

Agenda – Public Accounts and Public Administration Committee

Meeting Venue:	For further information contact:
Committee Room 5	Fay Bowen
Meeting date: 30 March 2023	Committee Clerk
Meeting time: 09.00	0300 200 6565
	SeneddPAPA@senedd.wales

This meeting will be broadcast live on www.senedd.tv

(Private pre-meeting)

(09:00 – 09:15)

1 Introductions, apologies and substitutions

(09:15)

2 Papers to note

(09:15 – 09:45)

2.1 Letter from the Welsh Government on Flood Risk Management

(Pages 1 – 3)

2.2 Letter from the Permanent Secretary following the Committee meeting of 2 February 2023

(Pages 4 – 9)

2.3 Letter from the Commissioner for Public Appointments

(Pages 10 – 21)

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

(09:45)

The remainder of the meeting.

4 Private papers to note

(09:45 – 09:50)



- 4.1 Letters in relation to the Accountability of the Remuneration Board**
(Pages 22 – 29)
- 4.2 Letter from the Welsh Government on Cardiff Airport**
(Pages 30 – 32)
- 5 Scrutiny of the Commissioners – Consideration of Written Responses and Next Steps**
(09:50 – 10:20) (Pages 33 – 61)
- 6 Public Appointments**
(10:20 – 10:40) (Pages 62 – 92)
- (Break)**
(10:40 – 10:50)
- 7 Audit Wales Briefing: Betsi Cadwaladr University Health Board**
(10:50 – 11:20) (Pages 93 – 112)
- 8 Audit Wales Briefing: Digital Inclusion**
(11:20 – 11:45) (Pages 113 – 148)
- 9 Forward Work Programme**
(11:45 – 12:30) (Pages 149 – 169)



Llywodraeth Cymru
Welsh Government

Tracey Burke

Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Newid Hinsawdd a Materion Gwledig
Climate Change and Rural Affairs Group

Adrian Crompton
Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

13 March 2023

Dear Auditor General

Thank you for your report 'A Picture of Flood Risk Management'. I am writing in response to the key issues raised in the report, and to provide you with an update on our approach to flood risk management in Wales and progress to date.

I would like to begin by thanking you and your team for an incisive and balanced report, which acknowledges the progress we have made since 2016. I also welcome the challenges raised in your report, and the clarity it brings to the key issues affecting delivery of flood risk management.

As your report acknowledges, addressing the increasing impacts associated with climate change is critical to everything we do. Welsh Ministers have committed to providing record levels of investment to tackle flood and coastal erosion risk. Keeping pace with the increasing risks arising from our changing climate will continue to present delivery challenges for government, the wider public sector and contractors.

Your report recognises that Welsh Government flood and coastal erosion funding will increase by 48.7% in real terms from 2021-22 to 2024-25, and that local authorities have received record levels of funding over the past two years. Welsh Ministers' intend to provide as much early certainty as possible regarding spending plans and multi-year settlements. However, wider budgetary pressures can make such commitments a challenge.

Natural Resources Wales' (NRW) analysis of our long-term investment requirements will provide us with greater clarity, and this may help to articulate the case for multi-year spending plans. NRW have shared their initial assessment with Welsh Government Flood Branch officials. We are now considering NRW's assessment, and further discussions are planned for April. Wales' Flood and Coastal Erosion Committee [report into resourcing](#) has



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MEWN POBL | IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 0300 0258047
tracey.burke@gov.wales
Gwefan • website: www.wales.gov.uk

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highlighted several delivery challenges, including public and private sector capacity and capability constraints, which have already begun to impact delivery. We are committed to acting upon the outcomes of these reports, and my officials will ensure they are considered by the Flood and Coastal Erosion Risk Management (FCERM) Programme board. As the cross-sector and expert board responsible for overseeing the delivery of our flood capital programmes, it is best placed to inform Ministers' decisions on their preferred way forward.

I note your comments regarding the gaps in collective FCERM leadership. These issues can be linked to the staffing problems identified in your report. Flood risk management is an engineering specialism, which can give rise to recruitment challenges. The specialist nature of the work can also mean that, in some cases, efforts to join-up delivery with other portfolios and investment programmes are not as effective as they might be. Flood Branch has already initiated discussions with NRW and the Welsh Local Government Association (WLGA) to explore how we can address these challenges, with the ultimate aim of maximising the cross-cutting environmental, community and economic benefits that can be secured through flood risk reduction.

We are encouraging the pursuit of partnership funding throughout our National Strategy and FCERM Business Case Guidance, and there have been some recent successes. Flood Branch is working closely with colleagues in agriculture to integrate natural flood management into the development of the Sustainable Farming Scheme. The aim is to incentivise landowners to utilise nature-based solutions to provide a range of benefits such as improved flood risk management, water quality and biodiversity. I acknowledge that partnership funding the larger infrastructure requirements remain a challenge for Risk Management Authorities (RMAs). My colleagues will raise these concerns with the WLGA and the Wales Flood and Coastal Erosion Committee.

With regards to the publication of flood risk management data, we worked closely with NRW to produce the Wales Flood Map, which is comprised of Flood Risk Assessment Wales and the Flood Map for Planning. The map was a significant undertaking but, as reflected by the numerous measures in our National Strategy for Flood and Coastal Erosion Risk Management, we do not consider this piece of work complete. We see the Wales Flood Map as an ongoing piece of work and expect it to be regularly updated to reflect the changing picture of risk. This means updating the map to reflect the increasing risk associated with climate change, whilst also reflected the reduction in risk to communities as a result of our continued investment. We will continue to work closely with NRW to achieve this.

To that end, we are working alongside the WLGA, NRW and local authorities to progress work on a national asset database, and for this to be incorporated onto a public facing platform. It is our ambition that the asset database will show the condition and ownership of all RMA-owned flood risk management assets in Wales and the benefits they bring in reducing flood risk. Your report acknowledges that this work is ongoing, and I would like to reassure you that this remains a priority for both the Welsh Government and NRW.

