

Agenda – Communities, Equality and Local Government Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: Wednesday, 4

November 2015

Meeting time: 09.00

For further information contact:

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1 Introductions, apologies, substitutions and declarations

2 Inquiry into the BBC Charter Review: evidence session 1 – S4C

(09.00 – 10.00)

- Huw Jones, Chairman, S4C
- Ian Jones, Chief Executive, S4C

Break (10.00 – 10.15)

3 Inquiry into the BBC Charter Review: evidence session 2 – BECTU, Equity and NUJ

(10.15 – 11.15)

(Pages 1 – 22)

Simon Curtis, Equity

David Donovan, BECTU

Paul Siegert, National Union of Journalists (NUJ)

4 Papers to note

(Pages 23 – 81)

5 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting



6 Inquiry into the BBC Charter Review – discussion of evidence received in sessions 1 and 2

(11.15 – 11.30)

7 Consideration of the Draft Wales Bill

(11.30 – 12.30)

(Pages 82 – 108)

Response to Communities, Equality and Local Government Committee Inquiry into the BBC Charter Review

1. Equity represents 40,102 performers and creative personnel working across the UK's creative industries. Our members include actors, singers, dancers, variety artists, stage managers and stunt performers who work across various sectors including theatre, light entertainment, television, film, video games and the music industry.
2. In Wales, we have 1,479 members living in Wales and many members who work in Wales but do not live here. We estimate that around 450 members are Welsh Speakers.
3. The UK currently has a number of competitive advantages in the creative industries. According to the Department for Culture, Media and Sport, the creative industries now account for economic output of at least £77bn per annum. This translates to more than 5% of UK GDP and is one of the largest areas of growth in the UK economy.
4. The UK is a world leader in content production, including public service broadcasting, theatre, film and music. The UK video games sector has had a number of successes and has the potential for further growth. Creative content is also a key driver of other sectors, such as the digital economy. Cultural experiences, particularly the live arts, also underpin the UK's ability to benefit from tourism.
5. The factors which will sustain the UK's competitive advantage in the creative industries are those which will enable creative organisations and businesses to continue to produce the best content in order to meet demand at home and abroad. The key interventions which will promote conditions for success are: the retention of a highly skilled and valued creative workforce, sustainable funding for the arts, investment in public service broadcasting, a strategy for the film and video games industries, a fully functioning intellectual property regime and support for the grassroots of the creative industries including live entertainment.

Public Service Broadcasting

6. One of Equity's key objectives is to ensure that all broadcasters can continue to contribute positively to producing original British programming as much as possible in the digital age. Producing the broadest possible range of audiovisual content is in the interest of audiences and secures the UK's competitive advantage in this field.
7. The public service tradition in broadcasting has given the UK a reputation for producing programming of the highest quality – content that not only enhances this country's culture but which is also makes a major economic contribution through overseas sales and licensing. For example, the BBC generates over £1bn through worldwide sales. For these reasons Equity strongly believes that the UK must commit resources towards ensuring plurality across the spectrum of public service content.
8. Equity members have been concerned for some time that all of the UK's nations and regions and nations should be able to take an active part in the creative industries and that work opportunities should be available throughout the UK. Currently performers who are not based in London and the South East of England often struggle to find enough employment to

sustain a career in the entertainment industry and many are forced to relocate to London in order to access opportunities. Employment in film and television production in particular is heavily concentrated in London and the South East.

9. England's population dominates the UK, accounting for 84% (53.9 million people) of the total population, while Scotland accounts for 8% (5.3 million people), Wales for 5% (3.1 million people) and Northern Ireland for 3% (1.8 million people). Each nation has its own identity, however, and it is important that Broadcasters reflect these differences. It is also important to note that London accounts for just 13% of the total population (8.2 million people). Including the rest of south east England brings this total to 27%, or 16.8 million people, so most of the UK population lives outside that part of the UK where most of the programmes have historically been made. *Source - Ofcom*
10. A number of regionally-badged programmes are also produced or partly produced in other countries including *Wallander* (filmed in Sweden) *Robin Hood* (filmed in Hungary), *The Musketeers* (filmed in the Czech Republic), *Merlin* (external scenes filmed in France) and the upcoming BBC Cymru Wales Drama production of *War and Peace* which was filmed in Russia, Latvia and Lithuania. It is evident that Broadcasters make programmes in the Nations and regions for broadcast across the whole of the UK. Such programmes include drama set in the nations and regions, such as *Shetland*, *The Fall*, *Vera*, *Broadchurch* and *Cucumber* (you will note the lack of a Welsh made product in that list); and programmes made outside London which are more generic, such as *Waterloo Road*, *Doctor Who* and *Casualty*. In so doing, they can portray the Nations and regions not only to themselves but to the rest of the UK, in high quality productions that achieve mass audiences, with budgets which would not be affordable for programmes made specifically for each Nation or region. However, this is not a guarantee that the particular Nation or region will be portrayed in the programme; this depends on how the area is used in the production (for example, Liverpool doubles for Birmingham in *Peaky Blinders*).
11. Equity is also concerned that a large number of regionally-badged programmes are actually being produced by London based companies, who may run auditions or make casting decisions in London rather than in the nations and regions. Equity has long been campaigning to persuade Ofcom to incorporate a meaningful ratio of "on screen talent" into their definition of what constitutes an out of London production. At the moment "on screen talent" is specifically excluded.
12. Broadcasters should be encouraged to support this greater spread of commissioning and explore long-term methods of developing and sustaining regional production in parts of the country that are not represented on screen. One of the best ways in which this can be achieved is by the establishment of returning drama serials. The fact that this genre of production has a distinct long-term benefit for the local production infrastructure means that it should be subject to particular encouragement.
13. The role of the BBC as a cornerstone for UK made content is, however, vital for the sustainability of the UK's creative industries. Various factors, including the downturn in advertising revenue experienced by other PSBs during the recession and the historical lack of investment by the majority of digital and satellite channels in original drama, children's

and comedy programming have had a huge knock-on effect on the employment prospects and job security of performers and other creative workers in the sector.

14. As a world, UK national and Welsh broadcaster, the BBC plays a crucial role in our economy, both as an employer and an exporter of goods. It also acts as a standard bearer for the audio-visual sector in terms of quality, diversity, and innovation. The BBC also has an important role in sustaining the independent production sector. Without the BBC's investment and commissioning, the UK's production base, which also serves the UK film industry, would not be as strong as it is today.
15. This is only possible because the BBC is supported by unique sources of funding, including the licence fee and its commercial operations. Licence fee payers rightly expect to receive good value for money in terms of high quality programmes and new innovations and services responding to developments in technology and the wider media industry.
16. A particularly good example of competitive advantage and value for money is BBC Radio, which has demonstrated that the unique system of funding alongside public service obligations can result in the production of high quality programming not available anywhere else. Radio drama and comedy, which is only found on the BBC, gives young writers and performers a chance to build their careers, take risks and develop their skills, as well as employing the proven skills of mature actors and writers.
17. The BBC is the largest employer of actors and performers in the UK and provides a wealth of training opportunities for creative workers. Because of the investments it makes across a diversity of disciplines, including drama, comedy, entertainment, as well as factual programming, the BBC is able to provide decent jobs and engaging work for Equity members.
18. The Task and Finish Group on the future outlook for the media in Wales reported in May 2012 and made 23 recommendations to the WAG, first and foremost an independent forum to advise on policy in relation to the media in Wales. 22 of the 23 recommendations were accepted, except the independent forum which was instead replaced by a Broadcast Advisory Panel reporting directly to the First Minister. Since it first met in September 2012 the panel has yet to issue a public report.
19. Channel 4 should be challenged about the opportunities it offers in Wales. The Channel has pledged with a license obligation to make 9% of its content in the Nations by 2020.
20. As identified above, Ofcom has a definition for 'out of London' production that excludes front of camera talent and activity. Equity urges the WAG to work with Ofcom to develop a more transparent and meaningful definition of a production's location.

The future provision of the BBC's services in Wales, in both the English and Welsh languages;

21. At its best Equity believes that the BBC should be:
 - A National Broadcaster committed to investment & programming in the Nations and regions.

- A Modern Broadcaster committed to on-screen diversity that reflects modern Britain.
 - A Universal Broadcaster committed to maintaining a universal service funded by the licence fee
 - A Trusted Broadcaster independent from government
 - A Quality Broadcaster committed to original TV and radio drama, comedy, entertainment and children's programming
 - A Responsible Broadcaster committed to fair pay and conditions for the people working for it.
22. In Equity's view the BBC should set the standard for the UK's creative industries in terms of producing high quality content and through its public purposes should lead on best practice in areas including employment standards, investing in the UK's nations and regions and equality and diversity.
23. Creative workers and performers are central to the sustainability and strength of the UK's content production sector including the BBC's output however, as they are mostly freelancers and self employed workers, they do not enjoy the same security or pay levels of directly employed workers. If the BBC is to continue to attract the best talent for its productions it must retain and improve terms and conditions and pay levels agreed with Equity and other trade unions for all performers. Specific references to best practice in employment, training and development, for both in-house and independent producers should therefore be included in the BBC's public purposes. To strengthen this commitment and best practice, the Ofcom definition for regional programming should be changed to include front of camera talent which is currently excluded meaning the employment possibilities are limited – especially in the Nations and the regions. The BBC Trust response to the Green Paper states 'Despite the BBC now siting half of its network TV production outside London, and establishing production bases, such as the Roath Lock drama village in Cardiff, there can still be periods where specific representation of some nations and regions does not occur. It is important both to site production outside of London, and also to consider commissioning and use of locations and on- and off- screen talent'.
24. The BBC is an important component in addressing the regional imbalance in employment opportunities in the media. Film and television production is heavily concentrated in London and the South East. As a result, performers in the UK's nations and regions often struggle to find enough employment to sustain a career and many are forced to move to London in order to access opportunities. All broadcasters should increase their investment in the nations and regions so that a greater proportion of production employment, including performing talent, is spread across the UK. The BBC should lead the way in investing in underrepresented areas and should have a specific responsibility towards contributing to growth in the employment in the creative industries, particularly in Wales.
25. The public purposes should also include a commitment for the BBC to reflect society better through on-screen diversity. Equity has welcomed the Project Diamond initiative whereby the main television broadcasters will collect equality monitoring data for all employment on and off screen however, in order to ensure continued progress, equality and diversity must be codified. We believe that the best place for this is in the public purposes so that diversity has the status of a key performance indicator for the BBC. We need to make sure

that the BBC is meeting the proposed Public Purpose 'To reflect, represent and serve everyone in the UK'.

26. The Government, via the DCMS consultation on Charter Renewal, has suggested that it may be appropriate to include a commitment to certain genres of content in public purposes. While Equity believes that the BBC should continue to provide a universal service and to produce content for everyone we believe it is worth considering a commitment in the public purposes to producing *high quality* original TV and radio drama, comedy, entertainment and children's programming. It is a BBC priority to invest in its content, and to invest in the Nations.
27. While network production in the Nations has grown in real terms since 2008, spend on first-run programming specifically for each Nation and region (including news and current affairs) fell from £404million in 1998 to £358million in 2008 and to £277million in 2014. Wales has seen one of the steepest real declines in spend on first-run originations between 2008 and 2014 of 30%. This decline in spend has been matched, for the most part, by declines in hours. BBC Hours in the English language have dropped between 2008 and 2014. *Source – Ofcom*
28. Between 1998 and 2012 the BBC in Wales was exemplary in its investment in regional drama. Series like *The Bench*, *Belonging*, *Crash* and latterly *The Baker Boys* and *The Indian Doctor* have all been made in Wales for Wales. It would have been even more satisfying if any of these productions had been made for network, but that was not their prime purpose. They fulfilled an important cultural need, namely that the national broadcaster told stories about Wales to Wales. It is disappointing to see that this success has not been continued, and the cut in spend is directly attributable. In the BBC response to the Green Paper it made the following statement 'We believe that the supply of BBC and commercially funded programming in each of the Nations needs addressing'. However it goes on to say that significant investment would be required and that this can only be funded by additional income.
29. This is equally true of the investment in drama and light entertainment in Radio Wales and Radio Cymru. There is no other broadcaster other than the BBC providing this breadth of work for actors and writers in radio, but this again has been in decline.
30. The provision for Welsh Language programming is made up mainly of the making of *Pobol y Cwm* which is a contractual obligation under the Framework agreement.

The BBC's current and future funding, governance and accountability arrangements as they relate to Wales;

31. Out of the £3.7 billion license fee income, approximately £179 million can be identified as being generated by Wales. By comparison to other Nations and regions the Operational expenditure of the BBC in Wales of £150 million is a high percentage of the license fee earned here but it is only 3.85% of the overall operational expenditure of the BBC in total. Disproportionately 65.44% of the £3.7 billion is spent in London. If the proportion of productions made in the Nations and Regions, especially when they are regionally badged

and funded, is supposed to increase then this task is made all the more harder by the relative imbalance of the distribution of the license fee. *Source BBC Annual Report 2014*

32. The BBC's independence from Government and its position in terms of being neither a state broadcaster nor one driven by commercial interests is highly valued by UK and international audiences and is the basis of much of the trust invested by audiences in the organisation. We therefore also believe that the BBC's independence should feature strongly in any set of new public purposes drafted during Charter Renewal.
33. Whilst we welcome the BBC's commitment to protect funding for the Nations, this is only by way of ensuring that they are cut less than other areas. This can only be achieved by making sure investment works harder and portrays the whole country and its entire Nations better. We believe the BBC in Wales should be more accountable to the WAG and Equity supports the recommendation from the Silk Commission that a devolved governing body should be created within the framework of the UK trust, with the powers to oversee and scrutinise the output of the BBC in Wales, and to appoint a Welsh representative to the general governing body of the BBC, by formal agreement between the UK and Welsh Governments. It is, however, difficult to know whether this will now work within the new format being suggested by the BBC and the BBC Trust for the reformed structure of an Executive Board

S4C's future, including its funding, operating and governance arrangements, and the services it provides;

34. S4C is a unique investment in the Welsh language and a cornerstone for Welsh culture. It is also a source as far as Equity is concerned of significant employment. Many of the actors that are gracing stages and feature films across the world served their apprenticeship on the channel. There are many talented performers working hard on a day to day basis and the quality of the drama output is consistently high.
35. In evidence to the Silk Commission Equity supported the case for Broadcasting not to be devolved whilst contained in its current format. We did support, however, the transfer of the DCMS monies to be the responsibility of the WAG which would ensure some active review process of the work of this channel by the WAG. Whilst we know this has been resisted by the Labour administration in Wales, mainly because of the financial commitment, it is absurd that the National Broadcaster for Wales does not have any formal relationship with the National Assembly. It may be that Equity would have to shift its support for S4C to be a matter that is devolved, but whilst it remains part of the BBC License Fee we can only call for the funding for S4C to be ring fenced and protected as part of the license fee settlement.
36. Equity supported the calls for an independent review of S4C in 2010 and 2011, we believe now as we did then that any decisions on future funding and governance should have been based on this review. Equity can see now that S4C, in receiving its funding from a top slicing of the BBC license fee, is now no more than a balance sheet figure to support the BBC's commitment to the Nations and Regions. In the BBC response to the Green Paper it reduces its comment on S4C to that of a full commitment to broadcasting and providing services in the UK's indigenous minority languages. A comment from the BBC Annual Report reflects on

dropping audience figures for S4C as a concern in providing 'value for the license fee spend'. We believe that S4C is more important than that, which is why we have supported the channel since it first started broadcasting. It has brought over £2.2 billion pounds in to the Welsh economy and is almost entirely responsible for the independent production sector within Wales.

