



**WALES AUDIT OFFICE**  
**SWYDDFA ARCHWILIO CYMRU**

# Auditor General's Work Programme Update and Consultation on Future Studies



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## Contents

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Current work	3
Future work	6

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1. I am pleased to present this paper which provides:
  - details of work underway which will be available for consideration by the Audit Committee through to the 2010 summer recess and beyond; and
  - a list of other topics which I am using as the basis for wider consultation on the value for money work of the Wales Audit Office over the next three years.

## Current work

2. **Figure 1** describes the value for money related studies that the Wales Audit Office is currently engaged in and which are likely to lead to a public report. This work is over and above bespoke local projects agreed as part of my annual audit strategies for the individual organisations that I audit.
3. In examining the current work programme and ideas for future work, I seek to achieve a good balance between various subject areas and types of study. The Peer Review of the Wales Audit Office has recommended that my overall work programme needs to be clearly balanced. In that context, I am aware of a view that my programme of value for money studies has been too focused on the NHS. Before the creation of the Wales Audit Office in 2005, the Committee did not see reports that were national summaries of local audit work in the NHS because those reports were produced by the Audit Commission. Of my reports since 2005, around one third have been national studies of exclusively health-related matters, consistent with the level of expenditure on the NHS in Wales relative to the Assembly Government's overall budget. In addition, I have sought to develop a range of studies of issues that affect more than one sector or type of organisation. One of the benefits of the Wales Audit Office being a single audit institution for the public services in Wales is to facilitate the production of such reports. The Peer Review suggested that we should do more of them. I agree. Inevitably many such multi-sector reports touch on health.
4. I hope that the ongoing work described in Figure 1, and my proposals for future work, provide some assurance as to the overall balance of my programme.

**Figure 1: Work already underway**

<b>Planned publications through to the end of December 2009</b>
<p><b>Work-based learning – follow up</b></p> <p>Has the Assembly Government implemented effectively the Committee’s previous recommendations to improve the financial management and administration of work-based learning and disseminate lessons learnt?</p>
<p><b>Coastal erosion and tidal flooding risks</b></p> <p>Will the New Approaches Programme initiated by the Assembly Government provide the Welsh public sector with a way to manage the future threat of coastal erosion and tidal flooding?</p>
<p><b>Children and adolescent mental health services</b></p> <p>Are services meeting adequately the mental health needs of children and young people? This work has been undertaken jointly with Healthcare Inspectorate Wales, the Care and Social Services Inspectorate Wales and Estyn.</p>
<p><b>Sustainable development – business decision making</b></p> <p>Is the Assembly Government’s business decision making process supporting its sustainable development objectives?</p>
<p><b>Implementation of the Coronary Heart Disease National Service Framework</b></p> <p>Is Coronary Heart Disease in Wales is being tackled in line with the National Service Framework standards and other policy guidance? This work has been undertaken jointly with Healthcare Inspectorate Wales.</p>
<b>Planned publications between January and March 2010</b>
<p><b>Good governance in local government</b></p> <p>Reporting the results from a good governance diagnostic exercise undertaken across local government in Wales</p>
<p><b>Picture of public services</b></p> <p>Examining the future challenges facing Welsh public services and the key themes that emerge from our recent audit work.</p>
<p><b>Cymad liquidation</b></p> <p>Examining the factors which contributed to the liquidation of the North Wales-based enterprise agency and the lessons that can be learned from it.</p>
<p><b>Unscheduled care</b></p> <p>Has there been sufficient progress in the planning and delivery of unscheduled care from the citizen’s perspective? This report will bring together our audit findings on the whole system of unscheduled care, including our analysis of Out of Hours care.</p>
<p><b>Capital investment in schools</b></p> <p>Is capital investment being used effectively to improve school buildings?</p>
<p><b>Public sector buildings management</b></p> <p>Is the Welsh public sector collectively ensuring that its land and buildings management arrangements support improvements in efficiency and service delivery to meet the needs and expectations of users for the 21 century? This topic is part of an ongoing review of public sector asset management arrangements, following on from my examination of fleet management in 2008.</p>

