

## **Agenda – Public Accounts Committee**

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Meeting Venue:	For further information contact:
Video Conference via Teams	Fay Bowen
Meeting date: 15 March 2021	Committee Clerk
Meeting time: 09.30	0300 200 6565
	<a href="mailto:SeneddPAC@senedd.wales">SeneddPAC@senedd.wales</a>

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**(The Committee agreed on 1 March 2021, a motion under Standing Order 17.42 to resolve to exclude the public from this meeting)**

- 1 Introductions, apologies, substitutions and declarations of interest**  
(09.30)
- 2 Paper(s) to note**  
(09.30 – 09.45)
  - 2a Betsi Cadwaladr University Health Board – Arrangements for interim senior staff appointments: Letter from the Chief Executive, BCUHB (26 February 2021)**  

(Pages 1 – 4)
  - 2b Effectiveness of Local Planning Authorities in Wales: Correspondence from the Welsh Government (1 March 2021)**  

(Pages 5 – 6)
  - 2c Cardiff Airport: Letter from the Welsh Government (3 March 2021)**  

(Pages 7 – 12)
  - 2d Inquiry into COVID-19 and its impact on matters relating to the Public Accounts Committee’s remit: Letter from the Welsh Government (4 March 2021)**  

(Page 13)
  - 2e Reflections on the Fifth Assembly/Senedd: Letter from the Welsh Government (8 March 2021)**  

(Pages 14 – 18)



- 2f Housing Adaptations: Letter from the Welsh Government (10 March 2021)**  
(Pages 19 – 20)
- 3 Scrutiny of Accounts 2019–20: Welsh Government**  
(09.45 – 10.05) (Pages 21 – 25)  
PAC(5)–09–21 Paper 1 – Letter from the Permanent Secretary, Welsh  
Government (5 March 2021)
- 4 Legacy Report: Consideration of draft Report**  
(10.05 – 11.30) (Pages 26 – 66)  
PAC(5)–09–21 Paper 2 – Draft Report



Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

**Agenda Item 2a**  
Bloc 5, Llys Carlton, Parc Busnes Lanelwy,  
Llanelwy, LL17 0JG

Block 5, Carlton Court, St Asaph Business  
Park, St Asaph, LL17 0JG

Mr Nick Ramsay, AS  
Chair, Public Accounts Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

**Ein cyf / Our ref:** JW/LJ//DP/CE21-356/2816

**Eich cyf / Your ref:**

**☎:** 01745 448788 ext 6364

**Gofynnwch am / Ask for:** Di Platt

**E-bost / Email:** [di.platt@wales.nhs.uk](mailto:di.platt@wales.nhs.uk)

**Dyddiad / Date:** 26 February 2021

Dear Mr Ramsay

**Re: Auditor General for Wales report: Arrangements for Interim Senior Staff Appointments**

Thank you for correspondence of 5 February 2021 regarding the above report, and also for your kind welcome and good wishes. Further to your request, I append the Health Board's response to the Committee's queries.

Please do not hesitate to contact me should you require further information,

Yours sincerely

**Jo Whitehead PSM**  
**Prif Weithredwr**  
**Chief Executive**

**Betsi Cadwaladr University Health Board Response to the Public Accounts  
Committee Queries Regarding the Auditor General for Wales's Report  
Arrangements for Interim Senior Staff Appointments – BCUHB**

## **Introduction**

Following the previous response to the Public Accounts Committee's request for information in December 2020, the Health Board is pleased to provide further detail on the role of the former Interim Recovery Director.

**Question:** *In respect of the interim staff arrangements response, I would welcome more detail on the performance and financial returns delivered where the interim Recovery Director's work was focused. We note the concerns raised in the AGW's Report that the rate paid was higher than most of the benchmark comparators used. Please could you explain whether the daily rate paid to the Interim Recover Director and overall cost of his services represented value for money.*

## **Performance**

A number of key objectives were agreed upon the appointment of the Interim Recovery Director which set out the outcomes required of the role. These were delivered as described below.

In order to provide additional oversight of the financial run rate and to further support delivery of efficiencies, the Interim Recovery Director implemented fortnightly meetings with the senior leadership of the Divisions, which provided scrutiny of the delivery against the savings targets and the expenditure run rate. Meetings were held with key work-stream improvement groups (such as procurement, medicines management and workforce), which reviewed progress against savings targets and delivery of improved efficiency and productivity.

A Financial Recovery Group was established which provided scrutiny of the recovery programme and reported to the Finance and Performance Committee. This additional oversight supported the improved delivery of efficiencies across the Health Board.

The Interim Recovery Director introduced external suppliers and partners to the Health Board to consider alternative efficiency models. These were procured through existing NHS frameworks and included the review of medical rotas, outpatient clinics and procurement. The service reviews identified opportunities to increase productivity or efficiency while the procurement review realised opportunities to deliver cash benefit from improving existing processes.

The Interim Recovery Director attended Executive Committee meetings and Finance and Performance Committee and advised on the identification of opportunities required to support the financial recovery of the Health Board. The Interim Recovery Director recommended an improved approach to the governance and scrutiny models needed to support and deliver the programme and these models were implemented by the Health Board.