37. The combined spend of S4C and the BBC on programming for S4C, in real terms, was £92 million in 2013. S4C has seen a large real-terms decline in first-run spend, which fell by £23 million from 2009 to 2013, to £64 million. This means that 57% of the total programming is either a repeat of a recent programme or something from the archive. Whilst the archive is valuable and the average cost of retransmitting these programmes is very low compared to the £32,000 per hour needed for newly commissioned programmes we cannot help but look at the drop in funding and the frequency of these repeats in peak hours as a reason for the S4C audience share falling to 1% in the BARB figures in 2014, from 1.3% in 2010.
38. It is vital that S4C has sufficient funding as well as editorial and managerial independence for it to continue to play a crucial role in support of the Welsh language and the creative industries in Wales.

How Wales's interests are being represented during the renewal process.

39. It is difficult to find specific Welsh pledges being put forward during the process, much of the commitment to secure funding is aimed at the 'Nations and Regions'. The production base for the BBC in Wales does make a difference, but makes mainly network drama rather than drama for Wales set in Wales. Equity believes greater focus should be put on accountability and that BBC Cymru Wales should be fulfilling its own obligation to Wales first and network second.
40. Because of the license fee settlement we are unlikely to see separate funding for S4C, and it is because of the obligations on the BBC to pay for S4C, The World Service and now for the over 75's free licenses, that extra pressure is being put on budgets to fund its own corporate needs. The funding of S4C is the least worst outcome, as long as the funds are protected going forward and are not seen as another department when it comes to the continued efficiency savings necessary.
41. Equity does not believe that Wales's interests have been represented sufficiently during the renewal process. The WAG was not given the same provision as the Scottish Government under the Smith Commission, and because broadcasting is not devolved the responses have been lacking in focus because there isn't a firm policy for how the WAG deals with broadcasting and in particular BBC Cymru Wales and S4C. On such an important issue there was a need for a single message on how the broadcasters could serve Wales rather than responses based on party lines and self interest.
42. The Broadcasting Advisory Panel set up in 2012 to report directly to the First Minister on matters of this kind have failed to report formally, and would seem to have been the perfect focus point for a consistent message about broadcasting in Wales even if it isn't devolved.

Simon Curtis - National Organiser for Wales scurtis@equity.org.uk

Equity response to the Department for Culture, Media and Sport public consultation on BBC Charter Review

The BBC is one of the most important employers of Equity members because of the investments it makes across a diversity of output. It also plays an important role in supporting the wider creative industries through providing training and development for creative workers and provides much of the funding that fuels the UK's independent production sector, another significant employer of Equity members. Equity therefore welcomes the publication of this Green Paper as an opportunity for those who play a crucial role in producing content across the audiovisual industries to have a say about the BBC's future.

Equity is however extremely disappointed and concerned that the publication of the Green Paper was preceded by another hastily agreed licence fee deal which we believe will lead to further cuts to services and job losses at the BBC. The public and those who work for the BBC were denied any say about the previous licence fee settlement in 2010 and it had been hoped that a much more transparent process would have taken place in 2015, particularly given the level of media speculation surrounding the BBC throughout the General Election campaign.

Furthermore, the composition of the panel of experts advising the Secretary of State during Charter Renewal appears largely to reflect the political and commercial agendas of the BBC's media rivals with only a small level of representation for licence fee payers. The panel does not include a single representative of the thousands of workers who contribute so much to the success of the BBC. In this environment Equity does not have faith that the process of Charter Renewal is being conducted in a fair or open fashion.

Similarly, while the Green Paper itself asks a range of open and relevant questions in important areas including the BBC's duties towards the UK's nations and regions, accountability and the public purposes, it also contains many negative assertions about the BBC which do not appear to be evidenced, particularly in assessing the impact of the BBC on the wider content market.

Equity is not without its criticisms of the BBC and we intend to express in this response how we believe it can change in order to better meet the expectations of licence fee payers. We strongly disagree, however, with the repeated assertion in this Green Paper that the BBC is somehow too large and too 'diffuse' in its output and therefore must be scaled back. While the Government has stated that it is 'committed to both the future of the BBC and its underlying Reithian mission' it is clear that this consultation is predicated on an assumption that the scope of the BBC must be scaled back. This is not in the interests of audiences who continue to be best served by a universal and inclusive BBC.

1. How can the BBC's public purposes be improved so there is more clarity about what the BBC should achieve?

The public purposes are a relatively new development in the BBC's history, having only come into being in 2007. Equity supported the existing public purposes of the BBC when they were first debated and we continue to support the rationale for having a set of broad, overarching objectives against which purpose remits and priorities can be identified. Similarly, licence fee payers and the public generally support a broad remit for the BBC. Recent ICM research for the

BBC Trust found that 85 per cent of the public continue to support a BBC that ‘informs, educates and entertains’.¹

A broad set of high level public purposes should continue to underpin the work of the BBC in the next Charter period, however we agree that the public purposes could be reframed in order to provide more clarity for the public and in response to the needs of audiences and the rapidly changing and evolving nature of the wider creative industries.

In Equity’s view the BBC should set the standard for the UK’s creative industries in terms of producing high quality content and should lead on best practice in areas including employment standards, investing in the UK’s nations and regions and equality and diversity. For example, the public purposes could be clearer and more specific regarding the expectation that the BBC should be a leader among broadcasters in relation to equality and diversity – both on and off air. The existing public purpose with the most resonance with diversity requires the BBC to ‘Represent the Nations, Regions and Communities’. While there are clear implications for reflecting the diversity of the nation here, this could be made more explicit in meaning and measurement of performance and delivery ensuring there is greater accountability of the BBC in this area that there is at present.

We believe that the BBC should be:

- A National Broadcaster committed to national and regional investment & programming
- A Modern Broadcaster committed to on-screen diversity that reflects modern Britain
- A Universal Broadcaster committed to maintaining a universal service funded by the licence fee
- A Trusted Broadcaster independent from government
- A Quality Broadcaster committed to original TV and radio drama, comedy, entertainment and children’s programming
- A Responsible Broadcaster committed to fair pay and conditions for the people working for it.

2. Which elements of universality are most important for the BBC?

Equity supports the continuance of the BBC as a broadcaster that provides a wide range of different types of content and programmes, for a wide range of different audience groups. We do not believe that audience needs are better served by a more narrowly focused BBC and would disagree in particular with the contention that the broad mission of the BBC can lead to it ‘competing for ratings, not quality, or distinctiveness, under the ‘entertainment’ banner’.

Our members work across a range of BBC content including radio and television drama, comedy, entertainment and children’s programming and contribute to the success of programmes such as *The Archers*, *Eastenders*, *Doctor Who* and *Strictly Come Dancing*. Neither they, nor the millions of viewers who watch these programmes believe that the BBC is compromising on quality when it makes something that it is popular with audiences.

¹ http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/news/2015/audience_research.pdf

The Green Paper asks if the BBC should instead focus on particular or underserved audiences. While Equity believes that the BBC should continue to serve audiences equally, audience research demonstrates the BBC could improve its offering to certain groups. Audience research finds that the BBC currently considerably underserves C2DE audiences, particularly young women and BAME audiences and within the latter group Black Caribbean and Black African audiences are particularly underserved.

As stated previously in this response we also believe that the BBC could do more to address the portrayal of underrepresented groups and would suggest that the public purposes are modified in order to address on screen diversity as a priority.

Equity also believes that the BBC should continue to make content available free at the point of use, on as wide a range of platforms as possible. In the changing context of the modern audiovisual industry, where audiences are fragmenting and younger viewers demonstrate a strong desire to consume content online it is imperative that the BBC is able to innovate and adapt its delivery mechanisms.

The BBC led the way in terms of establishing services such as the iplayer and iplayer radio and Equity has been party to the launch of such services through the negotiation of agreements with the BBC for rights clearances. The experience of reaching such agreements has challenged established methods of working and negotiating but we support the BBC's role as a creator of new digital services which are highly regarded by audiences.

3. Should Charter Review formally establish a set of values for the BBC?

The BBC showcases the UK to the rest of the world and sets standards for the rest of the audiovisual sector. Alongside the NHS it is one of the UK's most important institutions, especially now that the creative industries are acknowledged to be an important engine of growth for our economy. The relationship between the public and the BBC is unique in UK society because of the licence fee funding model. It is therefore reasonable to expect that the BBC should uphold a set of values that the public would expect from an institution of such size and importance.

However we do not believe it is not the job of a political process to set out what the organisational values of a broadcaster independent of government should be. The BBC already formulates its own set of values including independence, quality and value for money, creativity and diversity.

As outlined in the response to Qu.1 we believe instead that the *public purposes* should be reframed. Specific references to best practice in employment, training and development both for in-house and independent producers should be included in the BBC's public purposes, as should an expectation for the BBC to better reflect society through on-screen diversity. On the latter point, Equity has welcomed the Project Diamond initiative whereby the main television broadcasters will collect equality monitoring data for all employment on and off screen however we agree with the consultation document that in order to ensure continued progress, equality and diversity must be codified. We believe that the best place for this is in the public purposes so that diversity has the status of a key performance indicator for the BBC.

The BBC's independence from Government and its position in terms of being neither a state broadcaster nor one driven by commercial interests is highly valued by UK and international audiences and is the basis of much of the trust invested by audiences in the organisation. We therefore also believe that the BBC's independence should feature strongly in any set of values or new public purposes drafted during Charter Renewal.

The Green Paper suggests that it may be appropriate to include a commitment to certain genres of content in public purposes. While Equity believes that the BBC should continue to provide a universal service and produce content for everyone it is sensible to consider a commitment to producing high quality original TV and radio drama, comedy, entertainment and children's programming.

Finally, the BBC is an important component in addressing the regional imbalance in employment opportunities in the media. Film and television production is heavily concentrated in London and the South East. As a result, performers in the UK's nations and regions often struggle to find enough employment to sustain a career and many are forced to move to London in order to access opportunities. All broadcasters should invest in the nations and regions so that a greater proportion of production employment, including performing talent, is spread across the UK. The BBC should lead the way in investing in underrepresented areas and in particular Scotland, Wales, Northern Ireland and the Midlands.

4. Is the expansion of the BBC's services justified in the context of increased choice for audiences? Is the BBC crowding out commercial competition and, if so, is this justified?

Equity takes the opposite view. In recent years, due to pressure exerted by politicians and media rivals the BBC has been forced to narrow the range of services available to the public. The licence fee freeze which began in 2010 has already led to a 16per cent shortfall in funding, huge job cuts and budget reductions for important genres such as radio and television drama.

Cuts have been made to the BBC Performing Groups, including the BBC Singers who have been reduced from a core group of 24 to 18. This will undoubtedly have an impact on the quality of the group and its output. Earlier this year Equity also urged the BBC Trust to consider carefully how the decision to move BBC3 online, a decision made in response to funding cuts, interacts with the BBC's role in providing public service television for younger audiences and its commitment to funding comedy. In particular Equity stressed that the BBC must consider if its offerings to younger audiences and its comedy output can continue to compete with that of other broadcasters.

These cuts and others including to services such as the Asian Network have threatened plurality and could be further exacerbated by proposed changes to television content supply which may be biased against investment in risk taking and the production of more challenging content.

The BBC is not crowding out commercial competition, in fact it is more likely to invest in expensive genres such as drama and freed from commercial interests will continue to do so, as opposed to commercial operators who are more likely to buy content from abroad or pursue a higher proportion of formats which generate advertising revenue.

The UK is a world leader in television content production. This reputation is built on a number of foundations, including the presence of the BBC and the availability of a highly skilled creative workforce, which includes performers. The UK has witnessed much lower levels of investments in television production during the last ten years and this has had a huge knock-on effect on the employment prospects and job security of performers as well as other creative workers in the sector. Notwithstanding welcome developments such as the tax reliefs for high end television content and children's programming, ensuring that the BBC can maintain a solid level of investment in content production is vital for the sustainability of all of the UK's creative industries. As part of this, the BBC's in house production must be protected from full competition so that the UK's content production base can weather any future downturn in investment by other broadcasters or international producers.

The Green Paper suggests that 'a smaller BBC could see the public pay less for their TV licence and would also be likely to have a reduced market impact'. It is disappointing that the Government wishes to limit the BBC's ability to launch new services, innovate and create new kinds of format or delivery mechanisms. We should be proud of the fact that the UK is home to the world's largest public service broadcaster and that despite a shortfall in funding in recent years has largely protected services that have emerged over the last twenty years in response to audience demand and changing viewing habits.

5. Where does the evidence suggest that the BBC has a positive or negative wider impact on the market?

The evidence supplied in the Green paper to assess the positive and negative market impacts of the BBC is not robust. On page 25 the phrase 'some say that' precedes two paragraphs of positive impacts that are generally acknowledged to be true: the BBC raises broadcasting standards generally; it invests more in content because of licence fee funding; it develops new technologies such as iplayer and independent producers and commercial broadcasters benefit from BBC investments in training and talent development. In contrast the negative impacts are enumerated in five paragraphs but refer only to online and local news, radio and the BBC's cross promotional activities.

It is difficult to find evidence that supports the view that the BBC has a negative market impact, especially on the wider television market. Recent results from ITV show a 23per cent increase in half year profits to £400m and full year profits are expected to be in the region of £850m. ITV is also engaged in a process of acquiring a number of independent production companies in the UK and the US in order to expand its production capacity. Sky currently boasts 12m customers in the UK and Ireland and has successful operations in a number of other European states. In 2015 it is expected to reach record turnover and full year profits of £1.4bn. Amazon Prime and Netflix have experienced huge growth in the UK market and the latter has begun to invest in original UK drama productions.

6. What role should the BBC have in influencing the future technological landscape including in future radio switchover?

The BBC has a key role in making new services and platforms accessible to the public, without charging subscriptions. Equity has worked with the BBC in developing new and different platforms for content delivery and has consistently sought to ensure that content can be made

available for use on these platforms when made under Equity collective agreements. Equity has also reached a number of agreements with the BBC for the use of work in its interactive services and has engaged constructively in order to reach long term arrangements for the engagement of performers on Equity agreements and the subsequent use of their material. For example, Equity is currently in negotiations with the BBC regarding rights clearances for performers whose work features on BBC3 in order to facilitate the move to an online channel.

Suitable agreements must be concluded that recognise the rights of performers whose work is exploited across all BBC channels and platforms. It is essential that the rights of artists are protected and that they are rewarded appropriately for the future exploitation of work, especially considering the fact that the BBC can generate over £1bn through worldwide sales of its content portfolio.

Separate from the BBC's legitimate role as an innovator in digital services, it is regrettable that a large proportion of licence fee funding has been diverted for other purposes which have had variable levels of success. Equity welcomes the decision to phase out the allocation of £150m per year to support broadband roll-out from 2017. Local TV services are another area which we believe should not continue to be funded by the BBC post 2017.

7. How well is the BBC serving its national and international audiences?

A larger international audience is likely to lead to an increase in the market for programmes sold by BBC Worldwide, which in turn generates income for reinvestment in content. The target set by the Director General – that the BBC should have a global reach of 500m by 2022 – is one that Equity would support. It is disappointing, however, that there are limited opportunities to grow and develop the international audience for radio drama, especially given that the UK is a world leader in this genre. Following the cancellation of the radio drama *Westway* over 5 years ago there are no remaining slots on the World Service for spoken word programming.