<b>Planned publications between January and March 2010 (continued)</b>
<p><b>Transport – major project delivery</b></p> <p>Is the delivery of major transport projects in Wales being managed well by the Assembly Government and local authority partners?</p>
<p><b>The Merlin contract – follow up</b></p> <p>Is the Merlin information communication and technology and business change contract delivering its intended benefits for the Assembly Government and the Assembly Commission?</p>
<p><b>Emergency planning – civil contingencies</b></p> <p>Are the duties under the Civil Contingencies Act being delivered effectively across the public sector to prepare Wales for emergencies?</p>
<b>To be published after April 2010</b>
<p><b>Adult mental health services – follow up</b></p> <p>Is there evidence that the planning, management and delivery of adult mental services has improved since the baseline review that I reported in October 2005? I may also publish a separate report on the housing related issues that have emerged from this work.</p>
<p><b>Policing – more for less</b></p> <p>Examining how police authorities and police forces can maintain or improve their effectiveness with fewer resources. This work is being undertaken across England and Wales, in partnership with the Audit Commission.</p>
<p><b>Informing healthcare</b></p> <p>Is the Informing Healthcare programme set up for success?</p>
<p><b>Consultant contract benefit realisation</b></p> <p>Has the consultant contract delivered value for money across the NHS in Wales?</p>
<p><b>2007-2013 European Union convergence funding for West Wales and the Valleys</b></p> <p>Is the Welsh European Funding Office's approach to the implementation of the European Structural funds likely to deliver sustained impact?</p>
<p><b>Education of looked after children</b></p> <p>Is the action being taken across the Welsh public sector sufficient to improve significantly the educational outcomes for looked after children?</p>
<p><b>Public participation in recycling and composting</b></p> <p>Is the Welsh public sector doing enough to maximise public participation in recycling and composting to help achieve waste targets?</p>
<p><b>Hospital catering</b></p> <p>Are Welsh hospitals delivering efficient and effective catering services that reflect good practice and support patients' recovery?</p>
<p><b>Fire and rescue services</b></p> <p>An overview of the efficiency and effectiveness of the Fire and Rescue sector in Wales in promoting improved community safety from the citizen's perspective. This study would draw on the Wales Audit Office's previous inspection work under the Wales Programme for Improvement.</p>
<p><b>National Fraud Initiative</b></p> <p>Reporting the results from the 2008-09 National Fraud Initiative exercise.</p>

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**To be published after April 2010 (continued)**

**Welsh Housing Quality Standard**

Examining the progress that is being made by social landlords in Wales to improve the physical standard and condition of their housing stock. This work will align closely with the National Audit Office's review of progress against the Decent Homes Standard in England. This work is a refinement of my plans to examine in more detail the subject of affordable housing which I have deferred in light of the Essex review on this topic in 2008.

**Nutrition in schools**

An examination of nutrition in schools which could cover all school catering activity, including free breakfasts, as well as education on nutrition.

5. I have indicated previously plans for work on the NHS dental contract and NHS capital investment. Because of the NHS reorganisation I have decided not to proceed at this time with the work on the management of the NHS dental contract, although the way is still open to carry out a broader examination of whether the contract is achieving its stated aims. Work on NHS capital investment has been postponed to take account of the changes associated with the NHS reorganisation. I am, instead, considering the potential for future work on the Assembly Government's Strategic Capital Investment Fund and its relationship with other capital investment programmes.

## Future work

6. The Peer Review emphasises the importance in current economic circumstances of an increased focus in audit work on efficiency. I agree. On 20 May 2009 I launched the new three-year strategy for the work of the Wales Audit Office, '*Sustained impact in a time of change*'. The six core themes which will underpin the Office's work over the next three years highlighted efficiency, as follows:
- helping Welsh public bodies to improve their use of resources within the growing constraints of the economy and environment;
  - promoting improved comparisons, clear performance data, and accessible reporting to decision makers and citizens;
  - promoting better outcomes for citizens by working across boundaries to improve the way public services are planned, delivered and reviewed;
  - supporting the reform of the NHS by providing high-quality and timely assurance, challenge and diagnosis;
  - supporting the translation of Assembly Government strategy into action, both directly and through others; and
  - helping to ensure the implementation of the proposed Local Government Measure delivers improved services and relationships.