The Interim Recovery Director worked with the project management team to develop a comprehensive reporting format which reported on a weekly basis to the Chief Executive and Chair and was scrutinised at the Financial Recovery Group. The Interim Recovery Director advised on the level of resources required to deliver the recovery programme. This included recommending the use of external partners to provide expertise in specific operational areas.

### **Financial returns**

In relation to financial returns, in 2018/19 the Health Board had achieved £38.3m of savings, of which £23.6m was cash releasing (62%). At the start of 2019/20, the savings position showed £12.4m identified, of which £8.2m was cash releasing, against a target of £34.5m.

The Interim Recovery Director was appointed in July 2019 and by the end of the financial year [when the Interim Recovery Director's contract finished], the Health Board had over-delivered against the planned savings target by £1.1m; £35.6m savings, of which £33.2m were cash releasing – 93%, which is £9.6m higher than in the previous year.

Supported by the work of the Interim Recovery Director, the Health Board implemented a more robust process for identifying and reporting on savings. This involved the daily update of the comprehensive savings tracker, based on the outputs from the Programme Management Office (PMO), service improvement team and feedback from the divisions.

A weekly report was issued to the Health Board, reporting through the Financial Recovery Group and ultimately to the Finance and Performance Committee. The recommendations from the PwC financial review were also implemented along with additional financial controls, to improve the expenditure run rate. Progress against these actions were also monitored by the Financial Recovery Group and the Finance and Performance Committee. The divisional reports were updated in line with the bi-monthly meeting schedule to include action plans and narrative around both savings and opportunities to reduce the expenditure run rate. Finally, the governance around both the savings pipeline and financial recovery was significantly strengthened.

The Health Board believes that the performance and returns outlined above represent value for money in terms of the daily rate paid to the Interim Recovery Director.

**Question:** *Can you also provide details of the impact of the Interim Recovery Director's work and a fuller explanation of why the response from the Health Board suggest the daily rate paid was in line with market rates.*

The impact of the Interim Recovery Director appointment is covered in the section above.

At the time of the interviews for the appointment of the Interim Recovery Director, discussions took place between the Wales Audit Office Lead and the Executive Director of Workforce & Organisational Development regarding the process for benchmarking appointments of this nature, to ensure value for money.

The then Chief Executive and Executive Director of Workforce & Organisational Development used knowledge and prior experience of turnaround/recovery roles appointed in previous organisations, together with a sense check of information available on the internet and social media.

There were three candidates interviewed for this role. The rates for the two unsuccessful candidates were:

- Candidate 1: £2,100 per day
- Candidate 2: £1,700 per day

At the time of appointment, this information also helped to inform the Health Board on the broad market values expected for these roles. Other examples of market rates considered which had been published in the media include:

- North Tyneside CCG: £1,700 per day (2016)
- Brighton & Sussex University Hospital, King's College Hospital: £3,000 per day (2016)

The Health Board agreed to pay the agency supplying the Interim Recovery Director the rate of £1,890 per day with a capped reimbursement of reasonable 'out of pocket' expenses paid of £100 per day for a nine month period. Payment was in accordance with the Health Board's expenses policy.

## **Conclusion**

It is hoped that the response provided above adequately addresses the Public Accounts Committee's queries. Should any further information be required, the Health Board will be pleased to provide the necessary detail.



Llywodraeth Cymru  
Welsh Government

Newid Hinsawdd, Ynni a Chynllunio  
Climate Change, Energy and Planning

Nick Ramsay MS  
Chair  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

1 March 2021

Dear Nick

## **Effectiveness of Local Planning Authorities in Wales**

Thank you for your letter of 7 October seeking further information on how the Welsh Government intends to take forward recommendations 5, 6 and 7 of your report into the Effectiveness of Local Planning Authorities in Wales. As agreed with the clerk, I am responding on Andrew Slade's behalf and I must apologise for the delay in doing so.

I am pleased to have the opportunity to clarify our approach to place planning as referred to in Recommendation 5. We believe that a distinction needs to be made between the policy objective – Placemaking and one of the tools available to implement the policy namely Place Plans. There are currently no plans to bring forward legislation to make Place Plans a statutory requirement but we do want to see Placemaking embedded within the planning system as the Committee suggests.

Planning Policy Wales was comprehensively revised in 2018 and includes a focus on using the planning system to deliver Placemaking through the preparation of Local Development Plans and individual planning decisions. Placemaking in this context needs to be a holistic approach to the planning and design of development and spaces, focused on positive outcomes. It should draw upon an area's potential to create high quality development and public spaces that promote people's prosperity, health, happiness, and well-being in the widest sense. We were encouraged that the Future Generations Commissioner has commended the approach which PPW has adopted commenting that it is one of the best examples to date of the use of the Act to design national policy in Wales and of engagement with her office.

We therefore agree that Placemaking needs to become ever more central to how we use our towns and cities, particularly in light of the repercussions of Covid-19 and the climate emergency for communities. We are fortunate that the revised PPW and Future Wales puts us in a strong position. The Committee may also wish to note that the Minister of Housing and Local Government has issued guidance on how the planning system should contribute to the recovery from the pandemic. Building Better Places: The Planning System Delivering Resilient and Brighter Futures sets out 8 themes where action is necessary.

