

## Public Accounts Committee

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Meeting Venue:  
**Committee Room 3 – Senedd**

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Meeting date:  
**23 October 2012**

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Meeting time:  
**09:00**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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### Agenda

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**Informal briefing (9:00 – 9:10)**

**1. Introductions, apologies and substitutions (9:10 – 9:15)**

**2. The estimate of Income and expenditure of the WAO for the year ending 31 March 2014 (9:15 – 9:50)** (Pages 1 – 21)

PAC(4) 23–12 – Paper 1 – Estimate of income and expenditure of the WAO for the year ending 31 March 2014

Huw Vaughan Thomas, Auditor General for Wales  
Kevin Thomas, Assistant Auditor General for Wales  
Ann-Marie Harkin, Group Director, Wales Audit Office  
Terry Jones, Technical Manager, Wales Audit Office

**3. The Welsh Government's acquisition and action to dispose of the former River Lodge Hotel, Llangollen – Evidence from the Welsh Government (9:50 – 10:40)**

James Price, Director General, Business, Enterprise, Technology and Science  
Jeff Collins, Director Delivery

**4. Papers to note** (Pages 22 – 80)

PAC(4) 23–12 – Paper 2 – Follow up of recommendations made by the Third Assembly's Public Accounts Committee

**5. Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

Items 6 and 7.

**6. Consideration of evidence on the Welsh Government's acquisition and action to dispose of the former River Lodge Hotel, Llangollen (10:40 – 10:50)**

**7. Consideration of the estimate of income and expenditure of the WAO for the year ending 31 March 2014 (10:50 – 11:00)**



# Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014

# Estimate of the income and expenses of the office of Auditor General for the year ending 31 March 2014

Submitted to the Public Accounts Committee of the National Assembly for Wales under Paragraph 12 of Schedule 8 to the Government of Wales Act 2006

**Huw Vaughan Thomas  
Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ**

The Auditor General and the auditors he appoints in local government are the statutory external auditors of most of the Welsh public sector. They are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted on annually by the National Assembly for Wales. Elements of this funding are passed by the Welsh Government to the NHS in Wales (over £5 billion) and to local government (over £4 billion).

The Auditor General and his staff together form the Wales Audit Office, which was established in April 2005. The Auditor General is the Accounting Officer for the Wales Audit Office and is personally responsible for its overall organisation, management and staffing as well as its procedures in relation to financial and other matters.

A summary of the main operational activities of the Auditor General and the auditors he appoints in local government, alongside associated sources of funding, is provided in Appendix 1 of this estimate. The staff of the Wales Audit Office deliver approximately two-thirds of the annual audit work. The remainder is contracted out by the Auditor General to private sector accountancy firms.

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## Introduction and summary of budget requirements

- 1 As Auditor General, I must prepare an estimate of the income and expenses of my office (the Wales Audit Office) for each financial year and submit the estimate to the Public Accounts Committee<sup>1</sup>.
- 2 I invite the Public Accounts Committee to examine and lay this estimate of my income and expenses for the year ending 31 March 2014 before the National Assembly.
- 3 The estimate that I am presenting provides for an increase of £0.75 million in the amount of revenue funding requested this year, from £4.724 million to £5.474 million.
- 4 I am seeking £0.5 million of this additional resource specifically to increase the level of support that I can provide to public bodies looking to achieve increased efficiency and improvement, through innovation, which is particularly important in the current economic climate: as I set out below £250,000 of this would allow me to support additional investment in sharing good practice and £250,000 would allow me to respond promptly to increasing requests for ad hoc work without delaying the delivery of my national studies programme.
- 5 Over the past few years, we have both facilitated and driven service improvement, value-for-money and citizen participation across Welsh Public Services through excellent knowledge transfer using the *Good Practice Exchange* (GPX). While our good practice work is highly regarded, I consider that we are not yet fully maximising the potential of our audit knowledge and access to good practice to benefit Welsh public services. We are now seeking to increase the level of annual investment in the GPX by £250,000, in order to deliver:
  - further service improvements and better value-for-money through the widespread use of knowledge and good practice which will be disseminated through a process of face to face and virtual activities; and
  - greater citizen involvement through active dissemination of information via the GPX.
- 6 Additional funding of £250,000 will also allow us to respond promptly to the increasing number of requests that I am receiving for special investigations and ad hoc pieces of work, some of which have come from the Public Accounts Committee. Recent examples have included the AWEMA and River Lodge investigations. Without this additional funding, there will inevitably be an impact on the number of pre-planned national studies I can deliver, which would affect my ability to provide comprehensive coverage of public sector expenditure within Wales.

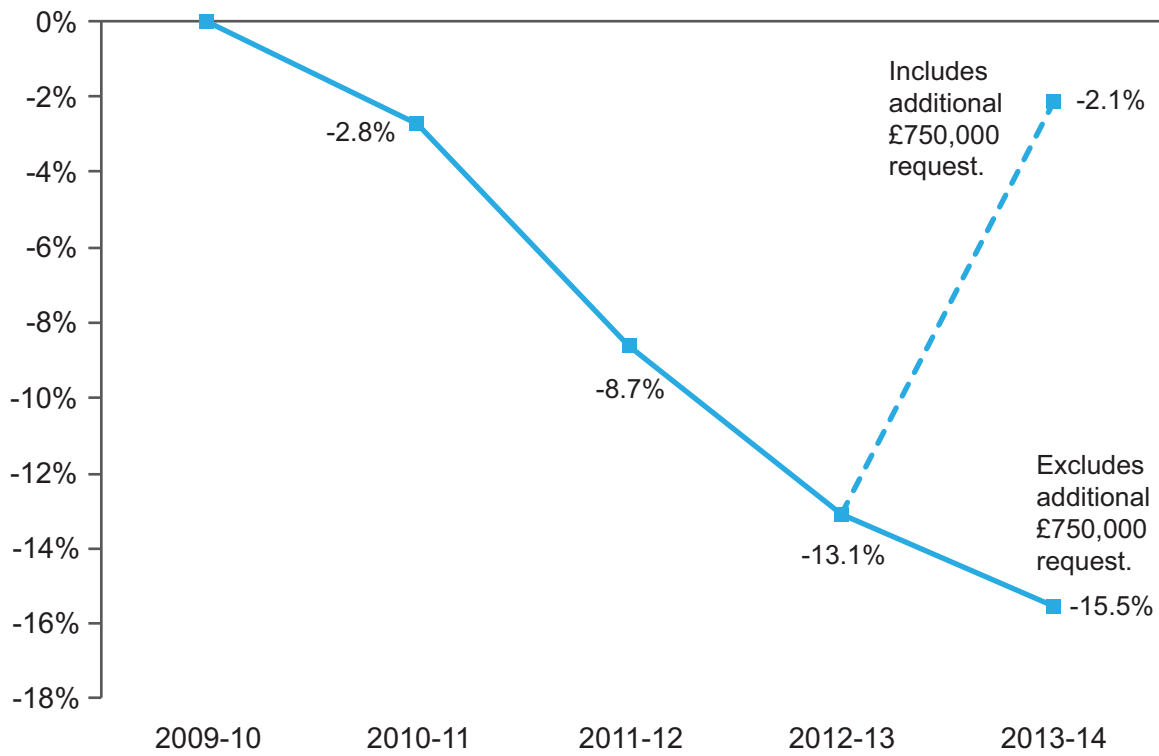
<sup>1</sup> At least five months before the beginning of the financial year to which it relates, as laid out under Paragraph 12 of Schedule 8 to the Government of Wales Act 2006 (the 2006 Act).

- 7 The remaining £0.25 million additional revenue resource is required to fund the costs of the new arrangements set out in the Public Audit (Wales) Bill. These costs are set out in my letter of 12 October 2012 to the Committee in respect of the PAC inquiry into the general principles of the Bill and are outside of my control. The £0.25 million costs include estimates of the salary and support costs of the new Chair and Non-Executives to the Wales Audit Office Shadow Board, estimated external legal costs in connection with the legislative process, and the costs of Wales Audit Office staff time, for example in dealing with the transfer scheme, revising the code of audit practice, revising or producing new internal technical and HR policies for the new Wales Audit Office, and creating standing orders for the new Board.
- 8 Other than this £0.75 million additional earmarked funding, which should be considered separately, my revenue request is frozen in cash terms at the level approved for 2012-13, and in real terms represents a 2.5 per cent reduction in the costs of my office. The level of revenue requested for 2013-14 is the minimum necessary for the Wales Audit Office to continue to provide an effective service to the bodies we audit on behalf of the people of Wales.
- 9 I set out in this estimate my intention to hold overall fee levels at the same cash level as for 2012-13 (a real terms reduction of 2.5 per cent following further significant real terms reductions in earlier years as illustrated in [Exhibit 3](#)). My ability to hold fee levels at this level, against year-on-year efficiency savings, is however dependent upon approval of the resource request contained within this estimate.
- 10 We will continue to seek further savings and efficiencies wherever possible, which will require some difficult decisions being taken as is the case across the whole of the public sector. However, these savings will not be at the level achieved in 2011-12, where significant reductions in our cost base and the generation of additional income enabled us to fund taxation provisions totalling in excess of £2.6 million.
- 11 The fact that we were able to fund these provisions from existing resources prevented a request for supplementary funding from the National Assembly in 2011-12. This situation could not have been achieved without the Wales Audit Office deferring some expenditure originally budgeted for 2011-12, and without the support and commitment of many of my staff who worked extra hours to deliver additional projects that generated further income amounting to £1.4 million.
- 12 Examples of areas where we had to defer expenditure in 2011-12 included delaying capital expenditure on additional video conferencing units which are necessary to further reduce our travel and subsistence expenditure going forward, and postponing commencement of our *Ignite 2* management development training programme. This expenditure will need to be funded in 2012-13 and in 2013-14.
- 13 The level of additional income generated in 2011-12 was unprecedented and is unlikely to be repeated. I set out in my letter of 26 September 2012 to the PAC regarding my annual report and accounts the main reasons why this additional income arose.

- 14** **Exhibit 1** illustrates the cumulative real terms variance in the total net revenue resource requirement sought for each of the years 2009-10 to 2013-14. Members of the Public Accounts Committee will note that even taking into account the additional £0.75 million requested for 2013-14, there has been a real terms reduction in our net resource request over the five year period of 2.1 per cent. Without this additional request, which is required in order to help promote improvement in public services and in order to respond to legislative change, the reduction in real terms is 15.5 per cent.
- 15** I provide in **Exhibit 2(a)** an estimate of how the net revenue resource requested for the year ending 31 March 2014 will be used.
- 16** I have also included a capital resource request of £20,000 to support the development of our ICT infrastructure, such as renewal of our computer servers, which is at the same level in cash terms as my request for 2011-12 (as illustrated in **Exhibit 2(b)**).
- 17** My budget requirements for the year ending 31 March 2014 are presented in a format appropriate for inclusion in the Ministers' Budget Motion in **Appendix 2**, alongside reconciliation of the net resource requirement to the cash drawdown requirement from the Welsh Consolidated Fund.
- 18** In addition to the amounts shown in **Appendix 2**, I receive income from local government audit, assessment and inspection work, which does not form part of the amount to be authorised by Budget Motion but is included for information within this estimate. During 2013-14, these income streams are estimated to amount to £9.825 million, compared with £9.576 million in 2012-13 (see **Appendix 3** for a reconciliation of income accruals estimate to fees and other income total).



**Exhibit 1 - Cumulative real terms variance in the net revenue resource requirement sought by the Auditor General for each of the years 2009-10 to 2013-14**



**Exhibit 2(a) - Estimate of use of net revenue resource requirement in 2013-14 and comparison with approved requests for 2012-13 and 2011-12**

	Year to 31 March 2014 £'000	Year to 31 March 2013 £'000	Year to 31 March 2012 £'000
Value-for-money examinations and studies by the Auditor General	1,885	1,635	1,635
Working with others to share learning, including provision of the GPX	450	200	200
Providing support to the Public Accounts Committee and other National Assembly committees	250	250	250
Responding to issues that have been brought to our attention through correspondence from the public, elected representatives and others	80	80	80
Granting of approvals to draw from the Welsh Consolidated Fund	15	15	15
Contributions to the following:			
Staff training and development	792	792	850
ICT infrastructure	772	772	850
Technical support, research and development	500	500	500
Business development and improvement	360	360	453
Meeting equality duties	80	80	0
Remuneration of governance committee members (and costs of proposed legislative changes)	290	40	0
Voluntary exit scheme	0	0	550
<b>Total revenue expenditure requirement</b>	<b>5,474</b>	<b>4,724</b>	<b>5,383</b>

**Exhibit 2(b) - Estimate of net capital resource requirement in 2013-14 and comparison with approved requests for 2012-13 and 2011-12**

	Year to 31 March 2014 £'000	Year to 31 March 2013 £'000	Year to 31 March 2012 £'000
<b>Total capital expenditure requirement</b>	<b>20</b>	<b>16</b>	<b>20</b>

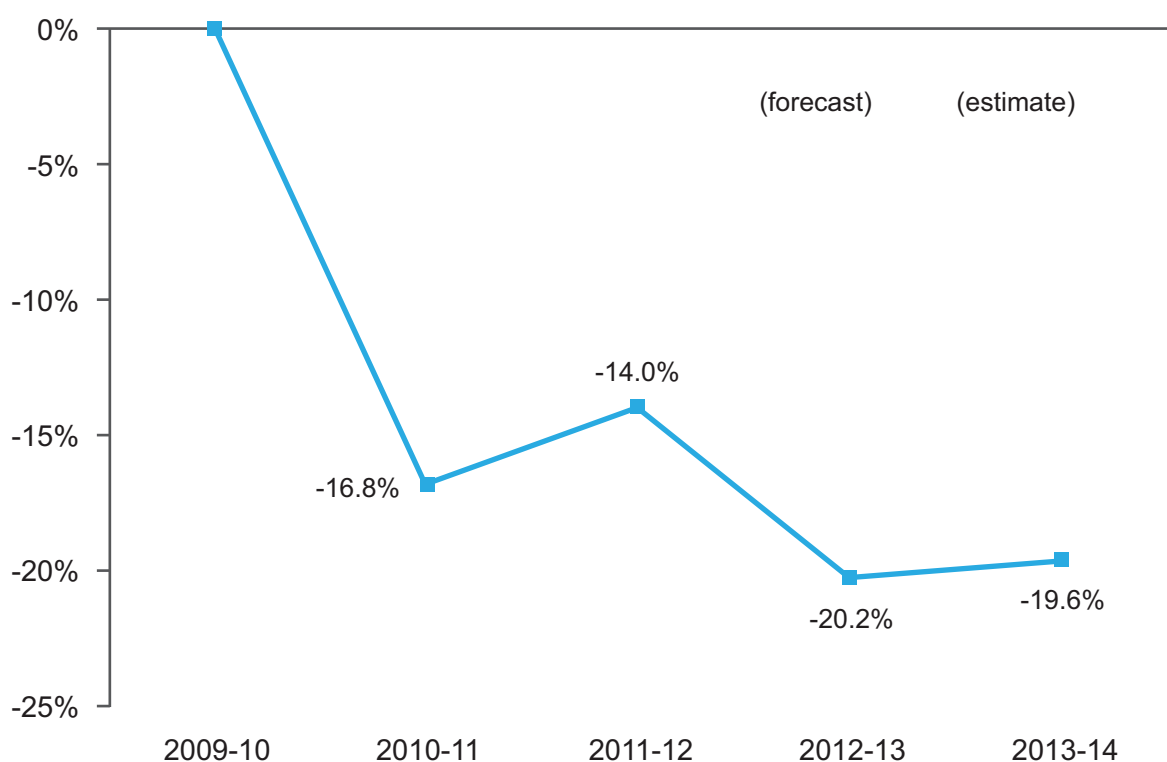
## Strategic approach

- 19** I will shortly be consulting on a new corporate strategy that will cover the period 2013 to 2016. Within my consultation draft I will be outlining strategic commitments to:
- undertake value-for-money work with an 'austerity emphasis' to support the public sector in Wales in achieving savings and other efficiency gains;
  - enhance our work on benchmarking and performance comparison, and increase our sharing of audit knowledge and exchange of good practice to allow the public sector in Wales to benefit from experiences elsewhere;
  - revise our audit framework with a view to providing further assurance on the effectiveness of governance arrangements and other issues of public interest;
  - report more comprehensively through our audit work on, and demonstrate our own, compliance with duties on sustainable development, equality and the use of the Welsh language;
  - work more closely with other external review bodies and improve the way we run our business through a period of transition; and
  - improve our own use of, and report more comprehensively on whether others are making the most of, information technology.
- 20** My estimate has been developed to provide me with a foundation to support the achievement of these strategic commitments.