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7. Existing commitments will limit the volume of new work that the Wales Audit Office is able to commence during the rest of this financial year. It would also not be possible even in the medium to long term, and within current resources, to examine all of the topics listed in Figure 2. In prioritising these and any other topics I shall be considering:
- the levels of public/stakeholder interest and concern and the general scale of the issues and risks involved;
  - whether the Wales Audit Office is in a position to facilitate or achieve a suitable outcome and whether it is better to work solely or with other external review bodies;
  - the timeliness of the work;
  - the extent to which the proposed review will contribute to the Wales Audit Office's strategic objectives;
  - the overall balance of audit coverage across different policy areas.
8. As ever, I need to be able to respond flexibly to changing circumstances or specific requests for work. However, by early 2010 I intend to map out a core programme of work to cover the lifecycle of the current Wales Audit Office strategy. Supporting the public sector in terms of innovation, efficiency and cost saving will be a central theme. I also intend to make even better use of my audit powers by undertaking more studies that cut across organisational boundaries and/or examine whole service delivery. I have already decided to press ahead with more detailed planning of work examining the impact of and responses to the economic downturn and the significant financial constraints facing Welsh public services. I am also minded to progress, with immediate effect, work on continuing healthcare. The costs of continuing healthcare are considerable and are putting increasing pressure on health and social services budgets.
9. I have recently been participating in the Assembly Government's Executive Leadership Group on innovation and efficiency. I have asked Wales Audit Office staff to try and analyse the full quantum of public services expenditure in Wales to help identify efficiency opportunities. Several of the topics in Figure 2 include a strong focus on cost-efficiency. To support my local audit work in the NHS, I also intend to develop materials that will help auditors diagnose other efficiency opportunities. Wales Audit Office staff will liaise closely with other audit, inspection and improvement agencies across the United Kingdom to explore the potential for benchmarking and cost comparison. Possible topics include:
- use of temporary and agency staff;
  - outpatient clinic and operating theatre utilisation;
  - use of day case surgery;
  - management of admissions and length of stay;
  - energy and water usage; and
  - clinical waste management.

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**10.** I have discounted certain topics because of the risk of overlap with other reviews. For example, discussions with Healthcare Inspectorate Wales (HIW) have identified areas of common concern, including cancer and stroke services in Wales. Given HIW's plans for work in these areas, I have decided not to include any proposals for substantive work of my own. My staff will, however, continue to work closely with HIW to maximise opportunities for sharing knowledge and expertise. Should I proceed with a review of services for older people that support active ageing, this work would present further joint-working opportunities with HIW and with the Care and Social Services Inspectorate Wales.

**11.** Committee Members have, over the past year, expressed particular interest in a number of topics, including:

- Higher education funding: I am conscious of the risk of duplication with the work of the Task and Finish Group, chaired by Professor Merfyn Jones, which has been reviewing higher education in Wales. However, there may be merit, against the backdrop of the economic downturn, in examining in more detail participation and completion in higher education.
- Equalities: The Wales Audit Office would be well placed to examine the extent to which public bodies across Wales are complying with their equalities duties. However, it remains to be seen whether the 2009 Equalities Bill, intended to streamline and strengthen existing equalities legislation, will pass through Parliament before the next General Election.
- Support for the third sector: Wales Audit Office staff have undertaken further development work on this topic. I shall, over the next few months, be considering the relative merits of a detailed review in this area.
- Child poverty and Cymorth funding: Some of my recent and ongoing work, for example on Communities First or the education of looked after children, links closely with the child poverty theme. My review of the Parenting Action Plan in 2008, which supported an inquiry by the Children and Young People Committee, also contained some analysis relating to the distribution of Cymorth funding. In addition, Wales Audit Office staff have been engaged recently in some local audit work on family support services in Cardiff and Rhondda Cynon Taf. Any work on the economic downturn and in relation to Not in Education, Employment or Training (NEETs) would also have strong links to the child poverty theme.

