



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cyllid](#)

[The Finance Committee](#)

25/10/2017

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for the Remainder of the Meeting

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

Neil Hamilton Bywgraffiad Biography	UKIP Cymru UKIP Wales
Mike Hedges Bywgraffiad Biography	Llafur Labour
Steffan Lewis Bywgraffiad Biography	Plaid Cymru The Party of Wales
Eluned Morgan 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

Auriol Miller	Cyfarwyddwr y Sefydliad Materion Cymreig Director, Institute of Welsh Affairs
Dr Victoria Winckler	Cyfarwyddwr Sefydliad Bevan Director, Bevan Foundation

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

Bethan Davies	Clerc Clerk
Georgina Owen	Dirprwy Glerc Deputy Clerk

Christian Tipples Y Gwasanaeth Ymchwil
The Research Service

*Dechreuodd y cyfarfod am 09:32.
The meeting began at 09:32.*

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

[1] **Simon Thomas:** Bore da, a chroeso i gyfarfod y Pwyllgor Cyllid y bore yma. Rydym ni'n croesawu dau o dystion, o Sefydliad Bevan a'r Sefydliad Materion Cymreig.

Simon Thomas: Good morning, and welcome to the meeting of the Finance Committee this morning. We welcome two witnesses, from the Bevan Foundation and the Institute of Welsh Affairs.

[2] A gaf i jest atgoffa pawb i dewi unrhyw beiriannau a dyfeisiadau electronig? Nid oes ymddiheuriadau, nid ydw i'n meddwl. Atgoffaf bawb hefyd bod y cyfarfod yn ddwyieithog. Mae cyfieithu ar sianel 1, ac addasu lefel y sain ar sianel 0.

Could I just remind everyone to turn off any mobile phones and other electronic devices? There are no apologies, I don't think. I remind everyone also that the meeting is bilingual. Interpretation is on channel 1, and amplification is on channel 0.

[3] A oes unrhyw ddatganiadau o fuddiant ar ddechrau'r cyfarfod? Nac oes.

Are there any declarations of interest at the outset of the meeting? No.

Papurau i'w Nodi Papers to Note

[4] **Simon Thomas:** A gaf i ofyn i aelodau'r pwyllgor jest nodi tystiolaeth ymhellach gan Dr Ed Poole ynglŷn â chyllideb ddrafft Llywodraeth Cymru y gwnaethom ni ei derbyn yn sgil ei dystiolaeth i ni yr wythnos diwethaf? Hapus i nodi'r papur yna? lawn. Os felly, a gaf i

Simon Thomas: Could I ask committee members, therefore, just to note further evidence from Dr Ed Poole about the Welsh Government draft budget that we've had following his evidence last week? Happy to note that paper? Good. Therefore, can I just—? Sorry, and also the

jest—? Sori, a chofnodion y cyfarfod minutes of the previous meeting.
diwethaf hefyd. lawn.

09:33

Cyllideb Ddrafft Llywodraeth Cymru 2018–19: Sesiwn Dystiolaeth 5 **Welsh Government Draft Budget 2018–19: Evidence Session 5**

[5] **Simon Thomas:** Os caf i jest **Simon Thomas:** Therefore, could I
droi at y tystion, felly, gan eich turn to the witnesses, and welcome
croesawu chi, a jest gofyn i chi you? Could I just ask you to state
ddatgan eich enw a'r sefydliad rydych your names and roles for the record,
chi'n ei gynrychioli, jest ar gyfer y please?
cofnod, os gwelwch yn dda.

[6] **Ms Miller:** I'm Auriol Miller. I'm the director of the Institute of Welsh
Affairs.

[7] **Dr Winckler:** And I'm Victoria Winckler. I'm director of the Bevan
Foundation.

[8] **Simon Thomas:** Diolch yn fawr **Simon Thomas:** Thank you very
iawn i chi. Diolch am y dystiolaeth much. Thank you for the evidence
rydych chi wedi ei chyflwyno'n that you've presented in written
ysgrifenedig hefyd. Os caf i jest form. If I could just start the
dechrau'r drafodaeth drwy ddweud, discussion by saying that, when you
wrth gwrs, pan oeddech chi'n presented evidence, what we had was
cyflwyno tystiolaeth, beth oedd gyda the outline budget. Yesterday, the
ni oedd y gyllideb amlinellol. Ddoe, full budget was published. Now, in
fe gyhoeddwyd y gyllideb lawn. O terms of that process, were you as
safbwynt y broses yna, a oeddech two organisations that do a lot of
chi, fel dau sefydliad sy'n gwneud lot research in this area—could you
o ymchwil, a lot o edrych ar y maes understand the purpose of the
yma, yn gallu deall pwrpas y gyllideb, budget, and the purpose of the
ac i ba ddiben oedd y dyraniadau financial allocations that were made?
ariannol yn cael eu gwneud? Neu a Or do you have any concerns about
oes gyda chi unrhyw bryderon ynglŷn the way in which this budget has
â'r ffordd y mae'r gyllideb, yn been presented?
gyffredinol, yn cael ei chyflwyno?

[9] **Dr Winckler:** I think, from our point of view, it's helpful to have the

headlines sooner rather than later. And, certainly, we found—although we've only had an extremely short amount of time to look at the detailed budget published yesterday—I would say that that is more helpful than the information we've had in previous years. It's easier to see the detail within each of the areas, it's easier to see the direction of travel behind the more detailed allocations, and it's helpful to have a rationale for that. So, I think, although it's not ideal reading the budget on the train on the way here, it does give—there's more flesh on the bones, if you like.

[10] **Ms Miller:** I'd agree with that as well. I think that, yes, having the headlines is good, but I think there's an issue around timings and the usefulness and the value of these conversations at this particular point in time, with such a short period of time to really scrutinise and get into the detail of the budget. So, there's an organisational issue to consider for future years.

[11] **Simon Thomas:** And, obviously, that's something that, as a committee—. This is the first time we've done it in this way, so we'll want to keep an overview on this. Can I just ask also: I think in both your written evidence you do point to the very obvious thing in the budget, but it's still worth getting on the record, which is that this is increasingly a budget that's both health-related and age-related and dominated in terms of spending commitments, if you like. In your view, is that something that's just a continuation of a trend that's always been there, or is there anything materially different about this budget that strikes you in that context?