We also remain committed to preventing avoidable risks by directing development and re-development away from areas at risk of flooding. Welsh Ministers want to use the planning system to reduce the risk of flooding that people face in their homes and workplaces and for our key infrastructure. We are currently consulting on changes to TAN 15 which, while seeking to ensure that no new highly vulnerable development is built in areas of greatest risk, would allow for appropriate regeneration and redevelopment. Your report also raises concerns over the lack of recent data on planning consents in high-risk areas. Looking ahead, we will need to explore what a revised process is needed given the changing

policy context, including the forthcoming planning guidance and redefinition of areas at risk of flooding.

I would like to close by reiterating our commitment to reducing flood and coastal erosion risk. The Programme for Government commits to an ambitious target of providing increased flood protection to over 45,000 properties, to deliver nature-based flood management in all major river catchments to expand wetland and woodland habitats and to enhance our approach to Sustainable Drainage Systems (SuDS).

As part of the Co-operation agreement with Plaid Cymru, the Minister for Climate Change and Sian Gwenllian MS invited Professor Elwen Evans KC to review local government Section 19 Flood Investigation Reports, and NRW's own report into the extreme flooding of 2020 and 2021. The review is ongoing, and seeks to identify areas for improvement, good practice, successes and lessons learned. The National Infrastructure Commission for Wales (NICW) is assessing how we minimise flooding to homes, businesses and infrastructure by 2050 also. NICW's review is expected to complete in 2024.

The storms and flooding of early 2020 served as a costly reminder that there is still much work to be done. Welsh Ministers recognise the devastating impacts of the 2020 floods and those since on communities and businesses and Ministers responded quickly to provide significant funding to support recovery. Our investments in flood infrastructure to date have helped to significantly reduce flood risk and impacts. We estimate that NRW's main river flood defences have reduced risk to around 73,000 properties, and the defences along the River Taff prevented flooding to over 880 properties during Storm Dennis.

There is still much work to be done, but Welsh Ministers remain committed to reducing the risk to our communities and delivering against the measures set out within our National Strategy.

In line with good practice, I am copying this letter to the Chair of the Public Accounts and Public Administration Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tracey Burke'.

Tracey Burke
Director General, Climate Change and Rural Affairs Group

Agenda Item 2.2

Dr Andrew Goodall
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mark Isherwood MS

Chair, Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

20 February 2023

Dear Chair,

Public Accounts and Public Administration Committee, 2nd February 2023

I am writing in response to your e mail of 6th February outlining my response to the follow up action and questions not reached during the meeting. Please find below the information requested.

A summary in relation to the approach to salaries within the Welsh Government

The Welsh Government (WG) operates two pay systems, one for the Senior Civil Service (SCS) and one for staff below the SCS. Overall control over SCS pay is retained by the Cabinet Office but responsibility for pay below the SCS is delegated to the Welsh Government.

SCS colleagues are at Deputy Director, Director, Director General and Permanent Secretary grades. There are broad pay ranges for each grade, set by the Cabinet Office. The majority of Welsh Government SCS colleagues are paid salaries towards the lower end of these pay ranges. The current pay ranges are detailed in **Annexe A**.

There are separate and specific arrangements in place for Permanent Secretary pay. Unlike UK Government departments there is no performance-related pay for SCS colleagues in the WG. We do not offer in-year or end-year bonuses or a corporate recognition scheme of any type.

Colleagues below the SCS are at grades Team Support, Executive Officer, Higher Executive Officer, Senior Executive Officer, Grade 7 and Grade 6. We operate incremental pay at each of these grades. Staff generally start at the bottom of the pay band and progress from the minimum to the maximum rate for their grade in annual



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Caerdydd • Cardiff PS.PermanentSecretary@gov.wales
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increments subject to satisfactory performance. All colleagues will reach the maximum rate of pay for their grade within two or three years dependant on grade. The current rates (2022-23) for each grade are as detailed in **Annexe A**

Pay below the SCS is negotiated (normally annually) with colleagues from our three recognised trade unions - FDA, PCS and Prospect. Awards agreed through pay negotiation apply equally to all colleagues on Welsh Government terms and conditions, regardless of union membership. We have a small number of colleagues who have retained terms and conditions of former employers following a transfer into our organisation. Welsh Government pay awards do not apply to them unless they choose to move over to WG terms and conditions. We do not negotiate pay for the SCS and instead make pay awards within the parameters set out annually by the Cabinet Office, meaning that SCS staff often have a different pay award to colleagues below the SCS.

Our Pay Policy Statement sets out the following principles for the WG pay system:

- The pay system will be affordable and represent good value for money for taxpayers.
- It will focus on ensuring equal pay for employees and action will be taken to address gender pay gaps.
- Pay arrangements will be open, transparent, and simple. Unneeded complexity will be removed.
- Simple salary progression with incremental pay scales will enable employees to quickly reach the rate of pay for their role.
- The Real Living Wage (as defined by the Living Wage Foundation) will underpin salary rates and we will remain a Real Living Wage accredited employer.

It is important that **jobs are appropriately graded** to ensure equal pay for equal value work and that value for money is achieved. All posts and structures at the Welsh Government are modelled against a standard set of expectations as set out by the Civil Service with a robust Job Evaluation methodology.

Job Evaluation for all Welsh Government roles (up to and including SCS3/Director General) is undertaken centrally by the Organisational Design, Structural Review and Job Evaluation Unit.

The Unit consists of a small team of trained and experienced Job Evaluation Practitioners, with responsibility for providing assurance and appropriate challenge on the design of organisational structures and grade-mix. Job Evaluation is undertaken centrally to ensure consistent and fair weighting of job roles with a focus on the principles of value for money and 'equal pay for equal value work'.

In the SCS, the creation and design of roles is led by the Welsh Government with engagement and scrutiny from Civil Service HR as appropriate. We operate a formal Job Evaluation process (Job Evaluation Senior Posts - JESP) that is the common



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methodology applied across the civil service – this ensures parity and consistency across our SCS and the wider Civil Service.

Below the SCS, we operate a formal Job Evaluation and Grading Support (JEGS) process. JEGS is an analytical, points-based system/methodology that breaks jobs down into identifiable components/factors and measures them against a set of common criteria. It has been developed to recognise the core value of Civil Service roles and grading expectations below the SCS.