I am conscious of plans for a new child poverty strategy for Wales, to be underpinned by an evaluation of what is and is not working in terms of the Assembly Government's current programmes. I will be discussing in more detail with the Assembly Government how my own previous work could support the development of the new child poverty strategy. I will also be exploring with the Assembly Government the optimum timing and scope of any further targeted work in this area. However, I have not, for now, included any specific reference to child poverty among the list of topics in Figure 2.



12. Figure 2 includes a number of topics that would follow on from previous work, for example any examination of developments in the control of bovine tuberculosis. The follow on reviews that I have highlighted are those where I envisage extending the scope of work beyond a narrow focus on the action taken in response to my previous recommendations, or those of the Committee. There will, however, be opportunities to undertake more tightly focused follow-up work on some of the other topics that the Committee has considered over recent years.
13. I invite the Committee to give me an indication of the subjects that particularly interest Members, whether listed in Figure 2 or not. In presenting this list, I have differentiated between reviews which will feature a pan-public sector approach, and those which are more sector or topic specific. In the case of the sector/topic specific studies, this is not to say that this work would not still cut across organisational boundaries and/or examine whole service delivery. Many of these reviews would examine both the role of the Assembly Government in terms of setting, funding and monitoring policy and strategy, and the action being taken across other parts of the public sector to implement it.

**Figure 2: Possible future work**

<b>Pan-public sector reviews</b>	
<p><b>Public sector procurement</b></p> <p>The Welsh public sector spends an estimated £5 billion each year buying goods and services. Improved procurement practices are expected to make a key contribution to the £600 million efficiency gains target set out in Making the Connections.</p> <p>This study would examine whether the current procurement landscape is enhancing value for money. The work would assess the procurement behaviour of individual organisations and the savings that are being achieved through improved procurement practice. The review would also consider the effectiveness of the Assembly Government's Value Wales division in helping organisations achieve sustainable improvements in procurement. There may be opportunities to draw on similar work that is being undertaken by Audit Scotland and the National Audit Office.</p>	<p><b>Responding to the economic downturn and constraints on public spending</b></p> <p>This work would be delivered in a modular fashion examining some or all of the following themes:</p> <ul style="list-style-type: none"> <li>• the response by the Assembly Government to the economic downturn, including the cost effectiveness of business support initiatives and schemes such as ProAct and ReAct (building on the Enterprise and Learning Committee's May 2009 report); and</li> <li>• the capability and performance of public services in terms of: <ul style="list-style-type: none"> <li>- effective management of disinvestment in public services;</li> <li>- identifying efficiency savings;</li> <li>- capability to manage innovation, arrangements to build innovation capacity, and consideration of how to apply techniques such as lean, systems thinking and results based accountability; and</li> <li>- responding to the impact of the economic downturn in terms of the demands on public services.</li> </ul> </li> </ul>

<b>Pan-public sector reviews (continued)</b>	
<p><b>Young people Not in Education Employment or Training</b></p> <p>Linking closely to work on the economic downturn, this review would examine the effectiveness of efforts to reduce the proportion of young people in Wales who are NEETs. No single public body can address the issue of NEETs, and its consequences, in isolation. This study would examine the collective efforts of the Welsh public service in improving outcomes for NEETs.</p>	<p><b>Compliance with equalities legislation</b></p> <p>This study would examine how effectively public bodies in Wales are meeting their commitments under equalities legislation, both as employers and service providers. Any further development of this work would seek to draw on the expertise of the Equality and Human Rights Commission in Wales. This work may be best timed to take account of the public sector's response to the 2009 Equalities Bill, which is intended to streamline and strengthen existing equalities legislation. However, it remains to be seen whether this Bill will pass through Parliament before the next General Election.</p>
<p><b>Strategy into action and public engagement</b></p> <p>This work would bring together and build on evidence of the difficulties of translating public sector strategy into action. This work could incorporate a review of how public bodies can better engage with citizens to win support for the strategic developments that will be needed to respond effectively to the current challenges facing public services.</p>	<p><b>Public sector performance management</b></p> <p>Performance management should not be an end in itself. Effective performance management is about measuring the right things and responding to actual performance to improve outcomes. Performance management is, however, only one part of an organisation's make-up and needs combining with strong leadership, a positive culture, and effective communication. This review would examine the effectiveness of performance management arrangements across the Welsh public sector. The challenge of managing performance at a community level, looking across organisational boundaries, would be a particular focus.</p>