- Staying local: creating neighbourhoods
- Active travel: exercise and rediscovered transport methods
- Revitalising our town centres
- Digital places – the lockdown lifeline
- Changing working practices: our future need for employment land
- Reawakening Wales' tourism and cultural sectors
- Green infrastructure, health and well-being and ecological resilience
- Improving air quality and soundscapes for better health and well-being

<https://gov.wales/sites/default/files/publications/2020-07/building-better-places-the-planning-system-delivering-resilient-and-brighter-futures.pdf>

Building Better Places signposts where further guidance is available and the resources which local planning may draw on for assistance. The clear national expectation is that LDPs and planning decisions will implement the policy locally. Where this does not happen the Minister may comment on LDPs or call-in planning applications.

Place Plans are a tool which can help to implement the placemaking policy. The Chief Planner, through his regular dialogue with the Planning Officers Society Wales (POSW), will continue to encourage local planning authorities to support the preparation of Place Plans. We will also be highlighting the valuable contribution Place Plans can make to the LDP review process and how guidance and training on the preparation of Place Plans, produced by the Design Commission for Wales and Planning Aid Wales using grant assistance from Welsh Government, can support the process.

With regard to recommendations 6 and 7 we are hopeful that regional co-operation on S106 and other technical planning matters can be progressed more rapidly than the Committee suggests. It has been our long-standing policy that local planning authorities should pool their specialist and technical planning functions to increase resilience. The pooling of resources between authorities in this way should not depend upon completion of Strategic Development Plans. We strongly agree with the Committee that Section 106 and the Community Infrastructure Levy remain important tools to mitigate the impact of development on communities. This is however an area where substantial policy redesign will be necessary if we are to accurately reflect the nature of development in Wales and associated land values. As your report indicates accurate data covering this area is scarce. We are seeking to address this issue in order to inform further policy development to address the Committee's concerns. Our current intention is that we will have commissioned further research in this area by the end of this year. In the meantime this is an aspect of the planning system that we will continue to keep under review.



**JOHN HOWELLS**

Director of Climate Change, Energy and Planning

Nick Ramsay MS  
Chair  
Public Accounts Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1NA

3rd March 2021

Dear Chair

## **CARDIFF AIRPORT**

Further to my recent evidence session with Public Accounts Committee, I am writing to advise that the Minister for Economy, Transport and North Wales has issued a Written Ministerial Statement on future support for Cardiff Airport.

COVID-19 has had an extraordinary impact on all of our lives, locally and around the globe. The pandemic continues to cause major disruption to all aspects of society and the economy, and, as you know, the travel industry has been one of the hardest hit sectors. Civil aviation has all but been devastated by the curtailment of virtually all passenger flights, deserted airports and entire fleets grounded.

Further to the unprecedented package of support that the Welsh Ministers have already made available to individuals and businesses across Wales, Ministers have today set out a financial package to provide support to CIAL in the medium term, against a five year rescue and recovery plan. This maximises the recovery of the Welsh Government loan investment and provides sustainability for the airport while delivering the lowest lifetime cost option. This provides the best way forward on strictly commercial/market investor terms, while acknowledging the unavoidable risks and uncertainties created by the global crisis in the industry.

The rescue and recovery plan will be performance managed regularly in order to evaluate and protect our ongoing investment. Further to this, we are also in the process of reviewing the

Parc Cathays/Cathays Park  
Caerdydd/Cardiff  
CF10 3NQ

governance of Cardiff Airport and strengthening the role that Holdco will play moving forward. I will let you know the outcome of those deliberations in due course.

The full details of the financial support package are provided within the Statement attached. I am copying this letter to the Auditor General for Wales.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Slade', written in a cursive style.

**Andrew Slade**  
Director General  
Economy, Skills and Natural Resources

**CC:** Adrian Crompton, Auditor General for Wales



Llywodraeth Cymru  
Welsh Government

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**WRITTEN STATEMENT  
BY  
THE WELSH GOVERNMENT**

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**TITLE**        **Future support for Cardiff Airport**

**DATE**        **3 March 2021 (TBC)**

**BY**            **Ken Skates AM, Minister for Economy, Transport and North  
Wales**

Cardiff International Airport (CIAL) is a vital gateway to Wales for business, tourists and general travellers alike. It is vital for Wales's economic development that we have strong international connectivity to and from Wales as well as a welcoming open door for tourism.

In 2013, the Welsh Government purchased Cardiff Airport as a strategic addition to Wales' transport infrastructure and to secure its future after an extended period of commercial decline and develop high-quality services and additional routes for passengers.

Under Welsh Government ownership, the airport has been operated at arm's length on a commercial basis and, up until 12 months ago, had witnessed a significant turnaround in fortunes. So much so that since 2013, figures from the Civil Aviation Authority showed that passenger growth at Cardiff Airport had increased by over 50 per cent.

Within Wales, as elsewhere, COVID-19 has had a catastrophic impact on public transport and we have made additional support available to maintain bus and rail services in Wales. The Aviation Industry globally has been hit particularly badly and virtually all passenger flights have been curtailed, airports are deserted and entire fleets have been grounded. That impact has been felt at Cardiff Airport as it has been at every other airport across the world.