In terms of serving UK audiences Equity believes there is a pressing need for the BBC's public purposes to provide a commitment to reflect modern Britain and to take action to address on screen diversity. As the BBC Trust's Purpose Remit Survey illustrates, audiences from black ethnic groups are least likely to say that the BBC is effective at representing their ethnicity. Ofcom's Public Service Broadcasting Review also reports that several audience groups are concerned about how they are portrayed on screen across the UK's PSB channels - particularly people from BAME backgrounds or people with disabilities. They believe that they are either being under-represented or unfairly portrayed. Similarly, Equity has been concerned for some time that all broadcasters should do more to better represent and portray the LGBT community and women, particularly older women.

Equity has previously welcomed the BBC's commitment to produce 17per cent of network television production from the UK's Nations by 2016. While other broadcasters and producers have recently made considerable and welcome investments in television content production outside of London and the South East, including HBO's decision to film *Game of Thrones* in Northern Ireland, the BBC remains uniquely placed to work across all of the UK's nations and regions to create a positive impact on the production base and workforce.

Recent investments made by the BBC in the Nations and Regions, including its move to Salford and the increase in drama production in sites such as Roath Lock studios are very welcome. Local casting, however, which should be a key component of regional production, is sadly lacking. Often a programme is labelled 'BBC Northern Ireland', 'BBC Scotland' or 'BBC Wales' but in reality there are few – if any – opportunities for performers in the Nations to appear in them.

On-screen talent is currently excluded from most targets and regional production quotas set by Ofcom and the BBC however there is a pressing need to ensure that opportunities are opened up to local talent. Equity has been campaigning for many years to encourage broadcasters to undertake more local casting and to encourage Ofcom to consult with stakeholders about an appropriate inclusion of on-screen talent in its definition of an Out of London production.

Equity supports the recommendations of the Smith Commission including a formal consultative role for the Scottish government and the Scottish Parliament in the process of reviewing the BBC's Charter. We also agree that there should be new responsibilities for the BBC to lay its annual report and accounts before the Scottish Parliament and submit reports to, and appear before, committees of the Scottish Parliament in relation to matters relating to Scotland in the same way as it does in the UK Parliament.

Equity further believes that the BBC must also spend more on original drama production in the English regions and particularly the Midlands following a migration away from the area over several years by the BBC and other broadcasters. The Midlands offers affordable housing and quality of life to people working in the creative industries. Currently many actors, particularly high profile actors, are forced to move to London or Manchester to access work and auditions, where housing and living costs, particularly for young people starting out in their career, are more expensive than in the Midlands. Similarly media and other students graduating from Birmingham City University frequently relocate to find work. The Midlands also offers diverse range of locations for filming, including Birmingham City Centre, where permission to film is considerably cheaper than other city centres. Consideration should also be given as to how investment can be attracted for new studio facilities in the region.

8. Does the BBC have the right genre mix across its services?

The BBC has a duty to foster creativity and nurture talent across a wide range of genres. It is troubling to note the reduction in BBC network TV hours for drama - down from 2062 hours in 2006 to 1344 hours in 2014, children's programming – down from 10989 to 9074 hours and entertainment – down from 2384 to 1118 hours. The Green paper rightly identifies that costs are increasing in areas such as television drama production but there is no acknowledgement that many of the savings which have led to a decrease in certain genres have been forced on the BBC by funding cuts resulting from the 2010 licence fee settlement. In this environment Equity has strongly supported the efforts made by the BBC to maintain and where possible increase investment in television drama.

Equity members working in variety and light entertainment have been concerned for some time that UK broadcasters including the BBC do not offer a sufficient range of entertainment programming in their schedules, partly due to the dominance of reality based formats in this genre. This issue is somewhat borne out in the figures mentioned above, where entertainment programming appears to have suffered a disproportionate decline.

The reduction in hours devoted to radio drama from 4719 to 4280 hours per year in the same period is equally concerning, especially considering that this genre represents a very cost effective form of production. Traditionally genres such as radio drama have had a key role in helping the BBC to nurture new talent. Spoken word programming offers a platform for artists just starting out in their careers. Radio drama has also enabled established writers and performers to take risks and maintain and develop their skills.

The BBC is still by far the most prolific radio drama broadcaster in the world, making more original productions than Hollywood. Without the BBC, there would be very little provision for niche audiences and the promotion of radio drama would suffer greatly. That is not to say that radio drama is a niche product. Over one million listeners access spoken word programming on the BBC every day. Without licence fee funding, working alongside public service obligations this sort of high quality programming, which attracts a significant audience, would not be available anywhere else.

Radio Four has historically been a major showcase of radio drama and the short story however in 2012 the number of short stories broadcast on Radio 4 reduced from three to one a week in order to make way for an extension of the World at One from 30 to 45 minutes. Radio 4 also cut slots for new writing from three to two and the number of listener slots (of which there were six as recently as 2009) from four to two. Spoken word programming slots have been lost across a number of services including Silver Street on the Asian Network, the Friday play, short stories and there has been an overall reduction in radio drama output aimed at children across the BBC's radio services.

Equity members with disabilities have also pointed out that cutting short story reading, combined with the continuing cuts being made to radio drama generally, is of specific detriment to audiences with sight impairments. A commitment to encouraging more spoken word programming across the BBC's radio stations should therefore be a priority. Equity fears that if the number of productions continues to drop, radio drama could sink below the critical mass that will keep it viable.

9. Is the BBC's content sufficiently high quality and distinctive from that of other broadcasters? What reforms could improve it?

Audiences appear to think that the BBC's content is sufficiently high quality and distinctive. The Green Paper itself cites findings from the BBC Trust's Purpose Remit Survey 2013 which states that 76per cent of audiences think that the BBC already makes high quality programmes or online content. 74per cent think that the BBC has a wide range of enjoyable and entertaining programmes and online content. Figures from Ofcom also support the view that audiences are largely satisfied with the output from the main public service broadcasters. Ofcom's PSB Review found that half of all TV viewing is on these main channels - but that figure rises to more than 70per cent when the time shifted channels are taken into account.

The BBC is much more likely to invest in high quality genres such as television drama and UK originated children's programming. Freed from commercial interests it will continue to do so, as opposed to commercial operators who are more likely to buy content from abroad or pursue a larger proportion of formats such as reality shows that generate advertising revenue. Ofcom's

latest Public Service Broadcasting Review reports that investment in television drama has fallen by 44per cent since 2008 and notes that the declining level of investment by ITV is of concern. The Review also finds that the BBC accounts for 97per cent of children's content production – spending by ITV, Channel 4 and Channel 5 in this genre has fallen by 74per cent since 2008.

Looking beyond television, recent pressures on funding have meant that it is difficult to maintain the high standards and quality in areas of spoken word programming on BBC radio. Increasingly fewer actors are cast in radio drama productions and there are diminishing opportunities for lesser known actors and writers to enter the field. There also appears to be a lack of talent development as rehearsal and recording times have been reduced, impacting on the ability of writers and performers to experiment and improve productions.

Radio drama is a specialised skill area and one that feeds through talent, in terms of writers and performers, into many other areas of BBC production including television drama and comedy. If this genre is to survive, the BBC must make a clear commitment to preserve existing funding for services such as Radio 4 and Radio 3 and must endeavour to expand the number of slots available, particularly for low cost content such as short stories.

In this environment it makes sense for the BBC to have a commitment, through the public purposes, to producing high quality original TV and radio drama, comedy, entertainment and children's programming. Other reframed public purposes, such as a commitment to equality, diversity and on and off screen portrayal of modern Britain could also offer genuine scope for greater originality and distinctiveness.

10. How should the system of content production be improved through reform of quotas or more radical options?

Future proposals outlined in the Green Paper and recently explored by the BBC Trust and the BBC Executive to remove the current in house guarantee or to privatise or otherwise reorganise the BBC's TV production unit could, in Equity's view, have damaging consequences for the BBC, those who work for the BBC and its audiences. The recent creation of BBC studios is particularly concerning and in Equity's view safeguards must be put in place to ensure that, like BBC Worldwide, BBC Studios remain an associated body of the BBC, rather than being created with a view to privatisation.

It is not clear how an immediate move to open competition and abandonment of the existing quotas for content production can better deliver high quality and creative content. If there is to be more open competition between the BBC's in house production unit and independent production companies of all sizes there is a risk that this could lead to market pressures challenging public service broadcasting values.

One of the strengths of the BBC's in house production is that it creates programmes aimed at niche audiences as well as formats which attract large audiences and have a potentially global appeal. If BBC production is put on a more competitive footing, more resources may be directed towards the latter, particularly if the BBC is seeking to compete for more work from other broadcasters. Greater competition could also lead to a greater focus on mass appeal productions and less emphasis on risk taking by the BBC and independent producers.

Increased competition could also cause the BBC's production unit to cut costs by considering a reduction in permanently employed staff or by investing less in skills development and training. A more aggressive competitive environment for content production could also lead to a reduction in terms and conditions offered to performers and other creative workers. This would not be conducive to maintaining the capacity of the workforce or in encouraging diversity.

There are other mechanisms which we believe the BBC Executive should explore before making changes to the content quotas in order to encourage more creativity. These include considering how the current commissioning process can be improved, as well as exploring how BBC production staff can be better supported to pursue their ideas and work more creatively.

Our members are very strongly in favour of an approach to content supply that can facilitate the continuation and an expansion in the production of original and high quality drama, comedy, entertainment and children's programmes made in and about the UK. For these reasons Equity continues to support the existing mixed economy model of content supply for the BBC. Over time and in response to changes in the sector this model has changed and has opened up opportunities for independent producers, however we also continue to strongly support the existence of the in house guarantee and believe that the level at which it is currently set is reasonable.

A critical part of the mixed economy approach is the continued use of appropriate union agreements covering the engagement and remuneration of performers. There have been recent incidences where the BBC have sought to source content from new providers, in some cases procuring from individual members of the public through the use of online engagement and other mechanisms. This has led to confusion and disagreements about the appropriate level of payment and/or rights due to contributors. Similarly, the increase in investment in co-productions by the BBC and particularly the increase in content produced in other European countries must respect existing agreements covering terms and conditions for performers.

Equity is also concerned about plans to phase out quotas in radio and to give radio independents greater opportunities to compete for commissions – this could lower standards, particularly employment standards in an area where production margins are already tight and funding cuts have had an impact on content production in spoken word programming.

The Green Paper implies that reform of the BBC's content quotas could include a review of the arrangements for regional production, most notably in the Midlands. It is unclear to Equity how increased competition between the BBC and independent producers, the BBC Studios proposal or the option to directly scale back in house production will provide a better basis for increased investment throughout the UK's nations and regions however we welcome the Government's acknowledgement of this problem and point to the response to Qu 7 for suggestions to reform regional production quotas and improve regional investment.

11. How should we pay for the BBC and how should the licence fee be modernised?

Licence fee payers and representatives of those working at the BBC are united in their condemnation of the most recent licence fee settlement reached in secret between the Government and the BBC in the days leading up to the July 2015 Budget. Given recent events Equity is in favour of including a new legal obligation in the Royal Charter for Government to

consult either directly with the public or via any future regulator of the BBC and to seek Parliamentary approval for any changes to the BBC's funding.

Taking on the funding of free licences for the over 75s is inappropriate as it confers social policy responsibilities on to the BBC and is likely to lead to a significant shortfall in BBC funding post 2018, despite the Government's commitment to end top slicing for broadband rollout and the potential new income arising from the closure of the catch up TV loophole. The projected shortfall in funding could be as much as £350m and this will inevitably lead to large scale job losses, content budget cuts and service closures.

Equity is also extremely concerned that the commitment to a CPI increase in the licence fee is dependent on the outcome of Charter Renewal. This creates undue leverage for the Government during negotiations and compromises the independence of the BBC from Government.

Equity continues to support the Licence Fee as the most appropriate funding method for the BBC. It provides a direct link between licence fee payers and the BBC, it provides sustainable and predictable funding, maintains the independence of the BBC from Government and enables the BBC to produce programming that other services would not fund. Of the three funding models outlined in the Green Paper for the short to medium term we support the 'reformed licence fee' option as it removes the catch up TV loophole, thereby increasing income for the BBC. It also goes some way towards creating parity between users of the BBC's broadcast and digital services.

Equity agrees that it is not appropriate to consider funding the BBC from general taxation or by allowing the BBC to show advertising. The former option risks compromising the BBC's independence and there is no appetite from viewers for the latter option. If advertising were introduced on the BBC there is a strong chance it would diminish the value of the advertising market and could lead to a decline in revenues for other public service broadcasters.

Throughout the Green Paper questions are raised about the need to continue to support the BBC's universality. In the context of future funding models, a suggested long term proposal is a move to a subscription-funded model, initially for certain services. Equity is strongly opposed to any replacement of the Licence Fee, in whole or in part, with pay-to-view subscription services or similar alternatives as this would signal the end of universality and break the link between the BBC and the general public.

Introducing subscription based services would undermine the BBC's ability to provide a range of content to audiences and as the Green Paper warns, could lead to the adoption of a much more commercial approach by the BBC. It is also unlikely that a subscription model for any of the BBC's services would meet the fairness test outlined in the Green papers 'funding model criteria' as the level of subscription fees will likely be determined by supply and demand in the market, which could lead to certain groups of audiences paying more for their preferred services, or niche services becoming underfunded or unaffordable.

12. Should the level of funding for certain services or programmes be protected? Should some funding be made available to other providers to deliver public service content?

The BBC should have exclusive use of licence fee funding. As stated elsewhere in this response, diverting licence fee funds for projects such as Local TV services, broadband roll out and bringing the World Service and BBC Monitoring within the BBC's funding obligations has damaged the BBC's ability to invest in its core work – producing content for audiences.

In addition Equity does not support contestable budgets for areas such as drama or children's content which would enable other broadcasters or producers to access licence fee funding, as suggested by the Green Paper. The BBC's viewers have an expectation that the licence fees that they pay go predominantly towards funding the production of high quality programmes for the BBC. Currently this is the case and indeed most UK drama production employing professional performers originates with the BBC. This volume and range of work would not be possible without licence fee funding.

Drama productions funded by the BBC are either produced in-house or by commissioning independent producers. In this way the BBC is already supporting the wider creative sector and should not be top sliced further to fund programme making by other broadcasters. Equity is also opposed to the principle of contestable budgets for content. Licence fee funding should go towards BBC programme making and services and should not be distributed to commercial broadcasters to support the dividends and value of stock holdings of private shareholders.

Equity also continues to be opposed to the inclusion of S4C within the BBC's remit. S4C merits its own guaranteed Government funding allocation due to the prominence of the Welsh language however until this funding is restored funding for S4C, and particularly drama content for this channel must continue to be protected within the BBC's budget.

13. Has the BBC been doing enough to deliver value for money? How could it go further?

The licence fee has been frozen for six years at £145.50. It is estimated that this equates to a 16per cent real terms cut in resources – around £635m. As discussed elsewhere in this response, despite the BBC's efforts to cut administration costs and protect content budgets, there have been significant cuts to some areas including television drama on BBC4, spoken word programming on radio and youth and comedy content production for BBC 3. The BBC Director General has stated that if further cuts are imposed on the BBC it is unlikely that they will be able to 'salami slice' budgets further – in reality difficult decisions including service closures will have to be contemplated.

Equity has not been without criticism of spending decisions taken at the BBC, particularly regarding senior management pay and severance payments however the BBC continues to compare favourably with other broadcasters and services in terms of delivering value for money. The cost of an annual licence fee has gone up by just £10 since 2007. This contrasts sharply with annual rises in utility costs and specifically increases in energy prices. In some cases energy providers have increased their prices in excess of 10 per cent annually.

