

Adrian Crompton

Clerk to the Audit Committee

National Assembly for Wales

Cardiff Bay

CARDIFF

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PROGRESS BY THE NATIONAL COUNCIL IN IMPLEMENTING AUDIT COMMITTEE RECOMMENDATIONS

You asked for our advice on information provided by the National Council for Education and Training for Wales under cover of letters from the Council's Chief Executive, dated 12 December 2003 and 3 February 2004. These papers update the Committee with the progress the Council is making with regard to Audit Committee recommendations from two reports: *Procurement in the further education sector in Wales*, where the Committee's interest was the level of savings being achieved through improved performance; and *Management of the further estate in Wales*, in respect of institutions' compliance with disability legislation.

Procurement savings

In October 2003, the Chair of the Audit Committee wrote to the National Council seeking written responses to a number of specific questions on progress with savings from procurement in the further education sector. The Council's paper reports that, for the two years to August 2003, the sector has achieved financial savings of £3.65 million. Although very welcome, the sector is still falling short of the very ambitious target the then Accounting Officer, Steve Martin, set for it of cumulative annual savings of 3 per cent, or £5 million over the two years (the shortfall is thus £1.35 million or 27 per cent). The Council acknowledges that this shortfall will not be recovered but is more bullish about its prospects for the future. It reports that, as the work of the Further Education Purchasing Consortium takes increasing effect, the level of savings achieved is rising, from 1.8 per cent in 2001-02 to 2.8 per cent in 2002-03 - almost at the 3 per cent target level.

The Council also reports continuing improvement in the level of procurement expertise across the sector, with a further increase in the number of institutions employing dedicated procurement staff, the total number of such staff, and the number of those staff with, or studying for, professional procurement qualifications. In addition, the Council is working with the Assembly's Welsh Procurement Initiative Team (WPIT), on training and strategy formulation, for example, and is currently considering an initiative to provide incentive funding for institutions to employ

professionally qualified staff.

Given the positive actions being taken to improve procurement practice and expertise across the sector and the rising levels of savings achieved, the Committee need not take any further action at this stage. The National Audit Office Wales will continue to monitor the progress made by the sector in improving its procurement activity and will, if necessary, report back any issues of concern to the Committee.

Disability legislation

On the extent to which institutions are complying with relevant legislation, the Council has clarified that, following the Special Educational Needs and Disability Act (SENDA) 2001, which amended the Disability Discrimination Act (DDA) 1995, the deadlines for compliance are not as exacting as it had previously reported. The Committee's report referred to our finding that across the further education sector there was over £10 million of work that, under the DDA, should already have been completed, with a further £10 million needing to be done by October 2004. Based on a survey carried out in August 2003, the Council now reports that, under SENDA, there is £6.5 million of work that should already have been carried out, with a further £10.5 million required to have been completed by September 2005.

There is still therefore a considerable challenge facing institutions. Nor does it seem likely that these outstanding works will be carried out soon: since the disability access audit commissioned by the Council in 2001, the £20.5 million required to comply with the legislation has reduced by only £3.5 million. According to the Council's monitoring, further education institutions planned to spend a total of £1.5 million of their capital allocations on DDA compliance works in 2003-04; and the need for a hypothecated budget for this in 2005-06 is being considered. Progress is thus disappointing. Against this, the Council has set out the action that it is taking to emphasise this priority and to enable the institutions to make progress. This includes providing guidance for an Action and Implementation Plan at each institution and the requirement for each institution to produce an annual Disability Statement on the accessibility of their learning services - Council funding is conditional on these Statements being honoured.

The Council concludes that, although it remains concerned that full DDA compliance is yet to be achieved, under the section of the DDA which applies specifically to such institutions, the colleges in Wales have demonstrated that they have acted as "responsible bodies", taking steps as reasonably practical to avoid discrimination. This is because the legislation recognises that the financial resources of an organisation and its other commitments (including other legislative requirements) will affect the extent to which it is able to make adjustments.

While we are satisfied that the Council and institutions recognise the importance of ensuring that their services take account of learners with disabilities, financial constraints limit their ability to make all the adjustments set out in the legislation. The risk therefore remains that - as set out in the Committee's original report - potential students with disabilities are deterred from applying to study due to the lack of appropriate facilities. Against this background, one option for the Committee might be to refer this issue to the Ministers for Lifelong Learning and Education, and Social Justice and Regeneration (a portfolio which includes Equality issues), and the relevant subject committees.

I do hope that you find this response helpful.

Yours sincerely

HELEN KIRKBY

Private Secretary to the Auditor General for Wales