Some examples of the criteria used when establishing external bodies.

On occasion it is appropriate for the Welsh Government to set up a new Arms Length Body (ALB) to deliver functions on its behalf, but only after all other alternatives have been thoroughly explored. A number of criteria are applied when considering this:

- Is this a technical function which needs external expertise to deliver?
- Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality?
- Is this a function that needs to be delivered independently of Ministers to establish facts and/or figures with integrity?
- Has there been Primary/Additional Accounting Officer and Ministerial approval?
- Has advice been sought from the relevant teams in Welsh Government?

If, having considered all relevant criteria, the decision is made to establish a new ALB, the Welsh Government will establish robust programme management arrangements including the development of a Remit Letter and Framework Document, setting out what the body aims to achieve and how the relationship between the body and the Welsh Government will function effectively. The relevant Partnership Team takes formal responsibility for the establishment of the new body working with the Corporate Governance Centre of Excellence, Public Bodies Unit, Central Finance, Human Resources, Digital Services and Internal Audit.

Will groups now have the autonomy to recruit externally, and will it become easier for professions to recruit externally for specialist posts?

This is a core part of the work to operationalise the Workforce Delegations and Accountability Framework. One of my priorities when taking on this role was to recalibrate our approach to workforce decisions and return the accountability and responsibility to senior leaders. We will need to approach this in a controlled and incremental way to ensure that we're collectively making choices that are aligned to our strategic priorities and affordable for future years.

Groups can make decisions about workforce realignment and external recruitment now, with Director General oversight. This includes Heads of Profession who attract those with the required professional expertise by being able to recruit direct to the external market – this has continued for statutory functions such as CAF/CASS, Healthcare



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Inspectorate Wales and Care Inspectorate Wales where access to health and care professionals is critical.

Throughout the pandemic, when tighter controls have been in operation, we have continued to recruit externally for specialist posts – this was an essential part of our resourcing strategy for the pandemic response to bring in the specific expertise required and decisions on where to prioritise external recruitment were taken collectively by the Permanent Secretary and Director General.

Our professions and specialist areas also have flexibility to adopt a recruitment and resourcing framework that meets their needs, this includes the option, where affordable, to recruit externally via the most appropriate route – some have annual external recruitment exercises for example.

Our HR team continue to provide advice and guidance on how to approach assessment methodology and advert creation to better attract a diverse pool of skilled candidates. Exploratory work and improvements relating to outreach, marketing and employer branding are also expected to support successful recruitment by better identification and attraction of candidates with the right skills.

WG recognises the distinct challenges faced by some professions in attracting and retaining appropriately experienced candidates. We are committed to working closely with recruiting managers and professions to look at the whole package of attraction as well as the logistical elements to mitigate potential barriers and reach wider pools of candidates.

Improving our HR systems

I would also like to take the opportunity to provide additional information for committee members regarding the ***delay in our HR Systems implementation***; this was raised during the meeting.

The new HR systems are currently planned to launch in early summer. HR systems upgrade projects have detailed plans which are subject to regular review. All delivery dates shared with Audit Wales previously and more recently with PAPAC, remain indicative in nature and represent the best estimate based on details held at that point in time. Whilst we implement the new systems, we continue to use our existing systems for continuity of service.

Several factors are affecting accurate planning. Delays have occurred due to resourcing and the delivery of essential pandemic work, which has impacted on priority activities across the Welsh Government. Upgrade projects were established at the earliest opportunity when appropriate resources and expertise could be made available; but work remains subject to competing priorities. System changes are also complex and multifaceted, needing to align with emerging policy changes. And upgrades are ushering in new technologies, ones requiring extensive and time-consuming knowledge



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transfer and upskilling, and implementation needs to be undertaken in a safe and secure manner.

I hope this information is sufficient, but please do not hesitate to let me know if there is anything additional you might need.

Yours,
Andrew Goodall

Dr Andrew Goodall
Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



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Annexe A

SCS Pay Ranges

Grade	Minima	Maxima
Deputy Director (SCS 1)	£73,000	£117,800
Director (SCS 2)	£95,000	£162,500
Director General (SCS 3)	£125,000	£208,100

Below SCS Pay Ranges

Grade	Scale points
Team Support point 1	£22,150
Team Support point 2	£23,880
Team Support point 3	£25,620
EO point 1	£26,900
EO point 2	£27,890
EO point 3	£30,610
HEO point 1	£32,460
HEO point 2	£34,520
HEO point 3	£36,590
HEO point 4	£39,690
SEO point 1	£41,700
SEO point 2	£43,660
SEO point 3	£45,970
SEO point 4	£49,370
Grade 7 point 1	£53,440
Grade 7 point 2	£56,450
Grade 7 point 3	£59,480
Grade 7 point 4	£63,900
Grade 6 point 1	£67,100
Grade 6 point 2	£69,580
Grade 6 point 3	£71,800
Grade 6 point 4	£76,990



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Agenda Item 2.3



**The Commissioner for
Public Appointments**

William Shawcross CVO
Commissioner for Public Appointments
G/07, 1 Horse Guards Road, London, SW1A 2HQ
Telephone 020 7271 6729 / 020 7271 0815
E-Mail publicappointments@csc.gov.uk

Mark Isherwood MS
Cadeirydd, Y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus
Chair, Public Accounts and Public Administration Committee

24 February 2023

By email: SeneddPAPA@senedd.wales

Dear Chair,

Thank you for your invitation to speak to your Committee in December, as you begin your inquiry into public appointments in Wales. I was only sorry that I was not able to attend in person. I hope my evidence will be useful for your Committee as it embarks on scrutiny of this important area of public governance.