## Estimate of income and expenses

- 21** My estimate of the income and expenses of the Wales Audit Office, and the resultant net resource requirement for the year ending 31 March 2014 is provided in [Appendix 3](#).
- 22** [Exhibits 3 and 4](#) illustrate the cumulative real terms reductions in Wales Audit Office revenue expenditure and audit fee income respectively between 2009-10 and 2013-14.

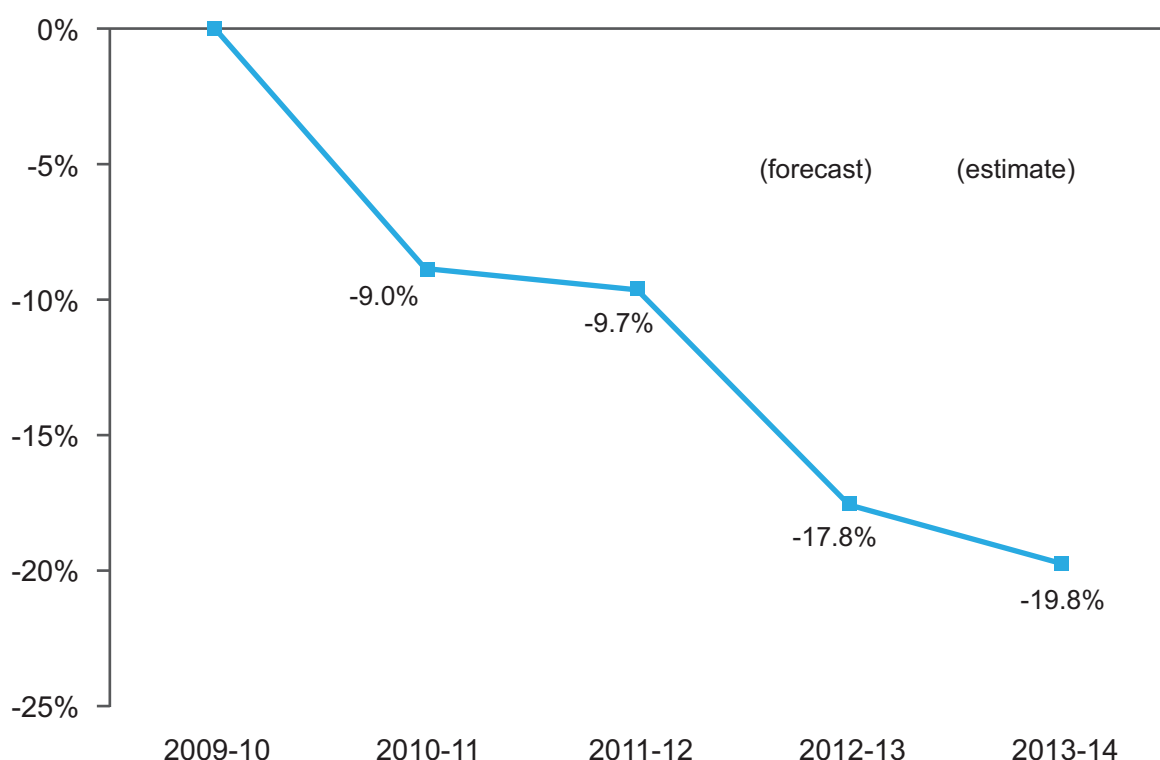
**Exhibit 3 - Cumulative real terms reduction in Wales Audit Office total annual revenue expenditure between 2009-10 and 2013-14**



**23** Exhibit 3 demonstrates my ongoing commitment to reduce my annual expenditure, which I estimate will have fallen in real terms by 19.6 per cent between 2009-10 and 2013-14 (including the additional £750,000 I am seeking to fund through this estimate). As explained at paragraph 10 (above), the increase between budgeted expenditure for 2012-13 and outturn expenditure in 2011-12 is largely due to the deferral of certain 2011-12 expenditure which enabled us to fund historical tax liabilities that we have identified, which otherwise would have required supplementary funding from the National Assembly.

**24** However, I cannot sustain expenditure at the 2011-12 level indefinitely whilst continuing to provide an effective audit service on behalf of the people of Wales. Much of the expenditure deferred from 2011-12 is necessary in order to invest in staff and other developments and to achieve longer term cost reductions (e.g. increased use of video conferencing facilities to reduce travel expenditure), and will need to be funded in 2012-13 or in 2013-14. I am proposing to meet this increased expenditure by setting internal efficiency targets for 2013-14, and achieving a real terms reduction in expenditure of approximately 2.5 per cent.

**Exhibit 4 - Cumulative real terms reduction in fees charged annually to audited bodies between 2009-10 and 2013-14**



## Reductions to fee income

- 25** In my Estimate last year and in giving oral evidence to the Committee I noted that we had achieved a cash terms reduction of £1.27 million (8 per cent) between 2009 and 2011 in the fees we charged for local government, NHS and central government audits, and local government work. We had achieved this reduction by making cost savings, through achieving efficiency improvements and by taking a more proportionate approach to our work. I stated that I was planning to achieve further reductions of up to 5 per cent in 2012-13 but that there was only limited scope for further reductions in 2013-14. The Committee's Task and Finish Group expressed some concern about the level of reduction and asked me to confirm that ongoing reductions would not affect the quality of my work. I can confirm that this has not been the case, and this view is supported by my quality monitoring arrangements.
- 26** During 2013-14, I intend to hold fees at 2012-13 levels wherever possible and will continue to seek efficiencies in our audit approach so as to achieve an average real terms reduction in the level of our audit fees. This will result in an average real terms decrease in audit fees across all audited bodies of 19.8 per cent between 2009-10 and 2013-14. However, the potential for any fee reductions at individual bodies is dependent on each local body's circumstances. The fee must be sufficient to fund the work required to enable my auditors to properly discharge their responsibilities, considering local circumstances such as the governance environment, risk profile, financial and performance management arrangements, size, complexity and the body's track record

on improvement. If unplanned or additional work is required as a result of failures by audited bodies to provide what my staff need for them to do their work efficiently, I will charge additional fees commensurate with the additional work involved. My fee scales are benchmarked against fees charged by other UK audit agencies, and the results of the exercise are available on the Wales Audit Office's web site.<sup>2</sup>

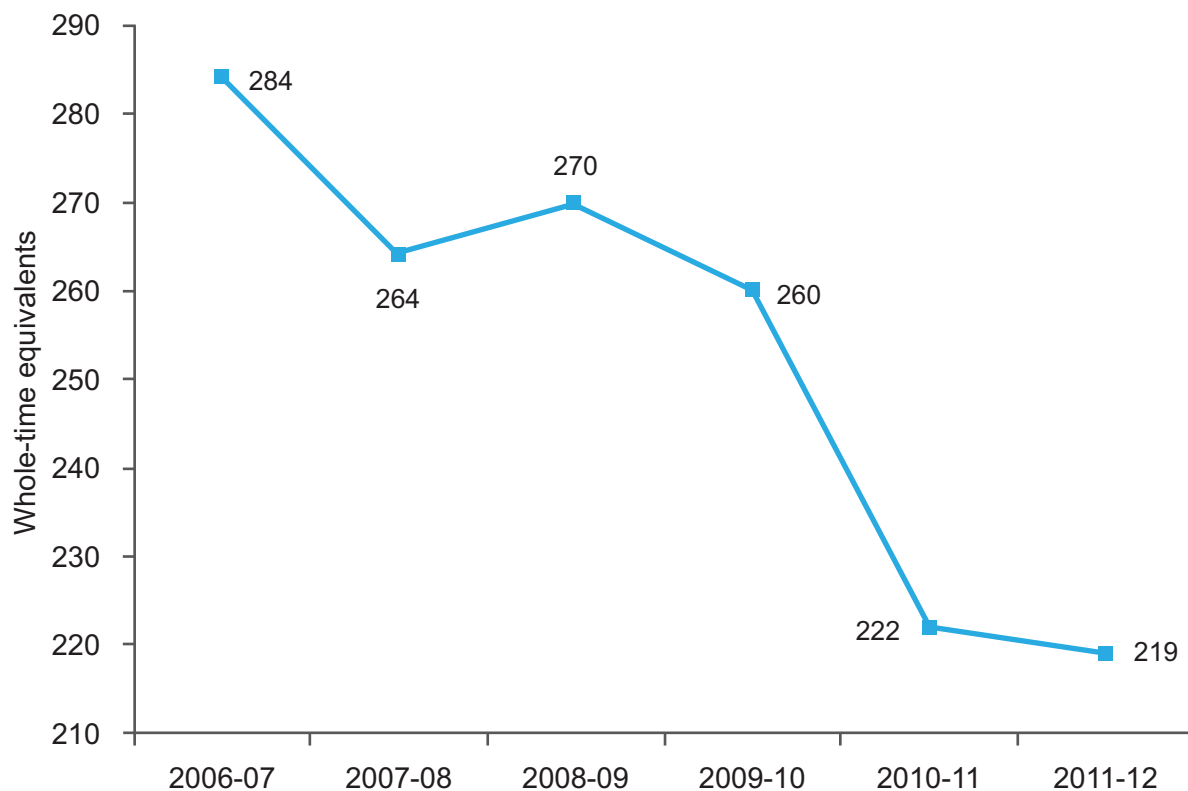
- 27** In addition to funding from the National Assembly and audit fee income, I also receive an annual grant from the Welsh Government to support my work in local government on the Wales Programme for Improvement. Between 2009-10 and 2012-13 that funding reduced in real terms by 25.6 per cent to £1.347 million. I have assumed for the purposes of this estimate that this grant will be frozen in cash terms at £1.347 million for 2013-14 representing a further real terms reduction of 2.5 per cent.

## Further savings and efficiencies

- 28** All public sector bodies, including the Wales Audit Office, face the challenge of continuing to deliver the best possible services against a background of unprecedented pressures on public finances.
- 29** In common with many public bodies, the largest area of Wales Audit Office expenditure is staff salaries and associated costs. **Exhibit 5** illustrates the reduction in the numbers of whole-time equivalent staff over the six-year period 2006-07 to 2011-12 (22.9 per cent) as set out in our audited annual report and accounts.

<sup>2</sup> [www.wao.gov.uk/aboutus/4240.asp](http://www.wao.gov.uk/aboutus/4240.asp)

### Exhibit 5 - Numbers of Wales Audit Office whole-time equivalent staff over the six-year period 2006-07 to 2011-12



**30** I have operated voluntary exit schemes during both 2010-11 and 2011-12 to achieve over time a staff mix more aligned to future work demands (including recruiting at lower grades where appropriate to achieve a leaner skill mix) and further reduce the staff costs of the Wales Audit Office. Fourteen members of staff left under the 2010-11 scheme. Staff interest in the 2011-12 scheme was lower than I had hoped, with approval being granted to six members of staff to leave, one of whom left in 2011-12 with a further five leaving in 2012-13. The cost of the 2011-12 scheme was £0.35 million, which will save £82,000 per annum.

I received a supplementary approval of £0.55 million to help fund the 2011-12 scheme. I used £0.1 million of this approval, with the unspent element of the approval reverting to the Welsh Consolidated Fund.

**31** My staff and I continue to seek other efficiencies that will help us to further reduce our cost base in 2013-14 and I have tasked different parts of the business with generating efficiency savings of approximately 2.5 per cent to further reduce our cost base beyond 2012-13.

**32** I have now also implemented new vehicle fleet arrangements in the Wales Audit Office to help improve staff safety and well-being, reduce our impact on the environment and generate cost savings. These new arrangements include the competitive procurement of a new fleet provider, restriction in the choice of vehicles to three manufacturers (all of which must meet the highest safety standards, and not exceed 140g/cm<sup>2</sup> emissions), reduction of the transport allowance and measures to reduce all forms of staff travel more generally through, for example, greater use of videoconferencing. The PAC has commissioned a value-for-money review of these new arrangements.

## Additional costs to be incurred

- 33** While we shall continue to review our expenditure and to exercise pay constraints in line with central government guidelines, we also face a number of increasing cost pressures.
- a** The Public Audit (Wales) Bill once enacted will materially increase the governance and other costs of the new Wales Audit Office. I estimate the salary and support costs of the Chair and Non-Executive members to the Wales Audit Office Shadow Board will be approximately £250,000 in 2013-14 and that those costs will be approximately £350,000 in 2014-15.
  - b** I am seeking an additional £250,000 to develop the good practice work we undertake. As public sector auditors, the Wales Audit Office has a key role to play in helping public bodies to identify scope for savings. The feedback we have received from our stakeholders is that we could do this more effectively with increased investment in activities such as our Good Practice Exchange and by producing additional tools including a new suite of shorter and more timeous reports and aides for the public sector. Our Cost Reduction Guide is one such example, which provides guidance and direction on managing public services reductions.
  - c** By sharing good practice, Public Sector Bodies can more readily identify areas for improvement and maximise efficiencies. For example, our recent work on asset management energy efficiency identified a case study where one authority had implemented software that installed energy saving measures on 400 of the organisation's personal/desktop computers. This software cost £39,000 to purchase and delivered around £80,000 of energy savings annually. The case study was shared through the National Asset Management working group and globally through our Good Practice Exchange. We are aware that at least two other organisations subsequently implemented this approach, resulting in minimum annual savings of £160,000 per annum. The Good Practice Exchange content on the Wales Audit Office's website is already well used. In the year October 2011 to October 2012, there were over 140,000 page views of the existing materials posted on the website. Increased investment will allow me to do considerable more work in this area.
  - d** I am also seeking additional resource of £250,000 to ensure I can maintain my pre-planned value-for-money programme which is designed to provide comprehensive coverage of the Welsh public sector while also providing for a swift response to urgent projects without the need to defer planned work. I am receiving an increasing number of requests for special investigations, some of which have come from the Public Accounts Committee.



Recent examples have included the Awema and River Lodge investigations. Without this additional funding, there will inevitably be delays in the delivery of my National Studies Programme. I am also intending to introduce a new suite of shorter and more timeous value-for-money studies.

- e Looking beyond 2013-14, my staff are in the process of estimating how much extra work we may have to carry out as a result of the potential additional duties that are likely to arise from enactment of the Sustainable Development Bill. Such duties will, inevitably, lead to additional development and training costs. I anticipate at present that these additional costs would be incurred over a three year period covering 2014-15 to 2016-17, and would need to be included as additional resource requests in the estimates for those years.

## Areas of uncertainty

### Public Audit (Wales) Bill

- 34 I wrote to the Chair of the PAC on 5 September 2012 setting out my views on the Public Audit (Wales) Bill. In that letter, I expressed the view that the cost of the Bill as it stands is likely to be significantly higher than that estimated in the Explanatory Memorandum. In my subsequent letter of 12 October I have provided a breakdown of my estimate of those costs. I have included a figure of £250,000 in this estimate to cover the new governance and other arrangements and some initial transitional costs arising from the Bill's proposals and have indicated that I estimate that further costs of £350,000 will arise in 2014-15. I will be able to provide a clearer indication of the costs of implementing the Bill in presenting my 2014-15 estimate.

### Value Added Tax

- 35 As reported in both the Auditor General estimate papers and also the annual report and accounts for every year since the creation of the Wales Audit Office in 2005, discussions are continuing with HMRC on my Value Added Tax (VAT) position. My estimates in previous years have reported that the potential liability associated with any change in my VAT status might be significant and might require me to make a future request for supplementary resources.
- 36 During 2011-12 HMRC made a ruling on my VAT status but discussions are continuing regarding the VAT treatment of work completed for me. Following this ruling, and based on independent expert advice, I made a substantial provision in my accounts for the year ended 31 March 2012 to cover potential historical liabilities should HMRC rule that that the work completed for me should have been treated differently for VAT purposes.
- 37 Although I have been able to make an accounting provision for these historical liabilities, should these liabilities crystallise I may need to seek additional cash from the Welsh Consolidated Fund as I outlined in my letter to the PAC of 26 September 2012. It is also possible that I may have to change the way in which I charge VAT in the future. If this is the case, my costs would probably increase by approximately £600,000 per annum, which I would need to include in a supplementary estimate for the year in which any change was implemented by HMRC.

