will see that as an opportunity for hospitals to take money out of social services, rather than the other way round.

[32] Shall I do my first question and let Nick come in, or do you want to come in first?

[33] **Nick Ramsay:** I just had a very quick—

[34] **Simon Thomas:** You come in now, please, Nick, and then we'll move on to Mike's questions.

[35] **Nick Ramsay:** It was just about the last thing you said about health. You didn't feel you'd been properly listened to. I just wondered what the

reason was for that. Obviously there'd been a consultation, so—

[36] **Ms Williams:** As I say, the Bill was developed by the previous social services Minister, so it was very much a social services move, and it's significant legislation. We've never had legislation at this level that tries to bring everything in and consolidates. By now, obviously, everybody's talking about integration with health—it's the big crisis in the UK—and perhaps there was a missed opportunity to mandate integration through this legislation. So that's what I think—we're maybe just not quite in the crisis for us to be heard.

[37] **Nick Ramsay:** It is the buzz debate, isn't it? Thank you, Chair.

[38] **Simon Thomas:** Some people did mention it at the time, but we won't re-run the Bill debate here today. We'll move on with Mike Hedges.

[39] **Mike Hedges:** I won't even say 'Wouldn't it be good if primary and secondary care could be integrated?'

[40] The RIA estimated that training costs were at £1.8 million. That would work out for your authority between about £40,000 and £60,000. Is that what you've found it to be?

[41] **Ms Williams:** The regulation and inspection?

[42] **Mike Hedges:** Yes, the training.

[43] **Ms Williams:** In relation to the training costs?

[44] **Mike Hedges:** Yes.

[45] **Ms Williams:** Well, there's obviously been training in relation to the social services and well-being Act, but I think those costs are specifically around the next big legislation, which is the regulation and inspection of our workforce—so, the domiciliary care workforce in terms of training and registration as workers, and their costs, which are, again, unbudgeted. There has been some provision by Welsh Government for those costs, and working closely with Social Care Wales, the new registration body. But yes, significant—huge. We've absorbed the costs of training on the social services and well-being Act within our own budgets, but we are concerned about the next move to the wider regulation issues.

[46] **Mr Jones:** I think it's probably also important to note that the costs are not one-off, because actually in terms of generating the sort of change we're talking about, it's not a matter of training once and then that's done. We have to continue to train and support individuals in terms of the sort of change we're talking about here. Whilst it's statutory from the first date in terms of making that change, the cost is not just a one-off at the start of the implementation. We have to meet those costs now on an ongoing basis.

[47] **Mike Hedges:** If you're using money on that, what haven't you done in terms of training? Have you re-profiled your training budget, or have you just dropped things?

[48] **Ms Williams:** I think Social Care Wales—obviously, the care council previously, now Social Care Wales, which has only recently come into force—. We do receive support from that body for training. Again, that budget has reduced. It has been subject to cuts, so we've had to cut our cloth accordingly, and yes, the nice things to do in terms of wider development needs of staff have had to go. We've really had to focus down on training requirements that are statutory duties. So, there has been some impact there.

[49] **Mr Jones:** Mae'n bwysig nodi **Mr Jones:** It's important to note as hefyd ein bod ni'n gweithio yn well that we work regionally on rhanbarthol o ran hyfforddiant. Un training. One of the ways that we try o'r ffyrdd rydym ni'n ceisio sicrhau and ensure that the budgets work is bod y gyllideb yn cwrdd ydy gweithio that we work across counties, with ar draws siroedd, gyda chysiau training courses that are consistent hyfforddi sydd yn gweithio ar draws, across the regions, and we eu bod nhw'n gyson ar draws y commission jointly. It is a challenge, siroedd, ac ein bod ni'n comisiynu ar but it is something that we do y cyd. Er bod hynny'n sialens, mae yn monthly and yearly. rhywbeth rydym ni'n ei wneud yn fisol ac yn flynyddol.

[50] **Mike Hedges:** Have you found the financial benefits that you anticipated due to increased emphasis on prevention? There was a suggestion that social workers would save 20 to 45 minutes a week on average. Have you actually been able to quantify that? That would be about a 1 per cent saving. Have you managed to see a 1 per cent increase in productivity or a 1 per cent reduction in staff accordingly?

[51] **Ms Williams:** ‘No’ is the simple answer. I think you were keen to have the practitioner view, and if our social work staff were here they would say that they are hugely concerned about the bureaucracy that sits behind some of the changes. So, of course, we’re moving to one IT system across Wales in social care and health, which is slow. It’s a slow implementation. I think three local authorities have implemented. We look forward to that to try and streamline some of the bureaucracy. But, in terms of productivity, social workers are seeing more time behind their desks, meeting some of the demands around the performance framework that sits behind the Act, which is huge. So, we’ve moved from performance indicators, where we obviously lobbied that they were too cumbersome and onerous, to a new performance framework, which is all about outcomes, and measuring outcomes, as you know, is very, very difficult. So, there is quite a bit of bureaucracy that has affected front-line staff.

[52] **Mr Jones:** Buaswn i hefyd yn **Mr Jones:** I’d also say that the dweud bod egwyddorion y Ddeddf o principles of the Act for individuals ran gwahanol unigolion a and families mean that it takes theuluoedd—mae’n cymryd yn longer. Workers do welcome that hirach. Mae gweithwyr yn croesawu because that’s why workers came to hynny oherwydd mai dyna pam be social workers. Naturally, in terms wnaeth gweithwyr ddod i weithio fel of process, and in terms of spending gweithwyr cymdeithasol. Yn naturiol, time and having that relationship o ran proses ac o ran gwario amser a with families and individuals that is chael perthynas gyda theuluoedd ac stronger and more valuable—that unigolion sydd yn fwy cryf ac yn fwy takes longer. So, in terms of gwerthfawr—mae hynny’n cymryd yn answering your question, I don’t hirach. O ran ateb eich cwestiwn chi, think that we have seen a reduction nid wyf yn meddwl ein bod ni wedi in the time spent on each case. gweld lleihad yn yr amser i bob un achos.

[53] **Mike Hedges:** One of the other advantages of the Act was meant to be—you can tell me if it’s correct or not—because of its clarity that you’d have a reduction in complaints and litigation because both you and people who were likely to complain would be clear. Have you noticed a reduction in litigation and complaints?

[54] **Ms Williams:** I couldn’t say the national view, but perhaps if I just speak locally, and Alwyn will comment as well, we have seen fewer concerns

and complaints coming forward, but I'm not sure if it's as a result of the Act as such; I think it's just because, certainly, the complaints legislation has changed as well. So, obviously, we're very keen to make sure that concerns and complaints are addressed very quickly early on. But I wouldn't say that it's a correlation—and time will tell.

[55] **Mike Hedges:** If I could just add one other point, we rarely visit north Wales—probably far less frequently than we ought to—so I don't know about everybody else, but I would be quite happy to hear a north Wales perspective. We quite often get a south Wales perspective, fairly regularly. So, although you're speaking on behalf of ADSS, a north Wales perspective would be, at least to me, very helpful.

[56] **Ms Williams:** Just to comment on that, as Alwyn has said, we're the largest region in terms of the health board footprint, and perhaps something we haven't touched on is the requirement within the legislation to develop services across health boards. That's quite challenging with six local authorities, a health board in special measures and, obviously, the difficulties that come with that. But, nevertheless, I think we have quite strong heads of service, directors and groups, and we're really keen, where we can, to work regionally. We have a north Wales commissioning approach, we have a north Wales workforce approach and we also have various services that we deliver across north Wales.

[57] The regional partnership board, of course, is the other requirement that came into being with the legislation and, again, that's taken a little bit of time, but it's having quite an influence over the development of services, because we weren't sure if this was just going to be another talking shop, but that's quite a strong group as well.

[58] **Simon Thomas:** Diolch, Jenny. **Simon Thomas:** Thank you, Jenny. A gaf fi jest ofyn yn benodol, yn dilyn Could I just ask specifically, following cwestiwn Mike Hedges—? Ar y peth on from Mike Hedges's questions—? yma a oedd yn y ddeddfwriaeth ar y On what was in the legislation—in the pryd—yn y Bil, yn yr *impact* Bill and the impact assessment—in *assessment*—o ran arbedion amser i terms of time savings for social weithwyr cymdeithasol, hyd yn oed workers, and even stating that, as mynd i lawr i ddweud, fel yr oedd Mike Hedges said, 20 minutes to 45 Mike Hedges yn ei ddweud, 20 minutes—. That looks very odd to munud i 45 munud, i mi, mae'n me—that you could quantify in any edrych yn od iawn eich bod yn gallu meaningful way time savings like

mesur, mewn unrhyw ffordd ystyrlon, arbed amser fel yna, pan rŷch chi'n cyflwyno Bil ac wedyn Deddf sydd mor gymhleth. Efallai ei fod yn gwella yn y pen draw, ond mae'n broses gymhleth. Wrth i'r Bil fynd drwyddo, ac o'ch persbectif chithau, a oeddech yn gweld o ble oedd y syniad yma wedi dod? A oedd yn gwbl gredadwy i chi, neu a oeddech chi jest yn meddwl, 'Wel, ffigwr mas o'r awyr yw hwn'?

that, when you introduce a Bill and then an Act that is so complicated. Maybe it will improve in due course, but it is a complex process. As the Bill goes through, and from your perspective, could you see where this idea came from? Was it credible to you, or did you think, 'Well it's just a figure plucked out of the air'?

[59] **Mr Jones:** Rwy'n meddwl y buaswn i'n bod yn annheg pe buaswn i'n dweud ei fod yn ffigwr allan o'r awyr. Byddai'n rhaid 'check-io' efo'r awdur. O ran a ydw i'n gweld sail i'r ffigwr yna, na, nid wyf yn credu fy mod i yn gweld sail i'r ffigwr yna. Rwy'n meddwl mai'r unig ffordd y medrwn ni asesu hynny ydy mewn amser ac wrth inni ddatblygu hyn yn hirach ac wrth i bobl fynd yn fwy cyfarwydd gyda'r ffordd newydd o weithio ac, fel y mae Jenny yn dweud, ein bod ni'n dod i ymdopi â'r weinyddiaeth, a gobeithio lleihau hynny dros gyfnod o amser. Hwyrach mae yna bosibilrwydd o wneud hynny, ond o ran o ble ddaeth y ffigurau yna, rydw i'n meddwl y buasai'n annheg i ni fod yn rhoi sylw ac yn dweud ein bod ni'n meddwl nad oes sail iddo fo—

Mr Jones: I don't think it would be fair to say that it was plucked out of the air. I'd have to check with the author. But in terms of a basis for that figure, no, I don't see a basis for that figure. I think the only way in which we can assess that is that, in time, as we develop this over a longer period and as people become more familiar with the way of working, as Jenny says, we start coping with the administration and reduce that over a period of time. Maybe it will be possible, but in terms of where the figure came from, I think it would be unfair for us to comment and say that there was a basis to it or not—

[60] **Simon Thomas:** Ond nid oeddech chi'n gallu gweld y sail.

Simon Thomas: But you couldn't see the basis for it.

[61] **Mr Jones:** Na. Nid ydw i'n credu ein bod ni'n gallu gweld y sail.

Mr Jones: No, I don't think we can see it.

[62] **Simon Thomas:** Ac wrth gwrs, beth sydd yn debygol o ddigwydd—mae'r Ddeddf bron i flwydd oed erbyn hyn, so mae'n gynnar i ddweud hynny—ond erbyn eich bod chi efallai yn cyrraedd y pwynt lle mae popeth yn gweithio yn llyfn iawn, bydd yna stwff newydd wedi dod ar eich pennau chi i'w wneud yn amhosibl i farnu un ffordd neu'r llall, efallai. Rydw i'n siŵr, hyn yn oed yn y flwyddyn diwethaf, eich bod chi wedi gweld dyletswyddau newydd neu gyfrifoldebau newydd yn dod mewn i'r pictiwr.

Simon Thomas: And what's likely to happen is that the Act—well, it's only a year old by now, so it's early to say that—but by the time that you reach the point where things work very smoothly, there'll be new things that will come into your area to make it difficult to make a decision, or judge that one way or the other. Maybe in the last year you've seen new duties or new responsibilities coming into the picture.

[63] **Ms Williams:** It was the point I was making earlier—additional duties, but also increased demand. So, in north Wales obviously we have a high population of older people. The demographic is changing, and I know my colleague—. In other discussions you will have looked at the significant impact on the care sector and the living wage. That has absolutely bowled us over, I think, in terms of our budget. So, that kind of hit us a little bit last year, as well as, as you say, implementing the legislation. There's always going to be something.

[64] **Simon Thomas:** So it's hard to pick out the individual bits—costs or savings—in legislation when you've got all these other things coming on top as well.

[65] **Mr Jones:** Ydy.

Mr Jones: Yes.

[66] **Simon Thomas:** Ocê. Fe wnawn ni symud ymlaen at Nick Ramsay.

Simon Thomas: Okay. We'll move on now to Nick Ramsay.

[67] **Nick Ramsay:** Bore da. It still is 'bore da', isn't it? Has the Welsh Government tested any other policy options aside from 'do nothing' and 'introduce the Bill' with ADSS Cymru? Has ADSS Cymru agreed with the conclusions of the cost-benefit analysis in the RIA?

[68] **Ms Williams:** I think the quick answer would be 'no'—we didn't agree

with it being cost neutral, and the cost-benefit analysis. There was some disagreement. I think we did try and influence that element, as I say, in terms of really understanding what this meant for us in terms of significant change to culture and practice. In relation to 'do nothing', we agreed that we did need to do something, and the actual principles of the Act are totally sound, but I think what's been unexpected, really, has been the additional pressures and, I guess, the influence of other partners and the third sector in their high expectations of what the Act will deliver, and the public. So, very quickly, even though we're a year on, the public have cottoned on: 'Actually, this is meant to be delivering something much more different'. I don't know, if you came out with us to our local authorities now, that you'd actually feel that, really—that we're offering something that is radically different, if you look at how radically different the legislation is. There are some pockets of areas that have changed, and you would feel that. We agreed that 'do nothing' wasn't an option, but I would have to say that we didn't have the view that this was going to be cost neutral.

[69] **Nick Ramsay:** We often find this on the Finance Committee—that we are presented with the cost-neutral option, and we're very sceptical about it as well.

[70] Going back to the Stage 1 scrutiny, when I think you gave evidence, have the extra costs that you anticipated being incurred at the time been fully realised? Or actually was it some way between the Government's view and your position?