You asked me for details on the data OCPA publishes on the previous employment of appointees and reappointees over time. I have reproduced the data on this below from OCPA's Annual Reports:

Appointments and reappointments to those declaring a 'mostly private sector' employment background, Welsh Government appointments only, not including 'prefer not to say'¹

Year	Appointees	Appointees %	Reappointees	Reappointees %	combined
2021-22	6	11.8%	1	10.0%	11.5%
2020-21	6	23.1%	3	9.4%	15.5%
2019-20	10	18.9%	3	33.3%	21%

The data above does show a decline in the proportion of appointees and reappointees declaring their previous employment background as mostly in the private sector over the last three years. However, the data also is based on a very small number of declarations, and so the proportions fluctuate significantly, as seen in the table above, even when the raw number of individuals is the

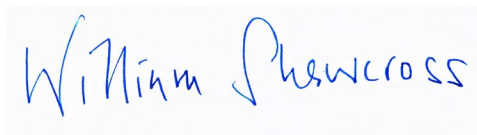
¹ Compiled from OCPA Annual reports 2021-22 (Table 74), 2020-21 (Table 74), 2019-20 (Table 71). Data is not held for earlier years.

same. OCPA will continue to report on this metric, and encourage the Welsh Government to support more appointees and reappointees to declare their previous employment status.

I have also now completed my investigation into a complaint made to the Welsh Government about two reappointments made in early 2021. I have also enclosed that decision notice, which is published on my website, to this letter.

I would be happy to share any further information with you if your Committee has further questions as you continue your Inquiry.

Best wishes,

A handwritten signature in blue ink that reads "William Shawcross". The signature is written in a cursive style with a large initial 'W'.

William Shawcross
Commissioner for Public Appointments

Investigation of the Welsh Government Ministerial reappointment process for Public Body X.

Executive summary

1. This report sets out the findings of an investigation by the Commissioner for Public Appointments ('the Commissioner') into a complaint made regarding two reappointments made by the Welsh Government to the board of an Arm's Length Body (ALB). The basis of the Commissioner's investigative powers and methodology is set out in the Annex.
2. This complaint was brought to the Commissioner by the Chair of the board of Public Body X in February 2022 who is concerned about the Board reappointment decision making process. The investigation examined the ministerial decision making process for reappointments in relation to the government's Governance Code on Public Appointments (the Governance Code).¹
3. The Commissioner respects the right of complainants to maintain their anonymity and therefore has not named the body nor the complainant in this notice. From hereon, this Decision Notice will refer to 'Public Body X' as the body to which this complaint relates.
4. The Office for the Commissioner for Public Appointments (OCPA) informed the complainant in writing on 23 February 2022 that parts of the complaint were deemed to be within scope of the Commissioner's remit. These were:
 - a. the reappointments made were within the Governance Code's provisions for reappointment on the basis of merit and a performance appraisal;
 - b. the declarable political activity of the reappointees had not been published by the Welsh Government; and
 - c. the Welsh Government did not publish the reappointments.
5. The findings and conclusions of this investigation are based on the examination of official records, correspondence between Welsh Government officials and the complainant; and other relevant information held by both the complainant and the Welsh Government.
6. In summary, the Commissioner's investigation found:
 - a. the opinions of the Chair of the board of Public Body X and ministers diverged on the merit of members under consideration for reappointment. At the time the reappointments were processed, the body did not have an established performance appraisal process; an interim process was put in

¹ Cabinet Office (2016) *Governance Code on Public Appointments*.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578498/governance_code_on_public_appointments_16_12_2016.pdf

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place which the Chair was invited to use to assess the members of the Board. This assessment and other material regarding the performance of Board members was provided to ministers who made the decision to reappoint on the basis of this evidence.

- b. there was a lack of transparency by the Welsh Government in regard to these reappointments, which were made by ministers but were not publicly announced. The reason given by the Welsh Government for not publishing is that there were resource constraints. The Welsh Government stated that having decided not to use its limited resources to send reappointment letters, the administrative procedures that normally follow to comply with the transparency provisions in the Code were not discharged.

7. The Commissioner has partly upheld an aspect of the complaint as set out below:

- a. the Governance Code places the responsibility on ministers to determine merit and decide on who to appoint (Paragraph 5.5 and Principle A: Ministerial Responsibility). The Commissioner finds there is no breach in this respect and does not uphold the part of this complaint to which this relates;
- b. there was a failure to publish details of the significant political activity for one of the reappointees. The Commissioner finds this was a breach of paragraph 9.2 of the Code and upholds this part of the complaint; and
- c. there was a failure to publicly announce the two reappointments. The Commissioner finds this is a breach of the Principle of Openness and Paragraph 8.1 of the Code and upholds this part of the complaint.

8. The Commissioner sets out the following remedial measures:

- a. the Welsh Government to apologise to the complainant in writing for not addressing their concerns regarding the breaches as set out above in paragraphs 7 (b) and (c); and
- b. the Welsh Government to share the key lessons learned from this case across its ALBs, including the importance of robust performance appraisals for Board members and the requirement to ensure a robust ALB governance model.

Findings and consideration

Appointment on merit

9. Paragraph 5.4 of the Governance Code places the responsibility on ministers to consider each reappointment case 'on its own merits'. There is 'no automatic presumption of reappointment' and ministers must consider 'a number of factors including, but not restricted to, the diversity of the current board and its balance of skills and experience'.

10. The Governance Code sets out the basis of reappointment on merit at Paragraphs 3.1 and 3.5:
- (a) Para 3.1, bullet 1: 'Ministers must be consulted before a competition opens to agree the job description for the role, the length of tenure and remuneration. Advice to Ministers must include information on the make-up and diversity of the current board. Any requests to Ministers for reappointments must also include this information and must be submitted early into planning processes. Reappointments should only be made on merit.'
 - (b) Para 3.5: 'Ministers may reappoint or extend the terms of public appointees or statutory office holders subject to:
 - any such reappointment or extension being made in accordance with the law relating to the particular public body or statutory office; and
 - no reappointment or extension being made without a satisfactory performance appraisal, evidence of which must be made available to the Commissioner on request.'
11. Principle A alongside Paragraph 5.5 of the Governance Code firmly establishes that ministers are responsible for the final decision on appointments and that they base the determination on merit:
- Principle A: Ministerial responsibility: 'The ultimate responsibility for appointments and thus the selection of those appointed rests with Ministers who are accountable to Parliament for their decisions and actions. Welsh Ministers are accountable to the National Assembly for Wales.'
- Para 5.5: '...It is then for Ministers to determine merit and make the final appointment.'
12. The evidence provided to OCPA shows that the first terms for two Board members lapsed 31 August 2021 and was formally raised within the Welsh Government in May 2021. The terms lapsed prior to the formal reappointment process commencing, leaving the status of the members unclear.
13. Subsequently, the Chair and Welsh Government officials corresponded at length regarding appraisals for both of these Board members. At the time, a formal appraisal process was not established for Board members of Public Body X. The Governance Code does not state who should appraise the performance of a member of a public body, only that an appraisal must be carried out before a reappointment is made. The

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Code of Conduct for Board Members² published by the Cabinet Office also does not specify who should carry out appraisals.