### **Employee travel and subsistence expenses**

- 38** I reported in my 2011-12 annual report and accounts that the way in which my staff need to work may have led to some having established permanent places of work at the offices of my audited bodies. It is possible that some payments for expenses incurred in travelling to these offices should have been subject to tax and national insurance. I am aware that other Welsh public sector bodies and another UK audit agency are experiencing similar problems. I am currently in discussion with HMRC to resolve this matter. Should HMRC rule that I should have deducted PAYE when paying these expenses, I may need to seek extra revenue and cash resources through a supplementary estimate.

### **Legislative changes: Westminster**

- 39** In my estimate for the year ending 31 March 2012, I emphasised the potential impact for the Wales Audit Office of the abolition of the Audit Commission. The impact of this change is becoming clearer, but there are still issues to be resolved, such as arrangements for undertaking the National Fraud Initiative. I am continuing to keep this situation under review to assess any cost and operational implications for the Wales Audit Office.

## Appendix 1 - Main operational activities of the Auditor General and the auditors he appoints in local government, and associated sources of funding

Activity	Scale	Source of funding
Audit of accounts prepared by central government and health bodies	Eight accounts prepared by the Welsh Government; 31 other accounts, including the Assembly Commission; seven health boards; and, three NHS trusts.	Fees charged to audited bodies.
Audit of accounts prepared by local government bodies	22 unitary authorities, four police authorities, three fire and rescue authorities, one probation trust, three national park authorities, one internal drainage board, eight pension funds, approximately 750 community councils and other small bodies.	Fees charged to audited bodies.
Local government improvement assessments	Includes audits of whether authorities have discharged their improvement planning and performance reporting duties, assessments of the likelihood of compliance with improvement duties and special inspections. Undertaken at 22 unitary authorities, three fire and rescue authorities and three national park authorities.	Fees charged to audited bodies. The Welsh Government also provides grant funding to support improvement assessment work.
Local performance audit work at health bodies	Includes assessments of arrangements to secure value-for-money in use of resources. Undertaken at seven health boards and three NHS trusts.	Fees charged to audited bodies.
Certification of grant claims and returns	34 local government schemes (around 800 claims with a total value of some £1.6 billion), alongside European structural fund claims with a total annual claim value of around £300 million.	Fees charged to audited bodies.
Value-for-money examinations and studies	Typically 12 examinations, studies and other outputs are undertaken in the course of a calendar year, looking at value-for-money in key areas of public spending. Often this work is undertaken from a 'whole-system' or 'cross-cutting' perspective, where public spending is examined irrespective of who delivers the services.	Financed mostly from the Welsh Consolidated Fund, following approval by the National Assembly. The Welsh Government also provides grant funding to support local government studies.
Other significant activities	Includes: <ul style="list-style-type: none"> <li>checking requests for grant of approval to draw from the Welsh Consolidated Fund;</li> <li>working with others to share learning, including provision of the Good Practice Exchange;</li> <li>anti-fraud and other data matching exercises, including the National Fraud Initiative;</li> <li>responding to issues that have been brought to our attention through correspondence from the public, elected representatives and others;</li> <li>providing support to the Public Accounts Committee and other National Assembly committees; and</li> <li>administration of the Wales Audit Office.</li> </ul>	Financed mostly from the Welsh Consolidated Fund, following approval by the National Assembly. Some activities are also funded in part by fees charged to audited bodies.

## Appendix 2 - Estimated budget requirements of the Auditor General for the year ending 31 March 2014

The Welsh Ministers must move an annual Budget Motion in the National Assembly for Wales<sup>3</sup> to authorise, amongst other things:

- a the amount of resources which may be used in the financial year by the Auditor General;
- b the amount of resources accruing to the Auditor General which may be retained by him (rather than paid into the Welsh Consolidated Fund); and
- c the amount which may be paid out of the Welsh Consolidated Fund to the Auditor General.

The estimate examined and laid by the Public Accounts Committee is incorporated into the Budget Motion.

These resource and cash requirements, which due to the variability of income streams can only be estimates, are summarised below.

### Estimated budget requirements of the Auditor General for the year ending 31 March 2013

Resources other than accruing resources for use by the Auditor General on the discharge of the statutory functions of the Auditor General and local government appointed auditors, and on the administration of the Wales Audit Office <sup>4</sup> .	£ million
<ul style="list-style-type: none"> <li>• Revenue</li> <li>• Capital</li> </ul>	<p style="text-align: right;">5,474</p> <p style="text-align: right;">0.020</p>
Accruing resources from fees and charges for audit and related services (excluding for local government audit, assessment and inspection work); other recoveries of costs associated with the functions of the Auditor General; miscellaneous income from publications, conferences, provision of administrative and professional and technical services; recoveries of costs of seconded staff; repayments of staff loans; recoveries of car leasing payments; and interest received on working balances for use by the Auditor General on related services and the administration of the Wales Audit Office <sup>5</sup> .	£ million
	7,944
Net cash requirement from the Welsh Consolidated Fund to meet the net amounts falling due for payment in the year by the Auditor General <sup>6</sup> .	£ million
	5,494

<sup>3</sup> Under Section 125 of the 2006 Act.

<sup>4</sup> This is the net revenue and capital expenditure in resource terms that the National Assembly will be requested to authorise by Budget Motion under Section 125(1)(a) of the 2006 Act.

<sup>5</sup> This is the income accruing to the Auditor General (other than that arising from local government activities under Part 1 and Section 33 of the Local Government Act 1999, Part 2 of the Public Audit (Wales) Act 2004 and Part 1 of the Local Government (Wales) Measure 2009) that the National Assembly will be asked to authorise by Budget Motion under Section 125(1)(b) of the 2006 Act for use on related services rather than being paid into the Welsh Consolidated Fund.

<sup>6</sup> This is the cash needed from the Welsh Consolidated Fund to meet the Auditor General's estimated net payments (payments less receipts) falling due in the year for authorisation by the National Assembly by Budget Motion under Section 125(1)(c) of the 2006 Act.

## Reconciliation of net resource requirement to cash drawing requirement from the Welsh Consolidated Fund

	Year to 31 March 2014 £000
Net request for resources – revenue and capital	5,494
Adjustments	0
<b>NET CASH REQUIREMENT</b>	<b>5,494</b>

## Appendix 3 - Estimate of the income and expenses of the Wales Audit Office for the year ending 31 March 2014

		Year to 31 March 2014 £000
Expenses	Staff-related costs	16,702
	Accommodation costs	907
	Training and development costs <sup>7</sup>	260
	IT costs	726
	Supplies and services	4,648
	<b>EXPENSES TOTAL</b>	<b>23,243</b>
Income	Audit and inspection fees	14,301
	Wales Programme for Improvement grant from the Welsh Government	1,347
	Local government grant certification fees	1,774
	Other income	347
	<b>FEES AND OTHER INCOME TOTAL</b>	<b>17,769</b>
<b>TOTAL NET REVENUE EXPENDITURE REQUIREMENT</b>		<b>5,474</b>

<sup>7</sup> Includes staff time and direct costs.

## Reconciliation of income accruals estimate to fees and other income total

	Year to 31 March 2014 £000
Income accruing to the Auditor General other than that arising from local government activities	7,944
Income accruing to the Auditor General from local government audit, assessment and inspection work	9,825
<b>FEES AND OTHER INCOME TOTAL</b>	<b>17,769</b>

# Agenda Item 4

## Public Accounts Committee

PAC(4) 23-12 – Paper 2 – 23 October 2012

### Follow up activity of the PAC in the Third Assembly

#### Purpose

1. At its meeting on 22 May 2012, the Committee agreed to follow up on a number of issues and reports considered by the Third Assembly's Public Accounts Committee which were identified for potential follow-up work by the Fourth Assembly's Committee.
  
2. The Committee received the following updates from the Welsh Government:
  - Home Oxygen Therapy Services (Annex 1)
  - Protecting NHS staff from violence and aggression (Annex 2)
  - The Red Dragon Project (Annex 3)
  - Communities First (Annex 4)
  - Housing services for adults with mental health needs (Annex 5)
  - Major transport projects (Annex 6)
  - Services for children and young people with emotional and mental health needs (Annex 7)
  
3. The Committee also considered recommendations made on reports into:
  - Sustainable Development - The Wales Audit Office are conducting further work on this issue.
  - The Forestry Commission – The Committee agreed to wait for the completion of follow up work of the Wales Audit Office before considering any further activity on this issue.
  - Unscheduled Care - The Committee agreed to wait for the completion of follow up work being undertaken by the Wales Audit Office before considering any further activity on this issue.
  - Maternity Services – The Committee will take evidence on Maternity Services at its meeting on 12 November 2012.



- A Picture of Public Services – The Committee agreed to take no further action on this as the report was published in April 2012.
- Coastal Erosion - The findings of the Third Assembly’s PAC have been considered by the Environment and Sustainability Committee’s Task and Finish Group as part of its inquiry into Coastal Erosion.

#### **Action for the Committee**

4. Members are requested to note the responses from the Welsh Government and note that they will be able to discuss any further action that they wish to take as a result of this correspondence at a future meeting.

Lesley Griffiths AC / AM  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref SF/LG/0425/12

Darren Millar AM  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

30

May 2012

Dear Darren,

**FURTHER NOTE ON THE PUBLIC ACCOUNTS COMMITTEE REPORT (3) 02 - 09 HOME OXYGEN THERAPY SERVICES**

The Public Accounts Committee sought a formal note on the financial savings made due to the introduction of the new Home Oxygen Therapy Services contract.

Firstly, I have been advised two Local Health Boards have reported an accounting error for 2009-2010. They incorrectly advised expenditure of £6.350m. The figure they are now reporting for 2009-10 is £6.702m; this has been confirmed by the two LHBs as accurate. They have also confirmed all other figures reported are accurate. This means the overall saving of £797k reported in my predecessor's letter to PAC on 16 February 2011 is incorrect. The actual saving made is £445k.

This is disappointing that key figures were reported incorrectly and I would like to reassure the PAC that I take this seriously. Since taking up Ministerial duties, I have instigated a review of contract matters, with the intention of instilling more rigour into the process and improving the governance of NHS contracts.

Nonetheless, NHS Wales are still reporting overall savings on the Home Oxygen Service through improved management of the contract. In total, the savings realised are £731k for 2008 -11. The total expenditure for 2010 -11 of £6.46m when compared with the Department of Health expenditure forecast for Wales of £8.6m for 2010-11 clearly indicates the NHS in Wales continues to achieve savings from this service.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

*Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)*

English Enquiry Line 0845 010 3300  
Llinell Ymholiadau Cymraeg 0845 010 4400  
Correspondence.lesley.Griffiths@wales.gsi.gov.uk  
*Printed on 100% recycled paper*

The current home oxygen service contract has recently been re-procured and the new contract was awarded to the current incumbent, Air Products Plc. The new contract will commence on 2 July 2012 and through a robustly managed procurement exercise a further annual cost reduction has been achieved of just under £1.7m.

I hope you find this information helpful.

Regards  
Lesley

**Lesley Griffiths AC/AM**  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services

Yr Adran Iechyd, Gwasanaethau Cymdeithasol a Phlant  
Cyfarwyddwr Cyffredinol • Prif Weithredwr, GIG Cymru

Department for Health, Social Services and Children  
Director General • Chief Executive, NHS Wales



Llywodraeth Cymru  
Welsh Government

Darren Millar  
Chair, Public Accounts Committee  
The National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Our Ref: DS/DM

28 June 2012

Dear Darren

**PROTECTING NHS STAFF FROM VIOLENCE AND AGGRESSION – UPDATE FOR THE  
PUBLIC ACCOUNTS COMMITTEE**

Thank you for your letter of 31 May requesting a written update on the actions taken in response to June 2009 report by the Audit Committee of the third Assembly on *Protecting NHS Staff from Violence and Aggression*.

At the time the Audit Committee took evidence on the Wales Audit Office's report, an all-Wales Violence and Aggression Steering Group (the Steering Group) was already leading a programme of work to address the recommendations of the Ministerial Taskforce. The Steering Group, which included board level champions from each Health Board and Trust, established a number of workstreams to address key areas.

These included:

- the development of case management to support staff;
- the introduction of high-specification CCTV in clinical areas;
- the roll-out of a security device for high risk lone-workers;
- incident reporting and data collection;
- the communications and awareness raising.

In December 2009, the Welsh Government identified dedicated programme management support for the work programme to take forward a national-level action plan. In March 2012, the Steering Group considered that it had met its' objectives and that ongoing work in the area should become mainstreamed into NHS business.

With regard to the update requested, I have set out below details of progress against each of the actions identified:

## **Welsh Government actions following June 2009 report by the Audit Committee**

### ***1. Development and implementation of an all-Wales communications strategy to support a sustained and high-profile awareness raising campaign***

On 10 February 2010, a Communications Strategy was approved by the Steering Group which developed key messages for the public and for staff. A poster campaign was developed to remind staff and the public that violence and aggression against NHS staff would not be tolerated. There was also involvement in 2010 in a 30 minute 'Wales This Week' programme dedicated to violence and aggression against staff in which a number of staff provided detailed accounts of their experiences. Measures being taken to enable improvements were highlighted in the programme.

In addition, a communications action plan was developed and implemented by LHBs and Trusts across Wales. Local intranet pages designed to provide information and advice to staff were made widely available. This approach to providing support to NHS staff on the ground has been well received across Wales. An experienced communications manager also attended all-Wales case managers' and security managers' meetings on a regular basis, and co-ordinated the handling of enquiries and requests for information across Wales to ensure a consistent approach.

Annual updates have been provided to the Partnership Forum and a number of key achievements have been supported by good media coverage.

### ***2. Development and implementation of the latest version of the Datix system, which would be used by NHS staff to report incidents of violence and aggression on-line***

In 2009 all LHBs and Trusts were required to implement the latest version of the Datix system which included functionality to allow users to complete incident 'forms' on-line. Compliance was monitored and all organisations implemented the required arrangements by March 2010. Alongside this, the Welsh Government (in collaboration with the NHS) put arrangements in place from 1 April 2010 to facilitate the collation of consistent all-Wales data relating to incidents.

During 2010, there appeared to be a reduction in the reporting of incidents where organisations had promoted the on-line completion of forms as the preferred route for reporting incidents. It was therefore confirmed that there should be a range of reporting methods available to accommodate preferences in reporting methods.

In July 2011, the Steering Group agreed that some data only needed to be collected on a six-monthly basis. The data is used regularly to understand the pattern and frequency of incidents to inform action at a local and national level.

### ***3. Comprehensive review of the Training Passport (modules A, B and C), which was due to start in January 2010***

In 2010 the Health & Safety Executive looked at violence and aggression-related training in A&E departments across Wales. They recognised that significant efforts were being made to ensure that staff were trained sufficiently to deal with the risks arising from violent or aggressive behaviours they faced.

The outcome of a review of the Passport Scheme was provided to the Steering Group in 2011. It recommended that an approach was needed which was less prescriptive about how and when training was provided and which had risk assessment at its heart. At its meeting in October 2011, the Steering Group agreed that the interval of the period for Module B refresher training should be risk-based- rather than fixed at two years. It was also agreed that the

prescribed list of techniques for breakaway covered in Module C should be removed to allow organisations to determine the range of techniques to be taught based on local circumstances.

#### ***4. Staff participation in the three core modules of the Training Passport, including how the low level of compliance at several NHS bodies has been addressed***

During 2010, training in the V&A Passport was given greater prominence and the Welsh Government held performance reviews with each LHB and Trust every six months which involved a focus on compliance with the Passport modules. This led to improved training levels in those organisations which had relatively low compliance.

All new staff are now required to undertake an awareness-raising module. Thereafter, organisations are required to undertake risk assessments to determine the level of training required - using the spectrum of the Passport as a guide and using incident data to pinpoint 'hot spots'. In addition, organisations are providing more on-the-job training which has been proven to be effective.

#### ***5. Development of a business case for an automated alert system to protect lone NHS workers***

A business case for an automated alert system was developed in 2009 which led to the then Minister for Health and Social Services approving a £1.8m capital investment in a lone worker alert device for high risk lone workers. The device subsequently selected through a procurement exercise links the user to a centre staffed with trained security personnel. When activated discreetly by the user, the security centre can listen to the conversation and, if necessary, ask the police to attend the scene. Recordings are of sufficient quality to be acceptable in court proceedings.