[71] **Ms Williams:** I think it's probably some way. Having said that, because of all the additional pressures and the continued—. As Alwyn said, we're never standing still. I think we're facing between 2 per cent and 5 per cent cuts across councils' social services budgets this year, so it's always a continuing cycle of where you go with those reductions. Whilst there's been some element of protection for schools and social services, inevitably we have to do our bit. We're the largest budgets within the councils, and I know that, certainly in my county, there's an expectation that I will deliver a 3 per cent cut next year. So, where do I go with that, really, when the duties are so clear within the legislation? But we have to—. Often, it's about a reduction in staff rather than a reduction in service delivery. We've all seen, in terms of head count in Wales, staff reductions. So, I would suggest that, probably, we didn't anticipate the economic climate being so poor in the run-up to the Bill over the last five years at this stage, so that's compounded our ability to meet the expectations of Welsh Government and being cost neutral.

10:30

[72] **Mr Jones:** A gaf i ychwanegu, o ran yr ateb hefyd—? Rwy'n meddwl mai eich cwestiwn chi ydy: a ydy'r costau wedi bod mor sylweddol, o bosib, ag yr oeddem ni'n ystyried, neu gyn lleied ag oedd yn y ddeddfwriaeth? Rwy'n meddwl bod yna rhai ffactorau eraill sy'n dylanwadu ar sut rydym ni'n cwrdd gyda'r costau hefyd. Byddwch chi'n ymwybodol bod yna arian integredig, yr ICF, neu'r arian integredig ar draws y bwrdd iechyd a ninnau, ac rwy'n meddwl ein bod ni'n ceisio, gyda dychymyg, defnyddio'r arian yna i ddatblygu gwasanaethau sy'n cwrdd â'r ddeddfwriaeth. Wrth gwrs, mae hynny'n sialens oherwydd, er ei fod o'n arian sydd wedi bod yn dod yn barhaol, flwyddyn ar ôl blwyddyn, ac mae yna lefel o sicrwydd bod hynny'n parhau i ddod, mae yna lefel o risg o ran defnyddio arian fel yr ICF er mwyn ariannu rhai o'r gwasanaethau gwybodaeth a gwasanaethau ataliol. Mae o'n cwrdd yn dda iawn gydag anghenion yr ICF, ond fel rwy'n ei nodi, mae yna lefel o—. Mae hwnnw'n arian sy'n dod gan y Cynulliad yn flynyddol er mwyn gwneud y trawsffurfio ac i gefnogi hynny, ond nid ydy o yn angenrheidiol yn rhywbeth fedrwn ni ddibynnu arno fo *ad infinitum*. Wrth gwrs, pwrpas yr arian yna ydy cefnogi newid a gwneud hynny wedyn yn arian craidd. Rwy'n meddwl mai'r sialens i ni ydy—gan ein bod ni yn

Mr Jones: Could I add, in terms of the answer as well—? I think the question is: have the costs been as considerable as we thought or as little as the legislation said? There are other factors that influence how we meet those costs. You'll be aware that there is integrated money, the ICF, across the health board and us and I think that we are trying, with our imagination, using that money to develop services that meet the demands of the legislation. That's a challenge, because, even though that's money that has come continuously on a recurring basis, year after year, and there is a level of assurance that it's going to continue to come, there is a level of risk in terms of using money such as the ICF to fund some of the information services and the preventative services. It meets the needs of the ICF very well, but as I noted, there is a level of—. This is money that comes from the Assembly on a yearly basis to do the transformation and to support that, but it isn't necessarily something that we can depend on *ad infinitum*. So, the purpose of that money is to support change and to make that core funding, then. I think the challenge for us will be—given that we are using that money to support this change—when we need to make it core funding, will we be able to release funds to do that? At the same time, as Jenny said, we have

defnyddio'r arian yna er mwyn to make savings, and there's the cefnogi'r newid yma—pan fydd yr minimum wage. So, it's a complex angen i'w wneud yn arian craidd, a dynamic. It's not just one thing; you fyddwn ni wedi gallu rhyddhau have to look at the full picture. cyllidebau i wneud hynny? Tra ar yr un pryd, fel y mae Jenny'n ei ddweud, mae yna bwysau i wneud arbedion, ac mae'r isafswm cyflog. So, mae'r ddynmeg yn gymhleth. Nid ydy o jest yn un peth; rydych chi'n gorfod edrych ar y darlun llawn.

[73] **Simon Thomas:** A gaf i jest **Simon Thomas:** Could I just follow up ddilyn i fyny ar y pwynt yna? Mae'r on that point? The fund you're gronfa rŷch chi'n sôn amdani, yr talking about, the intermediate care fund, yn ffrwyth, yn the fruit, basically, of a y pen draw, cytundeb gwleidyddol political agreement on one year's dros gyllideb un flwyddyn. Beth budget. What you're saying is that, rydych chi'n ei ddweud yw nad yw even though it's still available, it's hynny—er ei bod dal ar gael, nid yw not integrated into the system and so wedi'i gwreiddio i mewn i'r system ac you can't depend on it, in a way. Even felly nid ydych chi'n gallu dibynnu though you do use it to meet the arni, mewn ffordd. Er eich bod chi'n needs, you can't rely on it. ei defnyddio i gwrdd â'r gofynion, nid oes modd dibynnu arni.

[74] **Ms Williams:** Yes. If I may come back to the point about the integration with health, I think we were really concerned to see that fund being placed in the health budget. So, it's no longer a grant, it's now within the health revenue budget.

[75] **Simon Thomas:** We will take that as early evidence for our draft budget scrutiny. [*Laughter.*]

[76] **Ms Williams:** Yes, and in north Wales we've had, very much, strong views—it doesn't feel like a partnership fund.

[77] **Simon Thomas:** Mae'n bosib **Simon Thomas:** It's possible that we iawn y byddwn ni'n clywed mwy am will hear more about that this hynny y prynhawn yma pan fyddwn afternoon when we chat to ni'n trafod gyda rhai o'r stakeholders. Thank you. Nick.

rhanddeiliaid. Diolch yn fawr. Nick.

[78] **Nick Ramsay:** Did you say earlier that the duty to provide accessible, high-quality information for carers and families, which was not estimated in the RIA, has resulted in greater demand for services? You said people are aware—

[79] **Ms Williams:** Certainly, and, as I say, that's always been within the philosophy of social care delivery, but now it's a statutory duty I think it's about managing those expectations. In terms of carers and individuals requesting assessments, we have seen an increase. Notwithstanding that, we do need to support carers, both informally and our formal care workforce. But, yes, we have seen an increased demand in assessments.

[80] **Nick Ramsay:** In terms of the methodology that the RIA uses, cash expenditure occurs in years 1 and 2, with monetised benefits accruing from year 3 onwards. Do you feel this is an appropriate way of proceeding?

[81] **Ms Williams:** Sorry, can you repeat that?

[82] **Nick Ramsay:** Sorry—cash expenditure, in terms of the RIA, included £1.8 million of cash costs that it combined with monetised—this is a complex question, so I don't blame you for not understanding—with monetised staff time costs. Basically, the methodology that was used—do you think it provided a fair and true estimate of the cost of the legislation?

[83] **Mr Jones:** Rwy'n meddwl, os ydych chi'n ei ddweud yn glir, sef bod yr RIA yn awgrymu bod yna lefel o gostau yn *cash* yn y flwyddyn neu ddwy gyntaf a bydd yna arbedion dros y tymor hiraf—rwy'n meddwl y buaswn i'n cytuno bod yna lefel o gostau yn y blynyddoedd cyntaf. Rwy'n meddwl bod dwy flynedd yn tanamcangyfrif y lefel o flynyddoedd tra bydd yna gostau. Wrth gwrs, o ran ateb yr ail damaid o'r cwestiwn—a fyddwn ni'n gwneud arbedion yn y dyfodol—mae hynny lot i'w wneud efo'n llwyddiant

Mr Jones: I think, if I understand what you're saying clearly, namely that the RIA does suggest that there is a level of costs that are cash in the first two years and that there will be savings over the longer term—I think I would agree that there is a level of costs in the first couple of years. I think that two years does underestimate the number of years where there will be costs. In terms of the second part of your question—whether we will make savings in the future—well, that's greatly related to our success in terms of delivering on the Act.

ni o ran gwireddu'r Ddeddf.

[84] Y meddylfryd syml y tu ôl i'r Ddeddf ydy ein bod ni'n rhoi gwybodaeth yn gynnar, a'n bod ni'n cefnogi pobl gyda gwasanaethau ataliol yn gynnar er mwyn arbed yr angen sylweddol hirdymor. Beth sy'n glir o hynny ydy y bydd hi'n cymryd tair neu bedair blynedd i ni weld hynny'n newid. Er mwyn i hynny weithredu ac i weithio'n iawn, beth rydym ni angen bod yn sicr ohono ydy bod y gefnogaeth—. Rwy'n meddwl bod yn rhaid i ni fod yn ofalus. Beth mae'r Ddeddf yn ceisio ei ddweud yw bod rhaid i chi roi cefnogaeth cynnar—ond o bosib ddim yn rhoi gwasanaeth hirdymor cynnar. Rydw i'n meddwl y bydd o'n dod yn gliriach—. Oherwydd natur ein poblogaethau ni, mae o'n debygol mai mewn tair neu bedair blynedd y byddwn ni'n gallu gweld y newid yna o ran unrhyw arbedion. Rydw i'n meddwl ein bod ni gyd yn gweithio i geisio gwneud hynny.

The simple thinking behind the Act is that we provide information early, that we support people with preventative services early in order to save the need in the long term. What's clear from that is that it will take three or four years for us to see that changing. So, for that to work properly, what we need to be sure about is that the support—. I think we have to be careful. What the Act says is you have to provide early support—maybe not an early long-term service. I think it will become clearer—. Because of the nature of our populations, it's likely that it's in three or four years that we'll be able to see that change in terms of any savings. I think that we are all trying to do that and we hope to do that.

[85] Yn mynd nôl at bwynt Jenny yn gynharach, mae'n bwysig iawn fod mudiadau eraill hefyd yn cwrdd â gofynion y ddeddfwriaeth yma, oherwydd mae rhai o'r gofynion ar wasanaethau cymdeithasol yn ffrydio o ofynion sy'n dod tra bod rhywun yn yr ysbyty, ac felly mae'n rhaid i'r diwylliant newid yn y fanna hefyd. Felly, mae yna lot o *conditions* sy'n mynd i ateb y cwestiwn o ran: a wnawn ni'r arbedion? Nid ydw i'n credu y byddwn ni'n gweld arbedion

Going back to Jenny's point, it's important that other organisations meet the needs of this legislation, because some of the requirements in terms of social services come from hospital admissions, and so the culture has to change there as well. So, there are a lot of conditions that influence whether we make the savings. I don't think that we will see great savings within two or three years. I think it will take more time to do that.

sylweddol oherwydd newid y Ddeddf
o fewn dwy neu dair blynedd. Rydw
i'n meddwl bydd o'n hirach ymlaen.

[86] **Nick Ramsay:** That was a better answer than my clumsily worded question.

[87] **Mr Jones:** I hope so.

[88] Rydw i'n gobeithio. I hope so.

[89] **Nick Ramsay:** So, from what you're saying, do you think the—? Going back to that question, do you think that there was an over-optimism about the rate at which savings would accrue—so they're going to be there over the longer term, but not in that first couple of years?

[90] **Mr Jones:** Cytuno. Fel mae **Mr Jones:** Yes, I agree. As Jenny said, Jenny yn dweud, rydym ni i gyd yn we all agree that we need to make cytuno bod angen gwneud newid o changes in terms of how we support ran sut rydym ni'n cefnogi unigolion. individuals. It's not going to happen Nid ydy o'n mynd i ddigwydd dros overnight, and, of course, we're not nos, ac, wrth gwrs, nid ydym ni jest just dealing with individuals. To a yn delio gydag unigolion. I raddau, certain extent, it's easier to influence mae'n haws dylanwadu ar unigolion individuals who come for support or sy'n dod am gefnogaeth neu gyngor advice. Of course, we have been drws ffrynt. Wrth gwrs, rydym ni wedi providing to people who are used to bod yn darparu ers rhai blynyddoedd the support that we provide. That i'r bobl sydd wedi arfer gyda natur y change is going to take longer to gwasanaeth a'r gefnogaeth rydym provide. I think it is a bit optimistic, ni'n ei wneud. Mae'r newid yna yn yes. mynd i gymryd mymryn yn hirach. Rydw i yn meddwl ei fod mymryn yn optimistig.

[91] **Nick Ramsay:** The next question is usually one for Mike Hedges, but I'll ask it. What role, if any, has invest-to-save played in delivering the Bill?

[92] **Ms Williams:** Again, it's probably going to be a bit of an anecdotal rather than an across-Wales view. I think there have been some good initiatives. We've seen the push to have national services, so the National Adoption Service and the national fostering service that's coming on line:

both have been invest-to-save initiatives. I suppose I have a personal view that pushing everything to being regional and national isn't always—. You have to have a balance, and, obviously, local communities are really important. We've just done a north Wales population needs assessment, and nearly every council said that they wanted to see much more of an approach locally. That's a constant challenge, I think. In terms of invest-to-save, they tend to be scaled up to those larger projects.

[93] There have been, again, some really good examples here in north Wales about invest-to-save for looked-after children initiatives, looking to support children on—. They're called Edge of Care projects, so that they're not then becoming looked-after in terms of complex care placements. They're very much about best practice, and not always about savings either, than perhaps doing things differently. So, again, I wouldn't say that's the golden bullet in terms of Edge of Care projects. I don't know if you've got any examples.

[94] **Mr Jones:** Mi fyddwn i'n cytuno. Rydw i'n mynd ar drywydd mymryn yn wahanol o ran y pwynt wnaeth Jenny ei wneud o ran gwasanaethau lleol. Mae Biwmares yn esiampl andros o dda o bobl yn gweithredu ac yn rhannu, ac yn rhedeg cefnogaeth gwasanaethau lleol ar eu pennau eu hunain. Mae'r ganolfan hamdden yn cael ei rhedeg gan y gymuned. Mae yna lot o hybiau. Mae yna lot o hybiau lleol yn digwydd, ac mae yna *local alliance* yma sy'n gweithio i gefnogi pobl hŷn. Nid yw hwnnw wedi'i ariannu drwy arian fel *invest-to-save* ond mi fuaswn i'n awgrymu y gallai rhywbeth fel hynny gael mwy o ddylanwad o ran ein gallu ni i gwrdd â gofynion pobl. Gan ein bod ni yma ym Miwmares, rydw i'n meddwl ei fod o'n briodol i fi nodi'r math o waith da sydd yn digwydd yn lleol mewn mannau fel hyn—ac rydw i'n siŵr yng

Mr Jones: Yes, I would agree. I'll go down a slightly different path in terms of what Jenny said about local services. Beaumaris is a very good example of people operating and sharing, and running support services locally on their own. The leisure centre is run by the community. There are a lot of hubs—local hubs—and there is a local alliance here to support older people. That isn't funded through invest-to-save, but I would argue that that could have more of an influence in terms of meeting people's requirements. Given that we are here in Beaumaris, I think it's important for me to note the good work that's happening locally in places like this—and I'm sure in Conwy as well—but those kinds of projects, maybe, don't meet the criteria of invest-to-save.