<b>Pan-public sector reviews (continued)</b>	
<p><b>Internal audit across the public sector</b></p> <p>The Global Institute of Internal Auditors defines internal audit as: 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'. This review would compare internal audit services across the Welsh public sector in terms of their scope, costs and quality. The work would identify good practice and consider alternative models of provision.</p>	<p><b>Support for and engagement with the 'third sector'</b></p> <p>The Assembly Government published its four year strategic action plan for the third sector, 'The Third Dimension', in January 2008. The document identifies three overlapping spheres of interest that define the relationship between the Assembly Government and the third sector (which comprises a wide range of organisations including self-help groups, charities, faith based organisations, co-operatives and social enterprises). These three spheres of interest are stronger communities, better policy, and better public services. This review would examine whether the position of the third sector, in terms of the contribution it is making in these areas, has improved significantly as a consequence of the actions set out in The Third Dimension.</p>
<p><b>Services for older people - active ageing</b></p> <p>This review would examine the effectiveness of a range of NHS and local authority services that help citizens to live healthy, productive and independent lives as they grow old. Effective services benefit the individual and have can reduce other cost pressures, such as continuing care. Our focus in terms of NHS services could relate to dementia care, prevention of falls and hip fracture. Our focus in terms of local authority services could cover lifelong learning, employment and volunteering, housing, and benefits and allowances. This work would consider the lessons learnt from, and potential wider applicability of new ways of working, such as the pan-Gwent frailty project that I highlighted in my recent Delayed Transfers of Care Follow Through report.</p>	<p><b>Tackling the health improvement challenge</b></p> <p>Significant numbers of people in Wales still lead lifestyles which will increase the risk of them developing serious and life threatening conditions such as heart disease, cancer and stroke. This examination would look at whether the Assembly Government and public sector bodies in Wales are doing enough to tackle inequalities in health and encourage people to lead more active and healthier lifestyles. The review would examine specific themes such as smoking cessation and obesity to establish how well national and local actions are connected and whether public sector bodies are working together to make use of evidence based interventions to tackle the problem.</p>

<b>Pan-public sector reviews (continued)</b>	
<p><b>Governance of public owned companies</b></p> <p>The Welsh public sector spends significant sums of money financing the activities of companies wholly or partly owned by public sector organisations. These companies provide a range of services including waste disposal, public transport, tourism promotion and procurement. This study would examine whether public sector funding bodies have put in place appropriate arrangements to ensure that public finance being channelled through public sector owned companies is being used appropriately and represents value for money. In particular it will consider whether;</p> <ul style="list-style-type: none"> <li>• the funding bodies have in place effective monitoring and performance management arrangements;</li> <li>• the companies have in place robust governance arrangements for the stewardship of public funds; and</li> <li>• the companies demonstrate compliance with the Assembly Government's citizen centred, good governance principles.</li> </ul>	<p><b>Inland flooding</b></p> <p>In June 2008 Sir Michael Pitt published his final report on the lessons learned from the flooding emergency of June and July 2007. This review would consider the response of the Welsh public sector to the issues raised in the Pitt Review. This work would be designed to follow on from my current reviews of emergency planning and coastal erosion and tidal flooding.</p>
<b>Sector/topic specific reviews – children, education and lifelong learning</b>	
<p><b>The National Planning and Funding System (NPFS) in post-16 education</b></p> <p>The NPFS is the planning and funding system for all post 16 learning in Wales, with the exception of Higher Education, and is designed to plan and fund Community Learning, learning in Further Education Institutions, Work Based Learning and learning in School Sixth Forms. The system, which began in 2004, aims to achieve greater consistency of approach to funding across these different sectors. This study would examine both the way in which the system has been implemented and the extent to which it has achieved its original aim of 'linking funding with policy objectives in post-16 education and training in a coherent, agile and responsive way'. This work would build on my forthcoming follow-up report on work based learning and the participation of Wales Audit Office staff as observers on the post-16 benchmarking project board.</p>	<p><b>Financial management in schools</b></p> <p>For 2009-10, approximately £1.8 billion of local authority expenditure is delegated to schools in Wales. The Audit Commission recently published a report concluding that accountability for spending in English schools had been weak. The situation could be worse in Wales, where powers to introduce Consistent Financial Reporting for schools have not been implemented and where there is no financial management standard in schools.</p> <p>Estyn will, from 2010, no longer inspect support services to schools (including financial services) as part of Local Education Authority inspections. A review of schools' financial management arrangements in 2010-11 might therefore be timely. Wales Audit Office's staff are also already supporting Estyn in their work on the role of school bursars.</p>