In 2009, LHBs and Trusts assessed that 9,000 devices were needed for high risk lone workers and training to support implementation started in 2010. An evaluation pack was developed by NHS Wales to support the ongoing assessment of the devices. Regular meetings between the Welsh Government, the supplier and representatives from LHBs and Trusts are held to monitor progress and address any issues arising. In addition, a pilot project to assess whether the device is applicable to GPs in primary care is underway.

#### ***6. Recruitment of caseworkers to manage serious cases of violence and aggression***

The establishment of case managers has been a pivotal part of the work programme. The case manager role was mandated across NHS Wales in 2009 since when all LHBs and Trusts have had a case manager or managers. Evidence tells us that staff are highly satisfied with the support provided by case managers.

#### ***7. Collection of data on prosecutions following incidents of violence and aggression against staff on NHS sites***

Since 1 April 2010, LHBs and Trusts have submitted data on action taken following incidents, divided into the following two groups:

- External sanctions - those which have progressed through the criminal justice system during the period in question; namely:
  - Number of Cases referred for external sanctions (to police)
  - Arrests
  - Charges
  - Successful prosecutions
  - Other Actions e.g. ASBOs, CRASBO, cautions

- Internal sanctions - those actions which the LHBs and Trusts has taken to modify behaviour e.g. patient undertakings, exclusions.

In 2008-09 the number of prosecutions across Wales brought against the perpetrators of violence and aggression against NHS staff was in single figures. The number of prosecutions brought has since increased significantly.

In 2010-11, the number rose to 126 successful prosecutions - some of which were custodial sentences. In addition, there were 143 other sanctions such as fixed penalties and ASBOs.

In 2011-12, there were 179 successful prosecutions and 175 other sanctions (fixed penalties / ASBOs) and 139 internal sanctions such patient undertakings and exclusions.

### **Incidents of violence and aggression against NHS Wales staff**

I note the concerns of the Committee regarding the reported increase in instances of violence and aggression against NHS staff from 2007. The table below provides a summary of the data collected in respect of violent or aggressive incidents since 2006-07.

<b>Violent or Aggressive Incidents Against NHS Wales Staff</b>	
<b>Year</b>	<b>Number of Incidents</b>
2006-7	8466
2007-8	7343
2008-9	6163
2009-10	8343
2010-11	7689
2011-12	8434

Since 2010, approximately 7-8% of incidents have occurred in A&E departments.

The fact that the number of incidents reported has not decreased needs to be viewed in the context of the considerable work that has been undertaken across NHS Wales to encourage reporting. For example, some organisations have advised that staff are reporting each event where there is a single patient repeatedly causing an incident. Previously, trade unions and staff organisations indicated that staff were unwilling to report incidents because of the prevailing view that no action would be taken. This view has changed significantly because staff are now more confident that appropriate action will be taken as demonstrated above in the number of successful prosecutions.

### **Wider recommendations of the Wales Audit Office's report**

I can provide the following progress update in relation to the wider recommendations of the Wales Audit Office's report:

- Two Memoranda of Understandings (MoUs) were signed in 2009 – one with the Police and one with the Crown Prosecution Service to improve the prevention, detection and prosecution of cases of violence against NHS staff. These have formed the basis of the arrangements which have been developed among NHS Wales, the Police and the Crown Prosecution Services. It was envisaged that the MoUs would be reviewed in due course and this has been underway since February 2012. A group of senior managers from the Police, Crown Prosecution Service and NHS Wales have drafted a single MoU which is intended to be launched later this year.

- Since Spring 2010, a group of senior managers representing NHS Wales, the Police and the Crown Prosecution Service has been established to implement any arrangements for protecting NHS staff. This has resulted in improved relationships across the police force areas; the development of a violence and aggression internet portal to share best practice and training for NHS Wales and CPS lawyers. In January 2012, the tri-partite group obtained support for a new initiative which aimed to reduce the time taken for clinical information to reach the Police - thereby enabling timely charging decisions to be made in all cases of violent assault.
- To raise the profile of the importance of physical design of the NHS estate, the Steering Group received assurance that the current policy guidance used by Welsh Health Estates (now NHS Wales Shared Services Partnership: Facilities Services) takes account of the need to minimise violence and aggression where possible.
- An All Wales Security Managers Group was established in 2009 and has become aligned with activities arising from the violence and aggression work programme. In October 2011, it was agreed that the Security Managers Group should develop an all-Wales approach to its work and has since February 2012 focused on an all-Wales approach to training security staff. Greater efforts have also been made by the Group to build effective working relationships with the Police.
- Work is ongoing to ensure that opportunities to share information about perpetrators across agencies are taken where appropriate.

### **Conclusion**

In conclusion, I would like to reassure you that we will take all necessary action to ensure NHS staff are free from violence in their work. We are confident the steps we have already taken have had a positive impact. We remain vigilant in pursuing this priority and will work with the NHS to enable further progress in the future.

Please do not hesitate to let me know if you would find any further information helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David', with a long horizontal line extending to the right from the end of the signature.

**David Sissling**



Yr Adran Busnes, Menter, Technoleg a Gwyddoniaeth  
Department for Business, Enterprise, Technology and Science

Cyfarwyddwr Cyffredinol • Director General

Annex 3

Darren Millar AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA



Llywodraeth Cymru  
Welsh Government

03 August 2012

Dear Darren,

### **Red Dragon Project**

Thank you for your letter of 31 May.

I apologise for not replying earlier. Please find attached the updates requested in your letter dated 31 May.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Hunter', is enclosed in a light blue rectangular box.

**Signed by Rob Hunter on behalf of James Price  
DG for Business, Enterprise, Technology & Science**

## **The outcome of the Welsh Government's discussions with the Treasury on updating the Green Book, especially on economic appraisal and information sharing for joint projects**

The latest edition of the HMT Green Book was published in 2003 and whilst there have been a number of amendments since that time; the core document has not been fully updated. The Green Book sets out the approach to be followed when undertaking economic appraisal, covers key principles and sets out best practice. As such, it is a useful framework that is applicable to projects across Government. As previously reported to the Committee it is felt that there are some specific issues including the appraisal of projects that cross boundaries and some matters of terminology which could benefit from clarification.

Whilst discussions with HM Treasury are ongoing in respect to updating the Green Book the Welsh Government has developed and is implementing a number of procedures to improve the management and delivery of projects. Internal guidance, building on the HMT Green Book, sets out a clear framework for managing and delivering projects with a clear emphasis on sound economic analysis supported by a robust Gateway review process. Revised procedures are in place to deal with Major projects which cross boundaries.

## **The application of the Welsh Government's project management tools in collaborative projects**

The Welsh Government has recognised for some time that having the right skills in place is critical to the successful delivery of joint projects and programmes. Significant effort has been made by the Head of Profession for Programme and Project Management in recent years to embed appropriate procedures and best practice in managing major projects, including collaborative projects, in all areas of the Welsh Government. We are and will continue to monitor the arrangements adopted for individual large projects so that lessons learned are shared with staff and used to improve future arrangements. The Programme and Project Management Community meet regularly to share best practice and review lessons learnt from other projects.

Gateway is now firmly embedded in the Five Case Model as a best practice process. Gateway hub in the Welsh Government will further benefit programmes/projects utilising this model by providing an accounting officer assurance mechanism at every stage - thereby ensuring that a high assurance profile is provided and maintained and that programmes/projects are properly monitored throughout their lifecycles.

In recent years we have strengthened the role of the Senior Responsible Owner (SRO) by providing clear guidance support and training across the Welsh Government. SRO's now also have access to high quality, independent Gateway reviews at key stages of project development and implementation. On 18<sup>th</sup> April 2012 the Welsh Government achieved full accreditation from the Major Projects Authority in the Cabinet Office as an accredited hub for the delivery of Gateway reviews. By becoming an accredited hub, we now have the capability to deliver Gateway reviews across the whole of Wales. This not only gives us greater strategic focus in the project/programme planning process but will also enable best practice to be spread across the wider Welsh public sector. Details of the Major Project Authority can be found at:

[www.cabinetoffice.gov.uk/content/major-projects-authority](http://www.cabinetoffice.gov.uk/content/major-projects-authority)

In support of the above arrangements, we have undertaken a significant amount of work aimed at embedding the Five Case Model in development and management of our business cases. We promote this approach as the model of best practice for adoption by the wider Welsh public sector.

## **Work to update the bilateral concordats with UK Government departments.**

We continue to work with other Government Departments to update the bilateral concordats. A number of them have been updated since 2007 to reflect the current devolution settlement and can be seen at:

<http://new.wales.gov.uk/about/organisationexplained/intergovernmental/concordats/?lang=en>.

In addition we have some which are close to completion including concordats with the Ministry of Justice and Department for Education. For those Departments where updates are still necessary officials continue to work closely with them to finalise their concordats.

**Welsh Government  
August 2012**



Llywodraeth Cymru  
Welsh Government

## ANNEX 4

Darren Millar AM  
Chair,  
Public Accounts Committee,  
Welsh Government,  
Cardiff Bay.  
CF99 1NA.

27<sup>th</sup> June 2012

Dear Darren,

### **PUBLIC ACCOUNTS COMMITTEE'S REPORT ON COMMUNITIES FIRST**

In June 2010, Carl Sargeant, the then Minister for Social Justice and Local Government, wrote to the Chair of the Public Accounts Committee, Jonathan Morgan AM, highlighting the actions that would be taken by the Welsh Government in response to the above report.

As part of the response, the Minister committed to providing a full report on progress against these actions by March 2011. In line with this commitment, on March 28 2011, the Minister sent an updated Action Plan which showed the progress being made by the Welsh Assembly Government against each action. I note in your letter of 31 May 2012 that this response does not appear to have been referenced.

That letter set out the main achievements and the vast majority of the actions had been completed. Examples of these included:

- Communities First was now part of the Assembly Government's Policy Gateway Process ;
- The fact that the Minister had written to all Assembly Government Ministers/Deputy Ministers and Key Service Deliverers on their commitment to Communities First;

- The Minister had revised Guidance on the programme which provided clarity on a range of the most urgent issues and also the continuing need to prioritise Communities First;
- The stronger links that were being developed with Local Service Boards, particularly through the work undertaken on the European Structural Funds project; and
- The publication of the report on the Communities First Outcomes Fund Demonstration Fund Projects.

I am now enclosing a current update of the action and am pleased to note that all of the actions have been completed.

I am able to report that the lessons learnt have been incorporated into the new Communities First Programme and good governance, strong community involvement and effective delivery of outcomes, through partnership working will be essential requirements of the next programme.

In addition the stronger links which have been developed with Local Service Boards and Government Bodies have proved a strong foundation for programme bending which is now beginning to deliver positive outcomes.

I should be grateful if you would circulate this progress report to members of the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'June', with a small horizontal line underneath.

June Milligan  
Director General  
Local Government and Communities

**Annex 4**

**Update on the progress being made in response to the Public Accounts Committee Report on Communities First**

Recommendation	Welsh Assembly Government Response	Actions and Updates
<p><b>Recommendation 1.</b> We recommend that the Welsh Government accepts the recommendations made by the Auditor General in his report and that it provides us with details of the actions it intends to take to meet these recommendations and the time within which it will complete these actions.</p>		
<p>a) <b>The Assembly Government should make Communities First a clearer priority across its own departments, and the Assembly Government's success in reducing the gap in outcomes between Communities First areas and other parts of Wales should be a key measure of its performance.</b></p>	<p>The Assembly Government is making Communities First a priority across its departments, particularly as new policies are developed. Communities First has been incorporated into the Policy Gateway process, and new policies will have to show how they are targeting Communities First areas and linking with Communities First Partnerships.</p> <p>We are committed to taking the programme-bending agenda forward. Further consideration is being given by the Assembly Government to new actions which will facilitate closer working relationships and engagement ("programme bending") between service deliverers and Communities First</p>	<p>1. Communities First to be included as part of the Policy Gateway Process within the Welsh Assembly Government. <i>Update: <b>Action Completed.</b></i> <i>Communities First is part of the Policy Gateway Process</i></p> <p>2. As part of the Policy Gateway process, a Policy Integration tool will be developed, in close collaboration with the Child Poverty Unit. This will ensure that all future policies and programmes will have to show the impact they have on alleviating poverty. <b>Update Completed June 2012.</b> <i>Officials held discussions with colleagues in the Policy Support Unit at the end of 2011 – 12 on the most appropriate way of introducing a</i></p>

	<p>Partnerships. Update June 2012</p> <p>From April 1<sup>st</sup> Communities First is being re-launched as a community focussed tackling poverty programme and is making a key contribution to the delivery of elements of the Tackling Poverty Action Plan which will be launched in June 2012.</p> <p>An external evaluation of the programme will be undertaken during 2010-11. There will be two independent elements to this: an outcome evaluation and a process evaluation. The aim of the outcome evaluation is to provide evidence on the extent to which the fundamental objectives for the programme have been achieved over the lifetime of the programme to date. The focus of the process evaluation will be on the current (2009-2012) phase of the programme and it will examine the suitability of the design, implementation and funding of the programme in enabling its aims and objectives to be met.</p>	<p><i>Poverty Proofing Tool. We have been informed that the Policy Support Unit are looking at potentially rationalising the process. They are undertaking discussions with other policy areas to look at the potential for developing a new Single Integration Tool that captures all relevant policy areas. The tool will operate at a high threshold, meaning that almost all policies will need to pass through it. We will continue these discussions to ensure that poverty matters are reflected.</i></p> <p><i>The Policy Gateway process remains central to our policy making, and is continuously being improved. The process described above will look to:</i></p> <ul style="list-style-type: none"> <li>- <i>better challenge at key stages in developing a new policy; and</i></li> <li>- <i>streamlining the various detailed assessments and appraisals that a policy may require, including poverty proofing; whilst ensuring that strategic, economic/environmental/social, financial, delivery and management aspects are all explored thoroughly in developing policy interventions."</i></li> </ul> <p><b>Update June 2012</b> We continue to look to improve the way we plan and develop our policies, so that the right connections are made at the right time. A new approach to the policy making and appraisal process is being introduced focussing on building the case for any new policy and choosing between options using the best available evidence.</p> <p>3. The Minister for Social Justice and Local Government will write to all Welsh Assembly Government Ministers requesting them to evidence how they will be supporting Communities First within their portfolio areas.</p> <p><b>Update: Action Completed.</b> <i>The Minister wrote to all Welsh Government Ministers and Deputy</i></p>
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Ministers on the 29<sup>th</sup> July 2010.

4. Officials will identify 6 policy areas for programme bending (across the Communities First Vision Framework) within the Assembly Government and Assembly Government Sponsored Bodies. Projects will then be identified to promote programme bending with service deliverers in a way which will have beneficial outcomes for people in CF areas.

**Update: Action Completed (and ongoing).**

Five projects, with a funding contribution from Communities First, have been approved to date. These are:

Job Centre Plus Outcomes Fund Project  
Officials in the Communities First Unit worked closely with colleagues in the Child Poverty Unit and Job Centre Plus (JCP) on this project. This Communities First Outcomes Fund Project places a JCP advisor in integrated Children's Centres in 4 Communities First areas, with the aim of getting those most marginalised in society back into work and training.