There are however notable discrepancies between perceptions of the BBC's value for money across ethnic groups and across the UK's nations and regions. This is the most fruitful area that could be addressed during Charter Renewal through a refocusing of the BBC's public purposes such that the BBC prioritises on screen diversity and investment in content production in the UK's nations and regions.

14. How should the BBC's commercial operations, including BBC worldwide, be reformed?

Equity supports the commercial operations of the BBC but has acted robustly to ensure that the rights of artists are protected and that they are rewarded appropriately when their work is exploited in the commercial sphere. Alongside securing a fair return for investment for licence fee payers, the BBC must also continue to pursue commercial arrangements that properly recognise the IP rights of performers in the next Charter period.

Commercial operations such as BBC Worldwide must continue to ensure that they can deliver real value to the BBC, licence fee payers and content creators. Rightly the BBC has narrowed its commercial arm and is now focussed on marketing BBC content. In general BBC output should not be driven by the consideration of its retail value in international markets however BBCW should be empowered to concentrate on enabling UK content to be showcased as widely as possible, using new technology and platforms where applicable.

BBC Worldwide is an important source of revenue which is re-invested in BBC production. This helps to keep the Licence Fee as low as possible. It exists to maximise profits for the BBC, but operates under the rules and principles outlined in BBC's Charter and Agreement. This framework is important as it means that BBCW is independent of Government, but supports the BBC's public service mission and is accountable to licence fee payers.

In 2013/14 alone BBCW returned £174m to the BBC through investment in BBC commissioned content and dividends. Independent producers and rightsholders also benefit greatly - in 2013/14 alone they received £116m in upfront rights investment, profit share and royalties from BBCW.

It is difficult to understand what merit there is in undertaking a debate about the ownership of BBCW at a time when further cuts to BBC funding are likely to occur. There should be no privatisation of any part of the BBC in the coming Charter period and the BBC should instead be free to explore how it can maintain and expand investment in content via all income derived from commercial activities into programme-making.

15. How should the current model of governance and regulation for the BBC be reformed?

There appears to be widespread support among parliamentarians and media commentators for Option 3 outlined in the Green Paper. This would entail abolishing the BBC Trust and empowering Ofcom to regulate the BBC. While elements of this option are attractive – Ofcom is an established and experienced regulator in the media sector and its new Chief Executive has indicated that Ofcom would be willing to exercise some of the regulatory functions of the BBC going forward - there are also a number of problems with this approach.

Ofcom is currently firmly rooted in the commercial sector and would have to undergo significant reform to undertake responsibility for the BBC. Under the Ofcom model there also may not be representation for important groups whose views must be taken into account – specifically representatives of the workforce and licence fee payers. The BBC Trust is currently empowered to represent licence fee payers but has had varying success in doing so. In many cases it has endorsed decisions made by the Executive and it is unclear how much bearing public views have

had on their decisions. Whoever regulates the BBC in the future must represent the views of licence fee payers much more robustly and should take a more active approach to issues such as positive employment relations, equality and diversity.

16. How should Public Value Tests and Service Licences be reformed and who should have responsibility for making these decisions?

Equity has been supportive of Public Value Tests and Service Licence reviews and has made submissions to relevant consultation exercises relating to both processes conducted by the BBC Trust. These consultations provide a channel for Equity and the public to express concerns and give feedback, most recently about the future of BBC Three and the operation of the BBC's radio stations. Consultation of this nature should continue into the future however consideration should be given as to how licence fee payers and the general public can more widely contribute their views.

17. How could the BBC improve engagement with licence fee payers and the industry, including through research, transparency and complaints handling?

We agree that Audience Councils could also be given more prominence, either by the BBC or by the BBC Trust. Given the need to address the lower levels of satisfaction of certain BBC audience groups including those living in Scotland and Northern Ireland and certain ethnic groups, the structure of Audience Councils could be given more visibility and could be given a more robust remit or focus, for example in terms of representing underserved audiences and BAME, LGBT, women and disabled audiences.

It is regrettable that in many cases BBC senior management pay levels continue to appear to reflect patterns elsewhere in the economy, namely a growing gap between a small number of highly paid executives, whose rewards have grown year on year irrespective of performance, and the rest of the workforce who have seen greater insecurity and lower rewards. Equity has a constructive working relationship with the BBC however we will continue to seek to achieve improvements to the pay, terms and conditions of our members.

Creative workers and performers are central to the sustainability and strength of the UK's content production sector including the BBC's output however, as they are mostly freelancers and self employed workers, they do not enjoy the same security or pay levels of directly employed workers. If the BBC is to continue to attract the best talent for its productions it must retain and improve terms and conditions and pay levels agreed with Equity and other trade unions for all performers. The diversity of the BBC's workforce also needs to be vastly improved – particularly at senior levels and especially in terms of ethnicity, disability and gender.

18. How should the relationship between Parliament, Government, Ofcom, the National Audit Office and the BBC work? What accountability structures and expectations, including financial transparency and spending controls, should apply?

Equity is in favour of including a new legal obligation in the Royal Charter for Government to consult either directly with the public or via any future regulator of the BBC and to seek Parliamentary approval for any changes to the BBC's funding. The lack of transparency

surrounding the last two licence fee settlements are a matter of considerable concern for licence fee payers and the thousands of people who work at or for the BBC, as well as the industry, and the process for such agreements should be made more transparent and accountable as an urgent priority.

It is imperative in the next Charter period that specific decisions about the BBC's services or content should not be a matter for Government. These decisions should be taken by the BBC, in accordance with the parameters set out by its regulator and in concert with the appropriate consultation mechanisms with licence fee payers. The independence of the BBC and any new regulatory body established under Charter Renewal should also be carefully protected.

19. Should the existing approach of a 10 year Royal Charter and Framework Agreement continue?

The BBC Trust has suggested that in future it is worth exploring a longer Charter period of 11 years. This is to prevent undue political pressure being brought to bear on the BBC as a result of the changes to fixed term parliaments. Given that the cycle of 5 year parliaments will continue to coincide with Charter Renewal under the existing 10 year model Equity believes that this is a sensible suggestion.

Agenda Item 4

4 November 2015 – Papers to note cover sheet

Paper No:	Issue	From	Action Point
Public papers to note			
2	Fourth Assembly Committee Legacy	Deputy Minister for Culture, Sport and Tourism	Additional information following the meeting on 16 September
3	Fourth Assembly Committee Legacy	Dame Rosemary Butler AM, Presiding Officer	Correspondence to the Chair providing information on the Business Committee's legacy report
4	Fourth Assembly Committee Legacy	Minister for Public Services	Additional information following the meeting on 24 September
5	Fourth Assembly Committee Legacy	Minister for Finance and Government Business	Additional information following the meeting on 24 September
6	Fourth Assembly Committee Legacy	First Minister of Wales	Additional information following the meeting on 24 September
7	Fourth Assembly Committee Legacy	Minister for Communities and Tackling Poverty	Additional information following the meeting on 24 September
8	Local Government Reform	Minister for Public Services	Correspondence to the Chair providing information on the joint event hosted by the Welsh Government and the Welsh Local Government Association – The Challenges and opportunities for Local services delivery in Wales.

Ken Skates AC / AM
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism



Llywodraeth Cymru
Welsh Government

Christine Chapman AM
Chair
Communities Equality and Local Government Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

27 October 2015

Dear Christine,

COMMUNITIES, EQUALITY AND LOCAL GOVERNMENT COMMITTEE – UPDATE ON ACTIONS ARISING FROM MEETING ON 16 SEPTEMBER 2015

You will recall that during my attendance at the Communities, Equality and Local Government Committee meeting on 16 September 2015 I agreed to provide you with updates on a number of key policy priorities.

One of these key areas related to the work that has been undertaken in evaluating best practice from across Europe in levering in alternative sources of funding for the arts.

I am now pleased to provide a copy of the report on this area that has been prepared by the Arts Council of Wales.

I would also refer to another of the action points from the 16 September meeting where I agreed to provide you with an update on the situation regarding the impact of funding and the performance of Arts & Business Cymru (A&BC). This work is well in hand and a report has been completed and shared with A&BC on 20 October.

A&BC are currently considering their response to the content and recommendations of the report while my officials are considering how best to take forward its recommendations, in consultation with ACW.

These deliberations are at a very early stage although all parties are aware of the need to identify a suitable way forward as a matter of urgency.

A further update on this action will be provided in due course.

*Yours ever,
Ken*

Ken Skates AC / AM
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

Briefing

Levering funding for the Arts: a note on European approaches

1. Introduction

The current period of economic austerity, and the ongoing pressure on public funding, is focusing attention on alternative methods of funding arts and cultural activity. One response is to encourage grant-aided organisations to reduce their dependency on public support, either by increasing earned income or developing additional sources of income. This mixed funding model, if it can be achieved, is generally felt to offer a better prospect of financial sustainability and resilience.

This briefing note focuses on the primary tools adopted across Europe to encourage and incentivise private investment in arts and culture.

The information set out in this note has been informed by discussion between the Arts Council of Wales and colleague members of the European chapter of IFACCA (the International Federation of Arts Councils and Cultural Agencies). It also draws on data and information contained in *Encouraging Private Investment in Cultural Sector* (European Commission 2011).

Our European peers confirm that ongoing financial pressures are obliging most countries to experiment with different mixes of public/private support. However, the financial context is reported as being “challenging” and the results of this experimentation “mixed”.

Two sources of funding in particular – sponsorship and trusts/foundations – are reported as being under increasing stress. In the 1980s and 1990s levels of business support in European countries were generally on the rise. Now, however, it is diminishing. Private foundations in Europe have also tended to cut grant-giving, albeit on a temporary basis, as they nurse their capital during an era of low interest rates.

This has tended to focus attention on the incentives (usually around taxation) that governments can enact to stimulate individual and corporate investment. This is explored in more detail below.

2. Defining terms

For the purposes of this note, “private investment” refers to the investing in, giving to or spending on culture undertaken by individuals, businesses or non-public organisations.

It should be noted that investing, giving and spending are driven by different motives. **Investing** is driven by the principle of gain measured in terms of profit or return on investment. **Giving** is prompted by different motives, usually driven by the principles of individual or corporate social responsibility.

Public support

This includes direct and indirect support:

- *Direct support* is the support to arts and culture made by government and/or other public bodies, such as the Arts Council. This support includes grants, subsidies, awards etc.
- *Indirect support* consists of measures, adopted by governmental and/or public institutions for the benefit of the arts, that usually involve legal instruments or interventions. Indirect measures usually revolve around the treatment of taxation – the income that local and national governments forego because of tax reductions and/or exemptions granted to arts and cultural institutions.

Private support

Private support includes business support, individual giving and support from foundations and trusts:

- *Business support* usually refers to direct financial investment designed to achieve specific outcomes. These can vary from involvement in public-private partnerships, sponsorship, donations or the commissioning/purchasing of works of art
- *Individual giving* includes all transactions made by individuals with the intention of donating or contributing arts activity. (This is different to purchasing tickets for attendance which would generally be described as earned income.)
- *Foundations and trusts* are predominantly intermediary bodies, charitably constituted and usually founded by law. They nearly always supported by

private endowment and serve specific purposes defined in the body's founding objectives.

Earned income

This would include all individual spending for cultural purposes, such as entry fees to cultural institutions, the purchase of tickets or the buying of cultural objects.

3. The political context

There are a number of EU documents addressing cultural industries that refer to partnerships among the arts and business sectors. The European Parliament Resolution on cultural industries in Europe (2007/2153(INI)) calls on:

“the Council, the Commission and the Member States to take the action required, recommending mixed methods of funding and financial security, and promoting a regulatory and fiscal framework that favours cultural industries as well as creative communities, and more particularly by applying tax credits and reduced rates of VAT to all cultural products, including online works.”

Business and arts cooperation is also referred to in the European Green Paper on *Unlocking the potential of cultural and creative industries*, COM(2010) 183, as well as in the European Council's observations regarding the contribution of the cultural and creative sectors to the achievement of the Lisbon objectives. The latter pay special attention to promoting

“contacts and cooperation between the creative sector and the business world in order to increase the awareness of the latter regarding the potential of the cultural and creative sector.”

4. Encouraging private investment

The principal means of encouraging private investment in the cultural sector area as follows:

1. **Tax policy.** An important advantage of tax policy is its neutrality as tax incentives do not generally relate to specific artistic content. Instead, criteria tend to be general and are linked to types of beneficiaries. It is therefore left

to individuals, corporate businesses and non-profit foundations to make their own cultural decisions.

Examples across Europe include tax reliefs, tax breaks, tax deductions, tax exemption, tax allowance and tax incentives etc and specifically branded schemes such as the transfer of art in lieu of payment of tax.

Example: Throughout the 1990s Sweden had applied its standard VAT rate of 25% to books. Lowering the VAT on books in Sweden was intended to lower prices and increase sales, in order to promote readership, quality of books and diversity of content. In 2002 a decision was reached to bring down the level of VAT on books to 6%. The VAT reduction was immediately reflected in lower prices and in the following year sales rose by 16%.

2. **Sponsorship.** Sponsorship is a feature of cultural investment in all European countries. However, its scale is not consistently measured and it is difficult to provide accurate figures, although the general consensus is that this is static at best and reducing in many countries as companies move away from traditional sponsorship programmes to community based programmes based around corporate social responsibility.

Sponsorship generally represents a small proportion of the incomes of most arts organisations. It is also more prevalent in the metropolitan centres and in support of larger, higher profile arts organisations. A small community based organisation in a rural area would generally struggle to achieve significant levels of corporate sponsorship

Example: The Office for Cultural Sponsorship, established by the Greek state, encourages private sector sponsorship of the arts. The value of the sponsorship is deductible from the taxable income of the ratepayer or the gross income of the business offering the sponsorship. Once a year, the Minister of Culture awards prizes for particularly enterprising examples of support.

3. **Public-private partnerships (PPP).** These are usually an agreement between a government and the private sector to provide public services or physical infrastructure. Under these arrangements the public sector is relieved of the burden of managing large capital expenditures and transfers the risk of cost overruns to the private sector. There are few examples of this in the arts.
4. **Levies.** This is a requirement to pay an additional amount on top of the identified cost of the cultural product. Examples include booking fees, credit

card charges and charges levied for a specific purpose (such as general fundraising or capital refurbishment).

Levies can be voluntary and mandatory.

Another variation of this approach would be initiatives such as % for Art that seek to identify a specified amount of the funding of a larger development to be available for public arts work. % for Arts schemes were widely adopted by a number of local authorities in the 1990s and coincided with the launch of the National Lottery

Example: The Community Infrastructure Levy allows local authorities in England to raise funds towards infrastructure needed to support the development of their areas. The Community Infrastructure Levy allows charging authorities to raise funds, usually through planning gain and developer contributions, towards the cost of infrastructure needed to support an area's development. The Planning Act (2008) defines cultural facilities as within the definition of relevant infrastructure.

Example: In the Netherlands, the integration of art in state buildings has been an element of government policy from the beginning of the nineteenth century. The current percentage for art scheme stipulates that for the building, conversion or renovation of state buildings, depending on the total building sum, 0.5 to 2% of the budget must be spent on the visual arts. As a result of the percentage scheme the Rijksgebouwendienst (Government Buildings Agency) is the biggest commissioner in the field of the visual arts in the Netherlands. More than 2,500 works of art have been realised in the last 40 years in the context of this scheme.

5. **Percentage legislation.** This is a tax measure through which taxpayers may designate a certain percentage of their income tax to be allocated to a specific non-profit, non-governmental organisation). Among EU Member States, percentage legislation systems exist in Eastern European countries, such as Hungary, Lithuania, Poland, Slovakia, Romania and Slovenia.