<b>Sector/topic specific reviews – children, education and lifelong learning</b>	
<p><b>The Foundation Phase</b></p> <p>The Foundation Phase will, by September 2011, replace in Wales what was previously known as Early Years Education (for all three to five year olds) and Key Stage 1 of the National Curriculum (for all five to seven year olds). The Foundation Phase places greater emphasis than before on ‘experiential learning’, using ‘real-life problem-solving’ as a vehicle for learning. For older children in particular, there will be more emphasis on play and less on desk-based learning. This study would evaluate progress in implementing the Foundation Phase and assess whether the financial planning underpinning its full roll-out takes adequate account of the additional costs involved in its implementation. Any work in this area would best be undertaken in partnership with Estyn, drawing on their extensive evidence base about the quality of provision in schools.</p>	<p><b>Participation and completion in higher education</b></p> <p>The National Audit Office reported on widening participation in higher education in England in June 2008. The National Audit Office’s report focused on whether participation among under-represented groups was increasing, the action being taken by central government, institutions and other organisations to encourage participation, and the general barriers to participation. This work would examine similar issues in a Wales context and against the backdrop of the economic downturn, drawing on statistical information reported by the Higher Education Funding Council for Wales and the Higher Education Statistics Agency.</p>
<p><b>Surplus school places</b></p> <p>Surplus school places are a common problem facing local education authorities across Wales. This review would present a clear and up to date assessment of surplus capacity in Welsh schools. The costs of surplus places and their impact would be examined. This work would also seek to identify and share good practice in terms of how this issue is being tackled in Wales, or elsewhere.</p>	
<b>Sector/topic specific reviews – sustainable futures</b>	
<p><b>Promoting tourism</b></p> <p>Linking closely with work on the economic downturn, this study would consider the value of tourism to the Welsh economy. It would also examine critically the investment made by the Assembly Government and the wider public sector in promoting and managing the tourism offer. This work could incorporate the following topics:</p> <ul style="list-style-type: none"> <li>• maximising the benefits of major events;</li> <li>• widening access to and taking advantage of Wales’s cultural heritage and environmental assets.</li> </ul>	<p><b>Waste reduction and minimisation</b></p> <p>The proposed Wales waste strategy ‘Towards Zero Waste’ states that although a high recycling rate of at least 70 per cent across all sectors by 2025 will reduce Wales’s ecological footprint, a much larger reduction is needed than is possible through municipal waste recycling. Following on from our current work on municipal waste recycling and composting, and early in the life of the new waste strategy, this study would examine the effectiveness of the public sector’s contribution in reducing the amount of waste that is created at source.</p>

**Sector/topic specific reviews – sustainable futures (continued)**

**Progress with the Wales Housing Strategy**

The Assembly Government has recently consulted on 'Sustainable Homes – A National Housing Strategy for Wales'. This review would examine progress in delivering elements of that strategy, building on current plans for a study on the Welsh Housing Quality Standard. Future areas of focus might include:

- access to social housing – including a follow-up to my previous work on homelessness;
- the effectiveness and impact of housing association consortia;
- home energy efficiency and fuel poverty – following up my previous work on the Home Energy Conservation Act;
- enforcing requirements in respect of private sector housing;
- arrangements for the regulation of (all) social housing providers; and
- housing led regeneration.