14. The Chair's view is that contracts for board members specified that performance is assessed by the Chair. Welsh Government Officials agreed that the Chair conducts performance appraisals but that ministers would be provided with additional information to inform a final assessment to reappoint, and would also consider data for attendance at board meetings and views from stakeholders. Officials described this process as providing a 'more rounded consideration of members' performance'. The Chair disagreed, noting it potentially undermined his/her responsibility for the body's conduct and functions.
15. In the absence of an agreed process, the Chair and officials worked together to design an interim process to appraise performance. All members of the board were informed about this appraisal process in an email sent jointly from the Chair and the Welsh Government.
16. The Chair subsequently undertook an assessment of the performance of the Board members. This was incorporated into advice submitted to ministers in relation to the reappointments.
17. The advice noted that before the current Chair was appointed, the board had operated for 18 months without a chair. Under the previous chair, 'the Board has not had a formal performance assessment process in place, with the previous Chair conducting ad hoc conversations instead.' Further, there were no agreed objectives for Board members. The advice also stated that as the pandemic prevented in person board meetings taking place, 'the Chair was not able to meet the other Board members face to face and [sic], with all meetings and interactions taking place virtually. The Chair was afforded only very limited opportunity to get to know members and observe their performance'.
18. Officials supplemented the material from the Chair's appraisal with information about attendance and Board member contributions at meetings, the members' self-assessments and the fulfilment of contractual obligations in their respective roles. Advice from officials to ministers stressed that 'in the absence of agreed objectives against which to measure performance, or of consistent, documented performance discussions between Chair and Board members, it is difficult to arrive at an assessment which could be termed objective.' In later evidence supplied to the Commissioner, the Welsh Government noted that 'as Board Members did not have agreed performance objectives, [the assessment by the Chair] could not be considered to constitute a formal

² Welsh Government have confirmed the Code of Conduct applies to board members in Welsh Government ALBs. Cabinet Office (2019). *Code of conduct for board members of public bodies*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/809093/Code-of-Conduct-for-Board-Members-of-Public-Bodies-2019-WEB.PDF

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assessment of performance, but it did offer an opportunity for members and the Chair to reflect on successes, as well as areas for development.'

19. There was a tension between the Chair and officials as they differed in their expectations about their respective roles vis a vis reappointment decisions. What followed was an interim system designed to inform the impending reappointment decisions. The complainant disagreed with the 'more rounded' approach and maintains that the reappointments were not made on merit.
20. The Commissioner recognises the challenges faced by the Chair and the board as a consequence of ways of working during the pandemic. However, the absence of a formal robust performance appraisal system exacerbated the challenges. It is not acceptable for public body boards to operate without setting objectives for its Board members and without a formal performance appraisal system. The Commissioner acknowledges that officials, once this gap was identified, designed an interim appraisal process and used supplementary evidence alongside the Chair's assessment to advise ministers, thereby fulfilling the requirements of the Governance Code.
21. The Governance Code sets out at Principle A and Paragraph 5.5 that ministers base the decision to reappoint on merit. Further, in Paragraph 5.4 of the Governance Code, ministers must consider 'a number of factors including, but not restricted to, the diversity of the current board and its balance of skills and experience'. It does not stipulate that the Chair's assessment of performance is the *only* information considered for a reappointment decision made by ministers. **The Commissioner therefore does not uphold this part of the complaint in relation to reappointment on merit.**

Publication of the significant political activity of the reappointed members

22. The complainant raised concerns with OCPA that the political activities of the reappointed members have not been published. The Commissioner considered Paragraph 9.2 of the Code which sets out the requirements to publish any significant political activity by appointees:

Para 9.2 'Political activity should not affect any judgement of merit nor be a bar to appointment or being a member of an Advisory Assessment Panel, with the exception of Senior Independent Panel Members. It should be publicly disclosed however if a panel member, or a successful candidate, has, in the last five years, been employed by a political party, held a significant office in a party, has stood as a candidate for a party in an election, has publicly spoken on behalf of a political party, or has made significant donations or loans to a party.'
23. The Commissioner has not been provided with evidence that any public announcement of these reappointments has been made. The Commissioner notes that one of the reappointed members has undertaken significant political activity within the last five years which meets the definition in Paragraph 9.2 of the Code, but this was not publicly

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disclosed at the point of reappointment. At the time of this investigation, the listing for Public Body X board members includes the names of the reappointees only.³

24. This same Board member declared political activity when appointed for their first term in 2018, which was published at the time the appointment was announced in accordance with Paragraph 9.2. At the time of writing, no further announcements since 2018 have been made about Board members. The Commissioner considers making a public announcement for all appointees to public bodies to be a basic administrative requirement. For an appointment to a second term, there must be a 'fresh' public disclosure of the member's significant political activity.
25. **The Commissioner finds a failure to publish the significant political activity of the reappointee is a breach of Paragraph 9.2 of the Governance Code and upholds this part of the complaint.**

Publication and openness

26. The Governance Code's Principle E: Openness, states that 'processes for making public appointments should be open and transparent'.
27. Para 8.1 states:
- 'Transparency is an important part of public appointments which departments should factor into the design and planning of their systems and processes. Publically [sic] available information on public appointments processes helps to provide assurance that Ministers and departments have complied with the Public Appointments Principles and this Governance Code.'
28. The complainant maintained that there was no public announcement of the reappointments. The reasons subsequently given to the Commissioner by the Welsh Government during the course of this investigation, to explain why the announcements were not made, were not communicated to the complainant in the initial response to the complaint. This element of his/her complaint was not addressed by the Welsh Government in its response to the complaint.
29. It was not clear to the Commissioner as he began this investigation as to what decision ministers had made regarding the two members. The Welsh Government provided further information about the ministerial decision making process to the Commissioner during his investigation to establish the status of the reappointments.
30. The Welsh Government confirmed that ministers decided to make the two reappointments in November 2021. At the time, officials were asked to draft a Decision Report ready for publication in due course.⁴ The Chair was informed of this decision

³ As of August 2022.