[12] **Ms Miller:** In that particular context, I think it's the continuation. 'A managed decline' is what we've been calling it from that perspective. And I think that's doable for another year or two, but not much more beyond that. I think we're reaching a point when serious conversations have to happen, and the conversation has to be around how is that innovative change within health and social care really going to be implemented, and who's going to drive that forward.

[13] **Dr Winckler:** I think the difficulty that is there in the budget is that it is trying to change direction and change emphasis at a time of decline, as Auriol said. I do think that there are signs of the budget being put on a more rational basis, rather than just being trend-based, business as usual, plus or minus a few percentages. But I think trying to do that, when capacity is constrained, and demand is rising, is extremely difficult. So, I understand the continuing commitment and pressure to maintain the health budget. I think

it's extremely difficult not to do that, but I think the price of that has been salami-slicing elsewhere. So, I think the—. I suppose the indications are right. I think I'm saying something different from what I said last year, which is that it was hard to see the rationale—we can see the rationale, we can see the future generations Act shaping the budget, but the capacity to do that—and you need a bit of wriggle room to change direction—is very limited.

[14] **Ms Miller:** Could I come back on that as well, to say that the comparison with the UK Government budget is an interesting one, isn't it? And I think the budget reflects the devolution settlement as it is at the moment. There's very little to play with in terms of large departmental spend. As that devolution settlement changes, with the Wales Act 2017, and income-raising powers coming through, we might expect to see that shifting a bit. But I agree with Victoria, in terms of that ability to change direction now, because a lot of the things that are starting to come through the budget much more, we're only going to see an impact 10, 15, 20 years further down the line.

[15] **Simon Thomas:** Okay, thank you. David Rees.

[16] **David Rees:** Diolch, Chair. For many years we've talked about a preventative agenda to ensure that we take actions now to avoid difficulties later down the line. And, obviously, the detailed budget only came out yesterday, so I wouldn't expect you to have had a chance too much at that. But in the draft proposals, did you see the preventative agenda coming through? You've talked about the Well-being of Future Generations (Wales) Act 2015, and, to an extent, that's partly towards that preventative agenda. Are you seeing that coming through now?

[17] **Dr Winckler:** I would say, to some extent, yes, but not as much as perhaps it could. I think there are areas of spend which you could label preventative spend. So, the investment in childcare, for example, and some of the other proposals you could put on those, those are about prevention. I think in other areas, not so much. There's not enough in my view in the budget around addressing poverty, and poverty is one of the big drivers of high levels of public spending. So, it's part of the way, and it is actually a good example of what I meant—that there's very little wriggle room there, because you won't see the benefits of that prevention agenda, certainly for early years spending, for decades. So, you're caught between a rock and a hard place, I suppose.

[18] **David Rees:** I appreciate that benefits are long-term benefits, and that's what we are all targeting eventually. But I want to have confidence that you have started to see some of the preventative approaches now taking place. So, are we starting down that road to get those long-term benefits?

[19] **Dr Winckler:** I think there's some good evidence that there are some areas of spend that are being cut where we know that, if they were enhanced, they would have quite quick pay-offs, and those are around adult education and careers advice for adults and careers education for adults. We know that those get you some quite quick wins, and I think it's unfortunate that the trend in spend on those is downwards.

[20] **David Rees:** You mentioned child poverty, but I've got colleagues who will ask questions on that, but one of the biggest issues, of course, is the economy because, if we get the economy moving in the right direction, that's another way in which we can prevent some of those challenges and the most vulnerable families facing difficulties. Does this budget give you, again, assurances that the Welsh Government has identified the economies and is driving forward to look at how we can improve the economy?

[21] **Dr Winckler:** I don't think we have enough detail for me to answer that. I think that that is a very good example of where it's not just the amount you spend, it's how you spend it. So, let's see what the strategy says—or the action plan or whatever it's called.

[22] **David Rees:** You're going to wait until the economic strategy.

[23] **Dr Winckler:** Yes.

[24] **David Rees:** The IWA on—

[25] **Ms Miller:** On the preventative spend, I think these things—. The same comments, really, around reflection around the devolution settlement and therefore the wiggle room, obviously. There will always be a trade-off, won't there? You know, pie in the sky tomorrow for jam today—that important and urgent trade-off as well. So, that's a tricky thing to balance. We were pleased to see the extra money going into homelessness prevention, and the retention of the Supporting People grant as it stands. I think there are concerns looking at the lumping together of a number of grants going into the revenue support grant, and I know there was a lot of pick-up in the news about that yesterday. I think that I would really caution the committee to look

at the evidence around that coming from England. Certainly from my own experience and from what we see at the IWA too, that preventative work really does make a difference. So—

[26] **David Rees:** So, is there a fear that, as we put more grants into the RSG and standard funding, we could lose the preventative agenda?

[27] **Ms Miller:** Potentially. And I think Flying Start would be another one to be very cautious of as well, that early years support. So, I think that needs to be approached with extreme caution. From the health perspective, because that's one of the other places where preventative work can happen too, there's little evidence of any investment in the sort of fundamental reforms that we've pointed to in our evidence that are required to modernise the system. There are defined pockets of preventative spend, certainly, in line with the strategy, but at what point are we going to get a handle on this? So, are we going to continue to find ourselves in the same position year after year? I think those are the main points.

[28] Coming to the alignment with the future generations work, we've got a particular point to make on decarbonisation, and I think we've put a large chunk of that in our evidence there. So, things like incentivising more energy-efficient homes, for instance, and the intention to do that—. My question is that we want to see the delivery against that, because a lot of this is intent, but what is the delivery going to be like? That often remains a challenge for the Government. So, those are the sorts of things, the sort of basic, safe, secure home on which the foundation is built for—whether it's the economy, whether it's education, whether it's training or whether it's work—

[29] **David Rees:** Do you think the detailed budget, which was—well, more detail; obviously, it's detailed, but the extra detail we had yesterday—

[30] **Ms Miller:** I haven't had enough time to look at that, I'm afraid.

[31] **David Rees:** No, I appreciate that, but do you think that will give you more of an indication of the direction?

[32] **Ms Miller:** I hope it will, and we'll be looking at it with a close eye.

[33] **David Rees:** So, it would be helpful if we had some views after that.