Example: In 2007, the Nonprofit Information and Training Centre (NIOK) Foundation conducted a research study evaluating percentage legislation in the five Eastern European countries identified above. The study concluded that, in societies with no tradition of donation and no models for the population to follow in order to take part in philanthropy, application of percentage legislation can be an effective way to stimulate giving.

6. **Individual donations.** These are one-sided business transactions from which the donor expects no direct benefit. Donations can be made in cash or in kind. A number of EU Member States have implemented measures to encourage individual donations. Several countries offer deductions for individual donors, following examples from the US and countries such as Italy, Greece and Germany who have special incentives around inheritance tax.
7. **Corporate donations.** Gifts in cash or in kind, made by companies and other legal subjects to cultural organisations or individual artists. Measures supporting corporate donations most often take the form of tax incentives for donors.
8. **Transfers in lieu of tax.** Many countries allow taxpayers to transfer their property, including works of art, in lieu of payment of different taxes, such as estate tax. Such a system effectively acts as a 'tax credit' rather than a 'tax deduction'

Example: In December 2014 artworks worth around £45 million were left to the nation in lieu of tax. They included an early work by Vincent Van Gogh, a collection of political posters and more than 40 sketches and paintings from the personal collection of the late Lucian Freud. Van Gogh's oil painting Head of a Peasant Woman dates to around 1884 and has been given to the National Gallery. The collection of 99 political posters, which mostly date from the first quarter of the 20th century, were collected by Bristol University librarian Geoffrey Ford and have been given to the university.

9. **Matching funds/grant.** These usually reflect a requirement or a condition that stipulates that private donation in money or in kind has to be matched by a certain amount proportional to the value of the donation from a third party (for example, state or local community). One of the advantages of this arrangement is that private investors are reassured about the value of this investment by seeing the *imprimatur* of government support.
10. **Lotteries.** Lottery schemes exist across Europe. As in the UK, the model usually involves the collection of earmarked taxes which are then reallocated for designated or specific cultural purposes.
11. **Voucher schemes.** In general, a voucher is a credit of a certain monetary value that can be used only for a specified purpose. In the culture sector,

vouchers are used as a manner of stimulating demand for cultural products or allowing discounted access to specified events.

In Europe, the most well-known voucher system is in Slovakia although similar schemes have been tried in Germany.

Example: An initiative organised by the Ministry of Culture of the Slovak Republic in 2006 saw the issuing of cultural vouchers (each with the value of SKK 200, approximately EUR 6) to students and teachers of primary and secondary schools free of charge. The vouchers could be used for visiting a cultural event or for access to cultural heritage institutions (museums, galleries, libraries) in the organisations that were registered with this scheme. The Ministry issued a total of 900,000 thousand vouchers for students and 100,000 thousand for teachers. The Ministry then reimbursed individual cultural organisations the amount of money that they received in the form of vouchers. Some 527,000 vouchers were used, with a total value of SKK 105.5 million (approx. EUR 3.1 million).

12. **Banking schemes.** These direct bank support to the cultural sector. Banking schemes can include loan schemes that give a preferable interest rate to cultural activities, or any other instruments that favour cultural activities. There are several examples in Wales of the Charity Bank adopting this approach
13. **Trusts and Foundations.** Usually non-profit organisations that either donate funds and support to other organisations, or provide the source of funding for their own charitable purposes. Most foundations in Europe support social issues, while culture is the focus of activity of a smaller and more limited number of foundations.

Example: Malta has a vibrant trusts and foundations sector supporting artists and the arts (for example, Malta Arts Fund, Malta Film Fund, Extended Public Service Obligations, Francis Ebejer Prize, Investment Funds, Kreattiv, Malta Arts Scholarships, Malta Enterprise supporting the arts and creative industries, and the National Book Prize).

14. **Venture philanthropy.** This emerging form of private investment applies venture capital investment principles, such as long-term investment and capacity-building support, to the voluntary and community sectors. It is often described as a form of 'engaged' philanthropy.
15. **Crowd funding and online fundraising.** These are new mechanisms in the digital arena designed to encourage private investment in culture. The UK-

based Crowdfunding Centre estimated that in the month of March 2014, 442 campaigns were launched globally on a daily basis

Crowd funding usually operates in one of three ways of offering a 'return' to the investor: through the offer of a reward, by taking an equity stake, by financing debt.

Example: In Sweden, Crowdculture works like a regular crowd funding platform except for the fact that artists and cultural workers can also seek financing from public funds through the system. The money pool is both private money (members) and public money (part of the government cultural budget). It is the members' voices that control where the public money goes. Once a member votes on a project, it corresponds with money from the public pot. Success depends on sufficient numbers of members being persuaded to support a project.

16. **Own organisation earned income.** Arts and business organisations can often provide a range of income-earning services through their training activities, friends schemes, awareness raising activities and linkage between the arts and business sectors. The establishment of specialised agencies, such as Arts & Business Wales, encourage engagement between business companies and the arts sector, enhancing private involvement in the cultural sector.

3. Observations and conclusions

Consultations with European colleagues have elicited the following observations:

- indirect public support measures via tax incentives in Europe are well developed, but the take-up of these by citizens, cultural organisations and businesses varies across different countries. There is a consensus that more needs to be done to promote a culture of giving
- the temptation to over-emphasise the potential of private support to serve as an alternative to public support is controversial. Private funds in many European countries are decreasing rapidly in the period of crisis. There is also a growing body of opinion to suggest that there is a positive correlation between the roles of the state and private investment in culture.

- public intervention in terms of matching funds or fiscal encouragement builds trust in the importance of culture for sponsors and donors who want to capitalise in an already successful and important sector.
- Crowdfunding tends to be viewed with a mix of enthusiasm and suspicion. It is undoubtedly providing new sources of income and can be a practical way of identifying new customers/supporters. However, repeated campaigns risk donor exhaustion and are rarely able to provide for an organisation's core costs. There can also be a public fear of abuse over what is an unregulated investment instrument
- more could be done to set up supportive and financially sustainable Friends scheme. Too many Friends scheme offer more in benefits and discounts than they receive in cash
- the professionalism of fundraising is not adequately developed. While the for professionalism is evident, the critical decision to employ fundraisers is very difficult to make when there are often not enough funds to properly pay for core cultural or artistic activities, or to appoint external fund-raising consultants. Therefore, fundraising is not sufficiently included as an integral part of the operational structure in most cultural organisations.

Arts Council of Wales
October 2015

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
CELG(4)-27-15 Papur 3 / Paper 3

7 October 2015

Dear Chair,

The Business Committee has decided to produce a legacy report and is gathering views on the work it has carried out over the past five years including the structures it has put in place, the procedural reforms it has introduced, and its ways of working. The final report will help inform the successor committee in making a number of key decisions at the start of the Fifth Assembly.

The Committee is consulting on the **questions set out in Annex A to this letter**. You will be aware that I have already established a Chairs Forum to consider many of these issues from a committee perspective, and to report to me by the end of the year. That Chairs Forum's report will feed into the Business Committee's own legacy report, but I wanted to give your committee the additional opportunity through this consultation of raising any specific issues related to your committee's work that you may want to bring to the Business Committee's attention.

The Committee is also consulting with external stakeholders, with a closing date for submissions of **13 November 2015**. We will be meeting in early December to consider the evidence gathered, and so ask that you make any submissions in time for them to be considered at that meeting.

If you wish to submit evidence, please send an electronic copy of your submission to SeneddBusiness@Assembly.Wales. Alternatively, you can write to: Committee Clerk, Business Committee, National Assembly for Wales, Cardiff Bay, CF99 1NA.



Disclosure of information

You can find further details about how we will use your information at www.assembly.wales/help/privacy/help-inquiry-privacy.htm. Please ensure that you have considered these details carefully before submitting information to the Committee. A hard copy of this policy can be requested by contacting the Clerk.



Dame Rosemary Butler AM

Chair, Business Committee



Annex A

The terms of reference for the inquiry:

During the current Assembly, the Presiding Officer and Business Committee have introduced a number of procedural reforms, including changing the deadlines for tabling Oral Assembly Questions, introducing regular Individual Member Debates, and leaders' and spokespeople's questions.

- What impact have these changes had in enabling Members to represent their constituents and hold the government to account?

For the first time, the committee structure of the Fourth Assembly, combined policy and legislative scrutiny within the same committees.

- How effective has this approach been and how have committees achieved a balance between their policy, financial and legislative scrutiny?
- What changes could be made to committee size and structure in future to make them more effective?

The Business Committee is responsible for setting the Assembly timetable, including scheduling committee meetings. Currently, Plenary meets on Tuesday and Wednesday afternoons, with committees meeting mostly on Tuesday and Wednesday mornings, and Thursdays.

- Does the current Assembly timetable, including the structure of the working week and committee/Plenary slots provide the



correct balance in terms of the use of the Assembly's time, allowing it to effectively perform its functions of making laws, representing the people of Wales, and holding the government to account?

The Business Committee is responsible for establishing timetables for committees to consider Bills, and LCMs, in line with Standing Orders.

- Do the current processes for timetabling legislation – including Bills and LCMs – allow for proper scrutiny and engagement by Members and stakeholders? Could it be made more effective?

Unlike its equivalents in many other legislatures, the Assembly's Business Committee combines the role of scheduling Assembly business with that of a 'procedures committee' responsible for considering and proposing changes to the Assembly's Standing Orders and procedures.

- What are the advantages and disadvantages of this dual role, and is there a case for reviewing it?





Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P(IA)/0048/15

Christine Chapman AM,
Chair, Communities, Equality and Local Government Committee

2^o October 2015

Dear Christine,

Thank you for your letter of 25 September requesting additional information on Community Support Officers (CSOs) in Wales, following the CELG Committee meeting on 24 September. I will address each of your questions in turn.

1. The number of additional Community Support Officers that have been deployed as a result of Welsh Government funding

The Programme for Government said that we would: "Fund and facilitate the employment of 500 Police Community Support Officers (PCSOs) in Wales". We reached our target of 500 CSOs deployed or in training in October 2013. These are employed across the four Welsh forces as well as British Transport Police. British Transport Police has been allocated 18 officers, Dyfed-Powys 74, Gwent 101, North Wales 101 and South Wales 206. .

As in every organisation, there is inevitable turnover of staff amongst CSOs. Some officers see being a CSO as their permanent career choice. Others view it as a way of gaining the necessary experience to progress to becoming a warranted officer. The latest available figures show that since the project began, more than 160 of the Welsh Government funded CSOs have become warranted officers. Irrespective of the reason for leaving, the officers are replaced through the normal procedures for managing turnover.

My officials work very closely with the Chief Constables to monitor CSO numbers. Chief Constable Simon Prince, of Dyfed-Powys Police, is the nominated lead for the CSO Project and sits on the project steering group. The steering group regularly monitors the numbers of CSOs recruited through the Welsh Government scheme and examines these figures in the context of each force's staffing plans for officers funded through other means.

Chief Constable Prince has recently commented:

"Since the provision of an additional funding of 500 CSOs by Welsh Government, Police Forces have recruited and maintained these additional resources over and above core funded PCSOs. This number does vary occasionally, in particular during periods of police recruitment where we traditionally have attracted high numbers of applicants from (P)CSO roles. Police forces have responsibility for recruitment into any vacancies and numbers are monitored by a Welsh Government Steering Group.

The use and deployment of CSOs falls within the control and operational independence of the Chief Constable in accordance with the agreement between Welsh Government, the police forces in Wales and British Transport Police. CSOs are therefore deployed where their services are most needed in the community.”

I recently agreed to continue funding the project for the 2016-17 financial year to allow forces to maintain their staffing plans. Also, in order to assist the forces in managing the turnover of staff, I have included a small amount of contingency within the grant offer to each force. Furthermore, as you will be aware, I hold regular meetings with the four Chief Constables of Wales. Our most recent meeting took place on 12 October and I raised this matter with them again, stressing the importance of maintaining the numbers and maximising the use of the available grant for the benefit of communities in Wales.

2. The total number of CSOs in Wales now compared with before the allocation of Welsh Government funding

Each force is required to provide information on its recruitment, deployment and turnover as part of the grant terms and conditions. The figures for the end of the last financial year show that at 31 March 2015, there were **504** Welsh Government funded full and part-time CSOs (**498** FTE) , with plans in place to recruit more officers to provide a contingency for turnover. Figures from the same period show that there were **541** full-time equivalent CSOs funded by other means.

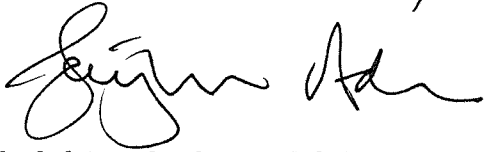
From the outset of the project, we have recognised that the staffing levels in each force were projected to fall as a result of the UK Government’s spending plans. Each police force drew up efficiency plans following the Spending Review 2010: these plans have been monitored at intervals by HM Inspectorate of Constabulary and reflect considerable reductions in the planned policing strength of forces across England and Wales. Baseline figures collated by the project steering group show that there were **694** FTE PCSOs employed in Wales at 30 June 2011, ie. just before the initiation of the project. These figures include PCSOs deployed within Wales by British Transport Police. The baseline figures also indicate that the police staffing levels (warranted officers and PCSOs) in Wales were projected to fall from **8,021** to **7,402** between June 2011 and March 2015.

3. Response to the concern that CSOs funded by the Welsh Government are replacing those who are no longer in post as a result of cuts in Home Office funding

We have not, nor will we ever, simply plug gaps left by the removal of funds from other sources. I attach at Annex A, a copy of the CSO Grant terms and conditions. These include full details of the additionality requirements.

There is no escaping the fact that UK Government funding cuts have resulted in a reduction in officer numbers. However, we accepted this from the very beginning and we made clear that our funding was to provide 500 more CSOs than there would have otherwise been. We did not require that forces should maintain their initial staffing levels plus 500, as this clearly would not be realistic in the face of reduced funding.

The phrasing in the grant letters emphasises that our funding is to be **in addition to planned policing levels**. Therefore, our funding does not allow the forces to top up or backfill their numbers in Wales. They have their planned staffing levels and our funding provides for CSOs over and above those levels.

Yours sincerely,


Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services

TERMS AND CONDITIONS APPLYING TO THE AWARD OF COMMUNITY SUPPORT OFFICER GRANT

April 2015

1 Statutory authority

This award of Grant is made on and subject to the Conditions and under the authority of the Minister for Public Services one of the Welsh Ministers, acting pursuant to sections 70 and 71(1) of the Government of Wales Act 2006 and section 126 of the Housing Grants Construction and Regeneration Act 1996.

2 Interpreting these Conditions

This document sets out the terms and conditions attached to the payment of Grant in connection with the Welsh Government Community Support Officer Programme.

Any reference in these Conditions to:

'you', 'your' 'Authority' is to the

Police and Crime Commissioner for [Force]
[Address]

'we', 'us', 'our' is to the Welsh Ministers

'Welsh Government Official' is to the

Deputy Director
Local Government Finance Policy Division
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

or such other Welsh Government official as we may notify you.

'Responsible Officer' is to

Chief Finance Officer
Office of the Police and Crime Commissioner for [Force]
[Address]

'Grant' is to the grant detailed in the Grant Offer Letter.

'Grant Offer Letter' is to the grant offer letter dated [date of issue].

'Grant Period' is to the period as set out in the Grant Offer Letter.

'Schedule' is to the schedules which form part of these terms and conditions.