⁴ Decision reports are short summaries of Welsh Government ministers' decisions published online.

shortly afterwards. At the time of writing this notice, no Decision Report on this matter had been published⁵ and no announcement has been made.

31. **The Commissioner therefore finds the Welsh Government to have breached Paragraph 8.1 and the Principle of Openness, and upholds this part of the complaint.** He notes the Welsh Government gave a confusing account of the status of the reappointments during the course of his investigation. Welsh Government confirmed that the administrative processes in relation to the reappointments and the requirements of the Code were well understood, but an active decision was taken not to follow them.
32. The Commissioner understands that the Welsh Government's decision not to publish details for the reappointments was a known and predictable consequence of deciding not to issue appointment letters. The Welsh Government informed him that publication of the appointments and any political activity in relation to individual Board members would be 'triggered' by the receipt of signed reappointment letters and associated documentation from the successful reappointees. This decision not to issue reappointment letters to the Board members was due to resource constraints and plans to review Public Body X. Further, a separate decision was made to not undertake the usual conflicts of interest or due diligence checks in advance of the reappointments, due again to resource constraints. Further, it was assumed that a risk-based approach to determine conflicts would continue to be considered by the Board of Public Body X through its business as usual processes.
33. The Welsh Government considered this was a 'low risk' approach. The Commissioner disagrees, as the decision to not issue reappointment letters prevented the publication of the reappointments, and the publication of the significant political activity declared by one of the members. The failure to undertake these subsequent administrative steps are, in his view, clear breaches of the Governance Code. The Commissioner is concerned that the transparency aspects of the Governance Code were wilfully disregarded by the Welsh Government, with no action taken to avoid breaching the Code. This indicates a significant governance oversight issue within the Welsh Government's understanding of its obligations and its approach to risk and appropriate mitigations in a regulated environment.
34. Further, the Commissioner considers the opacity around these reappointments contributed to the Welsh Government failing to address the complainant's concerns in relation to transparency when responding to the original complaint in February 2022. In all likelihood, this is what led to the confusing information about the status of the reappointments and what happened during the process to reappoint being provided to the Commissioner during the course of this investigation. The Commissioner is particularly disappointed that the Welsh Government knew that not taking certain administrative steps would lead to breaching the Code, but failed to address this when responding to the complaint about its failure to publish the reappointments. If standard

⁵ Welsh Government (2021). *Decision Reports 2021- 6th Government*. <https://gov.wales/decision-reports-2021-6th-government>. Accessed 25 August 2022.

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governance processes had been followed - a established appraisal system in place, advice to ministers on the usual matters to inform their decision, reappointment letters sent and a public announcement issued - the status of the reappointments would more than likely have met the transparency requirements as set out in the Governance Code and a complaint may have been avoided.

35. Since 2017, the Code has required transparency by appointing departments in relation to the public appointments and reappointments process. This complaint has highlighted the need for the Welsh Government to ensure appointments from competitions, those from reappointments and exceptional provisions in the Code are publicised promptly. There are various options currently being used for public bodies of the Welsh Government which are proving to be effective - whether via ministerial Decision Reports, news releases or the information pages for each public body. The Commissioner welcomes the Welsh Government's new approach, as of 28 November 2022, to publish all appointment decisions on an announcements page⁶ as a minimum standard. Standardising publication processes will help the Welsh Government support the culture of openness.⁷

Recommendations

36. The Welsh Government must apologise in writing within ten working days of publication of this Decision Notice to the complainant for the lack of transparency in relation to the decision to reappoint two Board members to Public Body X and for its poor handling of this complaint.
37. The Commissioner recommends that the Welsh Government consider the lessons learned as set out (but not limited to) in this Decision Notice. There are lessons in this case that all Arm's Length Bodies (ALBs) will benefit including ensuring robust formal appraisal systems are in place for all appointees to Welsh Government ALB Boards. He urges all parties to consider how to build robust governance and constructive working relationships with each other and mitigate the risk of this case reoccurring.

ANNEX

1. The Public Appointments Order in Council (OIC) November 2019 states that the Commissioner for Public Appointments 'may conduct an enquiry into the procedures and practices followed by an appointing authority in relation to any public appointment whether in response to a complaint or otherwise'.⁷
2. Under the Governance Code,⁸ complaints should be raised with the appointing department in the first instance. Departments are responsible for having effective

⁶ See *Welsh Government Announcements*, www.gov.wales/announcements.

⁷ Order in Council (6 November 2019). <https://publicappointments.cabinetoffice.gov.uk/wp-content/uploads/2019/11/Public-Appointments-No.-2-Order-in-Council-2019.pdf>

⁸ Cabinet Office (December 2016). *Governance Code on Public Appointments*. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578

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complaints handling procedures, for making applicants aware of their right to complain and for referring them to the Commissioner's complaints procedures. If, after investigation by the department, the complainant remains dissatisfied, they may bring their complaint to the independent Commissioner for Public Appointments.⁹