[34] **Ms Miller:** Yes, we'd be happy to.

[35] **Simon Thomas:** Yes. If, having done that, you have any further views, please do share them with the committee.

[36] **Ms Miller:** Absolutely. Our economy policy group happens to be meeting tomorrow, so that's good timing.

[37] **Simon Thomas:** That is good timing, yes. Thank you. Mike Hedges.

[38] **Mike Hedges:** Two very brief questions. One is that we have an example of a very successful project, which is preventative, and that's Designed to Smile. When I look at my 19-year-old daughter who hasn't got a filling, and that's not abnormal amongst her age group, but I look back to my age group where, by the time you reached that age, you'd have a mouthful of amalgam, I think that's one that has worked very well, and that is a simple, preventative agenda.

09:45

[39] Of course, moving on to health, we know what drives ill health: poor diet, being overweight, alcohol, drugs, smoking, poor quality housing—including damp and cold. We know those are the drivers of ill health. Do you think there's enough being done within the budget to deal with the drivers of ill health, rather than dealing, as we do, with the end result of ill health, when people end up in hospital?

[40] **Ms Miller:** I don't think I could comment on that, I'm afraid.

[41] **Dr Winckler:** I think there is more in the budget, and the links are clearer than in previous years. Whether that—. What's difficult with the budget is gauging it against the scale of need. So, we have a budget line for X, but how does that compare with the number of homes that aren't warm enough, or the number of homes that are unfit for human habitation? And until that's done, it's actually quite difficult to say, 'Well, is this enough? Is it going to be effective or not?' My gut feeling is that there is more that could be done to help prevent ill health, including reducing poverty, as well as all the environmental determinants of ill health as well, but that's something we'll be doing when we go through the budget in more detail.

[42] **Simon Thomas:** Steffan Lewis.

[43] **Steffan Lewis:** Thanks, Chair. I want to go back to a point that David Rees touched on, which is the economic output and expectation that Government has, and the aspirations it has, because, of course, as you rightly say, the fiscal levers that we have, most of them are yet to come on stream, and when they do, they'll be very modest indeed. However, there will be this need for a culture change from just looking at a block grant and spending it accordingly to actually looking at how Government budgets impact on economic and fiscal behaviour in order to boost the Welsh economy to boost revenues. Is there any evidence in this budget that there is at least a slight paradigm shift in that direction, or is this pretty much a business-as-usual, Welsh block grant budget with a little bit of future generations thrown in and a couple more budget lines for us to have a look at?

[44] **Ms Miller:** From the point of view of the cautious approach to the taxation powers, we totally understand why that cautious approach is being taken. I think there is more that can be done, and there are some nitty-gritty things to sort out, as we put in the evidence, particularly around Her Majesty's Revenue and Customs and how the mechanics of that is going to work out.

[45] When it comes to borrowing powers, there's a limit to how inventive Welsh Government can be with the Treasury from that perspective, and their very clear line obviously, on PPI. When it comes to thinking about procurement, I think that's an issue that can be addressed more. So, if we can make more procurement local without sacrificing efficiency or quality, then keeping money in Wales and tackling that property is important.

[46] But I think there's something fundamental, and I guess it goes back to the point Victoria was making around seeing the budget versus the scale of need. What's the mechanism for deciding on budget priorities and how that is moderated right across the Cabinet? So, I think tighter prioritisation across the whole budgeting process would be a good thing.

[47] **Dr Winckler:** I would say the scope to change the Welsh Government's income from most taxes is relatively small, but not to say that's not unimportant. I think the big-ticket revenue stream that they haven't had before is income tax, and although there are boundaries on that, there is scope, by simply increasing the number of taxpayers, to increase revenue or, equally, to avoid the reduction in the number of Welsh-based income tax

payers. There may be some behind-the-scenes work going on that I'm not aware of, but I have yet to see the—how can I put this? I don't yet see the balancing act that needs to be made in the budget. The budget reads like an allocation mechanism, rather than, 'Well, if we do this, then that'—that kind of balancing act. As I say, it might be there in the detail on more careful reading, but it feels like business as usual.

[48] **Steffan Lewis:** I think that's what I was trying to get at. I think you touched on it there—they've looked at what Wales needs, and that's quite immediate, and it links in too with preventative measures as well, but there doesn't seem to be, to me, anyway, any indication of what kind of Wales they want. It's very much an allocation budget, and not, 'If we do things differently in the economic development budget, for example, that budget line will lead to a different economic outcome, which will then yield greater tax revenues, which then changes the face of the future fiscal course.'

[49] I suppose, again, with this budget, it's still unhelpful that we don't publish alongside key fiscal indicators as well, and economic indicators. It would be very interesting to see what kind of budget we'd have if, as part of the process, Wales's economic indicators were published at the same time, so rather than just future-generations proof a budget you actually apply the economic and fiscal indicators as well.

[50] **Dr Winckler:** Last year, when I came before this committee, we argued that there needs to be a more investment-led approach, so, 'This is what Wales wants. We want x, y and z roads. We want infrastructure. We think we need so much for our NHS, okay, so that comes to whatever the total is'—it's bound to be more than the current budget—'Okay. Then, we've got this coming in from the Welsh block. What do we do to fill that gap? What levers and tools do we need? Are there other ways?' I totally accept that the options are very limited, but it gives you a scale of the gap that needs to be filled, and also puts the very difficult choices that the Welsh Government's got to make in context.

[51] **Steffan Lewis:** And gives transparency in terms of those difficult choices.

[52] **Ms Miller:** Yes, I think that's important; I'd certainly endorse that. Going back to the land value tax, we were just wondering whether it would make more sense to make it a site value rating as well, because that wouldn't discriminate against investment. So, just some questions there about: have

they gone quite far enough on a couple of things, and could they be a little bit more creative when it comes to business rates in particular, so when companies are upgrading their plants or machinery they don't get clobbered with extra rates on top of it?

[53] **Steffan Lewis:** Diolch.

[54] **Simon Thomas:** Which hydroelectric schemes have been clobbered with, for example.

[55] **Ms Miller:** Exactly.

[56] **Simon Thomas:** Eluned Morgan.

[57] **Eluned Morgan:** Can I talk a little bit about poverty? Some of the things that you've outlined there actually would be quite useful to do, like childcare, homelessness—these have been prioritised. I notice that you don't mention council tax relief, which is actually a huge help to those in acute poverty, and actually is quite a substantial sum. Are you suggesting that that actually shouldn't be done and that it could be spent better elsewhere?