Links with Local Service Boards

Communities First funding will be used in 2011-12 to match fund a European Structural Funds Priority 4 project led by the Local Service Board ESF project team. A series of workshops were held across the Convergence area involving LSN ESF Team, Communities First Officials, Local Authority Communities First Coordinators (CFC), local CFCs, LSB support teams and Special European Team Advisors from the relevant area. Thus bringing together LSBs and CFCs in a common purpose and helping to develop links and input to the project process. The ESF project application documentation has been sent to Communities First Partnerships setting out how to apply and the support they will receive. A number of projects



<p>proposals are in the pipeline that will allow them to take up the opportunity secure ESF funding.</p> <p><u>NEETS – Pathways to Work</u> Communities First funding has been approved for an Intermediate Labour Market Pilot Project targeting 16/17 year old young people who are Not in Education, Employment or Training (NEETS). The scheme, which has been developed as part of the Welsh Assembly Government's Youth Engagement and Employment Action Plan, will offer 180 employment opportunities in Communities First areas in North Wales, West Wales and the Heads of the Valleys, for a six month period.</p> <p>The Intermediate Labour Market pilot will contract with organisations that are able to support and develop young people who are NEET from the geographical and target group areas listed below, and to progress them into unsubsidised employment or further education</p>	
<p><u>Two Strategic Regeneration Area Projects</u> Officials in the Communities First Unit undertook close work with colleagues in the Department for Environment, Sustainability and Housing on developing projects that use Communities First Outcomes Funding to match fund SRA monies. The two projects have been funded under the Western Valleys SRA and are as follows:</p> <ul style="list-style-type: none"><li>- The "Get it On" Project will provide 15 state of art IT Centres across Communities First areas in the SRA.</li><li>- The "Enterprise in the Valleys" project will support training young people in enterprise skills whilst supporting their own community.</li></ul> <p><u>Communities First Links with Families First and Integrated Family</u></p>	

Support Services

*In addition to the funded projects above, work is being undertaken to bring the resources of Communities First and these two programmes closer together in order to maximise the benefit for people in the most deprived areas. For example, a paper was presented to the Children and Young People's Cabinet Sub Committee on the links between the programmes and how they could be developed - ongoing discussions are taking place.*

*For example, close working continues on the links with the Families First Programme. Here the applications for Families First Pioneer areas will be considered by Communities First Officials to ensure that the appropriate links are being made between the programmes.*

*There are also discussions still taking place with various policy areas to look at how strategic links can be made to target resources at our most deprived areas. This includes discussions with Health, Climate Change, Environment and Sports & Heritage. Action Complete and work continues to deliver the above projects. Update June 2012.*

*There is no longer a separate Outcomes Fund, but its principles have been mainstreamed and the above projects will be incorporated into the new programme. The LSB ESF project remains and is separately funded, with funding available to support the new Communities First programme for the rest of the lifetime of convergence.*

5. A set of draft outcome indicators will be developed to show the contribution Communities First can make to improving outcomes for local people. This work will be piloted in a local authority area as part of this year's work planning process.

**Update: Ongoing.**  
*Initially, a meeting with Over Arching Communities First Coordinators was held at the end of last year to get their views on the*

proposals and meetings were then held with other Assembly Government policy areas to ensure that the information gathered will be useful in assessing the contribution of the programme to key Assembly Government Policies.

A Draft set of indicators are now being developed. We are working with a local authority pilot area (Torfaen) to develop an improved framework for the reporting of progress towards outcomes and the development of improved strategic performance information. We will be testing this in the next financial year (2011/12). The aim is that the system will establish clear and measurable Outcomes, linked to strategic priorities, and demonstrate the contribution made by communities towards agreed outcomes with key local stakeholders. The approach adopted is based on Results Based Accountability which is a methodology being more widely used in the Welsh public sector.

There has been a delay on the establishment of the indicators due to the need to ensure that they are appropriate to any successor programme to Communities First, post March 2012. As stated above, they will be piloted in 2011/12.

**Update June 2012**

Action completed

A set of population indicators, based on the Results Based Accountability method, has now been produced for the Communities First Programme. These were published in December 2011 and are now being used as part of the application process for new Cluster Areas, underpinning analysis of local need and drivers for deprivation. The Communities First programme indicators link closely to the key indicators within the Programme for Government.

6. As part of the outcome indicators work, officials will work with colleagues in the Statistical Unit to provide indicators at Communities First area level compared to all Wales.

	<p><b>Update: Action Completed.</b> The Assembly Government's Statistical Unit will shortly be publishing, on – line, the data from Welsh Index of Multiple Deprivation (WIMD 2008). This data will be aggregated to Communities First areas and comparable with Local Authority, Wales and Strategic Regeneration Area level sets of data. This application will be in development over the coming year to provide mapping and other tools. As with action 5 above, this will link to the work being undertaken on a programme post March 2012. The indicator data publication will be updated annually.</p> <p><b>Update June 2012</b> A set of outcome indicators for the programme have been agreed . The Welsh Government Statistical Unit have calculated these for all the proposed new Communities First clusters and provided them to lead bodies for each area. They must be used as the basis for each application for future funding from the programme.</p> <p>7. We will report on the findings of Communities First Evaluations that get underway shortly, in particular the "Outcomes Evaluation" which will consider what the programme is achieving</p> <p><b>Update: Ongoing.</b> Both the "Outcomes" and "Process" evaluations are now underway. Officials are holding regular progress meetings with the Evaluators and a final report is due in May 2011. The findings of this work will feed into the future of the programme post March 2012.</p> <p><b>Update June 2012 Action Completed</b> Both the 'Outcomes' and 'Process' evaluations have now been completed and were published in August 2011. The findings informed the consultation process and the decision taken in November 2011, are now being fed into the development of the programme.</p>
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<p>b) <b>The Assembly Government should increase the emphasis, in all future strategic guidance to service providers, that in planning and delivering services they need to prioritise Communities First areas. Where appropriate, in monitoring the performance of individual services, the Assembly Government should increase the focus on the extent to which services are reducing the gap between outcomes for Communities First areas and for the rest of the country.</b></p>	<p>The main Communities First Guidance is currently being revised, and the issue of targeting Communities First areas and working with Communities First partnerships will be reinforced. The target date for a full revision of the Guidance is the end of 2010, with the most urgent elements being revised by August. The Assembly Government already ensures that appropriate references are made to Communities First in wider policies, plans and guidance. This will be reinforced through the Policy Gateway process which has already been strengthened to require explicit consideration of Communities First as new policies are developed.</p> <p>The Assembly Government will explore the best means of drawing the attention of local authorities to the need to prioritise Communities First areas in the planning and delivery of their services. We will also look to reinforce the potential for local authorities and other service providers to work closely with Communities First Partnerships through the Communities First Outcomes Fund. The Fund is a key tool which has already substantially improved the extent to which local authorities and other agencies are engaging with the Communities First programme.</p> <p>Pilot work will be commissioned through the Communities First Training Service and the Welsh Local Government Association to engage directly with elected members and service managers in local authorities on the issues highlighted in this recommendation. Using models such as</p>	<p>8. The Minister for Social Justice and Local Government will write to all Local Authorities and other public service deliverers requesting them to show how Communities First will be given priority in their areas.</p> <p><b>Update: Action Completed.</b> The Minister wrote all Assembly Government Sponsored Bodies and Key Service Providers on the 29<sup>th</sup> July 2010.</p> <p>9. An updated summary version of the Communities First Guidance will be produced this Summer. It will incorporate the most urgent revisions of the Guidance, highlight the key issues relating to the programme, and include an emphasis on the continued need to prioritise Communities First areas.</p> <p><b>Update: Action Completed</b> The Supplementary Guidance was finalised in draft in August before being distributed to Communities First Partnerships in September 2010. Interim Guidance for the new Communities First programme was issued with application forms December 2011 and further guidance was issues in response to the queries from applicants. Substantive guidance for the new programme will be issued shortly.</p> <p><b>Update June 2012</b> <b>Action completed</b></p> <p>10. As detailed in actions 5 and 6 above, work will be undertaken on developing a set of draft outcome indicators and also providing information at Communities First area level. This will inform the extent to which services are reducing the gap between CF areas and the rest of the country. As the future of the programme will be considered over the coming year, this work will be piloted in a local authority area as part of this year's work planning process.</p>
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<p>c) <b>The Assembly Government should work with individual AGSBs to agree their contribution to the programme, relative to their potential to contribute to the programme's objectives, and subsequently monitor performance against what has been agreed.</b></p>	<p>the Social Inclusion Learning Programme (SILP), training and support will be provided to encourage closer working with community partnerships and residents.</p> <p>The external evaluation of the programme will consider the extent to which service providers are addressing improved outcomes in Communities First areas.</p> <p>Work is also underway to develop a small set of indicators which would be appropriate for the programme. In the first instance, existing models which have been developed in some local authority areas are being considered as the possible basis for a national framework. We will look into whether an indicator on "reducing the gap" can be developed as a key measure of success for services and programmes.</p>	<p><b>Update June 2012 Action Completed</b> Please see the update against actions 5 and 6</p>
<p></p>	<p>We will ensure that the role of AGSBs in relation to Communities First is reflected in their remit letters and operational plans. Discussions will take place this calendar year with the relevant sponsor divisions to ensure that the appropriate monitoring takes place.</p>	<p>11. Officials will work with all AGSBs (and their appropriate Sponsor Divisions) to agree their contribution to the programme. This will be completed by the end of the financial year. In some instances, it will link to work taken forward under action 4.</p> <p><b>Update: Action Completed (and ongoing with some Welsh Government Sponsored Bodies)</b></p> <p><b>June 2012</b> Action Completed and ongoing with some WGSB's Officials continue to work with WGSB's and their appropriate Sponsor Divisions</p> <p>a. <u>Arts Council of Wales</u></p>

Following discussions in Sept 2010 with the WAG Sponsor Division, a commitment was given to producing and publicising good practice information, joint work on monitoring information and an opportunity to feed in to the development of future ACW schemes, with possible work on an Outcomes Fund application- this is ongoing.

A representative from ACW sat on the Expert Panel for the Annual Communities First Conference on the 14/15 October. In addition, the Head of the Assembly Government's Communities First Unit gave a presentation to the Arts Strategy Board in February 2011.

As part of its Investment Review, ACW are looking to bring forward a new strategy for Children and Young People (CYP). In the 2011-12 Remit letter the Heritage Minister expresses concern that there should be exciting, high quality and challenging opportunities for CYP to experience, create and take part in artistic activity. ACW are to address the question of geographical availability and report to the Minister on this.

**Update June 2012**

Officials have met with ACW to discuss changes to the Communities First programme and moves towards an outcomes based approach.

**b. Environment Agency Wales**

A meeting took place with the Environment Agency Wales in September 2010. A commitment was given to producing and publicising good practice information, an opportunity to feed in to the development of monitoring information and possible work on an Outcomes Fund application. Activities undertaken include the joint publication of the Eco-Guidance Training packs for Communities First of which the Environment Agency were a part of.

A reference has been agreed for inclusion in the Environment Agency's remit letter to ensure engagement with Communities First Partnerships and areas. Agreement reached to the inclusion of Communities First in reporting and monitoring processes. . .

		<p><i>c. Higher Education Funding Council for Wales</i> Discussions have taken place with the WAG Sponsor Division and a joint meeting took place with HEFCW in October 2010. HEFCW has set a clear target in their operational plan for enrolment of individuals from Communities First areas.</p> <p>HEFCW and its Reaching Wider partners presented at each of the 3 regional Co-ordinator meetings during November 2010. Subsequently, increased joint working has commenced including work to ensure engagement of Communities First Partnerships with the Reaching Wider Partnerships. This has involved the distribution of examples where Reaching Wider Partnerships have worked closely with Communities First Partnerships.</p> <p><b>Update June 2012</b> Officials meet regularly to discuss the joint working and sit on three regional Reaching Wider Steering Groups</p> <p><u>d. Sport Wales</u> Initial discussions took place with the WAG Sponsor Division and a meeting was held with Sport Wales in August 2010</p> <p>Reference made in the 2011-2012 Remit letter to Sport Wales requesting that Sport Wales continue to work with Sport Policy officials and Communities First Unit to ensure a joined up approach, with a view that sport and physical activity projects are considered for support in Community First areas.</p> <p>Additional work has commenced on increasing engagement between Local Authority Partnership Agreements (LAPAs) on sport and Communities First Partnerships. This work is ongoing.</p> <p><b>Update June 2012</b> Officials meet to discuss progress on an ongoing basis.</p>
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	<p>e. <u>Welsh Language Commission</u> The Communities First Guidance clearly sets out the role the Welsh Language Commission (and other partner organisations) can play in working with Communities First Partnerships.</p> <p><b>June 2012 update</b> Ongoing discussions have taken place with the WG Sponsor Division and the W:B on the links with Communities First. The need link with Communities First is set out in the remit letter.</p> <p>f. <u>Countryside Council for Wales</u> Officials met with Countryside Council for Wales in December 2010. Arrangements were agreed for reporting on the existing activity with Communities First Partnerships and the inclusion of Communities First references in the remit letter. The first report on activities with Communities First Partnerships has been received.</p> <p>g. <u>National Museum of Wales</u> Discussions took place with the Sponsor Division in the Welsh Assembly Government which led to a meeting with the National Museum in March 2011. It was agreed that consideration will be given to the inclusion of Communities First references in the remit letter and also the possibility of an Outcomes Fund bid.</p> <p>Alongside this work a representative from National Museum ran a workshop at the Annual Communities First Conference on the 14/15 October. In addition, a training session on Communities First (and the Outcomes Fund) was held for the National Museums team of Education Officers in January 2011.</p> <p><b>Update June 2012</b> Officials continue to work with officials from the National Museum and a successful bid was made for funding from the Outcomes Fund which has supported increased engagement between NMW and young people from Communities First areas.</p>
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		<p><i>h. Care Council for Wales</i> Contact has been made with the Care Council and a meeting will be arranged in the near future to discuss the links between the Care workforce and those who live and work in Communities First areas</p> <p><i>i. <u>Royal Commission On the Ancient and Historical Monuments of Wales</u></i> Contact has been made with the WAG Sponsor Division and a discussion has been held with the Royal Commission on the Ancient and Historical Monuments of Wales. The Commissions website contains a commitment to support the operation of the Assembly Government's Communities First programme and discussions have included agreements to meet up to work together with the Education and Outreach officers.</p> <p><i>j. <u>National Library of Wales</u></i> Contact has been made with the WAG Sponsor Division. A discussion has taken place with the National Library of Wales with a view to working together on the Culture net Cymru project and building on the longstanding work of the National Library with Communities 2.0. It has been agreed that improved joint working will begin with a session on Communities First (and the Outcomes Fund) for relevant personnel within the National Library a date is in the process of being arranged for early May 2011.</p> <p><b>June 2012 Update</b> Work is ongoing with the National Library.</p> <p><i>k. <u>Wales Centre for Health</u></i> Officials of communities division and the Sponsor Branch of Public Health Wales are in discussions over the appropriate wording for inclusion in remit letters and future joint work.</p> <p>Senior officials of Communities First and Communities Division are</p>
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		<p>meeting the Directors of Public Health on 7<sup>th</sup> April to discuss how greater links can be made with Communities First.</p> <p><b>Update June 2012</b>          Officials have regular liaison meetings with officials from the Public Health Division</p>
<p>d) <b>The Assembly Government should consider whether there are opportunities, for example through reform of the Wales Programme for Improvement, for it to better encourage local authorities to improve their service delivery focus on Communities First areas.</b></p>	<p>The Local Government (Wales) Measure 2009 already requires local authorities to seek to reduce disadvantages in service provision and accessibility – whether in Communities First areas or elsewhere. We will shortly issue revised Wales Programme for Improvement guidance, which reflects the Measure.</p>	<p>12. The Wales Programme for Improvement has already been revised. Officials in the Communities First Unit will look with the Local Government Policy team at the potential for appropriate Communities First references to be provided in other relevant material.</p> <p><b>Update: Action Completed (and ongoing)</b></p> <p><i>Discussion between officials has taken place. The Welsh Assembly Government is in the process of concluding Outcome Agreements with all local authorities, to align local priorities with national objectives. These are non-statutory, and it is for local authorities themselves to devise initial proposals. But in drawing up their agreements, we will strongly encourage local authorities to focus on areas of particular need, including Communities First areas and/or Strategic Regeneration Areas. Although it is early in the process, several local authorities have already indicated a strong willingness to do so.</i></p> <p><i>Officials in the Communities First Unit have commented on all Outcome Agreements received from Local Authorities to ensure the appropriate Communities First references and links are made. The Unit are also represented on the Outcome Agreements Moderation Panel.</i></p> <p><i>We issue guidance annually to all 22 local authorities to help their expenditure of allocations (£11m in 2011-12) under the Local Transport Services Grant (LTSG) scheme. The guidance requires</i></p>