Nghonwy yr un modd—ond nid yw'r math o brosiectau yna ddim, o bosib, yn cwrdd â'r meini prawf *invest-to-save*.

[95] **Nick Ramsay:** Great, thanks. Did the explanatory memorandum and the RIA take into account the transformational activities under way within local authorities at the point of introduction?

[96] **Ms Williams:** I don't think it did systematically. I think what you'll see now, as our regulators are—. I suppose that's just another point to make: we've been quite, I suppose, surprised, really, to see the regulation aspect of our services dramatically change. So, inspections look very different now, and three councils in Wales had inspections, which have been very challenging on the legislation. I would argue it's too soon. It's very soon to come after full-service inspections so close to the Act. So, we've seen that dynamic as well. But in terms of thinking through how those legislative requirements are going to impact on the long term, I don't think that was fully kind of understood at the time, and we've seen a real shift in expectations, as I say, from our regulators, which is a bit worrying, in that there's no sort of benchmark of what 'good' looks like at the moment. It's still too soon to tell.

[97] **Nick Ramsay:** It sounds like you're being squeezed from all sides.

[98] **Ms Williams:** Yes.

[99] **Nick Ramsay:** You've got expectations on the one hand—. You're very chipper, considering what's going on.

[100] **Ms Williams:** Well, we're in a beautiful spot in north Wales, aren't we, so—? [*Laughter.*]

[101] **Nick Ramsay:** It is. It's lovely here. But at the same time you said that this was set against the backdrop you didn't anticipate four or five years ago—that there would be—[*Interruption.*—somebody is being paged; time's up—the financial situation we're in as well—[*Inaudible.*]

[102] **Ms Williams:** Yes, it's just kind of squeezed, hasn't it?

[103] **Nick Ramsay:** Okay. And finally from me, have changes to assessing

the needs of carers increased the resource implications of this activity? I think you've just touched on this with the care inspectorate.

[104] **Ms Williams:** Yes, and in terms of carers, we had previously a carers Measure. The Act has now moved that into a statutory responsibility. So, again, really good. You wouldn't argue against that. But I guess resources for carers haven't been invested significantly, and that's something that we'll grapple with. I think there's a whole range of areas that we could talk in terms of—. We think there'll be future pressures—even more pressures that we haven't kind of anticipated—as people's expectations increase. As I say, it's not always about demand management and seeing costs come down. I think they're inevitably going to increase.

[105] **Nick Ramsay:** Just finally, did you say that you think that the full inspections came in too soon after the introduction of the Act? Have I understood that right?

[106] **Ms Williams:** Yes, and in fairness, there's a new chief inspector. We've met with her, and she's really taken that on board. So, it's pausing the cycle now. We've had two councils in north Wales, haven't we, that were subject to those inspections? I think it was just a little bit of unfairness from a local authority perspective—well, you're one of them, aren't you?

[107] **Mr Jones:** Yes.

[108] **Ms Williams:** The challenge was so focused on that legislation and, as you say, at the time, you weren't even a year into delivery. So, that was difficult, but the chief inspector's taken that on board.

[109] **Mr Jones:** Mi fyddwn i'n **Mr Jones:** I would agree because it cytuno. Mi oedd o ychydig bach yn was rather premature as regards gynamserol o ran y ffocws mor having such a significant focus on sylweddol ar y Ddeddf. Neb yn the Act. Nobody disagreed with that, anghytuno â hynny, ond, wrth gwrs, but, of course, we're trying to make a beth rydym yn ceisio ei wneud yw massive change, and as I said earlier, newid sylweddol, ac fel y gwnes i ei that doesn't happen overnight. It's ddweud yn gynharach, nid yw something we have to embed into hynny'n digwydd dros nos. Mae'n our services, ready for the change, rhywbeth y mae'n rhaid i ni ei and we're doing that gradually. ymwreiddio o fewn ein gwasanaethau ni ar gyfer newid, ac yn raddol wneud

hynny.

[110] **Nick Ramsay:** What sort of timescale would you—*[Inaudible.]*

[111] **Mr Jones:** Buaswn i'n **Mr Jones:** Well, I would suggest the awgrymu'r ail neu'r drydedd second or third year onwards. flwyddyn ac ymlaen.

[112] **Ms Williams:** Yes.

[113] **Mr Jones:** Ie, buaswn i'n **Mr Jones:** Yes, I would suggest in the awgrymu yn yr ail neu'r drydedd second or the third year onwards as flwyddyn ac ymlaen o ran ystyried regards considering where we've lle'r ydym wedi ei gyrraedd o ran y actually reached in terms of change newid a beth yw ein planiau ni o ran and what our plans are in terms of parhau gyda'r newid. continuing with the change.

[114] **Ms Williams:** I think we wanted to understand the thinking behind doing that, really. It was almost, 'Well, we need to make sure that this Act is delivering, and we need to know that quickly.' That was never going to happen. The sense of, 'Well, then, you judged poorly because you haven't kind of implemented everything that you're required to do'—that didn't feel an appropriate way forward. As I say, the chief inspector has agreed and is slowing down that cycle. Nevertheless, it's really important that we get a benchmark across Wales of good practice and those authorities that are sort of championing some of the approaches.

[115] **Nick Ramsay:** I think you explained that very well.

[116] **Simon Thomas:** Mae hynny'n **Simon Thomas:** That brings us to mynd â ni at gwestiynau David Rees, David Rees's questions, I think. So, rydw i'n meddwl. So, diolch. thank you.

[117] **David Rees:** Thank you, Chair. I'll go back a little bit to talk about the health boards, and north Wales is different because there are six authorities. Do you think the RIA and the memorandum at the stage of the introduction of the Bill reflected the challenges that different sorts of combinations would make? Because north Wales has six, compared to my own, which has three, so there's going to be, clearly, a difference. Does the explanatory memorandum actually reflect that type of approach so that when they came to the costings, they would have been different?

10:45

[118] **Ms Williams:** No, they didn't reflect that, and it's a constant challenge we have all the time in terms of understanding the make-up of north Wales. Obviously, not least the challenges we have of delivering services across such a wide geographical patch, but, as you say, working with seven organisations and reaching consensus is always challenging in one or two councils, never mind six. But we've seen some good developments. So, we have seen things like—. Safeguarding is a good one. So, we've moved from local safeguarding boards to one safeguarding board across north Wales. We're giving it a good go. But, no, we don't feel it's been understood in terms of the challenges, and I'm sure the chief executive from Gwynedd will allude to that as well. It's a constant challenge. We're very open with our health colleagues, but I can't press enough the concerns and challenges that we have in north Wales because of the health board's position. It is improving, but it's been very, very difficult.

[119] **David Rees:** But, generally, we talk about how the Bill would give a more generic, equal approach and it should actually focus upon specific differences in areas, because that would have given a good reality of the costs.

[120] **Ms Williams:** Absolutely, but you don't see that. So, in the Act, it's very much, 'You will do this on the six area health board footprints', rather than whether that can be a bit more of a flexible approach. We generally work well across three areas within north Wales even though we have a very strong regional—. What's coming through is that the delivery tends to be across three—so an east, west, central approach, and that's what the health board have done as well in terms of changing their organisational structure. And we're seeing benefits in that, aren't we?

[121] **Mr Jones:** Ar eich pwynt, mae gogledd Cymru yn ardal â thirwedd—
mae o'n sylweddol. Mae gyda ni lot o ardaloedd cymunedol, ac mae yna lot o wasanaethau hanesyddol sy'n dylanwadu ar y ffordd rydym ni yn cefnogi unigolion. So, nid ydw i'n meddwl, o ran y Ddeddf, y gwnaeth o ystyried beth ydy natur gogledd

Mr Jones: On your point, north Wales is a large geographical area. There are many communities, and there are many historic services that have an influence on how we actually serve people. I don't think that the Act took into consideration the geography of north Wales, and I'm sure that Powys and other areas would say the same

Cymru, ac rydw i'n siŵr y buasai Powys yn dweud yr un fath, ac ardaloedd eraill. Mae ardal trefol, boed hynny yng Nghaerdydd neu yn Abertawe, yn wahanol iawn i ardaloedd fel gogledd Cymru. Mae'r boblogaeth ar draws gogledd Cymru dros dirwedd sylweddol, a gyda disgwyliad gwahanol o ran y math o wasanaethau—a chymunedau gwahanol. So, ni wnaeth hynny gael ei ddal o fewn y ddeddfwriaeth, naddo.

[122] **David Rees:** Okay. Your written paper—and in fact, you said this this morning, earlier—highlighted the fact that this Bill introduced a cultural change. Was that cultural change reflected in the costings within the Bill? Because, as you quite rightly point out, it doesn't happen overnight; it takes time. And it's not just cultural within the staff; it's cultural within society in one sense, and particularly within the officers, and councils as well, because of the way they think about it. Were costs reflective of that cultural change, or simply was it assumed, 'It's a bit of training'?

[123] **Ms Williams:** The latter.

[124] **Mr Jones:** O ran ateb eich cwestiwn chi, rydw i'n meddwl ei fod o'n galed costio newid diwylliant. Nid ydw i'n meddwl ei fod o, o bosib, wedi cael ei gwrdd yn llawn o fewn y ddeddfwriaeth. Rydw i'n meddwl ei fod o'n bwysig hefyd nodi nad ydy o—fel rydych chi wedi pwyntio ato yn fan yna—nid ydy o ddim jest yn ddiwylliant o fewn gwasanaethau cymdeithasol; mae'n ddiwylliant ar draws y cyd o ran mudiadau eraill, o ran y trydydd sector, ac o fewn cymunedau. Rydw i'n meddwl, o bosib, un peth sy'n galed efo unrhyw ddeddfwriaeth newydd—. Pan ddaeth **Mr Jones:** As regards to answering your question, I think that it's difficult to cost cultural change. I don't think that it's possibly been met fully within the legislation, and I also think it's important to note that, as you've pointed out, it's not just the culture within social services; it's the culture across other organisations, the third sector and within communities. I think one thing that is hard with any new legislation—. When the new legislation came in, what happened, naturally, was that many people said, 'Well, this is a new way of working' et

y ddeddfwriaeth newydd i mewn, beth a gafwyd, yn naturiol, oedd lot yn dweud, 'Mae hwn yn ffordd newydd o wneud gwaith', a hyn a'r llall, ond, o bosib, nid oedd y meddylfryd y tu ôl i'r ddeddfwriaeth o ran ymyrryd cynnar, llai o ymyrraeth ddwys yn gynnar ac ymyrryd yn hir. O bosib, ni wnaeth hynny gael ei roi ar wyneb beth roeddem ni'n ei ddweud yn y lle cyntaf. Ac mae *actually* cael y neges yna wedi'i wreiddio yn mynd i gymryd amser gyda phob un mudiad. Mae o'n mynd i gymryd lot o hyfforddiant. Mae o hefyd, ac i fod yn deg, ac o ran rolau pobl fel fi, Jenny ac ADSS—mae o'n mynd i gymryd lot o waith o ran arwain hefyd.

cetera, but, quite possibly, the thinking behind the legislation as regards early intervention, less intensive early intervention, and long-term intervention wasn't put on the face of the Bill, in relation to what we were talking about in the first place. Getting that message embedded is going to take a long time with every organisation, and lots of training. As regards the roles that people like Jenny and myself and ADSS, they're going to take a great deal of leadership work.

[125] Mae yna risgiau. I fod yn deg, rydw i'n meddwl beth sy'n bwysig i'w nodi yn hyn ydy mae yna risgiau o ran y ffordd newydd o weithio gydag unigolion. Mae yna rai pobl—. Roeddech chi'n cyfeirio'n gynharach eich bod chi wedi gweld llai o broblemau cyfreithiol. Buaswn i'n awgrymu bod yna sialens o ran ffordd newydd o weithio gydag unigolion lle rydym ni'n *focused* ar asedau. O bosib, cawn ni fwy. Bydd rhai pobl yn dweud, 'Na, nid ydw i eisïau cael sgwrs am asedau. Nid ydw i eisïau cael sgwrs am hyn. Rydw i eisïau i chi ddarparu gwasanaeth i ni.' Wrth gwrs, mae natur y sgwrs wahanol yn mynd â ni lawr ffordd wahanol iawn o ran, 'Beth ydy eich asedau teuluol chi a'ch asedau ariannol chi?', ac, felly, mae yna, o

There are risks. To be fair, I think what's fair to note is that there are risks as regards the new way of working with individuals. Because there are some people—. You referred earlier to the fact that you've seen fewer legal problems. I would suggest that there is a challenge as regards to a new way of working with people and where we focus on assets. Possibly, we're going to have more problems. They'll say, 'I don't want to have a conversation about assets. I don't want to have a conversation about this. I just want you to deliver a service.' But, of course, the nature of the conversation is going to take us down a very different path. We'll be asking, 'What are your family assets and what are your financial assets?',

bosib, gostau nad ydym ni'n ymwybodol ohonyn nhw eto a fydd yn dod yn fwy clir wrth i ni symud drwy'r cyfnod yma. Felly, fe fyddwn i'n awgrymu nad oedd y costau o ran newid diwylliant yn glir. Mae yna gostau o ran hyfforddi a chefnogi staff dros gyfnod o amser. Mae yna bwysau yn mynd i fod arnom ni i gyd fel arweinwyr, achos beth sy'n bwysig iawn yn hyn hefyd yw ein bod ni i gyd yn gweithio yn yr un ffordd.

and there are possibly costs that we're not yet aware of and which will become clear as we move through this phase. So, I would suggest that the costs regarding the change of culture weren't clear. There are costs regarding training and supporting staff over a period of time. There's a great deal of pressure on us as leaders, because what's important is that we should all work in the same way.

[126] Mae yna berygl o fewn gwasanaethau, boed hynny yn y bwrdd iechyd neu ni yn y trydydd sector, os ydym ni'n mynd i ffordd arall o weithio, sydd o bosibl yn fwy—nid wyf i'n gwybod y gair yn Gymraeg—*paternalistic*, ac o bosibl dyna yr oeddem ni'n gwneud yn hanesyddol, os mai dim ond un person yn y tsiaen sy'n gwneud hynny, nid yw'r newid yn mynd i wreiddio mor sydyn. Mae'n rhaid i ni gael pobl i gredu yn y meddylfryd newydd yma. Felly, rwy'n meddwl bod mwy o gostau yn mynd i fod dros gyfnod o amser.