[58] **Dr Winckler:** Council tax relief, as a matter of principle, is very helpful in cutting the costs of certain households. I think it's something we'd like to do some work on, but we don't have the funding to do it. But it could possibly be targeted and delivered better. For example, a relief just because you live alone is a rather strange relief, if you're attempting to help the costs of low-income families. Living alone doesn't necessarily mean you have a low income. It might do, but we don't know that. So, I think the Welsh Government is actually doing quite a lot to help cut costs, although it's often not couched in that phrase in that way.

[59] **Eluned Morgan:** And just to stay with housing, there's quite a lot of money in the Help to Buy scheme as well. Again, that might help some individuals, but what does that do to address the poverty issue?

[60] **Dr Winckler:** There is very little evidence to suggest that Help to Buy helps people on the lowest incomes, because they are not in a position to afford a mortgage. I think that's not to say Help to Buy can't have some benefits. The evidence is that home ownership can protect against poverty because you have an asset, particularly in later life. In the language of priorities, if it was me, I think that's probably not where I would put my

money, but it's not.

[61] **Eluned Morgan:** Okay, thanks. And we know that universal credit is going to be rolled out and that, actually, more people are going to be hurt by it rather than helped. Do you feel, knowing that that is heading our way, that the Welsh Government could have done more in relation to that? Or is that simply something that's coming from the UK Government and it's up to them to deal with it? If we start interfering with that, intervening in the whole social security debate, then actually it's a black hole that's very, very difficult for us to fill.

[62] **Dr Winckler:** There are a whole lot of external drivers and forces that shape the Wales that we live in. I mean, it's the whole welfare reform programme. I think more could have been done right from 2012 to take account of the mostly negative impacts—not entirely, but mostly negative impacts—on households and on communities. Just simply the loss of income from the local and regional economy is huge. I can't remember the figures, but it is very significant. I think it is very difficult, in the context of a declining budget, to reallocate resources. I think there is scope to enhance the discretionary housing payment fund to help cope with some of the consequences of the freezing of local housing allowance, particularly in the south Wales Valleys. The real long-term solution has got to be more decent jobs to get people off benefits.

[63] **Eluned Morgan:** We've got the unemployment rate pretty low at the moment. What we have is economic inactivity and the really hard-to-reach people, now, in terms of getting them into work, and a lot of it is about people's inability to cope, and it's actually much broader than, 'Why don't you go and get a job?' They need some real hand-holding. So, how do we tackle that particular issue, and to what extent is it the Welsh Government's responsibility to intervene there, rather than the UK Government?

[64] **Dr Winckler:** Gosh. I mean, you're absolutely right. Employment rates for healthy people of prime working age are at or above the UK average—I can't remember. Where our problem is is with older people and with disabled people, whose employment rates are way, way below the comparable figures elsewhere. I think simply emphasising employability, which puts the blame, if you like, on those individuals, is not enough. We've advocated intermediate labour markets as a way of—either on a temporary or medium-term basis—providing some outside-the-home scope for activity, and as a longer term route back into work, it's proven to work. Whose responsibility is it? It's a

joint responsibility and it's not just a Government responsibility; I think businesses have a responsibility as well. A different committee inquiry, I suspect.

[65] **Eluned Morgan:** Can I ask you about, actually, an article that I read last night about adverse childhood experiences? That seems to be something that's recognised now as leading to real difficulty and, actually, if we were to start focusing on addressing some of those really difficult issues very, very early on, the savings would be huge later on. Is that something we should be doing more of?

[66] **Dr Winckler:** I think it's right to focus on adverse childhood experiences, except I would add to the list child poverty. I think that has as negative effects on children's prospects in the long term as all the other negative experiences that are listed there. In terms of interventions, I think the model is that you need specific interventions that are very family based, but there needs to be a wider change as well, in terms of raising household incomes, increasing opportunities, et cetera, et cetera. It needs to be a part of a wider social change.

10:00

[67] I'm not aware of the evidence on the savings that could be made, but clearly, if that is an area that's proven to yield results, why would you not want to invest in them, aside from the moral aspect?

[68] **Ms Miller:** I wanted to come back to the point around council tax, in particular—just a couple of ideas on that. I know there's a committee set up to look at it, and it's fairly broad and open-minded in terms of what the options are. There's a possibility here, isn't there, to make it proportional to the capital value of the property, to make it fairer as well. So, that's one thing. At the moment, we think of council tax as a charge for services, and we need to get away from that, because essentially, it's both that and a property tax. There's an angle there. So, for instance, if you made it a constant percentage of the value of the house, you could actually save the Welsh Government money by not having to pay the council tax relief for the poorest as well, because you'd be getting more in that way. So, there's a redistribution thing that could be possible there.

[69] The other thing that Welsh Government could consider is introducing a couple of higher bands and updating the bands more regularly, because

that hasn't been done since—. I think it was last looked at in 2005, if I'm right. It's not been done since 2005, but that's based on 2003 values, so you're going to get a big knock-back right now if it were to happen straight away because there's such a shift, but most of the continent does that much more regularly. If you get into the habit of doing that much more regularly, it will have less of a disproportionate effect on a one-off basis. So, there are a couple of things there that could be done that, I think, would reduce those nasty shocks.

[70] **Simon Thomas:** Could I just bring in—? I think David had a question just on this, so I'll bring David in.

[71] **David Rees:** It wasn't on council tax, but it was on the poverty agenda, because the Bevan Foundation highlighted the impact of Communities First and the withdrawal of Communities First, and public services have been more critical. In this budget, we obviously know that this will not cover Communities First because it's finishing in March. Do you see, in this budget, sufficient evidence that they are taking those steps to support those disadvantaged communities that are losing that investment—whether we think it's good or not—and the public services there? Is support for services and the people in the communities there going to be visible in this budget?

[72] **Dr Winckler:** I think the simple answer is 'no'.

[73] **David Rees:** Okay. That's a simple answer.