		<p><i>them to consult Communities First Partnerships when determining their expenditure to ensure that their decisions take account of Communities First priorities and objectives. However, Communities First Partnerships also have a responsibility to engage with local authorities' public transport departments. LTSG is currently being reviewed to ensure that it remains effective and is administered efficiently. Whatever the outcome, the requirement that local authorities should consult Communities First Partnerships before deciding how to support local bus and community transport services will remain.</i></p>
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<p>e) <b>Local Service Boards should work more closely with the Communities First partnerships in their areas, in order to improve outcomes for people living in Communities First areas. The Assembly Government's guidance to Local Service Boards should make it clearer that, as far as is possible, their plans and performance targets and measures should be consistent with those of the local partnerships.</b></p>	<p>A one-day workshop will be held in May 2010 which will bring together LSB representatives and Communities First programme managers. The workshop will map existing practice and develop proposals for strengthening links between community partnerships and LSBs.</p> <p>The Assembly Government will consider what more needs to be done to ensure that the work of Local Service Boards, and the statutory partnerships, is linked more effectively to the Communities First programme.</p>	<p>13. We will hold a one day workshop on the links between Communities First Partnerships, Local Service Boards (and the Wales Spatial Plan). From this, a short Guidance note will be developed by officials in the Communities First Unit and the LSB team which will reinforce the importance of closer working and alignment of priorities.</p> <p><b>Update: Action Completed.</b> The Workshop was held and a note of it was distributed.</p> <p>Officials in the Communities First Unit subsequently worked closely with the LSB ESF Team and inputted into the business case for European Structural Funds Priority 4. The business case, which contains match funding from Communities First, has now been approved. It provides the opportunity for LSBs and Communities First Partnerships to link together and bid for funding for projects which look at service transformation. Three workshops involving the LSB ESF team were held and subsequently documentation has been sent to Communities First Partnerships on how to apply and the support they will receive – a number of applications are in the pipeline. The project will be evaluated.</p> <p><b>Update June 2012</b> There has been an ongoing training programme and 4 events have been held across Wales with a commitment to holding follow up events. This training is supporting the development of further links with LSBs and the Communities First Programme.</p>
<p>f) <b>The Assembly Government should develop and roll-out a programme of training and awareness-raising for Assembly Government officials and other</b></p>	<p>Discussions have taken place with both the Welsh Local Government Association and Third Sector organisations on how models such as the Social Inclusion Learning Programme (SILP) can be developed and rolled out for service providers and Assembly Government officials. We</p>	<p>14. Officials will discuss with the WLGA and WCVA how a model based on SILP can be piloted in some local authority areas. This work will be undertaken under the existing Communities First Training Contract managed by the WCVA.</p>

<p><b>service providers. This capacity building should draw on the lessons learnt from the Social Inclusion Learning Project in Conwy.</b></p>	<p>will be seeking the commitment of all parties to the wider rollout of a larger programme than SILP; this will draw on the experience gained from this programme in particular.</p> <p>Within the core training programme, managed by the Wales Council for Voluntary Action under contract from the Assembly Government, a pilot training course is being undertaken which raises awareness of Communities First and promotes the links between local authority officers and elected members, service managers and Communities First workers. A key feature of the course is about bringing service managers into direct contact with those working in the community. We are working closely with the WLGA and WCVA on this and drawing on lessons from the SILP programme which is being piloted in Rhondda Cynon Taf.</p>	<p><i>Update: <b>Action Completed (and ongoing).</b></i>  <i>Discussions have taken place with the WLGA and WCVA. A Pilot training session was successfully delivered in Rhondda Cynon Taf in November. This session, to promote joint working between Local Authority Officers, Elected Members and Communities First Staff, will be offered as training for the 2011 training programme.</i></p> <p><i>In addition, a training day focused on raising awareness of Social Inclusion issues for Welsh Assembly Government Officials, and other Service Providers has been developed with WCVA and WLGA. This will be offered and delivered with the rest of the Spring Training Programme.</i></p> <p><i>Discussions took place with Community Development Cymru and the SILP network which resulted in a fully evaluated pilot of SILP which has taken place in Swansea. This has been evaluated and materials have been updated which are available for open source use. Elements of this work will be taken forward under the new national support arrangements for Communities First which will be procured later this year.</i></p> <p><i>Officials have also begun discussions with the SILP Learning Network with a view to exploring a further fully evaluated pilot of SILP which could be delivered by a partnership of WLGA and Community Development Cymru and the SILP Learning Network. Work is currently being undertaken to complete a planning and delivery document and to produce an evaluation tender. A pilot area has been identified.</i></p>
<p><b>g) The Assembly Government should provide additional support as appropriate, such as in developing skills in writing bids, to those partnerships that are likely to</b></p>	<p>Work is already being undertaken on this under both the Training, and Advice and Supports contracts that are managed by the WCVA on behalf of the Welsh Assembly Government. Under the Training contract a core element is training on the Outcomes Fund. The Advice and Support</p>	<p>15. We will update the Committee on the number of training courses and the advice provided to Communities First Partnerships on writing Outcomes Fund applications.</p> <p><i>Update: <b>Action Completed (and ongoing).</b></i>  <i>To date, 22 Outcomes Fund training courses have been provided to</i></p>

<p><b>find it more difficult to access the Outcomes Fund.</b></p>	<p>Contract service responds to queries potential applicants may have as they are developing their Outcomes Fund bids. The WCVA will also provide general advice on bid-writing as part of this process.</p> <p>The Assembly Government works closely with the WCVA in ensuring that the contracts are appropriate to the needs of partnerships. Support is also offered to all partnerships by the Communities First Unit in developing and strengthening bids to the Outcomes Fund. Expressions of Interest to the Fund are rarely rejected outright; instead, advice and support is provided by our Regional Implementation Teams to assist partnerships to address weaknesses. This iterative process is designed to ensure that all areas have an equal chance of achieving success through the Outcomes Fund.</p> <p>The take-up of the Outcomes Fund is being monitored including consideration of which partnerships are accessing the Fund and the regional and national distribution of funding.</p>	<p>318 participants across Wales under the Core Communities First Training Programme provided by the Wales Council for Voluntary Action (WCVA). In addition, the WCVA has run 3-house training courses which supported 35 people.</p> <p>The WCVA has assisted 22 Communities First Partnerships in the development of their Outcomes Fund bids through their Communities First Advice &amp; Support Contract. General advice has also been provided on the principles of the Outcomes Fund.</p> <p>A new course on “Writing Successful Funding Bids” has also been developed. This is being offered as part of the Core Training Programme managed by the Wales Council for Voluntary Action under contract from the Assembly Government.</p> <p><b>Update June 2012</b> All projects which receive money under the Outcomes Fund are due to come to an end on 30th September 2012.</p>
<p><b>h) The Assembly Government, in all of its guidance that relates to Communities First, should make</b></p>	<p>The Communities First Guidance is currently being revised and it will make clear that the primary responsibility for achieving programme bending will lie with service providers,</p>	<p>16. As detailed in action 9, this clarity will be provided in the revised summary Communities First Guidance.</p>

<p><b>clear that the primary responsibility for achieving programme bending lies with service providers, and that the primary purpose of partnerships is to provide a mechanism to help ensure that services delivered locally meet the needs of the local community.</b></p>	<p>with the primary purpose of partnerships being to help ensure that services are delivered to meet local need. One of the keys to achieving programme bending will be to ensure that strong relationships are built between partnerships and service providers. Partnerships will need to outline their priorities to service providers, with the Assembly Government's role being to promote programme bending at all levels.</p>	<p><i>Update: <b>Action Completed.</b> Please see update to action 9</i></p>
<p><b>The Assembly Government should:</b></p> <ul style="list-style-type: none"> <li><b>a) make clear that partnerships should work with local stakeholders and the community to identify outcomes, but that partnerships should identify how they can best contribute to those outcomes, and measure and report progress against their planned contribution; and</b></li> <li><b>b) identify and disseminate good practice examples of where service providers have worked with partnerships towards the outcomes set out in partnerships'</b></li> </ul>	<ul style="list-style-type: none"> <li>a. We see scope for partnerships to work with a range of local stakeholders and the community to identify how they can best contribute to identified outcomes. This will potentially also support closer working at the local level. [see also responses to recommendations j&amp;k below]. The Welsh Assembly Government will initiate a series of meetings with local authorities this calendar year to review the current position on what processes are in place for agreeing how Partnerships can contribute to identified outcomes.</li> <li>b. The Assembly Government fully recognises the need to promote programme-bending (service providers working closely with Partnerships) examples. The Assembly Government is working closely with Empower as part of the Communities First National Support contract in order to increase the dissemination of good practice examples. This</li> </ul>	<p>17. Officials will, through the Annual Monitoring visits, discuss the processes each Partnership has in place for agreeing how best they can contribute to identified outcomes. <i>Update: <b>Action Completed.</b> Virtually all AMR visits have now been undertaken. Only 4 Partnerships have not been visited due to the fact that local circumstances have prevented it.</i></p> <p>18. Work on developing good practice case studies is already in hand. We will now identify examples of programme bending and disseminate appropriately. We will aim to identify 18 examples to cover all themes of the Communities First Vision Framework. <i>Update: <b>Action Completed.</b> Officials are working with Empower, who manage the Communities First Information Services Contract, on developing these Case Studies. Update. Over 35 case studies have now been produced. These are being distilled to highlight those with the greatest focus on</i></p>



<p><b>action plans.</b></p>	<p>will include examples of where service providers have worked closely with partnerships, for example on delivering their outcomes.</p>	<p><i>programme bending.</i></p> <p><i>In addition to the written Case Studies, work is being undertaken on revising the Communities First section of the Welsh Assembly Government's Web-Site. This will include a range of examples, filmed as well as written, which highlight the impact Communities First has had on a community and also individuals.</i></p> <p>19. In addition to action 18 above, an assessment of the impact of the Communities First Outcomes Fund Demonstration projects will be undertaken. An analysis of the impact of these will be supplemented by case studies on each.</p> <p><b>Update: Action Completed.</b>  <i>A report on the Outcomes Fund Demonstration projects has been completed and includes Case Studies on each of the projects.. This has been distributed to Communities First Partnerships and other key stakeholders.</i></p>
<p>j) <b>The Assembly Government should work with Communities First partnerships to develop a small set of common indicators of the extent to which the programme is contributing to the improvements in outcomes for people living in Communities First areas. The Assembly Government should use these indicators to inform its assessment of the programme's</b></p>	<p>The Assembly Government will review the process of setting the outcomes of Communities First partnerships. Work is underway involving officials and Communities First coordinators to develop a small set of indicators which would be appropriate for the programme. In the first instance, existing models which have been developed in some local authorities are being considered as the possible basis for a national framework.</p> <p>Linked to this, Communities First officials will work closely with the Assembly Government's Analytical Services Team to ensure that the development of appropriate indicators can</p>	<p>20. As highlighted in actions 5 and 6 above, work will be undertaken on developing set of outcome indicators to show the contribution Communities First can make to improving outcomes for local people. This work will be piloted in a local authority area as part of this year's work plan. As part of the outcome indicators work, officials will work with colleagues in the Statistical Unit to provide indicators at Communities First area level compared to all Wales.</p> <p><b>Update: Action Completed (and ongoing).</b>  <i>Please see the update against actions 5 and 6</i></p>

<p><b>value for money.</b></p>	<p>inform an assessment of value for money.</p>	
<p>k) Through the annual monitoring visits, the Assembly Government should ensure that each partnership's annual targets clearly relate to the Community Action Plan for the area, and clearly demonstrate how the proposed targets support the key actions that the partnership must do to help improve outcomes for local people.</p>	<p>The Assembly Government does, and will continue to, monitor how targets relate to the Community Action Plan for the area. We will also ensure how the proposed targets support the key actions that the Partnership must undertake in order to help improve outcomes for local people.</p>	<p>21. This will be done as part of this year's Annual Monitoring process. During the visits, officials will ask how Partnerships' annual targets help improve outcomes for local people.</p> <p><i>Update: <b>Action Completed.</b> Virtually all AMR visits have now been undertaken. Only 4 Partnerships have not been visited due to the fact that local circumstances have prevented it.</i></p> <p><b>Update June 2012</b> AMR for 2010/11 was completed and results published on the Stats Wales Website. AMR's for April 2011 – September 2012 are due to be submitted to the Welsh Government in August 2012.</p>
<p><b>Recommendation 2.</b> In addressing the Auditor General's recommendations, we recommend that the Welsh Government incorporates explicit consideration of Communities First into its policy gateway process with immediate effect. It should also develop a mechanism to reassess existing policies to ensure that, wherever</p>	<p>The Assembly Government's "Policy Gateway" process now incorporates explicit consideration of Communities First. New policies will have to show how they are targeting Communities First areas and linking with Communities First Partnerships.</p> <p>Officials will also work with other policy divisions to ensure that existing policies are focused on Communities First</p>	<p>22. As detailed in actions 1 and 2, Communities First will be included in the Policy Gateway process and, as part of this, a Policy Integration tool will be developed in close collaboration with the Child Poverty Unit. This will ensure that all future policies and programmes will have to show the impact they have on alleviating poverty.</p> <p><i>Update: <b>Action completed (and ongoing).</b> Please see update against actions 1 and 2</i></p>

<p>possible, they take account of Communities First. In reviewing its policies, the Welsh Government should be mindful of the opportunity this presents to refocus its staff on the Communities First objectives and to encourage a more joined-up approach. We ask that the Welsh Government provides us with a progress report within the next 12 months.</p>	<p>areas. An update report will be provided in 12 months.</p>	<p>23. Existing policies will be assessed to look at their prioritisation of Communities First. A list of those policies and programmes with specific reference to Communities First will be provided.</p> <p><b>Update: Action Completed (and Ongoing)</b></p> <p>Many examples of prioritisation of Communities First were provided in response to the Minister's letter to other Ministers and Deputy Ministers. Some of these examples are detailed below:</p> <p>The recently launched Child Poverty Strategy reaffirms the Assembly Government's absolute commitment to eradicate child poverty by 2020 and detriment to this is the continued support of our most disadvantaged communities and narrowing the inequality gap in outcomes for people living both in these deprived communities and elsewhere.</p> <p>We will develop the Communities First programme to move further towards the delivery of key outcomes, including those in the Child Poverty Strategy, and ensure communities continue to have a say in the services that affect them. The Assembly Government is working together to identify opportunities for integrating our work, reducing duplication and improving the efficiency and effectiveness of our interventions. This will help ensure that we work collectively to benefit our communities, specifically those that are the most deprived.</p> <p><b>Update June 2012</b> The Tackling Poverty Action Plan, which is due to be launched shortly, now incorporates the actions from the Child Poverty Strategy. From 1 April 2012 Communities First will be a Community</p>
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*focussed Tackling Poverty programme 2012.*

*Another example of an area that prioritises Communities First is the Community Food Co-operative Programme which aims to establish and provide continued support to community food co-operatives in Wales. Part of Assembly Government's agreement on this project (with the Rural Regeneration Unit) is that the geographical coverage of Food Co-operatives across Wales must be increased - with a minimum of 75% of them being in Communities First areas. Close links have also been developed with Communities First Partnerships.*

*Officials are also working closely with colleagues in the Department for the Environment, Sustainability and Housing to ensure that links are made between the Strategic Regeneration Areas (SRAs) and the priorities of Communities First Partnerships. For example, a Seminar was held which brought together officials managing the development of the Western Valleys SRA with Staff and Chairs of Communities First Partnerships in the area. As detailed in action 4, two projects linking Communities First to the SRAs have now been approved.*

*Officials have worked with colleagues in the Department for Children, Education and Lifelong Learning to identify how CF and the National Youth Service Strategy can be aligned to increase the engagement, outcomes and impact for young people between 11 and 25 in personal and social education within Communities First areas.*

*Officials have worked with colleagues in the Department for Children, Education and Lifelong Learning contributing to the Adult and Community Learning Policy Statement and also held discussions with DCELLS colleagues on the NEETS agenda which resulted in the Communities First funding being used to match fund work to target Young people who are NEET, specifically in Communities First areas.*

		<p>Officials have recently contributed to the Environment Strategy Annual Report outlining the importance of environmental activities within the Communities First Programme and highlighting good practice examples of joint working with the WCVA and the Environment Agency.</p> <p>Officials have worked with colleagues in the Community Safety Division on the substance misuse agenda resulting in a contribution from the Substance Misuse Action Fund (SMAF) to the Communities First Outcomes Fund 'Communities Against Drugs' Project' in Neath Port Talbot.</p> <p>A list of those policies and programmes which have specific reference to Communities First is attached at Annex A.</p>
<p><b>Recommendation 3.</b> We recommend that in meeting the Auditor General's recommendation that the Welsh Government needs to better encourage local authorities and other public service providers to improve their service delivery focus on Communities First areas, the Welsh Government should consider the potential to encourage programme bending both through incentivisation and direction - a carrot and stick approach.</p>	<p>We are exploring the best means, through incentivisation and direction, of drawing the attention of local authorities and other service providers to the need to prioritise Communities First areas in the planning and delivery of their services. The potential for them working closely with Communities First Partnerships through the Communities First Outcomes Fund will also be emphasised.</p>	<p>24. As detailed in action 8 above, the Minister for Social Justice and Local Government will write to all Local Authorities and other public service deliverers requesting them to show how Communities First will be given a priority in their areas.</p> <p><b>Update: Action Completed.</b> Please see update against action 8 above</p>