There is a risk within services, whether that's the health board or the third sector, if we move to a different way of working, a more paternalistic way, and possibly that is what we've done historically, if only one person in the chain does that, then the change won't embed as quickly. We have to get people to believe in this new thinking. So, I think that there will be greater costs over a period of time.

[127] **David Rees:** You've answered my second question as well. In this Bill and the regulation and inspection Bill, there's a lot of secondary legislation and a lot of things done through regulation. Clearly, we don't always have an understanding of what that is. Do you think the Bills, when they are produced, give enough indication of the costs of the regulation deductions? You highlighted the regulation and inspection Bill's domiciliary care. That was a regulation, because it wasn't on the face of the Bill, because we discussed that. Clearly, there are other costs that might come in through other regulations.

[128] **Ms Williams:** Absolutely.

[129] **David Rees:** Do the analysis of the costings of the Bills, when they're presented, actually reflect the possible costs through regulation being introduced to change things?

[130] **Ms Williams:** No, I think it's everything we've rehearsed really. I don't think that's fully considered, and, as you say, there are offshoots then. Because it's not within the primary legislation, we then see secondary legislation being developed. There was a lot of thought given to whether we should have a separate Bill for children, and that's something we've not touched on. Obviously, this is an all-age Bill, within which, arguably, a lot of our colleagues within children's services would suggest they can't see the voice and the pathway for children very clearly. So, there's something about not necessarily leaving that to secondary legislation, but maybe having a thought to, as they did in England, having that approach that recognises children versus adults, and other user groups really. We've not really touched on costs for children's services, and they are seeing a huge increase in costs in relation to complex care delivery, and they don't feel that the new duties of the Act are necessarily focused on reducing costs for children's services.

[131] **David Rees:** The Act, if I remember rightly, was actually about people, which included adults and children.

[132] **Ms Williams:** Yes, absolutely. And moving to one—

[133] **David Rees:** So, are you therefore saying that actually the Act as it has now been introduced has different types of costs for adults compared to children and that that separation of costs wasn't truly reflected in the Bill?

[134] **Ms Williams:** I agree, yes. That's exactly the case. I alluded earlier to looking at additional costs for the future, and we are now going to be doing a survey—we do a budget survey every year in ADSS Cymru, but we anticipate that the next care crisis will be in children's services, because it's not been fully considered in terms of early intervention and help. Obviously, it also straddles different parts of Welsh Government as well, so we've seen children split off into the Cabinet Secretary's responsibilities, so there are a little bit of tensions there as well.

[135] **David Rees:** Have you seen—I think Nick asked the question—an increase in demand? Are you seeing more increase in demand from young people needing children's services in that sense, because of this Bill, and

that's a possible issue?

[136] **Ms Williams:** I don't know if it's because of the Bill, but I do think that—. If you look at those prevention duties, they're very focused on older adult people and adult integration with health. It's not necessarily been sufficient to focus enough on early help for children. I don't know if it's as a result of it not being clear and that's why we're seeing the increased cost, or just general increased demand—complex young people in custody, complex young people with mental health problems. I think we would have probably seen that anyway. But those costs are really on the rise.

[137] **David Rees:** Just one final question, which is to set a more generic picture, it's been mentioned that some systems could maybe run in parallel when the Bill was introduced. Have any systems been run in parallel, and what are the cost implications of doing so, and are these systems now going off to be on the new system only?

[138] **Mr Jones:** Sorry, I didn't quite understand the question.

[139] **David Rees:** The Bill—when it was introduced, ADSS actually said that some authorities may run systems in parallel to ensure that implementation perspective. Have you got examples of any situations where that has occurred and the costs may have been higher than anticipated as a consequence of that?

[140] **Ms Williams:** Yes, so, obviously, not—. So, doing things that we don't necessarily need to continue to do. A good example of that is performance management. So, as I said before, the outcomes framework that sits behind the Bill has moved away from making decisions in 24 hours and assessments in seven days. As a children's head of service previously, that really worries me. So, yes, we've kept some demand for managing performance that isn't a requirement. I think that's one example.

[141] **Mr Jones:** Rydw i'n cytuno. **Mr Jones:** I agree. We have retained Rŷm ni'n cadw rhai o'r ystadegau some of the historical statistics as hanesyddol o ran perfformiad regards performance because we oherwydd rŷm ni eisiau pwyso a want to evaluate how we do that as mesur sut rydym ni yn gwneud hynny regards individuals being supported o ran unigolion sy'n cael eu cefnogi in their homes, and detox is still a yn eu cartrefi, ac mae detox yn dal yn substantial focus and continues to be ffocws sylweddol ac mae'n parhau i so. So, I think there are some things

fod. So, rydw i'n meddwl bod yna in terms of performance that we
 ambell i beth o ran perfformiad a there previously that will run in
 oedd yna'n gynt sy'n mynd i rhedeg parallel, so there will be some
 ochr yn ochr, so, oes, mae yna rai duplicated costs.
 costau rŷm ni yn eu dyblygu.

[142] **Simon Thomas:** Os caf fi jest **Simon Thomas:** If I could just close
 cau pen y mwdwl, fel petai, ar hwn this now, because you just referred
 achos rŷch chi newydd gyfeirio at y to the fact that you are undertaking
 ffaith eich bod chi'n cynnal arolwg an annual budget survey as ADSS and
 blynyddol o gyllideb ar wariant fel you've also mentioned the fact that
 Cymdeithas Cyfarwyddwyr you are concerned that children's
 Gwasanaethau Cymdeithasol a rŷch services will highlight themselves in
 chi hefyd wedi crybwyll eich bod yn that survey. So, could you just tell us,
 ofni mai gwasanaethau plant efallai as a committee, in what way are you
 bydd yn amlygu eu hunain yn yr likely to hold that survey and,
 arolwg yna. So, a fedrwch chi jest specifically, are you using that as a
 ddweud wrthym ni, fel pwyllgor, ym way to look at the costs of the
 mha ffordd rŷch chi'n debygol o legislation in pressing ahead?
 gynnal arolwg, ac, yn benodol, a
 ydych chi'n defnyddio hynny fel
 modd o edrych ar gostau'r Ddeddf yn
 awr wrth fwrw ymlaen?

[143] **Ms Williams:** Absolutely. So, we have a systematic questionnaire that
 we issue and I think some of the analysis is reflected in the paper, and the
 questions—it's a very detailed document—will always focus as well on the
 impact of the legislation. So, it's really helpful and then we analyse that for
 all 22 authorities, which we can share, if that's—.

[144] **Simon Thomas:** Pan fydddech **Simon Thomas:** So, when you talk in
 chi'n sôn yn y papur ynglŷn â, er the paper about expenditure on
 enghraifft, y gwariant ar wasanaethau preventative services, for example,
 ataliol, rydych chi wedi selio hwnnw you're basing that on the fact that
 ar y ffaith eich bod chi wedi cynnal yr you have already held the survey, so
 arolwg, so mae'r wybodaeth yn llifo the information flows through. So,
 drwyddo. Felly, y cam nesaf yw: a the next step is: have you had any
 ydych chi wedi cael unrhyw brofiad, experience, or do you intend to use
 neu a ydych chi'n bwriadu defnyddio that as a way to put pressure back on
 hwnnw fel modd o roi pwysau yn ôl the Government to say, 'Well, look,
 ar y Llywodraeth i ddweud, 'Wel, this was the Bill; this was the Act, and

dyma oedd y Bil; dyma'r Ddeddf, we're a year down the line now and rydym ni flwyddyn lawr y lein a dyma this is what's happening in the real beth sy'n digwydd go iawn ar lawr world. You need to look again at gwlad. Mae angen nawr i chi ail- some of these things'? edrych ar rai o'r—'

[145] **Ms Williams:** Absolutely, and, working closely with the Welsh Local Government Association, yes, we do want to strengthen our approach—so, feeding that back and highlighting the pressures.

[146] **Mr Jones:** Buaswn i'n cytuno'n **Mr Jones:** Yes, I would agree llwyr ac, wrth gwrs, mi fydd y completely and, of course, that drafodaeth yna gyda'r Llywodraeth yn discussion with the Government will delio â'r Ddeddf, isafswm cyflog, ac, deal with the Act, the minimum wrth gwrs, fel yr oedd Jenny'n ei wage, and, as Jenny said, the kind of ddweud, y math o bwysau o bosib a pressure that will be on the children's fydd yn dod yng ngwasanaethau services as regards preventative plant o ran gwasanaethau arbedol. services. So, it's multi-pronged, to an So, mae o'n *multi-pronged*, i extent—there are various things to raddau—mae yna ambell i beth iddo it—but, yes, it will try and underscore fo—ond, ie, fydd o'n ceisio tanlinellu the nature of those pressures. beth ydy natur y pwysau hynny.

[147] **Simon Thomas:** Nick Ramsay.

[148] **Nick Ramsay:** Yes, you said earlier, and you've said again, that the pressures are going to increase. Are you concerned by the extent to which they could increase? Are they manageable or, if there are any other unforeseen economic bumps along the way, will there come a point where, actually, it's going to be very difficult for you to deliver the statutory obligation?

[149] **Ms Williams:** I think they are potentially not manageable. I think the impact—. We talked earlier about, predominantly, care deliverers being in the lower-paid category. That's the huge imminent concern, the impact of the increase of the living wage. So, we've made some estimates about the investment that we need. We don't often talk about that. We're talking about cuts or managing a budget, when we feel that, actually, we need some investment. I come back to my point about the crisis in the NHS: unless we really recognise the impact social care has on that crisis and look to invest in social care as we do with health, then I don't think we will be able to meet

our statutory responsibilities. We're definitely seeing an increase in the older people demographic, as I've said—living longer, more complex care arrangements, which we have to deliver with our health colleagues. Children's services is another example. We could 'and, and, and' probably, but they would be my two areas that we're really worried about.

[150] **Simon Thomas:** Ocê.

Simon Thomas: Okay.

[151] **Mr Jones:** Buaswn i'n cytuno.

Mr Jones: I'd agree.

[152] **Simon Thomas:** Lyfli. Diolch yn fawr iawn i chi, felly, am ddod i mewn heddiw ac rydym ni'n falch iawn, fel y dywedodd Mike Hedges, o fod ym Miwmaris. Bydd yna drawsgrifiad i chi i jest gwirio ar gyfer ffeithiau ac ati. Diolch yn fawr iawn. Diolch. Rwy'n cymryd ein bod ni'n cael brêc bach o bum munud. Ocê.

Simon Thomas: Lovely. Thank you very much for coming in today and we're very pleased, as Mike Hedges said, to be in Beaumaris. There will be a transcript for you just to check for accuracy and so forth. Thank you very much. Thank you. I take it that we will take a short, five-minute break. Okay.

Gohiriwyd y cyfarfod rhwng 11:00 ac 11:07.

The meeting adjourned between 11:00 and 11:07.

**Ymchwiliad i'r Amcangyfrifon Ariannol sy'n Cyd-fynd â Deddfwriaeth:
Sesiwn Dystiolaeth 9—Cymdeithas Prif Weithredwyr yr Awdurdodau
Lleol (SOLACE)**

**Inquiry into the Financial Estimates Accompanying Legislation:
Evidence Session 9—Society of Local Authority Chief Executives
(SOLACE)**

[153] **Simon Thomas:** Galwaf y Pwyllgor Cyllid nôl i drefn, felly, gan groesawu Dilwyn Williams, prif weithredwr Cyngor Gwynedd. Croeso mawr i chi. Rydym yn falch iawn o fod yn yr hen Wynedd fan hyn, o leiaf, os nad y Gwynedd newydd. Ac os ydych chi'n hapus—diolch am y papur a'r wybodaeth rydych chi wedi

Simon Thomas: I call the Finance Committee back to order, and welcome Dilwyn Williams, chief executive of Gwynedd Council. Welcome to you. We're very pleased to be in the old Gwynedd here, if not the new Gwynedd. And if you're happy—thank you very much for the paper that you've submitted and the

eu paratoi—fe wnawn ni ddechrau yn syth, os yw hynny'n iawn.

information that you've prepared—we'll start immediately, if that's okay.

[154] A gaf i ofyn jest i ddechrau, felly, yn gyffredinol iawn, ym mha ffordd ydych chi fel prif weithredwr a'r mudiad SOLACE fel prif weithredwyr drwy Gymru yn defnyddio'r asesiadau effaith rheoleiddio? A ydych chi wir yn eu ffeindio nhw yn ddogfennau defnyddiol wrth i chi gynllunio i weithredu deddfwriaeth?

Could I just ask you, therefore, generally how you as a chief executive and SOLACE as chief executives throughout Wales use the RIAs? Do you find them useful documents as you plan to implement legislation?

[155] **Mr Williams:** 'Yn rhannol', mae'n debyg, ydy'r ateb i hynny. Hynny ydy, pe baech chi'n gofyn i mi yn ymarferol a ydym ni yn eu defnyddio nhw ac yn dechrau cynllunio ar sail beth maen nhw'n ei ddweud, mae'n debyg ein bod ni'n edrych arnyn nhw i weld beth mae'r Llywodraeth yn dweud mae'r ddeddfwriaeth yn mynd i'w gostio, ond mae'n debyg ein bod ni'n hunain yn edrych i weld, 'Wel, beth ydym ni'n feddwl mae hyn i gyd yn mynd i gostio?' Ond mewn un ffordd, mae'n debyg nad yw'r naill na'r llall ohonom ni yn gywir byth, achos fel rwy'n dweud yn y papur, mae lot o ddeddfwriaeth yn ymwneud efo egwyddorion a dweud, 'Dyma rydym ni eisiau ei weld yn digwydd', heb fod yn mynd i fanylder ynglŷn â sut rydym yn mynd i'w wneud o. Felly, rwy'n meddwl ei fod yn deg dweud nad ydym ni'n talu gormod o sylw ymarferol iddo fo, achos rydym wrthi yn trio gweithio i fyny ein hunain. Ac fel roedd papur y WLGA yn amlygu,

Mr Williams: I think the answer to that is 'partially', because if you asked us practically whether we use them and start to plan on the basis of what they tell us, we look at them to see what the Government states the legislation will cost, but we also ourselves look to see, 'Well, what do we think all of this will cost?' But in a way, it's likely that neither of us is ever correct because as I say in the paper, a lot of legislation is to do with the principles and saying, 'This is what we want to see happening', without going into detail about how we're going to do it. So, I think it's fair to say that we don't pay too much practical attention to it, because we're trying to work up ourselves our own figures. And as the WLGA paper highlighted, there are some places where we would agree to some extent, and there are others where we would disagree fiercely. So, we don't use them practically. Of course, I can't speak for the 22 members of SOLACE, but certainly,

mae yna rai llefydd lle mae'n debyg y buasem ni yn lled gytuno, ac mae llefydd eraill lle mae yna anghytuno eithaf brwd weithiau. Felly, nid wyf yn meddwl ein bod ni yn eu defnyddio nhw yn ymarferol fel y cyfryw. Wrth gwrs, ni fedraf siarad am y 22 aelod o SOLACE ond, yn sicr, o'm rhan i, ni fuasem ni yn ei ddefnyddio fo yn ymarferol.

from my point of view, we wouldn't use it practically.