For instance, last week Heathrow Airport reported a £2bn annual loss after passenger numbers during the coronavirus pandemic dropped to levels not last seen since the 1970s.

The COVID-19 pandemic is expected to impact the aviation industry for several years to come.

As of November 2020, Standard & Poor's (S&P) forecasted that global air traffic will not return to pre-COVID-19 levels over the period 2021 – 2023. In their projections, published in November 2020, S&P noted that, in 2023, traffic is expected to be 12.5% below 2019 levels.

As a consequence of the COVID-19 pandemic, the Airports Council International (ACI) and the Airports Operators Association (AOA) have updated their medium-term projections of passenger traffic in December 2020 and February 2021 respectively. The projections published by the AOA in February 2021 confirm that the prolonged travel restrictions lead to a slower recovery, with the AOA projecting a slower path to recovery in the UK compared with the ACI's global projections.

Global air traffic fell to its lowest level for 17 years in 2020: Passenger numbers plunged from 4.5bn in 2019 to 1.8bn last year with airlines losing a combined £270bn due to Covid. A Civil Aviation Authority (CAA) report shows Cardiff Airport as having the biggest decline over the past year of 87% over any other UK airport.<sup>1</sup>

The priority for all airports across the globe, including Cardiff, is recovery, sustainability, and eventual growth.

Since last March we made the conscious decision to keep our airport open to support freight and logistics during the pandemic which also saw delivery of much needed PPE for the NHS in Wales. The Board and management team at CIAL have been working hard to reduce costs as much as possible and generate new sources of revenue.

Cardiff Airport have put most of their staff on the UK Government's furlough scheme in order to provide maximum cost savings to the business.

Alongside this Cardiff Airport originally contracted out around 60 staff to provide a call-centre service to support Cardiff and Vale of Glamorgan Local Authorities test and trace facilities. The Welsh Government continues to do what it can to ensure Wales continues to have a national airport into the future that can support our economy as part of an integrated public transport network.

The UK Government has provided a new £100m airport COVID support package which is for English airports only. Northern Ireland will provide £10m in funding for Belfast airports, plus support for other regional airports will be considered as part of their £150m rate relief scheme. The European Commission has approved, under EU State aid rules, a GBP 17 million (approximately €20 million) UK aid scheme to compensate Scottish airports for the damage suffered due to the coronavirus outbreak. Scottish Government will provide £17m to Scottish Airports to help them through this period.

I expect the UK Government to review its Aviation policy to reflect the extraordinary situation we are now in and to create, and fund, a substantial package of support that can support the regulatory and financial costs on critical regional airports such as Cardiff. However, despite these calls to the UK Government, Cardiff Airport has not received any direct support from the UK Government to ensure its medium to long-term viability. As the shareholder, and recognising the importance of this key infrastructure, we have decided to take decisive action now – to delay would mean the loss of the airport and our entire investment

The Welsh Government have agreed a financial package to provide support to Cardiff International Airport Limited (CIAL) in the medium term against a five year plan for the rescue and restructure of the airport. This Government business support package satisfies the terms of the UK-EU Trade and Co-operation Agreement, in particular the provisions around subsidies for the purposes of rescue and restructure. We have agreed investment by way of a grant of up to £42.6m which will be given to enable Cardiff Airport to restructure its operations, and secure its long term viability.

Separately, as sole shareholders of Cardiff Airport, we have made the decision on a purely commercial basis to write off £42.6 million of the airports debt. This decision maximises the likelihood of recovery of Welsh Government loan investment and delivers the lowest lifetime cost option. It provides the best way forward for the Welsh Ministers as sole shareholders of the airport from a commercial perspective,

We are also impairing the equity at this time as a prudent step to reflect the loss of value as a result of Covid which amounts to £46.3m. By taking this action we are confident that this will best protect the value of the public investment in the airport and ensure that it is sustainable into the future.

The performance of Cardiff Airport as against its restructure plan will be monitored and performance managed regularly in order to evaluate and protect our ongoing investment.

This investment package helps protect jobs and preserves connectivity in an area of the UK where, alongside our exciting new Metro programme, we want to build high quality infrastructure to support the economy. This funding will help sustain up to 5,200 indirect jobs retained from the economic activity of the firms on-site at the airport and from the firms in the wider supply chain, at a time when we know the Aviation sector needs support.

The announcement of the new Wizz services is welcome news and a positive step that will help Cardiff Airport emerge from the impact of the Covid-19 pandemic. The services will increase choice for passengers, create jobs and add to the airport's economic benefits and I look forward to the nine new routes being made available in the coming months.

Building an economy and transport system fit for the future means taking action now to support our vital, national infrastructure and assets through these difficult and extraordinary days of Covid. Just as it has done supporting other critical services through this pandemic, the Welsh Government has acted swiftly and decisively – in this case to help secure Cardiff Airport and ensure it can contribute to our recovery.

I will keep the Senedd informed of developments at Cardiff Airport and will be happy to answer questions from members during my questions this afternoon.