**Improving food safety regulation**

In March 2009, Professor Hugh Pennington published his report on the public inquiry into the September 2005 outbreak of *E.coli* O157 in South Wales. This study would examine the Welsh public sector's response to the issues raised in Professor Pennington's report. In particular, the work would consider the action taken by the Food Standards Agency Wales and local authorities to strengthen local authority food hygiene enforcement. Other possible areas of focus could include arrangements for the supply of high-risk foods, the contingency arrangements of local NHS providers to deal with food poisoning outbreaks, or the adequacy of toilet and hand-washing facilities in schools.

**Developments in the control of bovine tuberculosis**

The Assembly Government has reported that over 12,000 cattle in Wales were slaughtered in 2008 as a result of bovine tuberculosis. In 1997 just 669 cattle were slaughtered. The Assembly Government has also estimated that the cost of compensating farmers could exceed £80 million by 2014. This study would assess the costs and effectiveness of the Assembly Government's efforts to control the incidence of bovine tuberculosis. In doing so, this work would consider developments since, and in response, to the Audit Committee's 2004 report on compensating farmers for bovine tuberculosis.

**The Glastir Sustainable Land Management Scheme (Tir Gofal follow up)**

In May 2009 the Minister for Rural Affairs announced that the funding of agri-environment schemes in Wales was to be restructured. In their place will come the new all Wales 'Glastir' Sustainable Land Management Scheme. In September 2008 the Audit Committee reported on Tir Gofal, the Assembly Government's main agri-environment scheme. Under Tir Gofal, farmers are paid to manage agricultural land in an environmentally beneficial way. The Committee's report concluded that there were promising signs that Tir Gofal was contributing towards its objectives, but the scheme's actual impact was difficult to assess largely because of limitations in the evidence base. The basic design of Tir Gofal was sound, but the scheme was not sufficiently tailored to specific needs and local conditions. This review would consider whether the lessons learned from Tir Gofal have been applied successfully in the design of Glastir.

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**Sector/topic specific reviews – economy and transport****Progress with the Wales Transport Strategy**

The 2008 Wales Transport Strategy, 'One Wales – Connecting the Nation', recognises that good transport systems strengthen the country's economic and social life, while also safeguarding the environment. Following on from our current work on major transport projects, this study would present an early assessment of progress in delivering the transport strategy, and the underpinning National and Regional Transport Plans.

We would focus on one of more of the five key areas for progress in the first phase of the strategy:

- reducing greenhouse gas emissions and other environmental impacts from transport;
- integrating local transport;
- improving access between key settlements and sites;
- enhancing international connectivity; and
- increasing safety and security.

**Regeneration follow up**

In August 2005 I published the results from a baseline review on the regeneration work of local authorities and the Assembly Government. That review concluded that all councils were actively engaged in regeneration to a greater or lesser degree, and many were producing positive results. However, it was also clear that the delivery of regeneration in Wales could be more effective, efficient and sustainable.

This follow-up work would consider whether the public sector's contribution to regeneration in Wales has improved since 2005. One area of focus could be the impact of the Assembly Government's change in approach to target regeneration funds and promote a holistic approach through the Strategic Regeneration Area programme. This work would also relate closely to our recent work on Communities First and our current work on the 2007-2013 European Union Convergence Funding.

**Highways maintenance**

High quality highways across Wales are essential as they support service delivery, regeneration, tourism and road safety. This study would follow on as part of my ongoing work on public sector asset management and would complement my current review of major transport projects. The focus would be on whether the arrangements across local authorities and the Assembly Government for managing the maintenance of the highways network are providing value for money.

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**Sector/topic specific reviews – health and social services**

**Development of community based health services**

The Assembly Government's vision for the NHS set out in 'Designed for Life' highlights the importance of developing effective community based care to avoid over-reliance on the acute sector and to provide care closer to patients' homes. This review would consider the progress that health boards are making in developing community services as part of coherent whole systems models of care. It would consider the effectiveness of community services in helping to avoid unnecessary hospital admissions and supporting timely discharge from hospital.

This topic could be looked at in its own right, as part of any future follow up work on chronic conditions, or as part of a wider review of benefits realisation following the NHS reorganisation.