[156] **Simon Thomas:** Ac yn dal ar y ffocws mwy eang am y tro, rwy'n cofio, achos roeddwn i ar y pwyllgor bryd hynny—materion deddfwriaethol—fe wnaethom ni gynnal ymchwiliad deddfu yng Nghymru, ac roedd tystiolaeth gyda SOLACE i'r ymchwiliad hwnnw a oedd yn eithaf beirniadol ar y pryd o'r broses yma, ond dwy flynedd yn ôl, rwy'n gwybod. A ydych chi wedi dirnad unrhyw welliant yn y broses ers hynny?

Simon Thomas: And on a broader focus for now, I remember, because I was on the committee then—the legislative affairs committee—and we held an inquiry into making laws in Wales, and SOLACE provided evidence to that inquiry that was quite critical of this process, but that was two years ago, I know. Have you seen any improvement in the process since then?

[157] **Mr Williams:** Na, na. Hynny ydy, beth sy'n rhaid i ni gofio, wrth gwrs, yw bod cymeriadau SOLACE yn newid; mae prif weithredwyr yn newid ar gyfradd eithaf sylweddol. Ac rwy'n meddwl bellach fod yna agwedd mwy ymarferol, o bosibl, ymysg aelodau SOLACE ynglŷn â, 'Wel, nid oes yna lot y medrwn ni newid am fecanwaith y Llywodraeth fel y cyfryw, felly mae'n rhaid i ni drïo gweithio yn fwy adeiladol efo pethau'. I ryw raddau, dyna pam roeddwn i'n sôn yn fy mhapur i fy mod i'n cydymdeimlo i raddau helaeth efo pobl sy'n trio gwneud

Mr Williams: No, no. That is, what we must always bear in mind is that the personalities in SOLACE change, because there is quite a big churn in chief executives. And I believe that by now there is more of a practical approach amongst SOLACE members to think, 'Well, there's nothing we can change about Government machinery or mechanism, if you like, so let's try and work more constructively with things'. To some extent, that's why I say in my paper that I sympathise to a great extent with people who try and draft a paper to try and predict the cost of a piece

papur yn darogan beth fydd cost rhyw ddarn o ddeddfwriaeth, pan nad ydym hyd yn oed yn gwybod beth fydd yr effaith ymarferol. Rydym wedi gweld enghreifftiau yn y gorffennol, os ydych yn cymryd—. Rwy'n siŵr bod pobl gwasanaethau cymdeithasol wedi bod yma ac wedi sôn am DoLS ac yn y blaen. Wel, y *Mental Capacity Act 2005* wnaeth greu hwnnw, ond beth sydd wedi gyrru'r gost ychwanegol wedyn ydy'r llysoedd yn ei ddehongli fo mewn ffordd benodol, ac yn dweud, 'Mae'n rhaid i chi ei wneud o yn y ffordd yma', wedyn mae hynny'n ychwanegu costau. Wel, nid oedd neb yn gallu darogan hynny, efallai, ar y cychwyn. Felly, na, fuaswn i ddim yn dweud bod y sefyllfa wedi newid llawer, ond efallai bod ein hagwedd ni fel SOLACE wedi meirioli rhywfaint.

[158] **Simon Thomas:** So, rydych chi yn cymryd agwedd mwy pragmataidd, os liciwch chi, at hynny.

[159] **Mr Williams:** Ie. Hynny ydy, pan rydym yn gweld gwahaniaethau enfawr—. Mae yna lot o ddadlau wedi bod ynglŷn â'r Ddeddf Gwasanaethau Cymdeithasol a Llesiant (Cymru) 2014, yn enwedig ar y cychwyn, fel roedd papur y WLGA yn sôn amdano fo. Soniwyd yn wreiddiol: 'Wel, mae hwn yn mynd i fod yn gost-niwtral'. Wel, nid oedd yna neb ohonom ni yn coelio ei fod o'n mynd i fod yn gost-niwtral, yn bennaf oherwydd beth oedd y Ddeddf yn trio ei wneud oedd amlygu beth ddylem ni fod yn ei

of legislation, when we don't even know what the practical impact will be. We've seen examples in the past, if you take—. I'm sure the social services people have been here talking about DoLS, and so on. Well, it's the Mental Capacity Act 2005 that actually created that, but what's driven the additional cost after that is the courts interpreting that in a specific way, and saying, 'You've got to do it in this way', and that adds cost that nobody could have foreseen at the outset. So, no, I wouldn't say that the situation has changed much, but I think our attitude as SOLACE has actually mellowed somewhat.

Simon Thomas: So, you're taking a more pragmatic approach now.

Mr Williams: Yes. When we see major differences—. There has been a lot of argument about the Social Services and Well-being (Wales) Act 2014, particularly at the outset, as the WLGA paper mentioned. It was mentioned originally that it was going to be cost neutral, and none of us believed that, mainly because what the Act was trying to do was highlight what we should be doing already, of course. There's nothing that anyone would disagree with in terms of that Act, but the reality on

wneud yn barod, wrth gwrs. Nid oes yna ddim byd y byddai unrhyw un yn anghytuno ag o yn y Ddeddf gwasanaethau cymdeithasol a lles, ond y realiti ar lawr gwlad, wrth gwrs, yw bod arian yn brin ac, yn gyffredinol, mae llywodraeth leol yn trio jyglo gwahanol bethau. Beth sy'n digwydd yn naturiol ydy ein bod ni'n trio gwneud pethau am y gost isaf posibl, mae'n debyg, ac weithiau efallai hyd yn oed bod hynny'n golygu nad ydym ni'n gwneud rhai pethau y dylem ni fod yn eu gwneud—pe byddech chi'n edrych ar hyn yn oeraidd, felly. Ac wedyn, y cyfan roedd y Ddeddf yn ei wneud oedd dweud, 'Wel, rydym ni angen gwneud hyn bellach.' Wel, o ble mae'r pres yn mynd i ddod? Dyna'r cwestiwn wedyn. Mae'n codi disgwyliadau, mae'n codi gobeithion, ac mae disgwyl i ni wedyn ariannu hynny rywsut.

[160] **Simon Thomas:** Ym mha ffordd ydych chi'n teimlo bod y broses o fwydo'r wybodaeth a'r profiad yna yn ôl i'r Llywodraeth yn gweithio? Hynny yw, mae gyda chi 22 awdurdod lleol yng Nghymru. Rydych yn gwybod y costau. Rydych yn eich papur yn sôn am y gost yng Ngwynedd, ac yn dangos i ni sut mae rhai costau wedi cael eu cwrdd, a rhai costau'n gwbl wahanol. A ydych chi'n teimlo bod yr wybodaeth yna (a) yn cael ei fwydo yn ôl i'r Llywodraeth, a (b) bod y Llywodraeth yn gwrandio neu'n gwneud defnydd o'r wybodaeth?

the ground, of course, is that money is scarce and, generally, local government is trying to juggle different things. What happens naturally is that we try and do things for the lowest possible cost, and sometimes maybe that means that we're not doing some things that we should be doing—if you looked at it in the cold light of day. And all the Act is doing was saying, 'Well, look, we need to do this now.' Well, okay, the next question is: where's the money going to come from? It raises expectations, it raises hopes, and we are expected then to fund that somehow.

Simon Thomas: And how do you think the process of feeding that information and that experience back to Government is working? That is, you have 22 local authorities in Wales. You know the costs. In your paper, you talk about the cost in Gwynedd, and you show how some costs have been met, and that some other costs are completely different. Do you feel that that information (a) is fed back to Government and (b) that the Government is listening, or makes use of that information?

[161] **Mr Williams:** Eto, buaswn i'n dweud ei fod yn amrywio. Mae yna lefydd lle nad ydym ni hyd yn oed yn gwybod ein costau, o bosib, ar brydiau. Mae e'n esblygu wrth ichi fynd ymlaen. Yn sicr, lle rydym yn gwybod, mi rydym ni a'r WLGA yn trio cynnal deialog efo'r Llywodraeth. Rwy'n meddwl beth sydd ar goll ydy'r dyhead yma i ddiweddarw wrth i ni fynd ymlaen, ac i ddweud, 'Reit, os medrwn ni ddangos bod y costau yn costio hyn, mi wnawn ni ddarparu'r pres yna ar ei gyfer o.' Os ydw i'n dallt—. Realiti bywyd ydy ein bod ni i gyd yn gweithio tu fewn i gyfyngiadau cyllidol, ac mae'n debyg yr hyn sy'n digwydd ydy, fel sy'n digwydd yn lle ni, fel awdurdod llai fel Gwynedd, pe byddai rhywun wedi dweud wrtha i 'Rydw i eisiau hyn a hyn o bres i wneud rhywbeth'—'Reit, dyma chi'r pres'—petai rhywun yn dod yn ôl ataf a dweud '*By the way*, rydw i eisiau 50 y cant yn fwy rŵan, wel: '*Hang on* rŵan, rwy't ti wedi dweud un peth wrthyf i, ac rwy't ti eisiau mwy.' Ond mewn un ffordd, ar raddfa ehangach ydy hynny. Mi rydym ni yn lleol yn fwy tebygol o ddweud, 'Wel, iawn, nid ydym yn dal pobl i gostau penodol.' Os ydyn nhw wedi dweud wrthym ni 'Rydw i'n meddwl bod rhaid i ni wneud hyn, ac felly, byddai angen o leiaf hyn a hyn o bres, ond efallai bydda i'n dod nôl', rydyn ni'n marcio hynny i lawr ac yn ei ddisgwyl. Os bydd rhywun yn dweud yn bendant 'Dyma mae e'n mynd i gostio'—. Ac efallai dyna lle

Mr Williams: Once again, I would say it varies. There are places where we don't even know what our costs are at times. It evolves as you go forward. Certainly, we and the WLGA try to hold a dialogue with the Government. What I think is missing is this aspiration to update as we go on, and to say 'Well, right, if we can demonstrate that the costs are this, then we will provide the money to meet it.' If I understand—. But the reality of life is that we're all working within financial restrictions, and what happens, as happens in our place, as a smaller authority in Gwynedd, is that if somebody told me 'I want this much money to do things' and I said 'Here's the money' and then they come back and say 'By the way, I want an extra 50 per cent, I'd say 'Hang on, you've told me one thing and then you've come back and said you want more.' In one way, that is on a larger scale. We, locally, are more likely to say 'Well, yes, we're not going to hold people to specific costs.' If they've said 'We've got to do this, and we'll need a minimum of so much, but maybe I'll come back to you' then we mark that down and it's expected. But if somebody says definitely 'This is the end figure'—. But that's possibly the problem, namely that we're perhaps treating these initial estimates as a definite sum without considering 'Will we need to provide more money in order to deliver here?'

mae'r broblem, ein bod ni'n trin yr amcangyfrifon cychwynnol yma fel rhywbeth pendant, heb ystyried 'Wel, ydyn ni yn y pen draw yn mynd i fod angen darparu mwy er mwyn cyflawni'r hyn rydym ni'n ei ddweud yn y fan yma?'

[162] **Simon Thomas:** Mewn ffordd, rydych chi'n cyffwrdd ar reoli risg. Felly, mae gyda chi asesiad ar y cychwyn. Weithiau rydych yn gallu bod yn gadarn eich ffeithiau, achos mae'n amlwg ble mae'r gost. Dro arall, mae yna elfen o amrywiaeth yn y costau, a thro arall, eto fyth, mae yna risg penodol. Ac un o'r pethau—. Gynnau fach, roeddech yn sôn am ddehongliad y llysoedd. Wel, mae hynny'n risg na fedrwch chi ddim ei fesuro mewn unrhyw asesiad o flaen llaw. Ar hyn o bryd, a ydych chi'n teimlo bod gormod o bwyslais ar fod yn bendant yn rhai o'r costau yma, a dim digon o ystyriaeth o'r amrywiaeth risg yma sy'n gallu datblygu drwy ddeddfwriaeth?

Simon Thomas: In a way, you're touching on managing risk. You have an assessment at the outset, and sometimes you can be robust in terms of your facts, because it's obvious what the cost is going to be, and another time there's an element of variability in the cost, and another time there is specific risk. And that's—. One of the things that you mentioned earlier was the court interpretation. Well, that is a risk that you can't quantify in any assessment beforehand. So, evidently, at present, do you feel that there is too much emphasis on being definitive in some of these costings, and not enough consideration given to the variability of risks that can develop through legislation?

[163] **Mr Williams:** Nid yw'n ymddangos i mi ei fod o'n digwydd. Mae'n ymddangos i mi ein bod ni'n gosod cyllidebau cadarn, ac wedyn, pan mae rhywbeth yn mynd tu hwnt i'r gyllideb, wel, o ble mae'r pres yn mynd i ddod? Nid yw'n mynd i ddod o un lle arall, felly mae'n rhaid i chi gyfyngu tu fewn i'r swm rydym ni wedi'i ddweud yn y lle cyntaf.

Mr Williams: It doesn't appear to me that it happens. It appears to me that we set definite budgets, and then, when things do beyond that budget, we have to ask where the money is going to come from. It's not going to come from anywhere else, so, you have to restrict within the amount that we first announced.

[164] **Simon Thomas:** Ac mae'n

Simon Thomas: And it just becomes a

ddadl wleidyddol wedyn, yn hytrach na dadl sydd yn seiliedig ar y ffeithiau, fel petai.

political debate, then, rather than a debate that's based on facts.

[165] **Mr Williams:** Ydy. Ac, hefyd, mae gyda chi'r broblem bod pob seilo yn y Llywodraeth yn gwneud yr un peth, felly rydym yn jyglo gyda'r gwahanol lefydd. Ac, yn aml iawn, wrth gwrs, fel rwyf wedi dweud yn y papur, nid o ddeddfwriaeth ei hun mae e'n dod—efallai jest newid polisi neu rywbeth fel yna, ac mae e'n sydyn. Ac nid o reidrwydd Llywodraeth Cymru chwaith. Pethau fel y cyflog byw, er enghraifft—mae hwnnw'n gyrru costau gofal cymdeithasol i fyny yn aruthrol, ond nid oes neb yn sôn am o ble mae'r pres yna mynd i ddod ar gyfer cwrdd â hynny. Yn y sector breifat, os ydych yn talu'r cyflog byw, mi fedrwch chi gynyddu prisiau er mwyn talu amdano, cyn belled eich bod chi'n cystadlu yn y wlad yma ac nid tu hwnt, wrth gwrs. Ond efo unrhyw Lywodraeth, mae'r cyllid yn *finite* ac felly rydych chi'n gorfod gwneud rhywbeth er mwyn cyfarch y cyflog byw, yn hytrach na bod pres ychwanegol yn dod i mewn ar ei gyfer o.