## Tracey Burke

Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Addysg a Gwasanaethau Cyhoeddus  
Education and Public Services Group

Nick Ramsay MS  
Chair  
Public Accounts Committee  
Senedd Cymru  
Cardiff Bay  
CF99 1NA

4 March 2021

Dear Mr Ramsay,

I am writing following my attendance at Public Accounts Committee on 8 February.

At Committee, I was asked for a copy of the Welsh Government's response to the Estyn Report on pupil's learning experiences, I can confirm that this was published on 23 February, and a copy can be accessed here:

<https://gov.wales/local-authorities-and-regional-consortias-support-schools-and-prus-response-covid-19-government>

I also agreed to share a copy of the initial report on the evaluation of wider business support and grants, along with those administered through local authorities. My colleague Andrew Slade is taking this work forward and, therefore, I have agreed that he will include this in his letter of response to you.

As always, I would be happy to provide any further information or clarification as requested by the Committee.

I am copying this letter to Andrew Slade.

Yours sincerely

Tracey Burke



BUDDSODDWR | INVESTORS  
MEWN POBL | IN PEOPLE

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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.

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.

# Agenda Item 2e

Grŵp yr Economi, Sgillau a Chyfoeth Naturiol  
Economy, Skills and Natural Resources Group

Cyfarwyddwr Cyffredinol - Director General



Llywodraeth Cymru  
Welsh Government

Nick Ramsay MS  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

8<sup>th</sup> March 2021

Dear Chair

## **PUBLIC ACCOUNTS COMMITTEE – END OF TERM SESSION**

During the evidence session I attended with Public Accounts Committee on 8 February, I undertook to write to you to provide further information in a number of areas, as captured in the follow-up actions emerging from the session.

The required information is set out below and is numbered for convenience.

### **1. Agreed to clarify the financial position regarding the International Convention Centre Wales (ICCW) and advise the Chair**

Welsh Government invested £1million as a part of the finance package compiled in September 2020. The Celtic Manor Resort Ltd as the shareholding partner invested the same. A new bank loan was introduced at the same time of £2.5million. Due to the fact that Welsh Government has a 50% stake in the company, there was an obligation to accept capital budget charges of £1.25million in respect of the new loan, which will reverse as the debt is repaid.

It is therefore the £1million direct investment, plus the £1.25million capital budget charge which impact on the 2020/21 budget.

### **2. Will confirm if any other loan agreements are in place between the Welsh Government and public services similar to the arrangement with Cardiff Airport**

The loan agreements with Cardiff International Airport Ltd (CIAL) are interest-bearing and I can confirm Welsh Government has a number of other loan agreements in place with public

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service providers. However, there is no like-for-like arrangement in place and all loans made by Welsh Government are assessed and awarded based on the merits of each case.

The loans to CIAL have been made on a Market Economy Operator Principle (MEOP) investment basis as we would for any other business, which is not the same basis that loans to local authorities, or similar, are undertaken. In these instances, we offer a range of financial support packages, which include loans on a commercial basis, where the terms vary between requiring the recipient to pay the interest throughout the loan period and where the interest is rolled up as a bullet payment at the end of the loan period.

**3. Will confirm the total amount outstanding on all loans drawn down to date plus interest accrued to date**

The total amount outstanding on all loans to CIAL that have been drawn down to date is £59.4m (including a £4.8m emergency Covid-19 loan facility) plus interest accrued to date of £9.5m.

**4. Agreed to provide updates on Cardiff Airport on a six-monthly basis to the successor Committee**

I wrote to you on 3 March to explain the current status of funding arrangements with Cardiff Airport and to advise of the statement made by the Minister for North Wales and Economy and Transport. My officials will continue to provide the Chair with six-monthly updates as requested.

**5. Will share the delivery plan for the Foundation Economy**

The Foundational Economy Delivery Plan is currently in draft and awaiting approval from Ministers. It is anticipated that this will be finalised before the end of March and we will forward the approved version to the Chair as soon as it becomes available.

**6. Will provide figures in relation to the delivery and outcomes of financial support schemes for businesses for each application round during the pandemic.**

A full breakdown of the delivery and outcomes of financial support schemes was provided in the evidence paper to support the session. I have attached the detail at Annex A for ease of reference.

**7. Will look into the possibility of having a dedicated hotline for reporting suspected cases of Covid-19 related fraud.**

The Welsh Government already has a dedicated fraud telephone and email hotline. These have been monitored by the Head of Counter Fraud throughout the pandemic. Strong liaison with UK Government has been maintained and Welsh Government has received regular reports on suspected frauds that relate to Wales from the National Fraud Initiative (NFI) reporting lines at UK Cabinet Office, Crime Stoppers and through Action Fraud which is the UK's national reporting centre for fraud and cybercrime. As a result of this approach, Welsh Government does not consider it necessary to create additional methods for the reporting of

fraud, lest this introduces unhelpful added complexity. This fraud reporting approach is consistent with that taken by the other Devolved Administrations.

Further work will be undertaken with the data matching exercise which will review all Covid-19 payments and cross match with HMRC data. Welsh Government will, as always, be working closely with Audit Wales on this exercise.