[74] **Simon Thomas:** It is indeed. Can I ask, however—? You've said several times, I think, that, in effect, this budget does not have what you would say is sufficient allocation or even—not talking necessarily about allocation—significant recognition of the effect of poverty on the economy and on people's lives, and the way the allocations have been done. Communities First is one example of that, but there are others as well. Just looking at the budget as a whole, rather than the individual lines, do you get the impression that that's due to the fact that Welsh Government has come to the conclusion that its interventions in this field have been ineffective, and therefore it is not a good use of public money, or do you think that it's come to the conclusion that it's patching up what should be the Westminster Government's responsibility, therefore, perhaps, there's a political thing going on here by pushing the responsibility where it probably should lie, possibly, or do you think it's been a political change over the years that this anti-poverty work is no longer such a strong feature of the budget? It could be all three, I

suppose, but—.

[75] **Dr Winckler:** I'll go first and then Auriol will come in.

[76] **Simon Thomas:** I know it's something the Bevan Foundation has done a lot of work in over the years, so it's—.

[77] **Dr Winckler:** We did not oppose the winding up of Communities First, for reasons that we've explained to other committees several times, and in the absence of Communities First, you need to see an inequality and poverty focus in every public service. I think that could be taken further in the Welsh Government's budget. It's there to some extent. It's there in the pupil development grant, it's there in a budget line up for the foundational economy, it's there in the ethical procurement code—I forget its proper name—but it needs—. I wouldn't want to be completely critical, but I think it can go further, and, in particular, I don't think we see the health budget addressing health inequalities as much as it could, and I think, particularly in the economy, it is the south Wales Valleys and rural Wales that really need the big economic push, and you don't get a sense of that in the budget.

[78] **Ms Miller:** We know it's important and we know that Wales has an older, poorer and sicker population. Why isn't there more emphasis on that in the budget and in the narrative? For many people who are struggling, it's not about prosperity; it's about getting a decent, living wage in and the certainty of what's going to come in the coming weeks and months, to be able to make those plans and to be able to plan for their future. So, prosperity for all? Great—that should be the aspiration and I'm all for strong and important and big aspirations, but, for people who are really struggling, they're not anywhere near that and it's about solidity and stability. So, I'd like to see more of it in the budget too. I agree with Victoria: it's that sense of join-up across both Government and all associated public services with, 'This is what we're tackling' and 'This is how we're doing it', and that sense of shared purpose on it.

[79] **Simon Thomas:** So, in that sense, the budget is too disjointed in its approach to this particular issue.

[80] **Ms Miller:** I think it goes back to what I talked about before in terms of the prioritisation of the budget. What particular issues are we trying to tackle with this budget and are we being completely clear, both amongst ourselves and with the wider public about why and how we're going to do that? And

then, we as the public can hold the Government to account on that delivery because the proof of the pudding is in the eating, isn't it, and that's about the delivery. The intention is great, but let's see the delivery on it.

[81] **Simon Thomas:** Okay, thank you for that. I think we'll move to Nick Ramsay.

[82] **Nick Ramsay:** Diolch. Good morning. Just going back to the issue of council tax, and I think you mentioned earlier how you could, in reforming that, make it more—. You could have extra bands introduced or you could make it completely proportional. Thinking back to the history of council tax and local government taxation, we know that one of the big assets of a property tax is that properties don't move so you just bill them. But there's always been the concern about it not actually being linked to people's ability to pay, and there's an assumption build into it that, if you live in a bigger house, you've automatically got more salary, which isn't often the case—it's often within the asset itself. So, my question there would be: do you feel that the argument has pretty much moved on from an income tax or something more linked to the ability to pay, and that we are now going to stick long term, or should stick long term, with a property-based tax, or do you think there's scope to chuck all of that in the air and to look at some completely new way of funding local government in Wales?

[83] **Ms Miller:** Part of me just says, 'Well, why not think about a completely new way?' If you're going to have an open-minded committee looking at council tax, why not be open-minded about your approach? I think, yes, look at the history of why things have been done in a particular way and look at what's happened and look at incomes, but why not start from first principles?

[84] **Nick Ramsay:** Yes, it's always a very courageous Government or set of politicians that looks at local government taxation. I don't think anyone's ever come out of it well, but it's interesting. [*Laughter.*]

[85] Secondly, we've heard a lot about the need to improve the economy in the Valleys and linking the budget with transformational change and all that. I haven't heard much said today by anyone about the rural economy. I'm biased because I represent a large rural area, some of which is quite affluent, but there are also pockets of really quite bad poverty that are often overlooked. Do you think that this budget caters for that and, therefore, do you think that the Government should look more at a whole-Wales approach rather than just an urban solution?

[86] **Dr Winckler:** I think that's another example of it being difficult to understand precisely what will be done on the basis of the budget document. It's about what you do with that money. I think the changes that the agricultural industry will experience—. We know there are big changes ahead as a result of Brexit, whether for good or for ill, and I think that will bring the rural economy into sharper focus. It's what you do, and we just don't know that from the budget.

[87] **Ms Miller:** I couldn't comment from the budget perspective. There are ideas around—. I don't know if one of the questions will be about tourism levies, for instance, but there are things that you can do in areas that are heavily inundated in tourist season, and we've got some ideas around that, which I'm happy to go into, but no, I can't see that from the budget.

[88] **Nick Ramsay:** When you say 'tourism levy', are we heading into the tourism tax territory?

[89] **Ms Miller:** Yes.

[90] **Nick Ramsay:** And the potential for—. Well, have you done work on the Government's policy of looking at new taxes? Would there be any taxes that you'd favour?

[91] **Ms Miller:** We've considered it and we'll be considering it tomorrow more with our economy policy group. Just floating some ideas, really, rather than work that we've done specifically, if you were looking at applying something like the London congestion charge to Snowdonia or Pembrokeshire, there are ways and means that you could do that. For example, £50 a year no matter how many times you visit and you can have people checking number plates of cars and things so it's not money changing hands, and running that all through DVLA and keeping that local— council administered and council run. So, there are things that the Government could do around that that could impact—. But those are very specific for those areas of outstanding natural beauty in particular and perhaps not applicable, or probably not so easily applicable, to rural communities that aren't massive pulls for tourists coming in.

[92] **Nick Ramsay:** That's interesting. How could the budget improve the educational attainment of disadvantaged people?

[93] **Ms Miller:** One for you, Victoria.