Mr Williams: Yes. And you've got the problem that every silo within the Government is doing the same thing, so we're juggling different silos, as it were. And, very often, as I say in the paper, it doesn't emanate from the legislation, perhaps it's just a policy shift or change. And it's not necessarily Welsh Government either. It could be things like the living wage, for example. Well, that drives the social care costs up hugely, but nobody talks about where the money to meet that is going to come from. In the private sector, if you pay the living wage, you can increase costs in order to pay for it maybe, as long as you're competing in this country, and not beyond. But with any Government, the finance is finite, and so, you've got to do something in order to address the living wage, rather than getting any additional funding in.

[166] **Simon Thomas:** Océ.

Simon Thomas: Okay.

[167] Nick, did you want to come in?

11:15

[168] **Nick Ramsay:** Yes. I liked your phrase there—'Politics not facts.' That's one for the memoirs, isn't it? It was just on—. I'm trying to get my head

around this. Part of the reason why it was seen to be cost neutral initially was because these are things that local authorities should be doing anyway and have been doing. But by putting it on to a statutory basis, it means now that no part of it can sort of drop by the wayside at any point in time. So, you're having to quantify the cost of it, and you're having to plan for it in a way that is actually creating the cost. Am I right in thinking that's what's happening?

[169] **Mr Williams:** Yes. When you think about how organisations, especially local government organisations, work now, the pressure—. If you think that Gwynedd's budget is £238 million roughly net, when you look at what's happened over the past 12 years—we're talking a 12-year period—our grant has only gone up by £4 million over the past 12 years in total. Essentially, on top of that, you've got inflation driving costs up—that's over a 12-year period—so what we're having to do is juggle and sort of adjust our expenditure in places where we can. And that means, quite frankly at times, damping down demand, if we can. There's a lot of work going on in order to try and achieve preventative measures to stop demand coming through.

[170] What the social services Act did, essentially, was bring to the fore the things we should be doing in social services. Nobody disagrees with it, essentially, but there could have been, behind the scenes, a damping effect that we weren't doing some things we should be doing just to keep the costs down. Once you release the Act, essentially, those costs are released then aren't they, you know? And we can't get out of it, but what it means essentially is that we're not not doing social services work now, but it's affecting other services across the piece because those are the things we're now having to damp down, essentially, because we have to live within our means. So, that's the way it works.

[171] **Nick Ramsay:** Expectations are higher and people now know that there is a statutory reason, so you're getting more demand.

[172] **Mr Williams:** Exactly, exactly. And we're already seeing it in terms of the future generations Act. The number of letters I have now coming in through my door saying, 'You're supposed to look to the future, not the present, so you shouldn't be cutting this, cutting that, cutting the other'. It's being used now as a reason not to do things, which we're having to do, essentially. So, that's the way it works.

[173] **Nick Ramsay:** Interesting. Thanks.

[174] **Simon Thomas:** David Rees.

[175] **David Rees:** Thank you. Bore da. A question for you: I understand the challenges of austerity at the same time putting budgetary constraints upon you, but in your paper you also highlight that, for Gwynedd, there's a £24.2 million cost, effectively, arising from legislation in the last 8 years—and I know you've talked about 12 years. But you said that £15.1 million, I think, was funded through the grant. First of all, can I ask, was it specifically identified to fund the legislation?

[176] **Mr Williams:** Not always; it's a mix. Some things are given to us in order to fund the additional pressures that are going to arise. Others are just added to the grant on the basis that 'We know you're facing pressures'. Essentially, the paper talks about all of the pressures we were facing; it's not just the legislative pressures, obviously. I think the legislative pressures from the Welsh Government are in paragraph 4.1, I think. You can see from that table that, of the £9 million deficit, only £1.2 million was identified to legislative pressures from the Welsh Government. The rest of it was—. The minimum wage, for instance, was £2 million of it. Now, that was nothing to do, essentially, with Welsh Government; it was central Government policy to drive it up, but nobody anywhere said, 'Well, who's going to pay for this?'

[177] So, the £1.2 million is the bit that we can identify coming out of actual legislative issues. Even there, there's a possibility that we're underestimating, because what we're identifying here is where we as an authority have decided to allocate additional resources to the service and cut elsewhere in order to fund it. Now, there are some examples where people come to me saying, 'I need this amount of money to pay for this service', and I turn round and say, 'Well, sorry, we haven't got it; you're going to have to meet it from within your current budget'. So, even within the service, probably, we're understating the effect, because this is only the stuff that we've actually given resources to people to do.

[178] **David Rees:** That's interesting, because in the original question the points I was looking at were points 3.1 and 3.2, which indicated that the £9.1 million was the shortfall, and how it was going to be funded. But you're basically saying now that there was actually a £1.2 million shortfall—

[179] **Mr Williams:** From legislation.

[180] **David Rees:** From legislation.

[181] **Mr Williams:** But £9.1 million in total. The way it was funded, obviously, is that we increased council tax. That's a method we have. We can increase the council tax up to whatever. So, that's part of the issue, but, then, the rest of it comes from savings we have to find from within. So, if you look at our history in Gwynedd over the past, let's say, 12 years, I was talking about a £238 million budget; our budget has had to increase by £54 million due to inflationary factors—now, I include all sorts of things in there, such as pension costs and everything that increases the daily cost of running the service—£31 million from other pressures—that's over a 12-year period; the paper talks about an eight-year period—and £3.5 million from just sundry other things. We've funded that. We had a £4.5 million increase in our grant over the 12-year period, as I said. Twenty three million came from council tax over the 12-year period and £62 million was savings that we found. A significant proportion of the £62 million was efficiency savings. It was in 2016–17 that we first had to resort to service cuts. But service cuts are now becoming a greater reality, essentially. So, that gives you some feeling for what we've done over a 12-year period.

[182] **David Rees:** In your paper you said that you think that it's far from likely that you've peaked at this point with the cost of legislation. So, if you're already now talking about service cuts coming, has consideration really been given to the peak time and the costs that will be implied and the implications of that?

[183] **Mr Williams:** Yes. We're planning ahead, obviously. We have a four-year plan, which we have in Gwynedd—I know other authorities are the same, they try and have a medium-term financial plan—and what we try and do is to think, 'Right, what is the financial effect of all these pressures coming on us and, therefore, what do we need to start thinking about in terms of savings?' Our previous regime started, in 2014–15, to identify a block of savings, which we identified. That's running out now in 2018–19, so we're already starting on a two-year programme of identifying four years' worth of savings for the next four years on the basis that things ain't going to get better soon, probably.

[184] **David Rees:** In your discussions with the Welsh Government, then, what are they saying? If you say some of these costs that you're going to have to bear are because of legislation, what are they saying about covering the costs?

[185] **Mr Williams:** Well, they say, 'We'll give you a grant and, essentially, you have to live within that grant'. Because that's what happens, obviously, isn't it? The Welsh Government—

[186] **David Rees:** So, they say 'tough'—

[187] **Mr Williams:** No, not in every case. If you make the case, and if they recognise the case, sometimes they will give a specific grant for specific things. So, for instance, there was a consequential recently, wasn't there, from the Chancellor's budget, in terms of social care, and they have forwarded on resources for social care. Ten million of that, if I remember rightly, off the top of my head, was for the pressures created from the living wage for private sector providers, for instance. So, when they're able and when they recognise the reality of the situation, they do try and help when they can. But, as I say, it's a variable feast, essentially. Sometimes it happens; sometimes, well, you have to live within your means, essentially. I understand the logic of that.

[188] **David Rees:** As a chief executive, do you feel that enough thought is given to this longer-term implication when legislation is brought forward and enough reflection of that long-term cost is put forward at the time of legislation?

[189] **Mr Williams:** No. And I mentioned this in my paper. I don't think you can—this is the issue. My previous job was the director of resources for Gwynedd Council, so I understand accounting regimes, obviously. I would find it very difficult at a point when a piece of legislation is enabling in nature, to try and fully identify what exactly is the cost of x going to be to the future, essentially.

[190] **David Rees:** And the additional costs, indirect costs?

[191] **Mr Williams:** Well, that's the other thing. If you take the social services Act, what wasn't taken into account and what isn't taken into account at the current time is the bureaucracy involved in joint working. I make the point, at the end of my paper, about the amount of senior officers who are sitting in meetings trying to co-ordinate the whole thing and nobody's taking that cost into account, which is not insignificant. We conducted a survey recently in our authority trying to identify what is it that our senior officers are involved in. Implementing the social services and well-being Act on a north Wales footprint was a significant amount of resource in terms of the meetings to try

and co-ordinate activity between seven authorities, effectively—the six local authorities and the health authority. People tend to not think about that fact. ‘Oh, yes. It’s going to happen, isn’t it?’ But, essentially, the bureaucratic organisation of trying to co-ordinate between seven authorities is not insignificant. We can all identify, ‘Oh yes, it might be better in the end’, in terms of outcome perhaps, but nobody mentions the input you have to put in at the other end in order to achieve that, essentially.

[192] **Simon Thomas:** Mike Hedges.

[193] **Mike Hedges:** Two very brief questions—you didn’t mention, in terms of income, fees and charges. I assume you’ve increased those over the last 14 years.

[194] **Mr Williams:** Yes, we’ve been increasing those. In fact, I think the residents of Gwynedd would probably say we’ve increased them too much. Car parking fees, I notice, are cheaper here than they are in Gwynedd, which is useful for me when I come here. But, essentially, I think the Society of Welsh Treasurers recently did a survey of opportunities for income raising across Wales. Every authority took that report on board and thought, ‘Well, hang on, if somebody’s doing this, why can’t we do it?’ So, that’s already taken into account, certainly, I think. It’s a first port of call, nearly, for chief executives, I think.

[195] **Mike Hedges:** And the other point, and I don’t know whether you agree with me or not, is that we have a budget and not supplementary budgets or money in terms of extra money coming in, but the main budget, which becomes the local government settlement, and we have money identified in that—extra for social services, et cetera. Would you agree that, really, it’s just repackaging what is, effectively, the same amount of money?

[196] **Mr Williams:** Well, you’ve touched a nerve there, I’m afraid, because the one thing I really was concerned about in this year’s settlement for local government was this statement that £25 million had been given to social care, £25 million had been given due to the agreement with Plaid Cymru, £3 million for town-centre parking. When you add all that amount up, it came to about—I think it was about £58 million in total. The local government settlement only increased by £9 million, so where was the £59 million? Really, what it was was that, yes, I can see how come people say, ‘We’ve put £58 million in’, but what they didn’t say, of course, was, ‘Had we not put that in, we would have taken £58 million off local government in order to actually

pay for it'. It's like saying, 'I'm going to give you a £100 pay rise, but I'm going to reduce your salary first of all in order to pay for it', essentially, and you end up with the same amount of cash. So, effectively—

[197] **Nick Ramsay:** Sorry, I'm being a bit slow—*[Inaudible.]*—I couldn't follow it.

[198] **Mr Williams:** Just so that I can give you some facts on it, essentially, the local government increase—this was in the draft settlement—in the final settlement I think it was £10 million, but in the draft settlement it was only £4 million. So, the cash amount that went from local authorities in 2016–17 compared to 2017–18 was about £4 million. Now, the Government, in the settlement, they said that £25 million had gone in to recognise the importance of social care. Twenty-five million pounds was due to the pact between Plaid and Government in order to recognise the pressures on local government, so we're up to £50 million. One million pounds for school transport, £3 million for parking in town centres, and £4.8 million for the loss of care fees due to increasing the cap. So, when you add all that up, it comes to £58.8 million, whereas, in fact, in the draft settlement, the cash increase was only £3.8 million. The cash increase at the final settlement was about £10 million, close enough, I think it was.

[199] So, where was this £58.8 million? In effect, what they were saying—but they weren't saying it—was, 'Well, yes. Actually, if we'd have just gotten the settlement without these agreements, the local government settlement would have been £58 million less, effectively, but we've given this money in so you're ending up, in terms of flat cash, so, you know, it includes all this other stuff—'. Now, the problem with this is, out there, people think we've had £25 million for social care, we've had £25 million for this, we've got £3 million for town-centre parking, and even our councillors think we've got this money and we've stashed it away somewhere and hidden it. So, it's this clarity, I think, and honesty, I suppose.

11:30

[200] **Nick Ramsay:** So, without that arrangement, you'd actually have had £58 million less.

[201] **Mr Williams:** Well, probably.

[202] **Mike Hedges:** I would say that probably you've had exactly the same

sum of money; it'd just have been packaged differently.

[203] **Mr Williams:** And it's the point you were making. It's about—. Let's be clear and let's be honest when we say these things, rather than package them up in ways in which—you know, it just creates more problems. I've got no problem. As SOLACE, we shouldn't have a problem. Defining priorities is a political determination, but let's be honest about it and say, 'Well, this is the situation, essentially', and then we can try and work with that with our communities, whereas our communities think we're stashing all this cash away or something somewhere so that I can go on my holidays, or whatever.

[204] **Simon Thomas:** Again, this is probably early evidence for our draft budget considerations. You can go on holiday to Anglesey, where the car parking is cheaper. [*Laughter.*] Nick, it's your questions anyway, so carry on.

[205] **Nick Ramsay:** Can you tell us: how does the finance subgroup work, and does it provide an effective mechanism to discuss the actual costs of legislation with the Welsh Government? Are there any other mechanisms that can be used?

[206] **Mr Williams:** I think in general it works fairly well. It's a way where local government can press its case for the pressures that it's facing. It's a fairly formal type of group, but there is an opportunity to press the case, essentially, and I know recently the WLGA have submitted a document in the finance subgroup in order to try and highlight the pressures that we're going to be facing in the future. So, I think, in terms of the construct, it's a logical construct and it's a viable construct. How much notice the Government takes of it, I can't comment on that, because it's what happens after the meeting, I suppose, isn't it? But we have the opportunity there to press our case.

[207] I suppose that, what we've found in the past is that the case hasn't been taken to heart for many reasons, one of which being the pressures from health, obviously. I understand, of course, that when you've got the health budget and the local government budget, we need to be looking after health because it's important for the people—it's important for our communities. So, I understand that. It's a question of whether significant cognisance is taken of the impacts of what we're saying. I think, sometimes, there's a tendency to think, 'Well, it doesn't really matter if local government isn't financed appropriately because, you know, they'll cope', but what's happening on the ground, I think, goes amiss sometimes. Just trying to rationalise the number of toilets we've got, for instance—the amount of

effort it takes, because they're important to communities. Small things like that are important. But when it comes to competing against massive budgets—education, highways, social services—you know, it's very difficult sometimes to actually try and hit the appropriate balance.