**8. Will ensure a copy of the initial report on the evaluation of wider business support, business grants, along with those administered through local authorities is sent to the Committee.**

Economic Intelligence Wales (EIW) has been appointed to undertake an impact and evaluation on the ERF. The first stage report "Covid-19 financial interventions: An analysis of Welsh beneficiaries" was published in December 2020. The ERF interventions investigated in this report include Phase 1 and 2 business grants administered by the Welsh Government and the Covid-19 Wales Business Loan Scheme managed by the Development Bank of Wales. This report also considers the non-domestic rates (NDR) grants administered by local authorities. There are a further two stages to the work of the EIW which include a survey element and a follow on impact and conclusion evaluation planned in 2021 and early 2022. The link below provides access to the evaluation report.

[https://developmentbank.wales/sites/default/files/2020-12/EIW%20bespoke%20report%20on%20Covid-19%20interventions\\_ENG.pdf](https://developmentbank.wales/sites/default/files/2020-12/EIW%20bespoke%20report%20on%20Covid-19%20interventions_ENG.pdf)

This link provides access to an infographic of the analysis of Welsh beneficiaries.

[https://developmentbank.wales/sites/default/files/2020-12/EIW%20COVID-19%20infographic\\_ENG.pdf](https://developmentbank.wales/sites/default/files/2020-12/EIW%20COVID-19%20infographic_ENG.pdf)

One further area to note, is my commitment to share the final report from the internal review of the Job Support Wales procurement. I will issue this shortly and aim to have it with you before the Easter period.

Please let me know if you have any further questions.

With best wishes.

Yours sincerely



**Andrew Slade**  
Director General  
Economy, Skills and Natural Resources Group

**Covid-19 Economic Resilience Fund – Update**

<b>BAS - ERF 1</b>	<b>Micro</b>	<b>SME</b>	<b>Large</b>	<b>TOTAL</b>
No. applications received	8,143	1,311	28	<b>9,482</b>
Amount £m (received)	£106.0	£56.1	£11.8	<b>£173.9</b>
No. applications approved	5,850	1,124	24	<b>6,998</b>
Amount £m (approved)	£78.8	£48.6	£10.5	<b>£137.9</b>
Jobs safeguarded	20,820	27,135	47	<b>48,002</b>

<b>BAS - ERF 2</b>	<b>Micro</b>	<b>SME</b>	<b>Large</b>	<b>TOTAL</b>
No. applications received	4,827	358	5	<b>5,185</b>
Amount £m (received)	£50.2	£13.7	£1.3	<b>£65.2</b>
No. applications approved	4,473	320	4	<b>4,797</b>
Amount £m (approved)	£46.7	£12.7	£1.3	<b>£60.7</b>
Jobs safeguarded	4,340	7,234	0	<b>11,574</b>

<b>DBW – CWBLS</b>	<b>TOTAL</b>
No. applications approved	1,132
Amount £m (approved)	£92.0
Jobs safeguarded	16,000

<b>NDR grants</b>					
Grant 1 : 25k (march)		Grant 2: 10k (march)		Grant 3: 2.5k (Local0	
No. payments	Value payments	No. payments	Value payments	No. payments	Value payments
<b>8,502</b>	<b>£212,303,060</b>	<b>56,079</b>	<b>£561,281,046</b>	<b>1,648</b>	<b>£4,120,000</b>

Grant 4: 5K (Firebreak)			Grant 5: 1-4K (Firebreak)		
No. payments	Value payments	No. employees	No. payments	Value payments	No. employees
<b>4,963</b>	<b>£24,811,000</b>	<b>58,655</b>	<b>37,523</b>	<b>£94,371,000</b>	<b>152,502</b>
Grant 6: 1.5K/2k					
No. payments	Value payments	No. employees			
<b>10,686</b>	<b>£18,253,647</b>	<b>28,086</b>			

Christmas Restrictions and Extensions to date							
Grant 7: 3K		Grant 8: 5K RV 21-50		Grant 9: 5k RV 51+		Grant 10: 2k Disc	
No. payments	Value payments	No. payments	Value payments	No. payments	Value payments	No. payments	Value payments
<b>23,583</b>	<b>£70,727,500</b>	<b>4,600</b>	<b>£23,345,000</b>	<b>425</b>	<b>£2,257,000</b>	<b>4,744</b>	<b>£9,606,000</b>

**ERF – Business Development Grant and the Sector Specific Fund:**

**Business Development Grants (BDG):**

<b>BDG</b>	<b>Micro</b>	<b>SME / Large</b>	<b>TOTAL</b>
No. applications received	4,393 @41.88m	1,456	<b>5,849</b>
Applications rejected	3,208 @ £30.4m	639	<b>3,847</b>
Offers made	1,186 @ £11.5m	817 @ £34.7m	<b>2,003</b>
Offers accepted	1,185 @ £11.5m	809 @ £34.6m	<b>1,994 @£46m</b>

(Information as at January 2021)



## Tracey Burke

Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Addysg a Gwasanaethau Cyhoeddus  
Education and Public Services Group

## Nick Ramsay MS

Chair

Public Accounts Committee

Senedd Cymru

Cardiff Bay

CF99 1NA

10 March 2021

Dear Mr Ramsay,

### Update on Housing Adaptations

Further to *Housing Adaptations: Report of the Public Accounts Committee* in July 2019, I wrote to you on 28 May 2020 and subsequently on 22 October with an update on developments. I am writing now with further information on the outstanding recommendations.