[94] **Dr Winckler:** Again, I'm feeling a bit like a stuck record and I apologise for this. It's as much about what is done in the classroom as how much money there is. Talk about investing in the workforce is welcome and the pupil development grant is welcome, but it's about how that's used, and it's putting the budget alongside the outcomes that you want to achieve that matters. It's not just the money. And just for the record, we did a major piece of work on new taxes, three of which are in the tax policy statement. So, just for you to be aware of that.

[95] **Nick Ramsay:** Snowdonia congestion charge?

[96] **Dr Winckler:** No. There was a tourist levy on overnight stays on the list, along with land value tax, an apprenticeship levy and a sugar tax, which the UK Government then took up, and some other ideas as well.

[97] **Nick Ramsay:** Just coming back to what you said about that, that could take the form of a one-off charge to cover a year rather than a constant—you know, if someone's hopping over the border. In my neck of the woods, if you were charging every time it happened, people are going back and forth across the border all the time.

[98] **Ms Miller:** Yes, exactly. So, it's just a one-off.

[99] **Neil Hamilton:** It's a novel idea if we are abolishing the Severn Bridge tolls to replace them with a Snowdonia toll, isn't it?

[100] **Simon Thomas:** I think we'll concentrate on what's in the budget rather than hypothetical things that might happen in a future stage. I think it might be good for Steffan to come in here with some of his questions.

[101] **Steffan Lewis:** Seeing as my fellow Gwentian has started the line of questioning on taxation that I was hoping to come to—

[102] **Nick Ramsay:** Sorry.

[103] **Steffan Lewis:** That's quite all right. On the innovative taxes that have been announced by the Government that they're going to consider for further testing and exploration before recommending one to be taken forward to the UK Government, of the four, which one do you think, in terms of the analysis

or thought that you've given it, is probably the one to go for?

[104] **Dr Winckler:** I think all of them need a great deal of further development and testing. We went as far as we could with extremely limited resources, and we think there is scope around the tourist tax. Our understanding is that a modest levy on an overnight stay of, say £1 a night, possibly capped for somebody who might want to stay for quite a long period—. We think that is unlikely to deter visitors, unless you wanted it to deter visitors, of course, in which case you could set it at a level that would. But, with the average stay in Wales being less than four nights, I think it's unlikely that a £4 levy would make somebody not come to Wales and go elsewhere. It's being looked at in several other parts of the UK at the moment as well.

10:15

[105] I think what needs to be done—and the Welsh Government will have to do this if they want to take it forward—is it will need to be modelled and tested, and the costs of collection and compliance estimated against some of the others. But I think if I had to choose one, that's probably the one that I would choose.

[106] **Ms Miller:** We've talked a little bit about how that could work, and not only for Snowdonia. The landfill tax—that's small beer, really. There's a balance to be found there so that you don't encourage fly-tipping, but that seems fairly straightforward. Those are the comments that we would make. I think we'd certainly agree in terms of the modelling and the testing first before going further.

[107] **Steffan Lewis:** So, neither of you think—obviously, depending on how it would be implemented—that a tourism levy on overnight stays of £1 a night would be an untold disaster for the Welsh tourism sector and would see people fleeing Wales.

[108] **Dr Winckler:** No.

[109] **Ms Miller:** No.

[110] **Steffan Lewis:** Thank you.

[111] **Simon Thomas:** Okay, thank you. Neil Hamilton.

[112] **Neil Hamilton:** I'm not supposed to have sympathy with the Welsh Government, but the truth of the matter is that Wales is so far behind in terms of GVA and income per head that there's a mammoth problem in getting from where we are now to where we want to be, and the budgetary possibilities are very limited, given the numbers. The size of the Welsh economy is about £60 billion and Welsh Government spending is £15 billion. Government, at all levels, spends £38 billion, and the total tax revenue raised in Wales is £23 billion. So, there's a massive fiscal gap. Most of what the Government spends its money on is inevitable. On the health service and education, there's core spending that is bound to take place. The peripheral spending, which gives the Welsh Government its discretionary spending powers, where it has to choose between different opportunity costs or benefits, is very limited indeed. How we get the Welsh economy's tax base from where it is now, at broadly 75 per cent of the average in the UK, to nearer 100 per cent, is the key element in achieving what we all want to achieve.

[113] One area that we're able to use, although it's only a small element in it, is infrastructure spending, which amounts to about £1 billion a year at the moment, which is not a great deal. But if we are to make Wales a more attractive place in which to set up a business, to expand a business or for people to come and live, then that's inevitably one way in which we can help to achieve it. The IWA's 'An economic strategy for Wales?' report concluded that large-scale infrastructure investment is required for greater economic growth. So, to what extent can this be realised within the Welsh Government's budget and its limited borrowing powers?

[114] **Ms Miller:** I think it goes beyond that, doesn't it? Just as a matter of interest—and we'd be happy to submit it to the committee—we held an event on this with the sector at the end of September and focused particularly on both funding plans, infrastructure plans and building. So, I'd be happy to share the write-up of that with the committee.

[115] **Simon Thomas:** Yes, I think that would be useful.

[116] **Ms Miller:** As part of that, we talked, obviously, about the infrastructure commission and the role of the infrastructure commission, crossing party lines and being important in terms of, again, a shared approach and working with the sector to deliver on the aspirations.

[117] I reflected a little bit earlier on in this conversation around Welsh Government's ability to negotiate harder with the Treasury, on the one hand. So, yes, while there's a limit to how inventive you can be in terms of leveraging money in, I think when things like, for example, the electrification of the rail beyond Swansea didn't happen, Welsh Government should be there and should be banging its fist on the table and asking, 'Why not?' There's a political conversation to be had there, but there's also a conversation around, 'This was a promise and you need to deliver on your promises'.

[118] So, the other thing that could happen in that particular instance is Welsh Government could pay for it themselves and talk about bonds being issued on a 30-year basis. So, there are ways and means around it. So, I think there's a sense for us very definitely about—you know, if the Welsh Government chooses not to do something in Wales, then we can blame the British Government, and if Welsh Government borrow then don't deliver, it's their issue. So, it's about Welsh Government taking on that responsibility for making it happen. One of the ways is through the budget, but you're absolute right—there is very little wriggle room on this. So, it's about where do you go to for that innovative funding. We've already welcomed in the budget the intention to raise capital investment, particularly on, for instance, the commitment to build 20,000 homes. There have been some really good examples of Welsh Government, for example, aggregating together housing associations to get more borrowing in. We'd like to see more of that. So, what sort of roles can Welsh Government play in making that happen?