[208] **Nick Ramsay:** I've been in this job 10 years now, this year, and I've worked out over the years that people get very worked up about public toilets. These things matter massively in our local communities. Are we a bit demanding on the Welsh Government by always expecting them to foot the bill for legislation? At the end of the day, Government is there to legislate. To what extent do you think that they should be providing additional funding for the legislation that is passed, and where should that balance lie with local authorities?

[209] **Mr Williams:** I suppose that, if there was scope to redefine local government expenditure, at times of plenty, I can understand the rationale behind, 'Well, we've got an aim we want to fulfil in Government; therefore, let's pass the legislation and let's ask local government to find the efficiency savings that could drive the cost of that legislation'; I think that's fairly fine. But we're in times of austerity. What does surprise me somewhat is the breadth of things that we're being asked to do at a time when the cash is disappearing at an alarming rate behind us. It does raise the question of whether we're doing too much, in my view. That's a personal view. It's just a question of whether we need to have a more realistic sense that, if we want to do something, we have to recognise it's going to cost something and we have to ask the question, 'Where's that going to come from?'

[210] **Nick Ramsay:** And, if you increase council tax, for instance, or other charges, then you're the people at the front line who get the flak.

[211] **Mr Williams:** Well, we're already raising council tax. As I mentioned in my earlier financial analysis, our council tax over the last 12 years has gone up by £23 million. That's roughly about 3.5 per cent a year. Gwynedd has been increasing its council tax roughly in the order of 3.5 per cent a year. That increase in council tax is required just to meet inflationary factors, let alone any other desires in any corner of the world, essentially. So, what we're facing really is that council tax is actually enabling us just to retain the current status quo, essentially, to an extent. Even then, it's not enough to meet the inflationary factors. We're having to make savings just to meet the rest of inflation.

[212] **Simon Thomas:** Nick, can I just—? I think David just wanted to come in at this point.

[213] **David Rees:** Yes, just on that point, do you therefore get very nervous at any legislation that is put forward in the Welsh Government because, clearly, there's a possible consequence for you? Does it cause you difficulties? How do you actually ensure yourself that the costings that may accompany that are not going to impact upon you dramatically?

[214] **Mr Williams:** Whether I get nervous or not—as I mentioned, it's not the legislation that makes me nervous; it's the policy decisions or the legal decisions that come out. Those are the things, really, that make me more nervous. In fairness, as I mentioned, our experience has been mixed. Sometimes, we get a rational discussion and we get resources to meet things, which is fine. What makes me more nervous is, essentially, that the continuation of austerity will mean that we will hit a wall at some point in the future. When that point is going to be, nobody knows, essentially. But there will come a point when we're going to have to start cutting things and it's really going to hurt. You know, we're starting to cut things now, but we're able to manage it in a rational way. So, it's that bit that makes me nervous. It's, 'Where is that wall that we're on the train heading towards and we will hit it?' I know one or two—. Well, in England, of course, the Audit Commission has mentioned in England that there are some authorities that are becoming unsustainable, essentially. Now, that's what makes me nervous, essentially.

[215] **David Rees:** And is legislation making you go faster towards that wall?

[216] **Mr Williams:** Well, some of it is, as I mentioned, and some of it, perhaps, isn't. The point being, I suppose, is that, even with the Social Services and Well-being (Wales) Act and the Well-being of Future Generations (Wales) Act, I suppose we don't know. As I've said, I don't think we've reached peak expenditure on those yet, so we don't know how much pressure those are actually going to give us. It's a question of, if we manage to identify it, are the Welsh Government able to support? Their hands are tied as well with austerity, I think, but there's a question of where the priorities lie, essentially.

[217] **Simon Thomas:** Okay. Back to Nick, then.

[218] **Nick Ramsay:** Are you content for the Welsh Government to offset

short-term costs against long-term savings within RIAs, and does it put pressure—? Well, clearly, it puts pressure on local authorities.

[219] **Mr Williams:** Well, as an accountant, I suppose you should be looking at the whole-life cost of any initiative. I suppose the key question there is: how accurate are the short-term costs and the long-term savings? From my experience, I think we tend to minimise cost and maximise benefits when we want to sell something, and that's a dangerous precedent. Whenever somebody comes to me with a business case in the local authority, I would look closely, 'Have you included all the costs, and are you over-egging the benefits, essentially?' I'd ask people to be more realistic. Even if it weakens the business case, well, be realistic. Then, okay, well, fine; at least we understand closer to reality. So, I think it's right to do it. It's a question of how accurate it is, essentially, and how much credence we put on that, then, effectively.

[220] **Simon Thomas:** [*Inaudible.*]

[221] **Mike Hedges:** One comment. You talked about the sustainability of local authorities. Of course, size doesn't matter in this, does it? New York went bankrupt, which is one of the largest local authorities in the world. The point I was going to make is that you have these long-term savings, which you've identified there, but if demand changes—and I'm just talking about social services now, and social services is very much demand-driven—if you do something that increases demand, you might be making a unit saving of 1 per cent or 2 per cent, but if you're making a unit saving of 1 per cent or 2 per cent and you're increasing demand by 10 per cent, then you're actually increasing costs by 8 per cent, even though you've identified these savings.

[222] **Mr Williams:** Exactly, yes. Doing the right thing sometimes costs you more, essentially. We find as well that, actually—. It's much easier and much more cost-efficient to provide a product. So, in terms of social care, if you were just providing a product, such as homecare, okay, we'll give you homecare. Now, we're doing some work with health at the moment about integrating around the citizen, and the sorts of conversations we're having there are, 'What is it that you really need?' not 'What can we give you?' 'What do you need?'—a citizen-centric approach. Sometimes it means working outside the box and finding something that we don't actually provide. Now, that takes time and it takes money to provide it. It's the right thing to do, but sometimes it costs more. So, the wish to have people's needs truly met can sometimes actually cost more than just providing products. Henry Ford

found a way of creating motorcars just by standardising everything. Well, social care isn't about standardising; it's about actually trying to find the true answers for individuals' needs, essentially, and that sometimes means variation, which introduces costs.

[223] **Mike Hedges:** Thank you.

[224] **Nick Ramsay:** You could only have a black car as well, couldn't you, with Henry Ford?

[225] Does SOLACE see the monetisation of non-cash costs and benefits, such as staff time, as a robust way of costing the impact of legislative proposals, and if not, how would you suggest the cost-benefits should be presented?

[226] **Mr Williams:** Well, staff time is a cost. It's an opportunity cost, isn't it? If staff are doing one thing, they're not doing something else. So, I've got no problems with the methodology that's used. I come back to this point about the robustness and the accuracy of information that's used, and a human tendency, as I say, to over-egg the benefits and understate the costs. It's a classic human trait. It's not just in central government. It happens all over the place. So, I've got no problem about using staff time as a valid cost, because it's an opportunity cost. If they're doing one thing, they're not doing another thing. So, effectively, I don't think we've got any problem with that. It's more about the realism behind the estimates made, and the willingness to accept, later on, actually those costs were incorrect. I think I've seen a letter by the Chairman on a piece of legislation recently talking about an initial estimate of £14 million and it ended up £3 million the other way. That's a significant shift in the impact, just looking at it. Now, I understand that, when you take a certain set of assumptions, it may be £14 million, and when you end up actually looking at it in greater detail with different assumptions, it ends up at £3 million the other way. But you have to accept that and then accept that, 'Well, okay, if it turns out to be something different, we will fund it', essentially.

[227] **Nick Ramsay:** Thanks. And what's the opinion of SOLACE as to whether the Welsh Government adequately considers the impact of UK and EU legislation on local authority resources when it legislates?

[228] **Mr Williams:** Well, I've got no evidence to suggest that they don't take it into account. It's difficult for me to comment, really. I suppose, certainly

they're aware of things. They're aware of the impact of the living wage and stuff like this. They're aware of the impacts of UK Government initiatives. I suppose, in a certain way, their hands are tied because essentially those are given facts, and when you get these things coming over the border, and you've got your own programme wanting to be undertaken here, you have to try and find a way of actually coping with it all. So, I'm fairly neutral on that point, I would imagine, because I imagine they do take it into account. What they can do about it is another issue, of course. If you take something like the apprenticeship levy, if ever there was a perverse piece of legislation, there we are. What's happening is that we are being billed £0.5 million a year—£0.5 million a year taken out of our budget—to give to central Government, which is giving some of it back to Welsh Government, presumably, and then where it's gone afterwards I don't know; probably to some apprentices somewhere. But we're actually cutting services in Gwynedd to pay for some sort of apprentices in other places, somewhere, because we're not seeing any of it, certainly. Quite why that's a sensible thing to do escapes me, but somebody somewhere thinks it's a great idea, obviously.

[229] **Nick Ramsay:** Are you saying there are non-sensible things going on?
[*Laughter.*]

11:45

[230] **Mr Williams:** Well, even if the whole of that money came back to Gwynedd, let's say—even if it all came back to Gwynedd—we'd be cutting fundamental services to fund apprentices, who could get apprenticeships and become qualified, but we couldn't employ them because we're cutting at the other end. It just seems an odd circle, somehow. Now, there may be some things that I'm unaware of, but it just seems, to a lay person, quite weird.

[231] **Simon Thomas:** That's more a question for you, Nick.

[232] **Nick Ramsay:** Sorry?

[233] **Simon Thomas:** That's more a question for you, I think.

[234] **Nick Ramsay:** What, in terms of the money going to the centre?

[235] **Simon Thomas:** In terms of it being a Westminster policy—that's all I'm saying. But we will move on with Mike Hedges.

[236] **Mike Hedges:** I'm more tempted to talk about developing the next year's budget than what we're doing here, but I will fight that temptation. The Well-being of Future Generations (Wales) Act 2015, and its effect on local authorities: the WLGA anticipated you would take on the administrative and financial burden of the planning process. Have you, and how much did it cost?

[237] **Mr Williams:** Yes, we've taken on the burden. At the moment, I can only speak for Gwynedd, because I haven't canvassed SOLACE members, but in terms of Gwynedd's costs, there's a small cost there, but it's not significant at the moment. All we're doing at the moment is convening meetings of the partners to see what it is we should be doing better together, essentially, and finding out what are the various things we need to be doing. We did get some money from Welsh Government in order to assist with the planning, and at the moment I wouldn't say that the consequence is any more than that. Quite what comes out of it afterwards, of course, is a different matter.

[238] **Mike Hedges:** When is the next stage? You've talked about what you've done so far. When do you get to the next stage, when hard cash is going to have to follow?

[239] **Mr Williams:** Well, we're already getting there because by March next year we all have to create the action plan, essentially, for want of a better word, for the local service boards—the public services boards, sorry. And that will mean we've decided to do X and Y. Now, effectively, of course, we can fit X and Y within the funding envelope we've already got, but it could damp down exactly what we do. Hopefully, it won't. We're talking currently in this area about better joint working between health and social care as being a big issue. Now, that's something we should be doing anyway. It's not something that is an additionality; essentially, it's something we should be doing anyway. There are other aspects where people locally have said, 'We would like to see this, like to see something else.' Those are desirables, I imagine, in terms of being able to fund, but at least we know about them and we can take them into account when planning future services, essentially.

[240] **Mike Hedges:** You talk about close working between health and social care; I think everybody wants that. What about housing as well? It's inadequate housing that is, in many cases, leading to health problems. And also, what about leisure facilities—getting people active? To us, we use the word 'health' when we mean hospitals, and that is dealing with people—. It's

sort of an ill-health service. What about the situation of making people healthier, better lifestyles? Surely, that must also fit into the future generations Act and, more importantly, the ground position of the local authority. At some stage, we're going to run out of money if we keep on putting it in to deal with people when they get ill, and at some stage we need to do something to try and stop them being ill.

[241] **Mr Williams:** That's right, and that's the curate's egg in all of this, isn't it? You need to invest in preventative services in order to ensure that you slice off the demand later on, but that means you invest upfront and you get the benefits later on. Now, in terms of the previous question about taking a whole-cost approach, there's no problem taking a whole-cost approach, but somebody needs to decide where is the initial investment going to come from, and quite often, it's, 'Well, overall, over time, this is going to be cost-neutral, so I'm sure we can manage, can't we?' I mean, local authorities do have reserves. You can invest reserves in order to get the benefit later on, if you've got nothing else planned for them, that is. At the moment, I would imagine that quite a significant proportion of local authority reserves are going into just managing the austerity programme, essentially—finding new ways of working, investing to find new ways of working and bridging between one set of service delivery and another.

[242] In terms of, for instance, the health programme and the preventative health programme, in our public service board, we are talking about using the natural resources we have in this area to try and facilitate better mental health, better physical health. Quite how you do that, of course, is another issue, but it is about finding ways between public sector organisations and the third sector in order to try and push forward the future generations Act principles as opposed to saying, 'Well, everything has to be about money.' Some aspects don't have to be about money. Essentially, some aspects can be about, 'Well, can we work smarter together?'

[243] **Mike Hedges:** I'll finish up on this last question. One of the areas considered difficult to assess within the regulatory impact assessment of the well-being of future generations Bill was the cost of delivering cultural change. I understand why it's difficult to identify the cost of cultural change, but how much is cultural change likely to cost you in Gwynedd?

[244] **Mr Williams:** Oh, in terms of cash or in terms of personal difficulty? *[Laughter.]*

[245] **Mike Hedges:** I think that, in terms of cash, if you talk about cash as in people doing something to change behaviour and culture as opposed to doing the day job.

[246] **Mr Williams:** Culture change is one of the most difficult things we face, obviously. We've had years and years and years of work design, if you can call it that, based on production model principles—that is, 'Let's create a machine that runs processes and produces products for our citizens.' Now, in Gwynedd, we've got a significant programme of cultural change. It's the No. 1 priority we have, which is about, 'Let's make ourselves citizen-centric.' Now, it's an easy thing to say; it's a massively difficult thing to achieve. But all of our organisational development effort at the moment is going into trying to empower our workforce. If you come across somebody who has a particular need, let's meet that need; it doesn't matter what the machinery does—let's meet that need.

[247] Now, that becomes difficult because there are all sorts of things that cut across that: risk, personal risk. If I take a risk and go outside what the machinery has told me to do, there's personal risk to me if something goes wrong. You know, all sorts of things come into it. Effectively, you can effect that change without actually costing—. I mean, we have to put a lot of effort into it and man time, and that comes back to staff time, but you can do it by, effectively, good leadership, in my view. A lot of it is about leadership and driving it from the top of the organisation. If you're willing to do that, you'll see cultural change being effected over time. We're seeing some roots in Gwynedd now. It's still not as quick as I would like it, and it's going to be a long journey, but, in my view, it is about actually having citizen-centric services as opposed to saying we have citizen-centric services.