<p><b>Recommendation 4.</b> We recommend that, in meeting the Auditor General's recommendations, the Welsh Government clearly outlines how the monitoring of the Communities First programme will be improved and the measures that will be used to demonstrate achievement of the programmes objectives.</p>	<p>The monitoring will be improved by reviewing how we identify the outcomes of Communities First partnerships. Work is underway involving officials and Communities First co-ordinators to develop a small set of indicators which would be appropriate for the programme. See also response to recommendation (j).</p> <p>The external evaluation of the programme, which will be undertaken during 2010-11, will include an assessment of the comparative outcomes between Communities First areas and other parts of Wales.</p>	<p>25. As highlighted in earlier actions, this will be undertaken through the development of a small set of indicators and also the information gathered at Communities First area level.</p> <p><b>Update: Action Completed.</b> Please see update against action 5 above</p>
<p><b>Recommendation 5.</b> We recommend that the Welsh Government closely monitors the Outcomes Fund, and that it ensures that it is able to demonstrate hard outcomes for this investment of public money that demonstrate progress towards the Communities First objectives. We ask that the Welsh Government provides us with a progress report, and details of programme-level movement towards achieving objectives within the next 12 months.</p>	<p>The Assembly Government is closely monitoring the Outcomes Fund. Each application that is approved has to demonstrate clear outcomes as to how the work will benefit the community. Once an application is approved, its implementation is monitored closely by the Welsh Assembly Government.</p> <p>A progress report on the Outcomes Fund will be provided within the next 12 months.</p>	<p>26. As detailed in action 19, an assessment of the impact of the Communities First Outcomes Fund Demonstration projects will be undertaken. An analysis of the impact of these will be supplemented by case studies on each, and these will be disseminated.</p> <p><b>Update: Action Completed.</b> A report on the Outcomes Fund Demonstration projects has been completed and includes Case Studies on each of the projects.. This has been distributed to Communities First Partnerships and other key stakeholders.</p> <p>To date 50 Outcomes Fund Applications have been supported. for projects to be run during 2009 – 2012. This figure includes the demonstration projects. The projects have covered all themes of the Communities First Vision Framework.</p> <p>27. A full report on progress against the Public Accounts Committee's recommendations will be submitted by March 2011.</p>

		<i>Update: Action Completed.</i>
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Dyfodol Cynaliadwy  
Sustainable Futures

Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru  
Welsh Government

Darren Millar  
Chair Public Accounts Committee  
National Assembly for Wales  
Ty Hywel  
Cardiff Bay  
Cardiff  
CF99 1NA

22 June 2012

*Dear Mr Millar,*

#### **Housing for adults with mental health needs**

Thank you for your letter of 29 May 2012. I am responding to the Committee's request for an update on action taken following the Auditor General's report 'Housing for Adults with Mental Health Needs'. A table is attached outlining progress on meeting the recommendations of the report.

I am aware that my predecessor, Clive Bates, wrote to the Clerk of the Committee enclosing a summary of the initial action that had been taken. I am structuring my response around the Auditor General's recommendations and the additional recommendation made by the Committee. I am mindful that the intervening period has seen a number of developments and it may be helpful to Members if I highlight the most significant of these by way of context.

The 2005 National Service Framework for Adult Mental Health services, on which the Auditor General's report was based, is being superseded by a new strategy, set out in *Together for Mental Health - A Cross-Government Strategy for Mental Health and Wellbeing in Wales*. This draft strategy was launched for a 12-week consultation on 8 May 2012, closing on 31 July.

I am pleased to say that Housing officials were part of the strategy's cross-departmental steering group, and as a result housing features prominently within the document. The consultation draft was agreed by full Cabinet including the Minister for Housing, Regeneration and Heritage. *Together for Mental Health* recognises the importance of housing-related support for people with mental ill-health problems. Timely access to effective housing solutions, with support, should be available at all stages of the recovery process.

In the strategy, we acknowledge what the Wales Audit Office and other inspectorates have told us about mental health, which is that there has been significant improvement over recent years, but we need to do more. The outcomes proposed in the strategy have therefore taken account of the findings of Auditor General's report, and I can assure the Committee that housing issues will be carried through into the implementation of the strategy.

Cont ....



Annex 5

The strategy will be supported by a detailed delivery plan, which will be developed over the summer and will include key deliverables and measurable outcomes for service users and their families and carers. It will ensure statutory bodies, third sector organisations, and, most importantly, service users and carers, are fully involved in planning and decision making.

A new National Partnership Board – involving all sectors and agencies, including housing - will be established to oversee the delivery of an action plan and monitor progress against the outcome measurement framework.

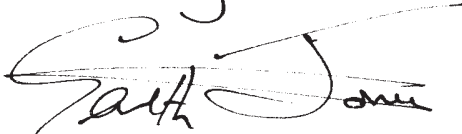
*Together for Mental Health* firmly embeds the Mental Health (Wales) Measure at its heart. This is a flagship policy which has had long standing cross-party support. The Measure received Royal Assent in 2010 and comes into effect this year. It provides a new statutory basis for planning and delivering primary and secondary mental health services.

The Measure introduces new legal requirements for care co-ordinators and for the holistic assessment of an individual's needs, and this is particularly relevant to the recommendations of the Auditor General's report. This includes considering people's housing and accommodation needs as an integral part of their treatment and care and planning and coordinating the delivery of a range of services to meet these needs. A statutory Code of Practice has been published to support this part of the Measure, which came into force on 6 June. The Code also emphasises the need for joint planning and delivery across mental health and housing,

Members will be aware of the Housing White Paper and its ambitious programme of legislative and non-legislative action. Developments relating to more integrated services and performance monitoring are featured and will contribute to improvements to the help people receive. I recognise that there is still much more to be done to improve the way that help is delivered to people with mental health problems. I am committed to driving progress on this agenda, working closely with my colleague, the Director General for Health and Social Services, to ensure this happens.

Should Members have any queries on the attached or require further information, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gareth Jones', with a long horizontal flourish extending to the right.

**Gareth Jones**

## Annex 5

### Wales Audit Office Report: Actions Following the Auditor General's report: "Housing Services for Adults with Mental Health Needs"

#### Update on Action Taken

##### Introduction

This document provides an update on action taken and/or in hand in response to the Auditor General's report on „Housing Services for Adults with Mental Health Needs“. The update is structured around the recommendations in the Auditor General's report (items 1-8) and the Public Accounts Committee report (item9)

Recommendation		Action taken or in hand and additional comments /notes
1	We recommend that the Assembly Government:	
a	issues specific guidance to relevant local agencies that makes clear its current expectations of them to deliver the Framework's housing targets;	<ul style="list-style-type: none"><li>• The Code of Guidance for Local Authorities on Allocation of Accommodation and Homelessness was subject to full consultation in 2011. The outcome of the consultation was considered in detail with stakeholders, and considered in the light of recent research on the implementation of current legislation. The revised Code is now being finalised taking account of the new policy framework for mental health, and will be ready for publication in summer 2012.</li><li>• Mental health elements of the Code have been strengthened in line with comments within the WAO report. It emphasises the need for joint planning arrangements between housing and mental health services and has taken account of subsequent developments, which include the Mental Health (Wales) Measure 2010 and the draft Mental Health and Wellbeing Strategy.</li><li>• <i>Together for Mental Health - A Cross-Government Strategy for Mental Health and Wellbeing in Wales</i> was launched for a 12-week consultation on 8 May 2012, closing on 31 July, and supercedes the 2005 National Service Framework for Adult Mental Health Services and the strategies for adult mental health and children/young people's mental health, originally released in 2001.</li></ul>

Recommendation	Action taken or in hand and additional comments /notes
	<ul style="list-style-type: none"> <li>• The Auditor General’s recommendations on the National Service Framework have been taken into account in the proposed outcomes in <i>Together for Mental Health</i>. The final strategy will be supported by a detailed delivery plan, which will be developed over the summer (2012) and will include key deliverables and measurable outcomes for service users and their families and carers. It will ensure statutory bodies, third sector organisations, and, most importantly, service users and carers, are fully involved in planning and decision making. A new National Partnership Board – involving all sectors and agencies, including housing - will be established to oversee the delivery of an action plan and monitor progress against the outcome measurement framework.</li> <li>• The Mental Health (Wales) Measure 2010 Care and Treatment process incorporates a formal requirement to undertake holistic assessments of need; accommodation needs are specified as one such area for assessment. The Measure and Parts 2 and 3 covering care and treatment planning and rights to reassessment on discharge were commenced on 6 June 2012 and the associated Code of Practice was launched on 11 June 2012.</li> <li>• The legislation aspects of the revised Code of Practice for Parts 2 and 3 of the Measure are being finalised prior to publication this summer. The revision to the Code and the consultation responses has also informed thinking on legislation proposals for homelessness, which were included in the White Paper published on 21 May 2012.</li> </ul>
<p>b embeds the commitments of the National Service Framework within relevant local authority housing and housing association guidance;</p>	<p>See above on the subject of guidance to local authorities and housing associations. The National Service Framework ran from 2005 to 2012, so current commitments are now planned for the mental health and wellbeing strategy delivery plan</p> <ul style="list-style-type: none"> <li>• Recommendations of the independent review of the Supporting People programme have been implemented. The Programme Grant Guidance will be published this summer. It sets out the arrangements for planning and commissioning Supporting People funding. The new guidance specifies that local authority Supporting People teams will work in partnership on a regional basis advising Regional Collaborative Committees on local and regional commissioning. The Regional Committees will have representatives from local authorities, the voluntary</li> </ul>

Recommendation	Action taken or in hand and additional comments /notes
	<p>sector, landlords and the Health sector. The guidance makes specific reference to the need to consider mental health stakeholders in commissioning decisions.</p>
<p>c makes and takes other opportunities to raise awareness amongst the relevant local agencies of its expectations of them in delivering the National Service Framework commitments;</p>	<ul style="list-style-type: none"> <li>• The publication of the WAO report and the PAC session has resulted in increased consideration of services for people with mental health needs by local authorities, housing associations, and housing-related support organisations. The report was a prominent feature at the annual conference organised by Cymorth for organisations working with homeless people.</li> <li>• The Housing and Health Ministers have stimulated the development of closer working arrangements between local authorities, housing associations and Local Health Boards in the Aneurin Bevan and Cwm Taf areas. Mental health featured as a key element for developing more integrated services. The White Paper includes a commitment to extend these developments to the rest of Wales.</li> <li>• Mental health was included in three regional events in autumn 2011 which were sponsored by the Welsh Government to promote good practice in health services for homeless people.</li> <li>• More regional cross-sector events are planned to promote joint planning and the implementation of the draft mental health and wellbeing strategy <i>Together for Mental Health</i>, which will address the issues raised in the WAO report.</li> <li>• A national review of local developments and services to help people with mental health problems has been completed. This is being finalised in conjunction with local authorities and will be published in the near future. Early findings is that there has been an increasing drive towards better partnership working between housing and mental health, which is demonstrated through a range of good practice developments.</li> <li>• Work on promoting the application of good practice will intensify as a result of the commencement of the Mental Health (Wales) Measure 2010 and the launch of the consultation on <i>Together for Mental Health</i>.</li> </ul>

Recommendation	Action taken or in hand and additional comments /notes
	<ul style="list-style-type: none"> <li>New delivery mechanisms for mental health will be introduced with the introduction of the final mental health and wellbeing strategy and supported by a detailed delivery plan.</li> </ul>
<p>d monitors delivery of National Service Framework targets by all the relevant agencies to realise the desired improvements for people with a mental illness.</p>	<ul style="list-style-type: none"> <li>The National Mental Health Programme Board was asked to take account of the Wales Audit Office report, and consider how health and social care can support the implementation of the recommendations, working with housing departments. The Programme Board is being replaced by a new Partnership Board which will continue to address these issues.</li> <li>A survey of local authority housing departments has been completed to update the position on local services/ developments for adults with mental health needs. See above.</li> <li>The National Service Framework has been replaced with a new policy framework which will be set out the new mental health and wellbeing strategy, a draft of which is currently out for consultation. The strategy will be supported by a detailed delivery plan, which will be developed over the summer and will include key deliverables and measurable outcomes for service users and their families and carers.</li> </ul>
<p>2 We recommend that the Assembly Government ensures that guidance issued to health, housing and social care planners and providers of services for people with a mental illness encourages an approach that is coterminous, joined-up and mutually supportive.</p>	<ul style="list-style-type: none"> <li>Revised statutory guidance on allocations and homelessness will be published in the summer and will contain strengthened guidance on closer collaboration between housing, health and social care planners. See 1 (a) above</li> <li>Mental Health (Wales) Measure 2010 requires consideration to be given to accommodation needs for those in contact with secondary care mental health services. The Code of Practice with respect to Parts 2 and 3 has been published and disseminated to relevant stakeholders. The draft mental health and wellbeing strategy is out for consultation. The final strategy will be supported by a delivery plan which will address the need for joint planning and delivery of services.</li> <li><i>Sustainable Social Services for Wales: A Framework for Action</i> and the new Social Services Bill will help drive more effective joint planning.</li> </ul>

Recommendation		Action taken or in hand and additional comments /notes
		<ul style="list-style-type: none"> <li>Public Health Wales receives funding from Housing Division to raise awareness of the health needs of homeless households and to support implementation of the Health and Homelessness Standards.</li> <li>There is a commitment in the White Paper to reviewing the Health and Homelessness Standards which were launched in 2009. These standards place requirements on local authorities and Local Health Boards to provide access to primary health services for homeless people</li> <li>The implementation of the new Supporting People programme developments involves representatives of the NHS and Public Health Wales.</li> </ul>
3	We recommend that the Assembly Government should:	
a	require all proprietors of bed and breakfast temporary accommodation to have an up-to-date and positive Criminal Record Bureau check in place prior to their establishments being used for letting to homeless clients;	<ul style="list-style-type: none"> <li>The Code of Guidance on Allocation of Accommodation and Homelessness strengthens guidance on the placement of households in temporary accommodation to emphasise the need for proprietors to be suitable individuals. See 1 (a) above.</li> </ul>
b	require that local agencies' client assessment systems include assessments of the temporary accommodation best suited to the needs of individual clients; and	<ul style="list-style-type: none"> <li>The proposals for new legislation as set out in the Housing White Paper will further strengthen action by local authorities to prevent homelessness in the first place. The assessments which will be undertaken to identify and address the problems which people face should take account of their mental health needs..</li> </ul>
c	create a means of monitoring that all temporary accommodation used by local authorities meets the minimum standards set down in the 2006 Homelessness Order.	<ul style="list-style-type: none"> <li>Initial discussions with local authorities have identified a number of practical issues around this aspect of current legislation. Discussions with local authorities on the legislation and its implementation are ongoing as part of the debate on the proposals for reform in the White Paper.</li> </ul>
4	We recommend that the Assembly Government:	

Recommendation		Action taken or in hand and additional comments /notes
a	sets minimum standards for the quality and coverage of public information on lettings and accessing housing to ensure that vulnerable people with mental illness are provided with the information they need to exercise their rights; and	<ul style="list-style-type: none"> <li>The consultation on the Code of Guidance for Local Authorities on Allocation of Accommodation and Homelessness was published for consultation in March 2011. The Code requires local authorities to publicise information on social housing lettings to ensure openness and transparency around allocations. See 1 (a) above.</li> </ul>
b	ensures guidance for housing associations includes specific measurable standards for access to housing for vulnerable people, and to limit the use of exclusions from housing waiting lists instead of time-based suspensions.	<ul style="list-style-type: none"> <li>The review of relevant guidance for Registered Social Landlords on Exclusions and Suspensions from waiting lists will take place after the consultation on the Housing White Paper ends on 17 August 2012.</li> <li>The White Paper raises the possibility of a duty on organisations to co-operate on housing matters. If taken forward, this could help improve the joint working necessary to meet the housing needs of people with mental health problems.</li> <li>As set out in the White Paper, performance indicators and targets for local authorities will be the subject of further consideration. It will extend beyond mental health issues, taking into account the need to drive performance.</li> </ul>
5	We recommend that the Assembly Government takes steps to ensure that its regulatory requirements of housing associations includes the requirement for associations to deliver, in collaboration with other local agencies, against the relevant Framework housing-related targets.	<ul style="list-style-type: none"> <li>New regulatory framework is being implemented. It has a strong outcome focus. Expectation is that associations will be able to demonstrate and provide evidence how they have achieved particular outcomes e.g. that they engage with all relevant parties and organisations, embrace the principles of partnership working to enhance service delivery, they work collaboratively, and form appropriate alliances to develop and deliver outcomes.</li> <li>The National Service Framework for Mental Health has been replaced by the new strategy, in which housing features prominently. In turn, priorities identified in the programme of action set out in the White Paper includes mental health and the development of more integrated services. The</li> </ul>