**Continuing healthcare**

The costs associated with continuing healthcare provision are considerable and are putting increasing pressure on the budgets of health and social service organisations. Disputes between these organisations on who should pay for continuing healthcare are common. Ombudsman reports have also highlighted problems with the application of eligibility criteria and the potential for injustice to elderly or disabled people who have to pay for their own care. This review examines the costs of continuing healthcare in Wales and whether NHS bodies and local authorities are applying eligibility criteria consistently and correctly. The review would also consider the impact of NHS re-organisation and the specific challenges posed by future constraints on public spending.

**NHS re-organisation - early perspectives on implementation of the reforms**

Following on from my work to support NHS re-organisation, this review would provide an early commentary on the effectiveness of the national and local arrangements to implement the significant change agenda within the NHS. Potential areas of focus would be:

- the robustness of organisational and governance structures within the newly established NHS bodies; and
- a review of the retention and severance arrangements for senior staff that have been displaced as a consequence of the re-organisation.

**Role of nursing in the provision of high quality patient care**

The majority of patients receive excellent care but for some, care falls below acceptable standards. The Wales Audit Office and HIW have identified the potential to jointly deliver work examining the contribution nursing care makes to the patient experience, and also the factors that affect the care that nurses are able to provide. The review would examine the extent to which key activities set out in the *Fundamentals of Care* document are being delivered and how the recent *Free to Lead, Free to Care* initiative can help improve patient care. Analysis of staffing levels and skill mixes will be used to help understand the factors that can contribute to unacceptable variations in the quality of care.



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**Sector/topic specific reviews – health and social services**

**Medicines management**

Expenditure on medicines within NHS Wales is significant. General Practitioners alone prescribed (and dispensed) or dispensed over half a billion pounds worth of prescription items, including medicines, in 2008-09. Ensuring the safe, effective and financially prudent use of medicines will be a key challenge for the new health boards. This examination would identify the scope to secure cost and quality improvements in NHS medicines management, with the potential for linked phases of work across primary care and the hospital sector. The review could also include an examination of the effectiveness of national support mechanisms such as advice on the prescribing of new drugs and provision of prescribing information to practitioners and NHS managers.

**NHS workforce development**

Effective workforce development plans are essential to underpin the local and national strategies to modernise and improve health services. This review would examine the effectiveness of workforce planning and development across NHS Wales. Areas of potential focus would be extent to which the benefits are being realised from the implementation of Agenda for Change and other initiatives, such as the Knowledge and Skills Framework. The review could also examine how effective NHS organisations have been at developing new roles to help modernise services and improve care for patients.

**NHS diagnostic services**

Diagnostic services are an essential part of the healthcare system. They help patients get an accurate diagnosis and the right treatment. Costs associated with provision of diagnostic services such as radiology, endoscopy and pathology can be considerable and efficient and effective delivery of these services will be a key factor in achieving the referral to treatment time targets set for NHS Wales. This review would examine the efficiency and effectiveness of radiology, endoscopy and pathology services focusing on key indicators such use of staff and equipment, rate of repeat tests, session utilisation and existence of sound management information systems.

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**Sector/topic specific reviews – Assembly Government administration**

**The Strategic Capital Investment Fund (SCIF)**

In addition to departmental capital allocations, the Assembly Government has set aside a SCIF budget worth £400 million plus over the period 2008-09 to 2010-11. The SCIF is intended to fund innovative, cross-cutting and strategic capital projects. This review would examine the arrangements for managing the SCIF, its impacts and its relationship with other capital investment programmes. We have recently completed a preliminary review of the SCIF as part of our audit of the Assembly Government's 2008-09 Consolidated Resource Account.

**Assembly Government relocation strategy**

Key components of the Assembly Government's relocation strategy have been the development of new office buildings in Merthyr Tydfil, Aberystwyth and at Llandudno Junction. The relocation strategy has been driven by a desire to improve access to the Assembly Government's services, increase public awareness of and engagement with the Assembly Government's business, redistribute wealth and promote greater equity of job and career opportunities. This work would focus on whether there is evidence that these and other benefits are being realised, relative to the costs of relocation.

**Jeremy Colman**

**Auditor General for Wales**

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