[248] Now, when the end of that time comes, who knows, because it's a long journey? Any cultural change is a long journey, obviously, but you have to start somewhere. The social services Act actually fits in with that principle. The social services Act was really about having citizen-centric services, and I don't disagree at all with the principles of the Act. It's essentially about changing culture.

[249] The trouble with changing culture is that regulatory organisations, such as the audit office, Estyn, the Care and Social Services Inspectorate Wales, have to come with us because there is a tendency, of course—. It's much easier to cut off risk, isn't it? 'Let's cut off any risk and then everybody's hunky-dory and then we'll never see anything go wrong, will

we?’ It doesn’t always facilitate true citizen-centric cultures if—. If an individual working for us thinks, ‘The first time anything goes wrong, the regulator’s going to come up to me and hit me over the head with a bat’ or whatever, well, they’re not going to take the risk. And it is about positive risk-taking, essentially, in many of these areas. It’s not about no risk; it’s about, ‘Let’s facilitate somebody to be able to live at home independently’, which means taking some risks sometimes.

[250] **Mike Hedges:** Well, it’s the old disabled facilities grants problem, isn’t it? An old lady asks for a handrail and they come along with £30,000-worth of work that needs to be done to her house, and then tell her she has to wait two and a half years for it to be done, and she never gets the handrail. Or the situation, which happened in south Wales, where an old lady—they were going to fill her house with hand grabs so that she could walk around the house. Then somebody suggested, ‘Perhaps, instead of having lino, we’ll put carpet down, and she’ll be able to walk without falling.’ An awful lot cheaper. Isn’t it really about not always cost but actually thinking what will work best? The real problem you’ve got—and everybody else has got—is that everybody works on the principle, ‘My budget’s my budget; your budget is something to bid for.’

[251] **Mr Williams:** And that’s the principle I’m trying to ram home in Gwynedd: ‘Let’s start from the point of view of the individual, not from the point of view of the cash.’ Now, cash is important—the trouble is, if somebody ignores the cash, you end up overspending and then you’ve got trouble. But what we’re saying is, ‘Start with the individual, try and find out whether we can achieve that, and then overlay the cash’, as opposed to, ‘Let’s start off with the budget. Let’s have an argument about who’s paying for something’. Let’s not start there, let’s start off with what an individual needs, essentially.

[252] **Simon Thomas:** David.

[253] **David Rees:** On that particular point, has legislation helped you with that view?

[254] **Mr Williams:** Quite honestly, I haven’t thought of that—whether it’s helped us or hindered us. I suppose some of the post-legislative stuff about ‘You have to do things in a particular way’ doesn’t help. I’m speaking from a personal view; I’m not sure whether my SOLACE colleagues would agree. I imagine that quite a few of them would. I think there’s a little too much—

instead of the Welsh Government actually saying, 'This is the outcome we'd like to see, get on and do it', there's too much, 'This is the outcome we'd like to see and we want to see you doing it in this way.' Because I think we're being pushed to do things and in some ways I'm not sure if I think that that's the best way to do it. So, in some respects, I think the greater the what you'd call micromanagement, I suppose, of it is from central Government, I think the less effective it becomes because, actually, you might be micromanaging the wrong way to do it. You might be micromanaging the right way to do it, but I think a plurality of actions leads you to be able to learn from the best and then to say, 'Well, hang on, perhaps we are doing it wrong. Let's do it that way', as opposed to having somebody saying, 'Well, do this and do that.' That doesn't help, I think, sometimes. So, it's not the legislation, as such; it's the stuff that comes with it, and saying, 'You have to do it this way or that way'. I think that's the bit that is unhelpful at times.

[255] **David Rees:** Following on from that, obviously, some of the legislation, particularly some of the ones we talked about, have quite a bit of regulations within them.

[256] **Mr Williams:** The social services Act is awash with it, essentially, and some of it—

[257] **David Rees:** The Regulation and Inspection of Social Care (Wales) Act also.

[258] **Mr Williams:** Yes.

[259] **David Rees:** How do you see the challenges, when Acts like that come through, regarding regulations and when regulations are going to be put through—*[Inaudible.]*—when they come through, affects you?

[260] **Mr Williams:** The problem with it is I think we're a bit sort of punch-drunk by now. I think we tend, as local government, just to take the view, 'Well, okay, we'll argue about it but, essentially, the upper hand is with the Welsh Government.' They're able to give us statutory guidance even. Statutory guidance has weight, which we have to attend to. In some instances, it doesn't really matter what we think. You know, 'If an edict comes, you have to do it this way', so, okay, we have to do it. The problem with it, of course, is we're then involved in trying to create workarounds to try and work in the way we think it will work best despite the edicts coming in, rather than, well, not having edicts at all and just letting us get on with it,

essentially. I think some of the bureaucratic work involved in trying to work around some of the edicts we get is waste, isn't it? It shouldn't be there, essentially.

[261] **David Rees:** Does SOLACE have discussions with the Welsh Government as to the implications and costs of regulations when they—*[Inaudible.]*?

[262] **Mr Williams:** We inject into the process. The Welsh Local Government Association is the main driver for discussions between the Government and local government, obviously, because the WLGA is led by the local government leaders—political leaders. So, there's a significant amount of input there. The SWT—the Society of Welsh Treasurers—and SOLACE and other organisations tend to feed in through the WLGA process, essentially.

[263] **David Rees:** How do you see the demands change as a consequence? Do you do any assessments on change in the demand as a consequence of regulations?

[264] **Mr Williams:** Off the top of my head, I think what we're seeing is greater expectation, which means it's driving demand, essentially. I mentioned earlier—even something as innocuous as the future generations Act, essentially, which is about principles, 'Let's look to the future and not do it at the expense of the present', but what you're finding is everybody is coming out now saying, 'Well, hang on, you can't do this because of the future generations Act.' And what's happening is, everybody's got a lever to hit us with now: 'You can't do that' and 'You can't do this.' Expectations have risen in general. It's about, 'Oh, we're going to be doing everything for the future.' Well, the reality is we're struggling to meet the costs of the present, and the future's fine, in principle, but the present has to be taken care of as well, doesn't it? It comes back to this—we might, in the future, have a different profile of demand, but, at the present time, we have this profile of demand that we've still got to meet, whilst trying to change it into the future sort of picture.

[265] **David Rees:** So, I go back to a similar question from before, in that sense, if you see legislation with quite a lot of regulations within it, does that make you nervous?

12:00

[266] **Mr Williams:** It does, yes. It's the point—it's the stuff that comes after it that makes me nervous, whether it be regulation, statutory guidance—a lot of stuff's in statutory guidance, and that—. You can't do much about it; you have to do it. And then the regulators find out—they look over your shoulder. 'Are you doing it in accordance with the statutory guidance?' is their measure on such.

[267] **Simon Thomas:** Nick, you wanted to come in.

[268] **Nick Ramsay:** No, I think that's an appropriate way to finish.

[269] **Simon Thomas:** Roeddwn i jest yn mynd i ofyn un peth i gloi. Jest o ystyried y drafodaeth rydym ni wedi bod yn ei chael, un o'r pethau i wella'r broses, onid oes bosib, yw bod yna asesiad go iawn yn cael ei wneud o bryd i'w gilydd o beth oedd yr asesiad cyn deddfu a beth sydd wir wedi digwydd ar ôl deddfu, gan gynnwys y rheoliadau a'r canllawiau statudol ac ati. A ydych chi'n ymwybodol—? Mae'r archwilydd cyffredinol wedi sôn am hyn eisoes, ond a ydych chi'n ymwybodol bod y broses yna'n un trylwyr ac yn gyson gan y Llywodraeth?

Simon Thomas: I was just going to ask you one thing to close. Given the discussion that we've had, one of the things to improve the process, surely, is that there is an assessment done from time to time of what the assessment was before legislation and what's actually happened after legislation, including the regulations and the statutory guidance and so forth. Are you aware—? The auditor general has mentioned this previously, but are you aware that that process is a thorough one and a consistent one from the Government?

[270] **Mr Williams:** Na, ond ni fuaswn i'n dweud bod llywodraeth leol mewn sefyllfa wahanol chwaith, i ryw raddau. Rydym ni mor brysur yn cyflawni'r dydd i ddydd yn aml iawn nad ydym ni'n cael yr amser i fynd yn ôl ac edrych, 'Reit, beth ydy'r *sum total* o beth sydd wedi digwydd dros amser?' Yn rhyfedd iawn, mi wnes i ddarn o waith—roeddwn i'n sôn am y gwaith 12 mlynedd yma. Roedd hwnnw'n ddarn o waith penodol y gwnes i ei gomisiynu y tu mewn i'm

Mr Williams: No, but I wouldn't say that local government is in a different position either, to some extent. Because we're so busy in delivering the day-to-day very often that we don't have the time to go back and reflect or think, 'Right, what's the sum total of what's occurred over a period of time?' Oddly enough, I did a piece of work—I was talking about the 12-year project. That was a piece of work I specifically commissioned within my own authority to see

hawdurdod fy hun er mwyn gweld beth sydd wedi digwydd i'n cyllidebau ni, *cumulatively*, dros 12 mlynedd. Beth sy'n digwydd ydy, mae o'n digwydd blwyddyn ar flwyddyn ar flwyddyn ar flwyddyn. Os nad ydych chi'n cymryd yr amser i gymryd cam yn ôl ac edrych yn ôl, nid ydych chi'n dod at wraidd beth yn union sydd wedi digwydd.

what's happening to our budgets cumulatively over 12 years. What happens is it happens year on year, but unless you take the time to take a step back and reflect on the past, you don't get to the root of what's occurred.

[271] Felly, rydw i'n meddwl, pan oeddem ni'n edrych fel SOLACE i weld a oedd gennym ni unrhyw dystiolaeth i helpu efo'r ymchwiliad yma, roeddem ni'n gorfod mynd, 'Wel, *hang on*, ble ydym ni'n mynd i gael y wybodaeth yma?' Nid ydym ni'n dueddol o stopio ac edrych yn ôl, ond rydw i'n meddwl bod hynny i lawr i'r ffaith, yn gyffredinol, yr ydym ni mor brysur yn cyflawni yn y presennol ac yn jyglo lot o beli ar yr un pryd. Nid oes gennym ni'r cyfle, nid ydw i'n meddwl, i fod yn edrych yn ôl, ond, yn gyffredinol, felly, nid wyf i'n meddwl—mae'n debyg bod y Llywodraeth yn gwneud hynny, ond nid wyf i'n meddwl ein bod ni mor dda â hynny yn ei wneud o chwaith, petaswn i'n onest, felly.

So, I think, when we as SOLACE looked at whether we had any evidence to help with this inquiry, we had to think, 'Well, hang on, where are we going to get the information from?' We don't tend to pause and reflect, but I think that's down to the fact that, generally, we're too busy delivering the present and juggling lots of balls at the same time. I don't think we have the opportunity to look back and review, but, generally, I don't think—possibly the Government does it, but I don't think we're that good at doing it, if I'm honest, either.

[272] **Simon Thomas:** Gwnaf i jest ofyn ichi ar hwn, achos mae'r gwaith rydych chi wedi ei amlinellu i'r pwyllgor heddiw, dros y 12 blynedd yng Ngwynedd, i fod yn berffaith onest, efallai'n fwy perthnasol i'r gwaith byddwn ni'n ei wneud ar y gyllideb cyn bo hir yn hytrach na'r ymchwiliad penodol yma. Rydych chi

Simon Thomas: I will just ask you on that, because the work that you've outlined to this committee today, over the last 12 years in Gwynedd, to be honest, may be more relevant to the work that we'll be doing on the budget before long, rather than this particular inquiry. You have submitted evidence to this particular

wedi cyflwyno tystiolaeth i'r inquiry, but could you share that with ymchwiliad penodol yma, ond a the committee— ydych chi'n fodlon rhannu hwnnw â'r pwyllgor—

[273] **Mr Williams:** Ydw.

Mr Williams: Yes.

[274] **Simon Thomas:** —fel gwybodaeth? Mae'n siŵr y byddai o ddiddordeb inni wrth inni wedyn nesáu at drafod y gyllideb ddrafft a'r setliad llywodraeth leol. Byddwn ni o leiaf yn ymwybodol o'r pwysau sydd wedi bod ar lywodraeth leol.

Simon Thomas: —as information? I'm sure it would be of interest to us as we then approach the discussion of the draft budget and the settlement for local government. At least then we'll be aware of the pressure that has been on local government.

[275] **Mr Williams:** Petasech chi'n cysylltu â fi, fe fedraf i drefnu cael y wybodaeth i chi.

Mr Williams: Yes, I will. If you contact me, I'll make sure that you get that information.

[276] **Simon Thomas:** Dyna ni. Ocê, diolch yn fawr iawn ichi. Dyna ni, felly, a diolch am ddod i mewn i roi tystiolaeth. Bydd yna drawsgrifiad ichi ei wirio hefyd, os oes angen, ond diolch yn fawr iawn ichi. A siwrnai saff nôl dros y bont.

Simon Thomas: There we are. Okay, thank you very much. That's it, and thank you very much for coming in to give evidence. There will be a transcript for you to check for accuracy, but thank you very much, and have a safe journey back across the bridge.

12:04

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 ac eitemau 1 i 3 o'r cyfarfod remainder of the meeting and items ddydd Mercher, 19 Gorffennaf 2017, 1 to 3 of the meeting on Wednesday,

yn unol â Rheol Sefydlog 17.42(vi) a 19 July 2017, in accordance with (ix). Standing Order 17.42(vi) and (ix).

Cynigiwyd y cynnig.

Motion moved.

[277] **Simon Thomas:** Felly, i **Simon Thomas:** Therefore, to the aelodau'r pwyllgor, os caf i gynnig o committee members, if I could dan Reol Sefydlog 17.42 ein bod ni'n propose under Standing Order 17.42 cwrdd nawr yn gyfrinachol ac yn that we meet privately for the rest of breifat am weddill y cyfarfod hwn, a the meeting and also for items 1, 2 hefyd ar gyfer eitemau 1, 2 a 3 yn y and 3 of the next meeting, next cyfarfod nesaf, dydd Mercher nesaf— Wednesday—

[278] **Mike Hedges:** It's unusual in Wales—a major bridge that is free.

[279] **Simon Thomas:** It is a major bridge that is free. [*Laughter.*] All happy? Diolch yn fawr iawn.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 12:07.

The public part of the meeting ended at 12:07.