3. The Chair first brought his/her complaint to the Welsh Government in December 2021 and the Welsh Government responded in February 2022. The response stated, in regards to two reappointments made to the board of Public Body X that Welsh ministers 'had made a reasonable decision... based on all the evidence', and it was not in breach of the provisions set out in the Governance Code.
4. The Chair remained dissatisfied. In line with the complaints process outlined in the Governance Code, he/she subsequently approached the Commissioner to make a complaint on 14 February 2022. The complainant brought several additional and related matters to the Commissioner's attention when making this complaint. Some of these, related to the Equality Act 2010 and standards in public life were not within the Commissioner's remit and therefore not investigated.
5. The Commissioner agreed to investigate elements of the complaint relating to reappointment on merit, publication of political activity and transparency. The Commissioner informed the complainant of his decision to investigate these matters only, on 23 February 2022 and invited the submission of evidence. The Commissioner and the complainant agreed that the findings from the Commissioner's investigation would be published but the complainant's anonymity would be protected by not naming the public body in the Decision Notice.
6. The complainant submitted evidence to OCPA on 24 February 2022 which included emails between him/her and Welsh Government officials, and the members in question. The complainant also shared a copy of the performance appraisals for the Board members.
7. The Commissioner informed the Welsh Government of his investigation on 23 February 2022 and requested information in line with his Regulatory Framework including:¹⁰
 - a. submissions to Ministers at every stage of the reappointment process and documentation of all relevant internal discussions including transcripts of phone calls and copies of emails;
 - b. declarations of political activity or conflicts of interests (for those considered for reappointment);
 - c. due diligence checks (for those considered for reappointment);

[498/governance_code_on_public_appointments_16_12_2016.pdf](#)

⁹ Ibid.

¹⁰ Office of the Commissioner for Public Appointments (2016). *Regulatory Framework: Regulating Public Appointments with the Governance Code 2016*.

<https://publicappointmentscommissioner.independent.gov.uk/publications/accessible-formats/office-of-the-commissioner-for-public-appointments-regulatory-framework/>

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- d. a copy of the responses given to the complainant;
 - e. the minutes of a meeting attended by the complainant and the minister on 17 November 2021 at which reappointments were discussed; and
 - f. links to the public announcement of the two reappointed Board members.
8. The Welsh government provided the evidence in response on 9 March 2022.
 9. Upon investigation of this evidence, the Commissioner requested additional information from the Welsh Government which was received on 6 April and 14 July 2022. This included one email omitted in the 6 April evidence bundle and answers to specific questions from the Commissioner on the status of the review of Public Body X, the reappointments and the reappointment process.
 10. On receipt of the information requested from the Welsh Government and the complainant, the Commissioner investigated the ministerial decision making process for reappointments to the board of Public Body X. The Commissioner also considered the handling of this complaint and the overall reappointments process in Public Body X. The Commissioner considered each of these matters to be relevant to his investigation, as the overall purpose of OCPA investigations is to improve the quality of the process of public appointments.¹¹
 11. The Commissioner would like to thank the complainant and the Welsh Government for their cooperation with this investigation.

¹¹ Order in Council (6 November 2019).
<https://publicappointments.cabinetoffice.gov.uk/wp-content/uploads/2019/11/Public-Appointments-No.-2-Order-in-Council-2019.pdf>

Agenda Item 4.1

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

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Agenda Item 4.2

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Agenda Item 6

Public Accounts and Public Administration Committee

Public Appointments in Wales:

Engagement findings report

March 2023



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Background

As part of the Public Accounts and Public Administration Committee's inquiry into Public Appointments in Wales, the Citizen Engagement team proposed a qualitative approach to engagement, comprising of a series of interviews with people that have held, currently hold, or have applied for public appointment positions. This paper sets out the findings from those interviews.

Engagement

The Citizen Engagement Team conducted a series of **ten interviews** between 6 and 17 February 2023. The objective of the interviews was to understand the real and perceived barriers to increasing the diversity of candidates for public appointments in Wales. The Committee was also keen to hear how this could be improved.

The Committee commissioned the Senedd's Citizen Engagement Team to gather the views and lived experiences of people from different backgrounds, including age, gender, ethnicity, and disability, who hold, have held, or have applied for public appointments in Wales.

A list of the questions asked of participants can be found in **Annex 1**.

Participants

The Citizen Engagement Team recruited participants through a screening survey shared with over 60 public bodies and organisations.

Ten participants were selected for interview. Of the ten participants six identified as belonging to an underrepresented ethnic group, eight attended state school with six having received free school meals, and two identified as disabled.

A full demographic breakdown of the participants can be found in **Annex 2**.

Thank you to everyone who contributed to the programme of engagement.

Recommendations

Participants gave their views on what actions could be taken by the Welsh Government and public boards to remove barriers faced by underrepresented groups and improve the diversity of candidates for public appointments in Wales.

Recommendation 1. The development of a centrally coordinated, Wales-wide mentoring programme to provide training on becoming an effective mentor to serving Board members and connect potential mentees with mentors. Mentors from underrepresented groups should be connected to mentees from similar underrepresented groups.

Recommendation 2. Public appointments should be advertised more widely and consider group-specific advertising.

Recommendation 3. Public appointment application forms should use simple language and clearly outline the commitments and responsibilities. The application form should be available in a variety of formats and languages.

Recommendation 4. People applying for public appointments should be able to submit a video application.

Recommendation 5. The public appointment application software and website should allow applicants to download and upload information as Word documents; edit applications for subsequent appointments; and require personal data to be submitted only once. Any new application system should be piloted by underrepresented groups to ensure accessibility.

Recommendation 6. Constructive, bespoke, specific, and developmental feedback should be given to all unsuccessful applicants. Boards should ask for feedback from applicants to improve the appointment process and experience.

Recommendation 7. To improve transparency, explicit ministerial guidance should be developed to outline timeliness of appointment, Ministerial conduct, and communication with recruitment panellists.

Recommendation 8. The Welsh Government should consider alternative models to develop diverse representation on Boards, such as that used by the Welsh Youth Parliament.

Recommendation 9. Boards should provide members with the necessary technology to take part effectively in hybrid meetings.

Recommendation 10. Public boards should consider developing a buddying system where experienced Board members pair up with newer Board members, to help upskill them on Board and strategic matters.

Recommendation 11. Welsh Government should make funds immediately available to Board members to pay for services or purchase goods necessary for them to carry out their role effectively.

Recommendation 12. The Welsh Government should create and maintain a publicly available and easy-to-access website hosting the membership and contact details of all board members.

Recommendation 13. The Welsh Government should collect and maintain comprehensive data on potential and unsuccessful applicants to develop ongoing communication and training with potential “rising stars”.