'Purpose' or **'Approved Purpose'** means the purposes approved by the Welsh Ministers as set out in Schedule 1.

'Conditions' is to the terms and conditions set out here.

'Grant Schedule' is to the grant schedule set out in Schedule 2.

'Payment Profile' is to the payment profile set out in Schedule 3.

'Costs Incurred' is to the cost of goods and services you have received regardless of whether you have paid for them by the date of your claim.

'Notification Event' is to any of the events listed in Schedule 4.

'State Aid Rules' is to the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109.

'legislation' will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

3 Use of Grant

- a. The Grant may only be used for the approved purposes set out in Schedule 1 (the Purpose).
- b. The Purpose was agreed between the Welsh Ministers and the Association of Chief Police Officers Cymru on behalf of eligible recipients. It may only be modified by agreement in writing between us and ACPO Cymru.
- c. Any misrepresentation, including concealment or withholding of relevant information, by you in your application for the Grant, during or after the Grant Period may be treated as a failure to comply with these terms and conditions.
- d. You must not use any part of the Grant for: purchasing capital equipment (other than as agreed in writing in relation to the Purpose); your legal fees in relation to this letter; party political purposes; the promotion of particular secular, religious or political views; or any kind of illegal activities.

4 Additionality

It is a core principle of these terms and conditions that the Grant is provided for Community Support Officers employed for your force area in addition to the planned policing levels as funded from other sources (taking into account any changes to those plans resulting from fluctuations in funding from those sources). We will monitor this principle of additionality in accordance with Schedules 1, 5 and 8 and may withhold any or all of the Grant and/or require part or all of the Grant to be repaid if monitoring demonstrates that this principle has not been satisfied or if monitoring fails to demonstrate that it has been satisfied.

5 Communications

All communications about the programme must be consistent with the lines agreed between the Welsh Ministers and the Chief Constables of Wales. The views of the Welsh Ministers take precedence in relation to communications about the policy or financing of the programme. On operational matters, the views of the relevant Chief Constable(s) take precedence.

6 Grant preconditions

- a. We will not pay any of the Grant to you until you have provided us with the following information and documentation:
 - i. Staff and cost estimates as set out in Schedule 5;
 - ii. a copy of the Grant Acceptance Form at Schedule 7 signed by the Responsible Officer and the Chief Finance Officer for the police force;
 - iii. a copy of the Additionality Principles at Schedule 8, signed by the Police and Crime Commissioner and the Chief Constable [Chief Constable only in the case of British Transport Police].
- b. Where you are required to provide information and documentation to us as evidence that you have satisfied a particular precondition or Condition, or in support of a claim, the information and documentation must be in all respects acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us.

7 How to claim the Grant

- a. On receipt of the signed Grant Acceptance Form and Additionality Principles and their satisfactory validation, we will pay the Grant to you quarterly in arrears based on the Costs Incurred by you in the delivery of the Purpose in line with the Grant Schedule.
- b. You must claim the Grant in accordance with the quarterly dates set out in the Payment Profile at Schedule 3. We will issue invitations for you to submit a claim at the end of each quarter. Where costs are incurred only for part of the financial year (eg. during setting-up periods), the initial payment will be made as set out in the Grant Schedule with subsequent payments being made in accordance with the quarterly timetable for the remainder of the year. You must claim the Grant promptly. We reserve the right to withdraw any part of the Grant that you do not claim promptly.
- c. You must use our current claim form (Schedule 9) and attach the information and documentation specified in the Payment Profile.
- d. You must submit your claim forms, certified by the Chief Finance Officer for payment of Grant to the address given on the Claim Form, within 30 days of the end of each quarter as set out in the Payment Profile. Failure to claim within this period, may result in any unclaimed part of the grant ceasing to be made available.
- e. We will aim to pay valid claims as soon as possible and typically within 28 days.
- f. We may, at our discretion, pay an instalment before the start of, or during, a three-month period. If you wish to be paid in advance, you must submit a full statement supporting the early payment request with the Claim Form.
- g. The Grant must not be transferred to any other body other than that indicated in the Grant Schedule.

- Unless included in the initial approval for each Grant Period or agreed in writing by us, the Grant will not be adjusted to take account of pay and price changes during the Grant Period.

8 Your general obligations to us

You must:

- a. safeguard the Grant against fraud generally and, in particular, fraud on the part of your management, employees and/or suppliers and notify us immediately if you have reason to suspect that any fraud has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time;
- b. comply with all applicable laws or regulations or official directives whether derived from domestic, EU or international law;
- c. put in place and maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purpose. We reserve the right to require you provide proof of your insurance;
- d. cooperate fully with the Welsh Government Official and with any other employee of the Welsh Government or person appointed by us to monitor your use of the Grant and your compliance with these Conditions.

9 Declarations

You declare that:

- a. you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- b. no litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- c. you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing Grant to you;
- d. you have agreed the staffing estimates required under Schedule 5 and you are confident that they are realistic and achievable.

10 Notification Events and their consequences

- a. You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- b. We will seek to discuss the Notification Event with you and to agree a course of action to be taken to address the Notification Event and in doing so we will consider both the seriousness of the Notification Event and whether or not it can be remedied.

- c. We will be entitled to take any of the actions listed in Condition 10d if:
 - i. despite our reasonable efforts we have been unable to discuss the Notification Event with you; or
 - ii. we notify you that the Notification Event is not capable of remedy; or
 - iii. a course of action is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action); or
 - iv. the course of action fails to remedy the Notification Event to our satisfaction.
- d. If any of the circumstances set out in Condition 10c occurs, we may by notice to you:
 - i. withdraw the award of Grant; and/or
 - ii. require you to repay all or part of the Grant immediately; and/or
 - iii. suspend or cease all further payment of Grant; and/or
 - iv. make all further payments of Grant subject to such conditions as we may specify; and/or
 - v. deduct all amounts owed to us under these Conditions from this or any other Grant that we have awarded or may award to you; and/or
 - vi. exercise any other rights against you which we may have in respect of the Grant.
- e. All repayments of Grant must be made to us within 28 days of the date of our demand. You must pay interest on any overdue repayments at a rate of 1.5% per annum above the Bank of England base rate from time to time or at such other rate as may be required by the State Aid Rules. Interest will accrue on a daily basis from the date the repayment is due until actual repayment of the Grant, whether before or after judgment. You must pay the interest together with the overdue repayment.

11 Monitoring requirements

You must:

- a. administer the Grant economically and maintain adequate financial controls in accordance with statutory accounting and audit requirements and guidance. You must at all times be able to demonstrate to our satisfaction that proper financial and other controls are in place. The Grant must be recorded separately within your accounting system to facilitate a clear audit trail.
- b. expect monitoring and evaluation procedures to be undertaken by us. You must cooperate with any such exercise undertaken by us or a person appointed by us to undertake such an exercise on our behalf. Evaluation exercises will be undertaken in accordance with a framework originally agreed between us and ACPO Cymru in line with the Purpose set out in Schedule 1.
- c. monitor the use of the Grant and provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions as set out in Schedule 5.
- d. must advise us if you consider that any of the terms and conditions are not being complied with.

- e. meet with the Welsh Government Official and any other of our representatives as we may from time to time reasonably require;
- f. ensure that the Responsible Officer (or such other person as we may agree) attends all meetings with the Welsh Government Official.
- g. acknowledge that if the request statement and monitoring report are not received within the timescales set out in the Grant Schedule under these terms and conditions, this may result in a delay in the release of future payments and we may decide to withdraw the Grant.

12 Additional information

You must provide us with such other information as to your activities or proposed activities and as to your use or proposed use of all or any part of Grant funding, as we may from time to time require. We shall be entitled to use this and all information supplied to us by you relating to the Grant, as we deem fit. Such information shall, if so requested by us, be certified by an official of your organisation that we consider appropriate.

13 Audit requirements

- a. You must:
 - i. maintain clear accounting records identifying all income and expenditure in relation to the Purpose;
 - ii. without charge, permit any officer or officers of the Welsh Government, Wales Audit Office or European Commission at any reasonable time and on reasonable notice being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records as in such officer's reasonable view may relate in any way to your use of the Grant. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
 - iii. retain this letter and all original documents relating to the Grant in line with statutory requirements regarding the management of financial records or until we inform you in writing that it is safe to destroy them;
 - iv. provide us with an audit certificate in accordance with the requirements set out in Schedule 6.
 - v. should the income and expenditure statement reveal that, in our opinion, there are substantial variations between your actual income and expenditure and the amounts forecast in the request statements for that year, we may vary, withhold, or recover Grant payments in such proportions as we consider reasonable in the light of all relevant circumstances.
- b. Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold

documents to give any assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

14 Third Party obligations

- a. Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, employees and contractors).
- b. You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly arising as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party.

15 Publicity and Intellectual Property Rights

- a. You must acknowledge our support on all publicity, press releases and marketing material produced in relation to the Purpose. Such acknowledgement must be in a form approved by us and must comply with the Welsh Government's branding guidelines.
- b. You must provide us with a copy of all material listed in this Condition for our approval before any such material is published and you may not publish such material without our prior written approval.
- c. You agree that from the date of this letter until five years from the date of the final payment of Grant we may include details about your organisation, the Grant and the Purpose in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.
- d. Nothing in these Conditions transfers to us any rights in any intellectual property created by you as a result of the Purpose.

16 Access to Information

- a. You acknowledge that we are subject to the requirements of the Welsh Government's Code of Practice on Access to Information (the Code), the Freedom of Information Act 2000 (the FoIA), the Environmental Information Regulations 2004 (the EIR) and the Data Protection Act 1998 (the DPA).
- b. You acknowledge that we have absolute discretion in determining whether:
 - i. to disclose any information which we have obtained under or in connection with the Grant to the extent that we are required to disclose such information to a person making a disclosure request under the FoIA or the EIR; and/or
 - ii. any information is exempt from disclosure under the Code, the FoIA or the EIR.

17 Buying goods and services

You must buy all goods and services required for the Purpose in a competitive and sustainable way so as to demonstrate that you have achieved best value in the use of public funds.

18 Giving Notice

- a. Where notice is required to be given under these Conditions, it must be in writing (this does not include email but may include a letter attached to an email) and must prominently display the following heading:

Notice in relation to the Award of Grant in relation to the Community Support Officer Grant

- b. We reserve the right to terminate the Grant at any time. Reasonable notice of not less than six months will be given and arrangements for transfer or cessation of the work will take account of your contractual obligations. In the event of the Grant being terminated, it will be adjusted to cover employer liability costs arising from termination. You must repay us any other Grant which has not at the date of termination been used for the Purpose.
- c. The address and contact details for the purposes of serving notice under these Conditions are as follows.

You: the Responsible Officer at the address stated in Condition 2.

Us: the Welsh Government Official at the address stated in Condition 2.

- d. A notice will be deemed to have been properly given as follows.

Prepaid first class post: on the second working day after the date of posting.

By hand: upon delivery to the address or the next working day if after 4pm or on a weekend or public holiday.

By email attachment: upon transmission or the next working day if after 4pm or on a weekend or public holiday.

19 Equal Opportunities

You must apply a policy of equal opportunities as employers, as users of volunteers, and as providers of services, regardless of race, gender/gender identification, sexual orientation, religion and belief, age or any disability.

20 Welsh Language

Where the Purpose include or relate to the provision of services or written materials (including signage and information published online) in Wales, they must be provided in Welsh and English, unless it would be unreasonable or disproportionate to do so. Guidance about providing services and written materials in Welsh can be obtained from the Welsh Language Commissioner on 0845 6033 221 or by visiting www.comisiynydddygyrmaed.org.

21 Sustainability

Your use of the Grant must (where reasonably practicable) meet the Welsh Government's current agenda for sustainable development and the environment.

22 Welsh Ministers' Functions

You acknowledge that we have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in , or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige us or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

23 General

- a. Nothing in these terms and conditions will fetter the proper functions of the Authority or of the Chief Constable. These terms and conditions apply only to the use of this Grant and in relation to the Purpose set out in Schedule 1.
- b. If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- c. No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- d. Any amendment or variation these Conditions must be in writing and signed by us and you in the same manner as this letter.
- e. You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- f. Conditions 8, 10, 13, 15 and 16 and such other Conditions which by implication need to continue in force beyond the final payment of Grant will so continue in full force and effect.
- g. The award of the Grant is to you alone and no one else is entitled to make any claim in respect of the Grant or seek to rely on or enforce any of these Conditions.
- h. These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

24 How to accept the Grant Offer

- a. To accept this award of Grant you must sign and return a copy of the Grant Acceptance Form to the Welsh Government Official. This form must also be signed by the Chief Finance Officer for the police force. You must also return a copy of the Additionality Principles signed by the Police and Crime Commissioner (except British Transport Police) and the Chief Constable. No Grant will be paid to you until we have received your signed Acceptance Form and Additionality Principles.
- b. These terms and conditions apply only to the funds provided for Community Support Officers funded by the Welsh Government under this scheme.
- c. We must receive your signed forms **within 14 days of the date of the Grant Offer Letter**, or this award of Grant will automatically be withdrawn.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 1

THE PURPOSE

- 1 The Welsh Government is committed to delivering safe and strong communities in Wales. As part of that commitment, the Welsh Government has undertaken to fund an additional 500 Community Support Officers (CSOs) in Wales.
- 2 This represents a significant investment in community safety at a time of unprecedented pressure on public sector budgets, and on police Grant in particular. In using this Grant, police forces will have regard for Welsh Government strategic priorities and the aim of Safer Communities for All by making communities safer through reductions in anti-social behaviour and crime (including fear of crime) as set out in the Programme for Government. The CSOs will be highly visible in their communities, engaging with people, providing reassurance and tackling anti-social behaviour. They will play a pivotal role not only in making our communities safer, but in making them feel safer.
- 3 The Welsh Government funded CSOs will contribute to the policing of neighbourhoods, primarily through highly visible patrols and being accessible to, and working with, local communities and partners to improve the quality of life of those affected by crime and anti-social behaviour. They will achieve this by:
 - ♦ being visible and accessible to communities
 - ♦ providing reassurance to communities
 - ♦ engaging with partners and community organisations to actively address anti-social behaviour and related criminal activity
 - ♦ contributing to the reduction of crime by solving problems at a local level.
- 4 The Welsh Government funded CSOs will be recruited, trained, employed and deployed by the four Welsh police forces, and British Transport Police. **The key principle underpinning the activity of CSOs on a day-to-day basis will be the overarching operational independence of the Police Service.** Nothing in the terms and conditions of Grant should be read as seeking to undermine or erode this operational independence. In addition, the police forces have the operational and strategic knowledge and expertise necessary to deploy the Welsh Government funded CSOs in ways that best meet the shared ambition of the Welsh Government and the police service in Wales to make communities stronger and safer.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 2

GRANT SCHEDULE

**Office of the Police and Crime Commissioner
in respect of [Force]**

Forecast Cost Summary (as at date of issue)

The following table sets out the cost estimates as agreed at the time of issue of the Grant Offer Letter. The estimates will be refined before the beginning of each financial year and at other times as necessary.