Recommendation		Action taken or in hand and additional comments /notes
		regulatory function will take into account such priorities in its work.
6	We recommend that the Assembly Government:	
a	defines its information requirements with respect to housing and mental health, to enable it to more effectively undertake its role in setting policy and assess the impact of policy instruments such as the National Service Framework;	<ul style="list-style-type: none"> <li>Mandatory framework for collection of data on Supporting People outcomes has been introduced, which includes individual service users' perceptions on progress in relation to their mental health.</li> </ul>
b	establishes a suite of key performance measures, to be used locally and nationally, of housing and related services for different client groups, including those with a mental illness and homeless people, to cover lettings, exclusions and suspensions, repeat homelessness, use of temporary accommodation and tenancy turnover.	<ul style="list-style-type: none"> <li>See point above relating to performance monitoring.</li> </ul>
7	<p>We recommend that local authorities:</p> <p>a) better integrate needs mapping systems for identifying the support needs of different groups of people with other relevant data relating to housing, health and social care;</p> <p>b) create information sharing protocols</p>	<ul style="list-style-type: none"> <li>All these points are being addressed through implementation of the recommendations from the review of Supporting People by Sir Mansel Aylward.. See 1 (b) and 6 (a) above.</li> </ul>



Recommendation	Action taken or in hand and additional comments /notes
<p>whereby relevant local agencies agree to participate in needs mapping exercises; and</p> <p>c) improve the robustness of data by avoiding double counting and data input backlogs.</p>	
<p>8 We recommend that key local agencies together develop protocols for meeting the housing and support needs of people with a mental illness that cover the planning and commissioning of services, the tailoring of services to meet specific needs, referral systems to ensure the effective pre-planned discharge from institutions, and information sharing to support prompt and reliable decision making.</p>	<p>We have commissioned the development of guidance on accommodating people being resettled from institutional or community settings. This guidance will be finalised following publication of the final mental health and wellbeing strategy. The strategy itself will promote more effective <a href="#">arrangements for local collaboration and planning, which the delivery plan and Partnership Board will ensure are implemented</a>. The strategy outline the contributions required from Local Government, the NHS, Third and independent Sectors, and a range of other agencies – and the benefits which can be gained from them working together.</p> <p>The Code of Practice to Parts 2 and 3 of the Mental Health (Wales) Measure 2010 gives due consideration to working in partnership with the relevant agencies involved in a person’s care. This will maximise the support available to those with a mental illness</p> <ul style="list-style-type: none"> <li>As part of the Supporting People implementation project meetings have taken place with Directors of Public Health to identify how to further develop local planning arrangements for meeting the housing needs of people with mental health problems and other vulnerable groups.</li> </ul>
<p>9 [Extra recommendation from Committee] Introduce statutory guidance to ensure that local authorities and housing associations deliver the actions they are responsible for in respect of Welsh Government targets such as those set out in the National services</p>	<ul style="list-style-type: none"> <li>See reference earlier to guidance. The National Service Framework has been replaced but the new mental health and wellbeing strategy has stimulated increased joint working. Further guidance will be issued after consultation.</li> </ul>

Recommendation	Action taken or in hand and additional comments /notes
Framework.	

Annex 6

Wales Audit Office Report on Major Transport Projects: Update on progress in implementing recommendations

Recommendation	Update
<p><u>Information systems and analysis of project performance</u></p>	
<p><b>Recommendation 1</b></p> <p><i>We recommend that the Assembly Government should ensure that the new [management information] system can:</i></p> <ul style="list-style-type: none"> <li>a) record information to track the performance of all major transport projects at key stages of their delivery</li> <li>b) incorporate the information needed to facilitate benchmarking project performance against projects in other parts of the UK;</li> <li>c) record all changes in project costs that occur through the lifecycle of the project, including changes in land costs; and</li> <li>d) facilitate the analysis and sharing, on an annual basis, of the reasons for cost increases and delays on individual projects across all Assembly Government transport programmes.</li> </ul>	<p>To ensure the Transport Department has adequate information to track our performance of all our major transport projects including time and cost we have set up a spreadsheet system ahead of the introduction of a fully functional project and programme management (PPM) software system.</p> <p>Options are under consideration for the longer-term solution, which will either be taken forward as part of an initiative to introduce standard PPM software across Welsh Government or if it is determined this cannot meet the specific needs of major roads infrastructure projects, as part of the Transport Department's Integrated Roads Information System (IRIS).</p>

Recommendation	Update
<p><u>Project and contract management</u></p>	
<p><b>Recommendation 2</b></p> <p><i>We recommend that the Assembly Government takes action to ensure that:</i></p> <ul style="list-style-type: none"> <li>a) <i>gateway reviews become custom and practice for all current and future major projects;</i></li> <li>b) <i>all major transport projects completed since the end of 2006 are subject to a benefits realisation review; and</i></li> <li>c) <i>benefits realisation reviews are started within 12 to 18 months of the completion of the main construction works.</i></li> </ul>	<p>We have taken a number of steps to strengthen the approach to gateway reviews and benefits realisation.</p> <p>Gateway Reviews (Assurance Reviews) are now mandatory for all mission critical and high value programmes and projects in Welsh Government.</p> <p>Ten major transport projects have been completed since 2006 and are subject to a benefits realisation review.</p> <p>Of those ten projects, eight have already been subject to a review of the effectiveness of design in achieving of the project objectives.</p> <p>A full benefits realisation assessment, which considers factors beyond the effectiveness of design review, takes longer to complete because of the need to collect reliable data about project impact can be collected. For the ten completed projects, this process has been started on five projects and reported as part of the Transport Wales Gateway Review stage 3 report for those projects. On a further two projects, the benefits realisation has been considered and reported as part of the Post Opening Project Evaluation review. Reviews are planned for the three remaining projects in 2012-13.</p> <p>Guidance is being prepared that will require a Post Opening Project Evaluation review, which includes specific requirement to assess benefits realisation, to be undertaken on all completed projects.</p> <p>We have taken a number of steps to encourage the use of a common set of key performance indicators.</p> <p>Our guidance and contract documentation makes it clear that we will take account of KPI data in assessing bids for future projects.</p> <p>We use standard Construction Excellence Key Performance Indicators (KPIs) and guidance</p>
<p><b>Recommendation 3</b></p> <p><i>We recommend that the Assembly Government should encourage the use of a common set of key performance indicators across all major transport projects in Wales and, in doing so:</i></p>	

<b>Recommendation</b>	<b>Update</b>
<p>a) ensure that contractors are clear about the way in which the key performance indicator system gives credit for the delivery of projects earlier or at lower cost than planned, while ensuring that quality is not compromised;</p> <p>b) for projects under its direct control, quality assure the performance indicator scores given by the independent project manager (employer's agent); and</p> <p>c) share and analyse information on contractor performance to help identify and address common areas of underperformance.</p>	<p>on how these are applied is provided to contractors in the KPI measurement manuals. At award of contract, the measurement regime in explained in detail and clear measurement processes agreed with the contractor who records his own score. This process ensures that both parties communicate clearly on the quality requirements.</p> <p>In addition we regularly meet with the Civil Engineering Contractors Association (CECA) executive and explain how KPI are used in our contract procurement.</p> <p>We are also members of Key Performance Indicator Benchmarking Clubs at which all Wales Key Performance Indicator data are discussed.</p>
<p><b>Recommendation 4</b></p> <p>We recommend that the Assembly Government develops and communicates to local authorities detailed guidance that sets out its expectations and general good practice in the planning and delivery of major transport projects. Particular issues highlighted by our examination which might be addressed in any new guidance include:</p> <p>a) the use of appropriate inflation indices, construction material cost indices and optimism bias when estimating project costs;</p> <p>b) the use of project risk registers,</p>	<p>With the exception of three projects that are already under construction and legacy road schemes where there are outstanding land issues, there will be no further major local authority transport projects funded by Welsh Government through the Transport Grant process.</p> <p>Given that the Transport Grant-funded programme was coming to an end, we have not produced new guidance for local authorities in relation to major transport projects.</p> <p>Instead we have transferred learning from our management of trunk road schemes to transport grant schemes by allocating a project engineer to all local authority major road projects to advise on delivery and project management as well as overseeing financial control.</p> <p>We have also ensured that the detailed Regional Transport Consortia Grant Delivery Plan</p>

<b>Recommendation</b>	<b>Update</b>
<p><i>encouraging the public sector employer and construction contractor to agree and maintain a joint risk register</i></p> <p>c) <i>advice on the use of different types of contractual models;</i></p> <p>d) <i>the use of key performance indicators;</i></p> <p>e) <i>expectations in terms of local project management arrangements; and</i></p> <p>f) <i>how the scope of the processes set out in Welsh Transport Planning and Appraisal Guidance and gateway reviews guidance relate to each other.</i></p>	<p>Guidelines set out our expectations in relation to risk management and project management.</p> <p>The Welsh Transport Planning and Appraisal Guidance is being reviewed so that it can be applied appropriately not only to major schemes but also to packages of small schemes and to minor projects.</p>
<p><u>Working with utility companies</u></p> <p><b>Recommendation 5:</b></p> <p><i>We recommend that the Assembly Government engages with local government and the utility companies to develop some clearly agreed principles in terms of how they should work together throughout the lifecycle of major transport projects. Options that the Assembly Government could explore include:</i></p> <p>a) <i>developing a more formal memorandum of understanding with utility companies, for example to include provision for the regular monthly reporting of actual and forecast costs and timescales of utilities</i></p>	<p>We are taking forward a number of actions to address this recommendation.</p> <p>We are a member of the Welsh Highways Authorities &amp; Utilities Committee and, through that Committee, we are developing a Streetworks Strategy. The Streetworks Strategy will set out an agreed approach to a range of issues including effective management of utilities work.</p> <p>We have altered the risk ownership for the cost of utility diversion in our more recent contracts and this has placed more responsibility on contractors to manage that risk.</p> <p>We participate in a number of UK expert groups, for example the UK Network Operators Group and the UK Network Management Board, which provide an opportunity to share good practice</p>

<b>Recommendation</b>	<b>Update</b>
<p>work during the construction phase;</p> <p>b) <i>working with the UK Government's Department for Transport to update the existing good practice guide to managing works in the street to refer more explicitly to the delivery of major transport projects;</i></p> <p>c) <i>whether there is scope, particularly within an Early Contractor Involvement approach, for the construction contractor to undertake more preparatory work on behalf of utility companies; and</i></p> <p>d) <i>if necessary, the scope for a change in the supporting legislation (the New Roads and Street Works Act 1991 and the Street Works - Sharing the Cost of Works [Wales] Regulations 2005) to place a greater onus on utility companies to deliver their work in a way that is cost-effective and timely from the perspective of the public sector employer.</i></p>	<p>We encourage our contractors to undertake diversion work on behalf of utility companies where appropriate. This is done on a scheme by scheme basis.</p> <p>We do not propose to make any legislative change at the current time.</p>
<p><u>Overseeing the delivery of local authority managed projects</u></p>	
<p><b>Recommendation 6:</b></p> <p><i>We recommend that, towards the end of 2011-12, the Assembly Government should commission a review to provide an early check of the effectiveness of its arrangements for overseeing the delivery of the regional</i></p>	<p>In response to the report, work was undertaken which has led to a strengthening of the oversight of delivery of Regional Transport Plans. As part of that we have introduced Key Performance Indicators to measure performance in delivery of Regional Transport Plans and to drive improvements. We are reviewing the reporting mechanisms and working with the Regional Transport Consortia to secure a more streamlined allocation and funding</p>

Recommendation	Update
<p>transport plans.</p>	<p>management process for future financial years.</p>
<p><b>Recommendation 7:</b></p> <p><i>We recommend that the Assembly Government should examine whether the technical capacity it employs is being deployed to best effect between the management of trunk road projects and the Assembly Government's oversight of local authority managed projects. In doing so, the Assembly Government should consider the risks and benefits of delegating more responsibility for managing trunk road projects to the employer's agent.</i></p>	<p>To manage the remaining major transport projects being delivered through Transport Grant funding, we have allocated resources to assist local authorities to manage the local road improvement projects that are still under construction. Examples are the Peripheral Distributor Road Phase 2 in Neath Port Talbot and the Wrexham Industrial Estate Access Road. The programme of major local road improvements funded through Transport Grant is now coming to a close.</p>



Yr Adran Iechyd, Gwasanaethau Cymdeithasol a Phlant  
Cyfarwyddwr Cyffredinol • Prif Weithredwr, GIG Cymru

Department for Health, Social Services and Children  
Director General • Chief Executive, NHS Wales



Llywodraeth Cymru  
Welsh Government

Mr Darren Millar AM  
Chair  
Public Accounts Committee  
Cardiff Bay  
Cardiff  
CF99 1NA

Our Ref : DS/JP/TLT

26 September 2012

Dear Darren

### **Implementation of the Child and Adolescent Mental Health Services (CAMHS) Action Plan**

Thank you for your letter of 31 May 2012 regarding the Breaking the Barriers CAMHS Action Plan. I apologise for the delay in responding.

Following the publication of the Auditor General for Wales Report in November 2009 on Services for Children and Young People with Emotional and Mental Health Needs, we published an Action Plan - "Breaking the Barriers: Meeting the Challenges" in June 2010. Breaking the Barriers set out a range of commitments to be delivered throughout 2010 and 2011. The Minister for Health and Social Services published a detailed report on progress in December 2011. A copy of the report is available online at:  
<http://wales.gov.uk/topics/health/publications/health/reports/barriers/?lang=en>

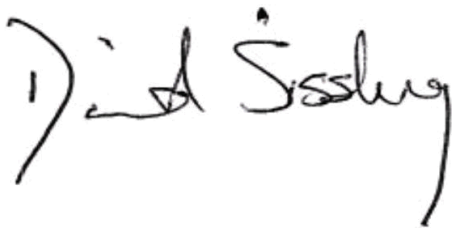
To ensure sufficient support and focus was given within Welsh Government to delivering the action plan, a new team was established within my Department which brought both adult and children's mental health policy issues together. To drive improvements in the NHS and other key services a multi-agency Delivery Assurance Group (DAG) is also now in place which brings together those responsible for delivering CAMHS services with other key stakeholders. Details of the membership and work of the DAG and the expert group that supports its work is given in the annual report.

Overall, I am able to report that good progress has been made since the Auditor General's report in 2009. In particular, the implementation of the Mental Health Measure will have a significant impact on CAMHS with the introduction of primary care workers and compulsory care plans. However, this remains a challenging agenda and we recognise there is more to do. As you will be aware, the Minister of Health and Social Services will shortly publish

"Together for Mental Health" - a new Mental Health Strategy for Wales that covers all age groups.

The new Strategy will set out an ambitious, outcome focused vision for the future of mental health services in Wales. It builds on the findings of the Auditor General's reports on both CAHMS and Adult Services. It will ensure a much greater focus on prevention, early intervention and building resilience, recognising that the transition between children's and adult's services needs to be improved. We have already moved to ensure that CAMHS services are now available to all 17 and 18 year olds. We also need to ensure more continuity of provision and that CAMHS and Adult Services are fully joined up with formal joint pathways and protocols to support the young person as they move into adulthood. The Strategy, which elicited considerable interest when it was consulted on during the summer, will be accompanied by a detailed delivery plan setting out the actions we will take to achieve the improvements we want to see in mental health services.

Yours sincerely

A handwritten signature in black ink, appearing to read "David Sissling". The signature is written in a cursive style with a large initial 'D' and a long, sweeping tail.

**David Sissling**