[119] **Neil Hamilton:** Dr Winckler, have you got anything to add to that?

[120] **Dr Winckler:** I would say I think our starting point is we don't think GVA is a sufficient measure and a sufficient sole goal. Nobody wants to see their GVA decline, but GVA on its own is not a rainbow that we would advocate chasing. We're concerned about the distribution as well. And then the second question we would ask is: is infrastructure the way to achieve the change that we would want to see? I think the answer is 'only partly', and unless you couple infrastructure investment with significant investment in skills and educational attainment, I think all that you get is faster roads that people who have plenty of money can whizz along more quickly. And we see that very clearly in the Heads of the Valleys, where there is a lovely A465 that's now dualled. It has slashed the travel time, and yet for many people in that area, it makes no difference to their lives. So, we're not opposing infrastructure, but on its own it's not enough.

[121] **Neil Hamilton:** It has to be the right project and it has to have the right spin-offs.

[122] **Dr Winckler:** Yes.

[123] **Simon Thomas:** Could I just ask on that specific one, as you brought up roads—? The IWA did a lot of work on the different routes for a potential new M4, and I think published quite an influential report at the time around alternative investment, and making the case that a lesser investment would bring economic benefits and would still release capital for elsewhere. Is that still how you would look at—? I mean, this budget doesn't have direct allocations for the new route, but it has the potential to unlock borrowing in a supplementary budget to allow that to happen. Is that still where you are as an IWA? I don't know whether the Bevan Foundation has ever made a comment on that.

[124] **Ms Miller:** That was before my time, Chair, as director, so I would need to go back and look at that in greater detail. But we'd be happy to look at that at our economy policy group and get back to you on that.

[125] **Simon Thomas:** You said they were meeting tomorrow. Is that correct?

[126] **Ms Miller:** Tomorrow, yes.

[127] **Simon Thomas:** If there are any views on that that come back from—. The allocation, obviously, in this budget is predicated on a successful public inquiry for a new M4 at the moment, but would need unlocking in a supplementary budget, as I understand. Mike Hedges.

[128] **Mike Hedges:** First of all, isn't it true that the size of a contract is incredibly important for Welsh companies? You put out a £1 billion contract, there won't be a Welsh company able to bid for it. You put out a £100 million contract, you'll have very few Welsh companies able to bid for it. You put out a £10 million and £20 million contract, and all of a sudden Welsh companies can start bidding for it. So, the sizes of the contracts are incredibly important, which leads me on to the question I'm supposed to ask, which is on housing. Housing is one of those things where the contracts can be kept small. You can get local people working on it. They can be hyperlocal, as in from the area where it's being built, in many cases. I don't mean from the estate, but certainly if you're building in Merthyr you can get some of that

being done by people who are living in Merthyr and the Cynon Valley, so you're not dragging people from Cardiff and Swansea. That's really important. How does or how should the draft budget support the development of more affordable housing? I think Victoria has said on many occasions, and we've said in conversations in the past, that the quality of housing has a huge, huge effect on life.

[129] **Dr Winckler:** It does. I think there's a huge challenge in meeting the Government's affordable housing targets, which we've said, actually, are still not enough. One of the solutions has got to be in using more innovative construction techniques. The industry has not changed much in a very long time. Some discussions that we held with housing stakeholders in the last few weeks identified that the only way that they can deliver affordable housing that meets the very low threshold that people on the lowest incomes have, i.e. their local housing allowance, is to use prefabricated buildings. And the scope to do that prefabrication in Wales, rather than importing from Germany, which is what takes place at the moment, is considerable. We could be doing this, we could be employing people, and it could be done in the Heads of the Valleys, for example. But, for some reason, the supply chain in housing is not operating in a way that is generating those innovative solutions, so we still have more bricks and mortar.

[130] The other thing I would say in procurement in housing is a lot of construction involves multiple sub-contractors, and, at each stage of the sub-contracting, value is taken out, and the conditions that might have been imposed on the primary contractor get lost. So, you might insist on, say, a living wage, or this and that—community benefits—but, by the time you get to the brickie or the plasterer, they are on the minimum wage, and there is no knowledge of the community benefits that have been required. So, although there is potential there for the spin-off benefits in housing, unless you're policing that system, and ensuring compliance right through the chain, then it's not having the effect that you think it should have.

[131] **Ms Miller:** We'd be totally on the same page in all of that. The proposals in the budget are welcome in terms of the 20,000 homes target, but the capital needs to be available throughout the Assembly, obviously, to achieve that. The stats on housing associations and their support to economic growth in Wales are well known—an economic impact just shy of £2 billion last year, and that job creation, every home creating 4.3 jobs. That's a figure from the Home Builders Federation.

[132] Going back to the good things that the Welsh Government have done in terms of aggregating, pulling together housing associations, and enabling them to leverage greater borrowing in, that aggregation role, and how could they be encouraging those innovative building methods—. So, have we got the sorts of partnerships between housing associations and local companies that would be capable of producing those sorts of prefab units? Because Victoria is absolutely right—that's the way to go. And is the Welsh Government acting as an instigator of those partnerships here?

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

[134] **David Rees:** Can I just go off-piste a little bit?

[135] **Simon Thomas:** Very briefly. Go on, then.

[136] **David Rees:** You've mentioned the procurement agenda, and the benefits that will come as a consequence. Is the Welsh Government doing enough to ensure that whoever wins a contract takes the responsibility for delivering those? Because one of the concerns we've always had is that, as you go down the level of sub-contracting, those get lost. So, is the Welsh Government taking enough of a position on ensuring the main contractor actually delivers on those issues?

[137] **Dr Winckler:** The short answer is 'no'. In all the work that we've done recently, at every point, up come problems with procurement. And it's fairly clear that the people who deal with procurement—there aren't enough of them, and they don't have the skills and the capacity to do their job as well as they could. And one element of that is that the compliant—. Well, there are questions with the conditions anyway, and there are some gaps in the community benefits that are expected of them, but, as far as we can tell, it is simply not being followed up to make sure that those businesses deliver, and particularly deliver down the supply chain, as you said.