	2011-12	2012-13	2013-14	2014-15	2015-16
Cost estimates (by financial year)	£	£	£	£	£
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	<i>Estimate</i>
Non-recurring costs					
Recruitment – Advert					
Recruitment – Staff					
Short-listing					
Selection Panels					
Medicals					
Vetting					
Training – Staff					
Certificate in Policing					
Uniform and Equipment					
ICT Equipment					
Airwave Radio Equipment					
Transport					
Marketing					
Accommodation					
Other					
Total non-recurring costs					
Recurring costs					
Salary (incl Shift and Enhancements)					
NI					
Pension					
Non-staff costs (incl Mobile Data)					
Total recurring costs					
Total estimated costs					
Apportionment of estimated costs					
Non-recurring costs					
Police Force costs					
Welsh Government CSO Grant forecast					
Recurring costs					
Welsh Government CSO Grant forecast					
Total estimated costs / Grant forecast					
Police Force costs					
Welsh Government CSO Grant forecast					
Total estimated costs					

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 3

PAYMENT PROFILE

Quarter	Period claim covers	Claim form due by	Documents which must accompany claim form
1	1 April - 30 June 2015	30 July 2015	<ul style="list-style-type: none"> ▪ Statement of interim income and expenditure for previous quarter ▪ Forecast of income and expenditure for remainder of financial year ▪ Quarterly Monitoring Report
2	1 July – 30 September 2015	30 October 2015	<ul style="list-style-type: none"> ▪ Statement of interim income and expenditure for previous quarter ▪ Forecast of income and expenditure for remainder of financial year ▪ Quarterly Monitoring Report ▪ Narrative setting out how the Grant has been used to meet the Purpose and objectives in Schedule 1
3	1 October – 31 December 2015	22 January 2016	<ul style="list-style-type: none"> ▪ Statement of Interim income and expenditure for previous quarter ▪ Forecast of income and expenditure for remainder of financial year ▪ Quarterly Monitoring Report
4	1 January – 31 March 2016	12 March 2016	<ul style="list-style-type: none"> ▪ Statement of Interim income and expenditure for previous quarter ▪ Forecast of income and expenditure for remainder of financial year ▪ Quarterly Monitoring Report ▪ Narrative setting out how the Grant has been used to meet the Purpose and objectives in Schedule 1

In addition:

Before the beginning of each financial year, you must provide when requested, estimates of the staff numbers and costs for the coming year as set out in Schedule 5.

After the end of each financial year, you must provide when requested, an end-year monitoring report to accompany the income and expenditure statement as set out in Schedule 5.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 4

NOTIFICATION EVENTS

- 1 Repayment of any part of the Grant is required under European Law (whether under State Aid Rules or otherwise).
- 2 You fail to comply with any of the Conditions.
- 3 We have made an overpayment of Grant to you.
- 4 Any declaration made in Condition 7 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect.
- 5 Any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions.
- 6 You fail to satisfy us that the Grant will be used solely for the Purpose.
- 7 If we consider that any of the other terms or conditions of the Grant are not being fulfilled or complied with.
- 8 If we consider that there is unsatisfactory progress in respect of the Purpose.
- 9 Any information provided you in your request for Grant, or in a claim for payment or in any subsequent or supporting documentation concerning you or the Purpose is found to be incorrect or incomplete to an extent which we consider to be material.
- 10 In the pursuit of the Purpose if you do not comply with all relevant statutory requirements.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 5

MONITORING REPORT REQUIREMENTS

- 1 The Authority must submit monitoring reports as required by Welsh Ministers. Welsh Ministers will aim to keep the requirement for monitoring information to the minimum necessary to allow them to determine that the Grant has been used effectively and in accordance with these terms and conditions.
- 2 The Welsh Ministers need to be able to demonstrate that Community Support Officers (CSO) funded using this Grant are additional to planned policing levels (taking account of any changes to those plans resulting from fluctuations in funding provided by other sources). To that end, CSO posts funded with this Grant must be created as new records on the Authority's systems. These records must be maintained so that the Grant-funded posts can be identified separately from posts supported through other funding streams.
- 3 As part of the process for agreeing the Grant Schedule for each financial year, the Authority will provide its best estimates of the forecast numbers – head counts and full-time equivalents – of:
 - ♦ Community Support Officers (CSOs) expected to be employed by the Authority under this Grant scheme at the beginning of the financial year and at the end of each quarter;
 - ♦ the totals of establishment police officers, police community support officers and other policing staff paid for through other funding streams;
 - ♦ together with an explanation of any changes from forecasts previously submitted to the Welsh Ministers.
- 4 A quarterly monitoring report must be submitted with each Claim Form. The monitoring report should, as a minimum, set out the:
 - ♦ the actual numbers employed by the Authority in the categories identified above at the end of the quarter; and
 - ♦ projections for the end of each quarter for the remainder of the financial year;
 - ♦ together with an explanation of any changes between these figures and the previous forecasts.
- 5 In addition, the Claim Forms and monitoring reports for the second and final quarters of the financial year (ie. as at 30 September and 31 March) should be accompanied by a narrative which sets out how the Authority has met the Purpose and objectives of the Grant as set out in Schedule 1.
- 6 In addition, the Authority must produce an end-year monitoring report to accompany the income and expenditure statement. The end-year report is to contain finalised versions of the above measures.
- 7 The Authority or the police force may provide additional information in support of its Claim Forms, Monitoring reports or income and expenditure statements as it deems fit.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 6

AUDIT AND CERTIFICATION

- 1 By 30 September, immediately following the end of a financial year in which the Grant was awarded, the Authority must complete and submit on income and expenditure statement for the financial year and an end-year monitoring report, certified by its Chief Finance Officer.
- 2 The statement should be subjected to the Authority's normal arrangements for the audit of its annual accounts.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 7

CERTIFICATE OF ACCEPTANCE

FOR COMPLETION BY THE CHIEF FINANCE OFFICER ON BEHALF OF "THE AUTHORITY"

(OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR [Force])

I have read and fully understand the terms and conditions set out above and in the Grant Offer Letter. On behalf of this organisation, I accept the Grant Offer and all the terms and conditions on which it is offered.

Signed:

.....

Name:

.....

Position:

.....

Authority:

Office of the Police and Crime Commissioner for [Force]

.....

Date:

.....

FOR COMPLETION BY THE CHIEF FINANCE OFFICER OF THE POLICE FORCE ON BEHALF OF THE CHIEF CONSTABLE

I have read and fully understand the terms and conditions on which this Grant Offer is being made, as set out above and in the Grant Offer Letter. I agree to provide such support as is necessary to enable the Authority to comply with these terms and conditions.

Signed:

.....

Name:

.....

Position:

.....

Police Force:

[Force] Police

.....

Date:

.....

Please sign and return this form to:

Local Government Finance Policy Division

Welsh Government

Cathays Park

CF10 3NQ

Tel: 029 2082 3318

Email: LGFPmailbox@wales.csi.gov.uk

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 8

ADDITIONALITY PRINCIPLES

BACKGROUND

- 1 These principles were agreed between the Welsh Government, the Association of Chief Police Officers Cymru and the Police Authorities Wales during the establishment of the Community Support Officer Programme and the development of the Terms and Conditions for the Community Support Officer Grant. The Terms and Conditions were prepared by the CSO Project Board (which included representatives of the Welsh Government, ACPO Cymru and Police Authorities Wales) for approval by Welsh Ministers. Their acceptance was agreed by each Police Authority as part of the initial Grant Offer. The acceptance of the Terms and Conditions is reconfirmed as part of the Grant Offer each financial year. The Police and Crime Commissioners for forces in Wales were asked to confirm their acceptance of the Terms and Conditions shortly after their election in November 2012. All Commissioners confirmed their acceptance.
- 2 As stated in Condition 4, it is a core principle of the terms and conditions of the Community Support Officer Grant that the officers supported through this scheme are employed by each police force in addition to their planned policing levels (police officers and community support officers) as funded from other sources taking into account any changes to those plans resulting in fluctuations in funding from those sources).
- 3 The Welsh Government must be able to clearly demonstrate this additionality so that political and reputational risks can be managed.
- 4 The Welsh Government recognises that core staffing levels are forecast to decrease over the spending review period, and that there are a number of factors which mean that plans have been and will continue to be revised.
- 5 Monitoring additionality therefore poses a number of challenges and the CSO Project Board asked that a set of principles be drawn up to ensure that these challenges could be addressed. The monitoring of compliance with these principles is carried out by staff in the Welsh Government's Local Government Finance & Performance Division in accordance with the Grant terms and conditions under the oversight of a small Strategic Steering Group.
- 6 It was agreed that ACPO Cymru would nominate one or more chief officers to represent the Welsh police forces and British Transport Police on the Strategic Steering Group and that the Welsh Government would nominate appropriate officials. This Steering Group was established in July 2012.

THE PRINCIPLES

- 7 The theme that underpins the additionality principles is the need for transparency in respect of current staffing levels, staffing plans, changes to plans, and of the arrangements for recruiting and, if applicable, redeploying the new CSOs. Nothing in these principles is intended to compromise the operational independence of the police forces.

8 The principles are as follows.

- Initial information about staffing plans was provided to the Welsh Government as part of the grant award process and updates are required as part of the process for making subsequent offers and claims. The Strategic Steering Group should be informed of any changes to those plans as soon as practicable after such changes are identified.
- All recruitment under this scheme should be conducted through fair and auditable processes.
- The Strategic Steering Group should be informed of any matter which, in the judgement of the employing force, is necessary to enable Welsh Government officials to manage reputational or political risks.
- The Strategic Steering Group will be provided with appropriate information to enable Welsh Ministers to be assured of the additionality of CSOs through the scheme, and to enable information to be properly communicated to maximise public confidence in the scheme using the agreed reporting template. Initially, this information will be provided on a quarterly basis, with the potential for this moving to biannual provision when the Strategic Steering Group considers this to be appropriate.
- The Strategic Steering Group will be the primary point of contact between the Welsh Government and the five police forces participating in the scheme.

9 Additionality will be monitored in accordance with the principles set out above and with Schedules 1 and 5. The Welsh Government may withhold any or all of the Grant and/or require part or all of the Grant to be repaid if monitoring demonstrates that the additionality conditions have not been satisfied or if insufficient information is provided to establish that the conditions have been satisfied.

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 8 (cont'd)

ADDITIONALITY PRINCIPLES: DECLARATION

FOR COMPLETION BY COMMISSIONERS AND CHIEF CONSTABLES

This form is to be signed by the Police and Crime Commissioner and Chief Constable (the Chief Constable only in the case of British Transport Police).

I confirm that I have noted the Principles of Additionality which form part of the terms and conditions for acceptance of this offer of Community Support Officer Grant.

Police Area: [Force] Police

.....

**Police and Crime Commissioner
Name:**

.....

Signed:

.....

Date:

.....

**Chief Constable
Name:**

.....

Signed:

.....

Date:

.....

Please sign and return this form to:

Local Government Finance Policy Division
Welsh Government
Cathays Park
CF10 3NQ
Tel: 029 2082 3318
Email: LGFPmail@wales.gsi.gov.uk

COMMUNITY SUPPORT OFFICER GRANT: SCHEDULE 9

CLAIM FORM

This form is for claiming Community Support Officer Grant as described in the Grant Offer Letter issued by the Welsh Government. Claims should be submitted quarterly in arrears in accordance with the Grant Terms and Conditions.

Period (from / to):

Authority:

.....
**Office of the Police and Crime Commissioner for
[Force]**
.....

The Authority claims the following Grant.

Amount claimed (£):

.....
If different from the original Grant Schedule, please give a full explanation on a separate sheet.

A monitoring report on the activities carried out by the Authority in relation to the Grant is attached to this claim form.

Form completed by:

Client reference:

CERTIFICATION OF CHIEF FINANCE OFFICER

I certify that, to the best of my knowledge:

- ◆ the entries above are correct and record actual expenditure in the financial year ending 31 March 2016;
- ◆ the grant has been used for the Approved Purpose;
- ◆ this claim is made in accordance with the terms and conditions of Grant as set out in the Grant Offer Letter.

Signed:

Name (block capitals):

Date:

Please provide a contact for queries

Name (block capitals):

.....

Tel number:

.....

Email address:

.....

Please sign and return this form to:

Local Government Finance Policy Division
Welsh Government
Cathays Park
CF10 3NQ
Tel 029 2082 3318
Email: LGFPmail@wales.gsi.gov.uk

Jane Hutt AC / AM

**Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business**



**Llywodraeth Cymru
Welsh Government**

Ein cyf/Our ref

Christine Chapman AM
Chair, Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

22 October 2015

Dear Christine,

Thank you for your letter of 8 October 2015 asking about evaluation undertaken following the inclusion of socio-economic disadvantage into the draft budget equality impact assessments.

As a Government we are committed to assessing the impact of our spending decisions. We will continuously develop and improve our approach year on year. In each Strategic Integrated Impact Assessment we publish we aim to improve the depth of the analysis provided.

In line with this commitment we have asked the Public Policy Institute for Wales to look at how the Welsh Government might improve its use of impact assessments. This work will look at current practice in Wales, and examine best practice from around the world to provide advice on how the impact assessment process could be enhanced.

Following the completion of this work early next year we will be considering its outcomes to shape our approach to impact assessments going forward.

Yours sincerely,

A handwritten signature in black ink that reads "Jane". The signature is written in a cursive style with a long horizontal line above the name.

Jane Hutt AC / AM

**Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business**

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0300 0603300
Llinell Ymholiadau Cymraeg 0300 0604400
Correspondence.Jane.Hutt@wales.gsi.gov.uk

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Y Gwir Anrh/Rt Hon Carwyn Jones AC/AM
Prif Weinidog Cymru/First Minister of Wales

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
CELG(4)-27-15 Papur 6 / Paper 6



Llywodraeth Cymru
Welsh Government

Christine Chapman AM
Chair: Communities, Equality and Local Government Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
Cardiff
CF99 1NA

22 October 2014

Dear Christine

I am writing in response to your correspondence dated 8 October, as Chair of the Communities, Equality and Local Government Committee, requesting further information about our work on the Welsh language.

Your correspondence raises a number of points, and I have provided information under the headings suggested in your letter.

Bwrw Mlaen

One of the grant conditions for the funding of the Centres are that each Centre will present a report to the Welsh Government no later than 18 months after receiving the funds. This report will include the following:

- aims and objectives of the project;
- how the goals and objectives will contribute to the goals and strategic areas of our Welsh language strategy, 'A living language: a language for living' and the policy 'Bwrw Mlaen';
- evidence of achievements (including evidence gathered from stakeholders and beneficiaries, where applicable);
- self assessment of the effectiveness and impact of the project;
- lessons learned in undertaking the project.

We expect to receive the first reports in August 2016. Following receipt of the reports, Welsh Government officials will then work with each centre to identify best practice, areas of development and to update the business plan accordingly.

Welsh Government officials are also in regular contact with the centres and meet regularly with their representatives. A bi-annual meeting of all the centres funded through the scheme is also in place, and this arrangement will continue for the foreseeable future.

These centres form an important part of the delivery of our policy *Bwrw Mlaen* and the development of the Welsh language in the community. All of our revenue funded partners such as the Mentrau Iaith, Urdd and others will be expected to work closely with the centres and will inform us on developments in their quarterly reports.

In the case of the Welsh Language Centres and the Mentrau Iaith, the intention is for them to be an integral part of the communities they serve – this means that their activities vary from area to area as a result of the demographic profile of Welsh speakers and the profile of the local economy.

In the case of education, local authorities have a duty to plan how they will provide for Welsh in the education system, tailoring that provision according to local needs, and Welsh Ministers have a key role in relation to local authorities' Welsh in Education Strategic Plans.

Furthermore, in order to improve our awareness of local circumstances, we commissioned a research study concerning *Welsh language use in the community*, which was published on 7 October. This supports the work of the Welsh Government as it refines and develops its approaches to meet the objectives set out in *A living language, a language for living and Moving Forward*.