First, in relation to **Recommendation 3** - the Minister for Housing and Local Government issued a Written Statement on 10 March in relation to small and medium sized adaptations. From April it will be simpler for disabled people to get help with small and medium sized adaptations to their homes as we are taking measures to remove the means test from small and medium Disabled Facilities Grants (DFG).

If the requirement to conduct a means test is removed, research by the Wales Centre for Public Policy calculates the cost to local government in Wales would be an additional £238,000, whilst each local authority would save £6,000-£10,000 in annual administration costs. This research was published on the WCPP website on 10 March.

Local authorities are under statutory duties to provide DFGs to eligible disabled people and this will not change. However, they can use powers under the Regulatory Reform Order 2002 to make grants without applying a means test. The Minister is increasing the Enable grant to local authorities from April 2021 by £400,000, to £4.4 million. This additional grant can be used to meet the capital pressures and address any potential bottlenecks as a result of increased demand. We are confident that working together with local authorities we can continue to improve access to adaptations for those who need them, as well as reduce waiting times.

In relation to the small number of large adaptations carried out each year, I'd like to highlight the amended guidance for the Integrated Care Fund (ICF) capital programme for 2021/22 which issued in January. Large adaptations are usually only required in complex cases, such as families with disabled children, adults with life-limiting diseases and serious accidents. Resolving the financial issues can be very

time consuming, leading to significant and unnecessary continuing distress. Under the amended ICF guidance, Regional Partnership Boards are now able to use their discretion to meet the additional costs of adaptations which cost more than £36,000. We will monitor how much use is made of this flexibility over the coming year.

Second, in relation to **Recommendation 5** - regarding integrated regional working and a single point of access to adaptations services. A final draft of the strategic framework for regional Housing Adaptations Planning Groups is to be discussed at the Housing Adaptations Steering Group on 11 March. The Group will be asked to approve the framework, following which we will consult with stakeholders. The strategic framework will issue during the summer for phased implementation, with full operation from April 2022.

The membership of the Planning Groups will include Local Authorities, Registered Social Landlords, Care and Repair agencies, the Local Health Board (including Primary Care and Occupational Therapist services), relevant Third Sector bodies and service user representation. The purpose of the Groups will be to:

- establish a more methodical and integrated approach to delivering adaptations;
- identify shared strategic priorities;
- establish a simple and clear pathway for all service users to access any aid or adaption they require, regardless of who is providing it; and
- establish a broader understanding of the population need and demand for adaptations.

There will be a direct relationship with Regional Partnership Boards. The terms and conditions of Welsh Government adaptations grants will require that providers operate through the regional Housing Adaptations Planning Groups.

I hope you find this information helpful and I would like to take this opportunity to thank the Committee for your interest in housing adaptations and your recommendations for change. It has brought renewed focus to our policy thinking in this area.

Of course, I would be happy to provide any further information or clarification as required.

Yours sincerely



Tracey Burke



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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.

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.



Shan Morgan  
Ysgrifennydd Parhaol  
Permanent Secretary

Mr N Ramsay MS  
Chair, Public Accounts Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1NA

5 March 2021

Dear Mr Ramsay,

## Key Performance Indicators

When I gave evidence to the Committee at its meeting on 7 December I said that I would write to the Committee before the end of March with a progress report on Key Performance Indicators.

I am attaching with this letter a chart which sets out where we are in identifying and assembling indicators for all of the proposed KPIs. The Committee will see that we are well advanced in some areas and that in some areas there is still more work to be done. As is noted in the chart, further work may mean that we add to these proposed indicators or, perhaps, switch some of them altogether, so the Committee should not regard this as the definitive list.

One of the determinants of progress is, simply, the extent to which the relevant areas of the Welsh Government are able to free up sufficient time to engage properly in the exercise. As I have said before to the Committee, regard this work as very important but not as urgent as the immediate pressures facing us at the moment and I cannot allow it to act as a distraction to hard-pressed staff who have needed to be 100% focussed on dealing with the pandemic or other issues. I know that the Committee appreciate this point.



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The area in which we have been able to make most progress is in the “Attributes” theme, where we could assemble the data most easily. The Welsh Government Board had a helpful discussion in the autumn around this theme and I was pleased that the purpose was to use the KPIs as a basis for a discussion about performance in this area, rather than to comment upon the development of the indicators themselves. This was the first time that the Board has put the new KPI tool to work in practice. The discussion was successful and wide-ranging and, informed by the KPIs before it, the Board agreed that staff engagement and staff welfare were the two most important aspects to focus on at the moment.

I think that we are progressing well and I would certainly welcome any thoughts that the Committee might have on the suite of indicators as they are developing. It would be helpful also to have the view of the Committee on how much detail they think that we should include in our annual accounts. I would not wish to put something in which would be disproportionately detailed or lengthy compared the way in which other important subjects are dealt with in the accounts. In addition, and as I said to the Committee in December, some of the proposed data might not be appropriate to be put into the public domain.