[138] **David Rees:** [*Inaudible.*]

[139] **Simon Thomas:** Yes, okay. We'll flag that up. Nick Ramsay, do you want to come in on this?

[140] **Nick Ramsay:** Yes, thanks. Just something you said earlier has only just sunk in—it must be the time of the morning. You said about GVA and how you think that had been over-relied on. In my experience, governments

tend to big up GVA when it's going up, and they dump it very quickly when it's going down. The current Welsh Government aren't too bothered with GVA, but Rhodri Morgan, I think, when he was First Minister, did prize it and set different targets. What's your issue with GVA and do you think that it does have worth in some areas as an economic tool?

10:30

[141] **Dr Winckler:** You're making me feel very old, because I was involved in the group that set, or suggested, the target of Wales having 90 per cent of UK GVA, and that was on the back of what was then Objective 1 status. I think that that whole European funding agenda drove everybody's priorities for quite some time, because that was the basis on which Wales was getting a large chunk of money—Wales's low GDP/GVA—and people were obsessed with it, me included; hands up. That was the driver and those were the terms of political debate for a very long time.

[142] I think what's become clear is that you can have GVA as a measure of output, but that gives you no indication about the distribution of the good things, which is our concern, and it gives no indication of overall prosperity. Because if that GVA is extracted as profits taken elsewhere or profits distributed to shareholders, the bulk of the population doesn't then benefit from that in terms of wages and in terms of tax coming back into the economy. So, our view is that we would not want—. Unlike some think tanks, we would not reject GVA—we think it is still a benchmark of the level of economic activity taking place—but you need to sit that alongside other indicators of what we would call both prosperity and inclusion.

[143] **Simon Thomas:** Can I just ask, in conclusion, just a couple of things that are still hanging in my mind from the evidence that you've given us this morning? One is to go back to some earlier points around where you talked about this year's budget and next year's budget moving even further along the lines of wrapping up direct grants more into the RSG. Supporting People is an obvious one there, but there are a lot of them—something like £250 million worth, I think, off the top of my head. Just in principle, is that something that you think—? How can I put it? Do you think in principle that that assists in knowing what the budget is trying to achieve, because the thinking behind it, of course, is that you actually strengthen local authorities to deliver on their priorities? Or do you think that this is making it more obscure as to what the budget is trying to achieve? I'm sorry to finish with a very general question like that, but it's something that we haven't really

addressed head on here.

[144] **Ms Miller:** I think there are a number of issues. We don't have a view on it, since it came out yesterday afternoon. So, we don't have an IWA view on it—

[145] **Simon Thomas:** No, I appreciate that you've only seen the detail for 24 hours.

[146] **Ms Miller:** I think that, on the one hand you can argue that the aggregation of the grants could be potentially more efficient. On the other hand, you could say that when you look down the list of the funded programmes that are there—Supporting People, Flying Start, Families First, Communities First, employability, promoting positive engagement, out-of-school childcare, violence against women, homelessness, Rent Smart Wales, community cohesion, St David's Day fund, national advocacy service—they're all doing very different things.

[147] **Nick Ramsay:** That was impressive.

[148] **Ms Miller:** I've got the list of them here. [*Laughter.*] So, I think there's something there about making sure that they're targeted and they're reaching the right people. Certainly in my experience of the previous grant holder, you've got overlapping frameworks of indicators, and you've got issues around the delivery of those and reporting against those. I think there'll be a lot to get sorted out and I would question, personally, whether that's doable in the time available, even if you wanted to do it, on the one hand. I would say that, for me, it would be more important to look at the prioritisation of that budget and look at the data that we're collecting and look at how we know who's being funded and where there's potentially overlapping funding as well, and a really strong focus on that data rather than lump it all together because we think it might be easier.

[149] **Dr Winckler:** Again, the Bevan Foundation doesn't have a view on this, but my own experience in local government is that hypothecation causes a lot of problems and the narrower the hypothecation and the tighter the specification, the more difficult it is. In general, I would say relaxed rules or unhypothecated funding but with very tight specification of the outputs and outcomes that are required from local authorities, because they're all different, the circumstances they face, and sometimes the solutions actually lie upstream. The solutions might not lie in the way that that they've been

told to use that pot. If it is the case that Supporting People and the other grants are to be going to the general RSG, then the Welsh Government will need to hold local authorities to account for achieving good outcomes against those previous budget lines.

[150] **Simon Thomas:** So, if I'm—I don't want to put words in your mouth too much, but the general impression would be that there is an element of one-size-fits-all. It doesn't necessarily mean that some of these national programmes best fit at a local level, so there's a potential of loosening up and allowing better, innovative solutions to be done locally.

[151] **Dr Winckler:** You can get that. I'm going back a long time to when I worked in local government, but what we found then was that if you relaxed the rules and allowed local authorities—within certain parameters, but, if you made clear what outcomes you wanted to achieve and you said—treated the funding to them almost as investment funding rather than funding activities—'Go away and achieve those outcomes,' you get—in theory anyway, and often in practice—solutions that match the circumstances of that area, but you also get innovation. So long as you have the mechanisms in place to capture that and to hold people to account for not delivering, then I think that's actually much more efficient a way of getting what you want, and you release civil service capacity away from the policing of every penny to managing good practice, which is much better.

[152] **Simon Thomas:** We'll have to end it there, I think, but these are things that we'll be exploring as we now see the detailed budget and the changes in the budget lines. Thank you very much for your evidence this morning. If you can feed back any further things that emerge from the meetings you have, or your further scrutiny of the detailed budget now, then, obviously, as a committee we'll be delighted to receive that, but, for now, thank you very much. Diolch yn fawr.

[153] **Ms Miller:** Thank you.

[154] **Dr Winckler:** Thank you for your time. Thank you.

10:37

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o
Weddill y Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public
for the Remainder of the Meeting**

Cynnig:

Motion:

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

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[155] **Simon Thomas:** A ydych chi'n hapus i fynd i mewn i gyfarfod preifat nawr, o dan Reol Sefydlog 17.42? Pawb yn hapus. Fe awn ni i gyfarfod preifat, felly. Diolch yn fawr.

Simon Thomas: Are we happy to go into private session now under Standing Order 17.42? Yes, everyone's content. We shall do so. Thank you.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10:37.

The public part of the meeting ended at 10:37.