The vision is for Welsh to be an integral part of people's experiences from birth, with opportunities to use the language through Early Years provision, the school system, in the community and leisure activities, further and higher education and adult learning. We endeavour to ensure that this vision feeds into all aspects of our work and the work of our partners.

We have developed our methods of informing and co-ordinating our partners' work. The Y Llais brand, for instance, creates a strong, unified voice and is an opportunity to ensure that people can see continuity in the work of the Welsh Government and all the partners it funds to promote the Welsh language. It also shows that we share the same vision and that we are working together to encourage more use of the language.

The *Cymraeg – Byw Dysgu Mwynhau* website is a portal signposting the public to a wide range of information about the Welsh language and includes contributions from our partners from every part of Wales. In connection with the website, we have created a CRM system to support the relationship with customers, allowing individuals to register to receive tailored information about Welsh language events and services.

Welsh Language Standards

Concerning why the regulations for the third round will not be made before May 2016, according to the Welsh Language Measure Welsh Ministers must give due regard to the Welsh Language Commissioner's conclusions following her standards investigations. This process takes time, as it is necessary to consider the Commissioner's conclusions alongside evidence provided by the organisations themselves, as well as the Government's policy intent. It is important that we prepare appropriate regulations.

Regulations would have to be prepared by February in order to complete the process of creating legislation before the 2016 elections. Given that over 60 organisations from different sectors are included in the Commissioner's third standards investigation, that does

not allow sufficient time to give due regard to the Commissioner's conclusions and prepare appropriate regulations.

Regarding the bodies in the Commissioner's third investigation, and the timetable for imposing standards on organisations such as gas and electricity suppliers, telecommunications services providers, and rail service providers – in order for us to be able to draft standards, the Commissioner needs to have first conducted an investigation into the organisations in question, and to have provided a report to Welsh Ministers. This is a matter of process and of doing things the right way. I am confident that we will impose further standards on these sectors as the process moves forward, and I look forward to seeing that happen.

As to the Assembly's competence to legislate in relation to private sector organisations, I recognise that Schedules 7 and 8 of the Welsh Language Measure permits some private sector bodies to come under the standards regime. Among others, these include companies which supply energy and water, as well as postal, telecommunications, and transport services. These are companies which provide important services to the public, and I look forward to them being subject to standards in order to improve the services that Welsh speakers can receive in their everyday lives.

The private sector in its entirety does not come under the standards regime as the Measure currently stands. For instance, supermarkets and financial services do not come under the Measure at present.

Planning

Both The First Minister and the Minister for Natural Resources have accepted the fact that Planning Policy Wales and TAN 20 will need updating as a consequence of the Planning (Wales) Act receiving Royal Assent. The provisions contained in section 31 of the Act do not come into force until early 2016 and work to update the planning policy framework will follow soon after.

TAN 20 is primarily intended to assist Local Planning Authorities (LPA) in the preparation of their Local Development Plans (LDP) and it is up to each LPA to determine the significance of the Welsh Language for their own LDP based on their evidence. The impact of the TAN will therefore depend on what stage the LPA is at and the significance of the Welsh Language locally. We are aware, for example, that the issue of the Welsh language has been considered recently by Cardiff Council, which is currently preparing its LDP.

There is an expectation that LPAs undertake an annual monitoring of their LDP. They are expected to publish an Annual Monitoring Report (AMR) on how their LDP is performing. Where an LDP has identified policies to support the Welsh Language they should be reflected in the AMR. The changes contained in section 31 of the Act reinforce the requirements previously contained in planning policy that Welsh language considerations can be part of the decision making process. LPAs should already be familiar with these provisions and we will continue to support them through the development and review of LDPs.

Education

Professor Davies's Review

A written statement on Welsh second language in the new curriculum was published on 15 October.

A Languages, Literacy and Communications Area of Learning and Experience will be introduced which will contain clear and distinct progression reference points and achievement outcomes for developing Welsh language skills over time. The work on developing a new curriculum will be taken forward by our Pioneer schools network, supported by Welsh and international experts.

A curriculum for Wales – A curriculum for Life, the high level plan on how we will take all the recommendations in Successful Futures forward, was published on 22 October and includes the key milestones. Our ambition is to design, develop and realise our new curriculum within six years so that it can be available for first teaching by September 2021.

Flying Start

Welsh language provision is an integral part of Flying Start and we have always placed a requirement on local authorities to respond to parental choice, and to deliver Welsh-medium provision where required. The Welsh Government has not set any specific targets for the provision of Welsh-medium Flying Start childcare. However, the Flying Start strategic guidance continues to make it clear that local authorities must put in place arrangements to meet the preference of parents for Welsh-medium and / or bilingual provision.

In 2014-15, which is the latest period for which we have data, 9,393 children were newly eligible for childcare of which 998 requests were made for childcare through the medium of Welsh in Flying Start settings. 965 of these requests were met. This equates to 96% of requests.

The figures indicate that approximately 10% of Flying Start children eligible for childcare received it in Welsh.

Coleg Cymraeg Cenedlaethol

The Welsh Government budget for 2016-17 has not been finalised. The outcome of the spending review will be made public on the 25 November and it is expected that the Welsh Government draft budget will be made available on the 8 December. We will be unable to provide any clarity on budgets until then.

As always I'm grateful to you as a Committee for your comments, and appreciate your constructive feedback.

Yours sincerely



CARWYN JONES

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
CELG(4)-27-15 Papur 7 / Paper 7

Ein cyf/Our ref MA-(P)/LG/0328/15



Llywodraeth Cymru
Welsh Government

Christine Chapman AM
Chair
Communities, Equality and Local
Government Committee
National Assembly for Wales
Cardiff Bay
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CF99 1NA

22 October 2015

Dear Christine

Thank you for your letter of 8 October regarding the Committee's request for additional information following the evidence session on 24 September.

I am pleased to provide further information. This is attached in Appendix 1. I have structured the information around the Committee's questions for ease of reference.

I trust the information will be helpful. Please do not hesitate to contact me if you have anymore queries.

Regards
Lesley

Lesley Griffiths AC / AM
Y Gweinidog Cymunedau a Threchu Tlodi
Minister for Communities and Tackling Poverty

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Appendix 1

National System for Home Adaptations

Update on the work being taken forward to develop a national system for adaptations:

- write to the Committee by March 2016 to provide information on the outcome of the task force group's work considering;**
- how to improve the performance of home adaptation services; and**
- how to ensure the effective evaluation and performance monitoring of all adaptation services, not just Disabled Facilities Grants.**

As I mentioned in the Committee session, I have asked officials to work with stakeholders to deliver an enhanced adaptations system which was a key feature of the report on the review of adaptations I announced last February. The group has been tasked with developing and agreeing an enhanced system by next March. A number of work streams have been identified, including how to ensure the system is streamlined and clearer for all applicants irrespective of age and tenure. The group will also report on how to measure and evaluate delivery of the enhanced system. This will cover not just Disabled Facilities Grants but all types of adaptations, and all delivery organisations. I will share the proposals with the Committee in due course.

Ask the Minister for Natural Resources to share any planning work undertaken on the viability of forestry commission land in relation to housing development with the Committee:

The Welsh Government worked with Forestry Commission Wales around 10 years ago to survey the woodland estate it managed at that time on behalf of Welsh Ministers to assess its suitability for the development of affordable housing. The survey indicated a small number of potentially suitable sites and developments were carried out at two locations - Dinas Mawddwy in Gwynedd (2 houses) and Dolwyddelan in Denbighshire, where two houses were built in association with local housing associations. Other sites were assessed but were ruled out at that time due to difficulties with access to public roads or other essential services. Natural Resources Wales assumed responsibility for the management of this land in 2013 and I will raise the issue of its potential use for housing development with the Minister for Natural Resources.

Provide information on the amount of land released for housing in the last two years, and how much is likely to be released in the forthcoming two years:

The Welsh Government's Land Release Programme plays an important role in utilising land to increase the provision of housing. In 2010, sixteen sites were transferred to the Housing Department and work is ongoing to unlock the sites to provide housing, with twelve sites sold to date, of which five were sold in the last two years. Work is ongoing to sell the remaining four sites and it is hoped these will be sold within the next two years.

The Land Release Programme is expected to deliver a total of approximately 400 affordable homes on its land during the term of this administration with over 100 further affordable homes resulting from the remaining sites after this time.

The Land Release Team is continuing to work with colleagues in Economy, Skills and Natural Resources (primarily) and other Welsh Government departments to discuss and explore further potential land sites for the purpose of housing development on an ongoing basis. Colleagues in Economy, Skills and Natural Resources have also sold a number of land sites for housing developments where the Housing Department's input to bring them forward has not been necessary.

Public sector land is making a significant contribution towards the delivery of affordable homes with 1,238 new affordable homes delivered on it in the 2012-13 and 2013-14 years. Of which; 793 homes were on Local Authority land, with an additional 445 affordable homes on land owned by Welsh Government, Welsh Government sponsored bodies, other central government departments, health authorities and police and fire and rescue services. The 2014-15 figures are due to be released by the end of October.

The Land Release Team will also be exploring other ways it can expedite and maximise housing and affordable housing delivery through land and will contribute more widely to the implementation of the proposals for the more strategic use of public land being considered by Chris Sutton on behalf of the First Minister.

In addition, following the pilot of the Affordable Housing Land Scheme in 2014-15, the 2015-16 renamed "Land for Housing Scheme," will provide loan funding to Registered Social Landlords to purchase land to support housing supply. The scheme will help tackle the problem of limited supply of housing by increasing the funding options available to them to acquire land sites for affordable and/or market housing development. The loans awarded from the 2014-15 scheme are due to deliver 200 additional homes on 12 land sites. The application window for the 2015-16 scheme closed in mid-September and interest for the scheme has been high. Awards of the successful applications are expected by the end of October.

Whether the commencement of Part 1 of the Housing (Wales) Act 2014 is likely to go ahead as planned in October:

"Rent Smart Wales" is the name for the landlord registration and landlord and agents licensing scheme introduced under Part 1 of the Housing (Wales) Act 2014. I mentioned previously that I hoped the scheme would launch in October 2015. Following detailed consideration of the IT system required to support the scheme, and to allow extra testing of it a functionality before the scheme goes live, I have agreed a slightly later launch date and am pleased to inform you that Rent Smart Wales will commence operations on 23 November 2015.

Update on the development of the Code of Practice that will be issued under Part 1 of the Housing (Wales) Act 2014:

Committee members will recall that we have formally designated Cardiff Council as the single licensing authority. Cardiff is developing the IT system which will allow landlords and agents to register on-line. In addition, the licensing authority has published the training requirements and will shortly begin approving training providers ready for the scheme to open. Finally, the Code of Practice, to which licensed landlords and agents will have to adhere, has been revised to reflect comments made during the consultation exercise and also incorporates many of the views of the Committee. We laid the document on 6 October 2015 in advance of the debate next month.

Concerns about the definition of vulnerability in Section 71 of the Housing (Wales) Act 2014 in light of the recent Supreme Court judgement:

I issued clarification of the impact of the Supreme Court cases to Local Authorities in July this year. Our legislation on homelessness provides greater protection than in England, and we continue to work in partnership with Local Authorities, Shelter Cymru and others to ensure this protection continues to be provided in Wales. The Judgments do not fundamentally change the approach in Wales as set out in the legislation and the accompanying code of guidance and will not result in vulnerable people in Wales being faced with a tougher test than vulnerable people in England. However, ultimately the application of rights under the law can only be decided in each case through the courts.

Whether Local Authorities are clear on how they should be applying the law in this area, following the judgement, and whether Welsh Government guidance regarding vulnerability should be made clearer:

We issued statutory guidance in April this year to support the effective implementation of the Housing (Wales) Act 2014 including vulnerability. We will keep the document under review and continue to update it to reflect case law.

How the National Pathway for Homelessness Services to Children, Young People and Adults in the Secure Estate will be monitored:

The National Pathway for Homelessness Services to Children, Young People and Adults is in the process of being finalised following public consultation. After its launch, we will monitor its implementation through our regular liaison with all key stakeholders, including the national implementation group for the Wales Reducing Re-Offending Pathways Group and our Prisoner Accommodation Resettlement Working Group. In addition, we are preparing to commission specific research to evaluate the impact of the legislation in Part 2 of the Housing (Wales) Act 2014 on preventing homelessness amongst former prisoners.

How the e-PIMS database is being used to facilitate affordable house building, how much land has been made available for affordable housing as a direct result of the e-PIMS database and what annual targets have been set for the future release of land from e-PIMS for the purpose of providing affordable housing:

Over the last few years, significant progress has been made in efforts to populate the e-PIMS all Wales public sector asset database. There are circa 22,000 entries within Wales. The approach has been based on a phased strategy populating the system with estate records, holdings in the name of Welsh Ministers and Welsh Government sponsored bodies, the NHS estate in Wales and the emergency services. Unitary authorities have been placing details of their holdings within the database and there has been engagement with Town and Community councils too.

Welsh Government officials arranged for a number of seminars to be delivered to Registered Social Landlords to explain how e-PIMS maps the public sector assets (including land). e-PIMS is a voluntary system but Registered Social Landlords across Wales have access to it and can interrogate assets offered as surplus. Furthermore, on the back of the Faith in Affordable Housing initiative, the Church in Wales and the Presbyterian Church of Wales have recorded their assets too. In common with other users, if Registered Social Landlords have an interest in an asset they make direct contact with the asset holder. As a result we do not hold records of sales or transfers as a direct consequence of the e-PIMS contact.

The National Assets Working Group Land Transfer Protocol recommends that it is best practice to offer surplus property assets within the public sector for 40 days prior to wider marketing. That public sector offer extends to Registered Social Landlords who therefore can have an exclusive first option on public sector assets. As part of that service, Welsh Government officials email the community of e-PIMS users (including Registered Social Landlords) with a surplus list once a month.

Registered Social Landlords are not the only developers of affordable housing. Land may have a specific allocation within the terms of any local planning requirement. e-PIMS includes a public portal, allowing local and national builders the opportunity to see (after the 40 day period) surplus public sector property. This is a developing area but we understand that representatives from within the building professions have been seeking lists of surplus public land for some years.

The e-PIMS tool was developed and released very much for local use and we cannot predict which assets organisations would declare surplus. Under those circumstances there are no targets allocated specifically to e-PIMS site delivery. e-PIMS itself is seen very much as a tool to support the collaborative agenda; the desire to collaborate must come from the individual public bodies.

Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P-LA-0087-15

Christine Chapman AM
Chair, Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff Bay
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30 October 2015

Dear Christine,

On 19 November, the Welsh Government and the Welsh Local Government Association are jointly hosting an event titled 'The challenges and opportunities for local service delivery in Wales: a joint seminar on Welsh Local Government Finance'. The event will focus on how Local Government in Wales can respond to funding pressures by rethinking service delivery and learning from elsewhere.

The programme for the morning will focus on the challenges ahead for Local Government and the anticipated economic and financial outlook for public services. The afternoon programme has been designed to encourage positive discussion and debate about different approaches to service delivery and what has worked elsewhere. Speakers will include those from professional organisations, community initiatives and Local Government, including the Leader of an English Council who will share recent experience of taking forward radical changes in service delivery.

Given the subject matter, I am pleased to invite members of the Communities, Equality and Local Government Committee to attend the seminar. It will be held at Cardiff City Hall, starting promptly at 10:30am and finishing at 3:15pm, and is also being offered to Local Government Leaders and Chief Executives, Finance Officers, relevant Heads of Service and Chairs of Scrutiny.

Best wishes,

Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services

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Agenda Item 7

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

Document is Restricted