My understanding of the concern of the Committee in this area all along has been that I should have a robust and objective set of KPIs, rather than the Committee seeking to scrutinise the detail of the information itself. The point of the indicators is for them to be an internal management tool to help the Permanent Secretary to have objective metrics to assist in managing the Welsh Government and I hope that the Committee will feel that we are making good progress towards this goal and that we are beginning to use the tool to make a difference.

I would welcome very much the thoughts of the Committee on the work so far.

Yours,  


**Shan Morgan**  
Ysgrifennydd Parhaol/ Permanent Secretary  
Llywodraeth Cymru/ Welsh Government



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	Theme	Current theme status	Proposed indicators <i>Please note, measures may change in response to organisational strategies and developments</i>
Core Executive Functions	Policy Making	Currently in Development	Development of theme delayed due to Covid-19. Consideration currently being given to including measures around the amount of staff time spent on policy and policy related activities, the proportion of staff aligned to the policy profession and the Ministerial Advice process
	Fiscal & Financial Management	Partially Complete (data not yet available for all measures)	£ difference between forecast and outturn/percentage difference [or percentage error] between forecast & outturn (incl. decomposition factors)
			Score / ranking in Open Budget Index (measure of budget transparency)
			Percentage of recommendations by category identified in Gateway reviews undertaken for major programmes/projects
Legislation	Currently in Development	Consideration currently being given to including measures around the delivery of the Legislative Programme and the accessibility and transparency of law	
Resilience, Contingency Planning & Response	Currently in Development	Development of theme delayed due to Covid-19. Consideration currently being given to including measures around EECW and outcomes of retrospective reviews and lessons learned exercises	
Mission Support Functions	Procurement	Nearly Complete (further consideration of data sources required)	Procurement savings as % of total influenceable spend [savings]
			Contribution to social value spend as a % of total influenceable spend [social value]
			Percentage of total influenceable spend won directly by Wales based businesses including SME's? [social value]
			Percentage of total influenceable spend with suppliers off formal contract/Departure spend as a % of total influenceable spend [compliance]
HR & Workforce Management	Nearly Complete (further consideration of data sources required)	Average length of time for end to end recruitment	
		Perception of organisational commitment to moving resources to areas of Ministerial priority	
		Compliance with SLAs for the HR Services provided by the Corporate Shared Service Centre	
ICT & Digital for Officials	Currently in Development	A review of ICT metrics is currently underway, which will identify measures for the framework. Consideration is being given to including measures around staff having access to and making use of the ICT required to support effective delivery and the efficiency of the ICT service	
			Proportion of prompt payments made within 5, 10 and 30 day targets

Mis	Internal Finance	Nearly Complete (further consideration of data sources required)	Accuracy of cash management processes (forecasting cash flow): Performance of WG against variances set by the Treasury Accuracy of Budget profiles
	Estate Management	Currently in Development	Development of theme delayed due to Covid-19. Currently being reviewed in order to align to Future Workplace Strategy. Consideration is being given to including measures around staff use of, and satisfaction with, the workplace in supporting effective delivery
Service Delivery Functions	Grants	Currently in Development	Consideration currently being given to including measures around the number of Grants Schemes, the number of schemes presented to Grants Assurance Panel and recommendations made relating to making improvements to the Grants Scheme Process identified by the panel and other audits or reviews
	Digital Services for Citizens	Complete	Take-up of digital services to citizens / percentage of target population Social follower figures across main Twitter and FB channels WG Website visitor numbers
	Tax Administration		Signpost to Welsh Revenue Authority
	Theme	Current theme status	<p><b>Proposed indicators</b></p> <p><i>Please note, measures may change in response to organisational strategies and developments</i></p>
ute Themes	Ways of Working & Core Values	Reported to the Board in 2020	WFGA '5 ways of working' Index Awareness of, and confidence in, raising a concern under the Civil Service Code Incidence of unwanted conduct and behaviours
	Openness	Reported to the Board in 2020	Staff and citizen views on regularity and quality of WG's engagement with stakeholders & citizens Proportion of information requests completed in time and the level of information provided Number of open datasets that have become available over previous 12 months [not yet available]
	Capabilities	Reported to the Board in 2020	Allocation of staff to core activities and professions Access to Learning & Development opportunities Confidence in Leaders Organisational capability maturity assessment [not yet conducted]
	Equality & Inclusiveness	Reported to the Board in 2020	Representativeness of minority groups in the WG Engagement levels of minority groups

Attrib			Perception of organisational respect for individual differences
	Staff Engagement	Reported to the Board in 2020	Employee Engagement Index
			Reported intention to stay
			Average working days lost (rolling average, short term sickness, adjusted for FTE)
			Perception of organisational commitment to the Welsh Language
	Welsh Language	Reported to the Board in 2020	Proportion of staff using Welsh to carry out work
			Welsh language skills
			Compliance with Welsh Language Delivery Standards
	Innovation	Reported to the Board in 2020	Perceptions of support for individual innovation
			Perceptions of encouragement for Team Innovation
			Digital Maturity Assessment

# Agenda Item 4

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

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