Recommendation 14. The Welsh Government should collect and maintain comprehensive data on current Board members to develop and review meaningful targets for Wales to improve Board membership.

Engagement findings

1. A pipeline for future candidates

Participants agreed that more needs to be done to improve the pipeline for future candidates for public appointments. Participants felt that more could be done to remove barriers to knowledge and awareness; engagement with underrepresented groups; training; and mentoring to develop candidates from underrepresented groups.

Lack of awareness and knowledge

1. Participants agreed that there is a general lack of awareness of what public bodies exist and what they do:

People don't know about public appointments or what a public appointment is. There's an assumption that...it's another job.

Only after my first application did I see all the different appointments, I didn't realise that there were so many opportunities...When the door opened I realised that there was this whole other world, then you think, how do people get into these roles if they don't even know about them?

2. It was agreed that this lack of understanding of what a public appointment is and what it involves is a barrier for many underrepresented groups:

The crucial bit for me is the barrier to people understanding what a public appointment is. If you're a carer or have child-caring requirements, this can still fit into your life and you can find a public appointment that can fit around your life. So, it's about having access to that information.

Engagement with underrepresented groups

3. Participants felt that more needs to be done to persuade people from underrepresented groups that public appointments are for them. A barrier to this is seeing un-diverse public body boards (Boards hereafter):

Board members tend to be from a certain demographic and background. This tends to be white, older retired people, or who are in senior leadership positions already. So, If you're a young person you might not consider a public appointment as something you could go into.

4. Several participants agreed that more could be done to engage with potential candidates and encourage people from underrepresented groups to apply for Board positions.

We need to link people's concerns or passions with public duty. For example, crime and the way in which police behave is a big issue for ethnic communities. That has pushed people to apply to certain boards as they want to make a difference. I hear that these sorts of issues are motivating younger people to consider public appointments.

...a small documentary could be made. It could follow someone who has a public appointment. Using a video advertising campaign where disabled people like myself could be followed on WhatsApp or Snapchat for a day. Using that type of modern media. People get a snapshot of this ivory tower of so-called public life.

5. However, participants were clear that engaging with underrepresented communities should not be tokenistic and should take place regularly:

People still talk about communities that are hard to engage, because that's a narrative that's been given but nobody ever talks about why communities like mine have shut down and don't want to engage. It's because it's tokenistic. People are coming to us at the eleventh hour because they have a tick box, and then we never hear from them, until they need to tick another box.

We shouldn't just wait for Ramadan before going into a Muslim community, but engage with that community 365. Similarly, with Black, African, and Caribbean communities.

- 6.** Some participants gave examples of good practice, where Boards have successfully engaged with potential candidates.

...on our website, we had role models that people could contact for advice. We also had high-profile females be speakers at events, it was a way of saying to women "ok, so you want to get on...here are the people who have succeeded, and they are willing for you to contact them". That was highly successful.

We did a drop-in day. Welsh Government advertised the positions, and the applicants were then given a day to visit...and meet with the chief executive and some key people. Various Welsh Government members also attended and spoke at the event and responded to questions.

Training and development

- 7.** Participants described the need to develop people who are interested and have potential but are not yet ready to apply for a public appointment.

In a recent recruitment exercise it seemed that some of the applicants from ethnic minority backgrounds might not have had the expertise or the skill set that we needed for the role. I wonder whether they are jumping the gun a bit.

To increase the diversity of candidates we need to consider...taking somebody from a basic interest to having the skills.

- 8.** Participants recognised that effective training should support people from underrepresented groups in growing their potential and should provide guidance on how to navigate the public appointments recruitment system. But concerns were voiced over the need to embrace diversity rather than negatively assimilate candidates:

I see the role of workshops as being to assimilate us into a pattern. They are very badly done. They are often done by white people and the message is "we are having to teach you"...I think that the current workshops are a waste of money and time. We

need workshops where we're clearly looking at developing people's strategic thinking...and what can they contribute to a board. It's all very well working on a board and being presented with board papers or an annual plan, but what's your contribution to that journey?

Mentoring

9. Participants spoke of the positive impact that could be had from mentoring, not only to enable people to feel credible as Board members but to develop "potential stars". It was suggested that more could be done to train current Board members in becoming effective mentors and connecting them with mentees:

Not everybody is right to be a mentor but certainly, there should be the expectation and the obligation on all board appointees that they may be called upon, supported and trained to offer mentoring.

If someone is thinking about public appointments it would be good to offer the names and contact details of people who are happy to be contacted to talk about the process. People who have gone through the process may not be connected with Welsh Government.

10. Participants recognised the need for a more efficient, coordinated, and Wales-wide mentoring programme to support people from underrepresented groups in growing their potential to eventually secure a Board position:

I don't feel that [mentoring schemes] are connected enough. Like the schemes are separate...Public bodies need to run their own mentoring schemes, which should join up with all other mentoring schemes so that they are all singing from the same sheet.

11. Participants also suggested that mentors should have a general understanding of the inequalities experienced by underrepresented groups, whether through proximity to that group or their own lived experience.

2. Recruitment

Participants agreed that the current recruitment process does not advertise effectively and submitting applications can be "clunky". Participants felt that more needs to be done to improve the application system, feedback process, and transparency of appointments to increase Board applications from underrepresented groups.

Advertising

12. Participants agreed that more needs to be done to advertise board appointments more widely to broaden the pool of candidates and attract people from underrepresented groups:

...we definitely don't do enough to mine faith groups, people from socially disadvantaged backgrounds, or obtain a wider-reach through social media to attract younger folk. Any competition is only as good as the competitors who take part.

...if you're not willing to cough up the resources to advertise then you're going to get the same group of people applying over and over again.

13. Several participants suggested that the style and language used when advertising board vacancies do not reach out to underrepresented groups or demonstrate Inclusivity:

The style of language used in adverts, does it have boring civil service text or does it include a few pictures of what that role might involve, the people on the board, or the people the potential board member might come in contact with? This could try and convey that visual dimension to illustrate diversity and inclusion - how you could 'belong'.

The Application

14. Several participants described the application process as a "game", where it is essential to understand and use the required language to be successful:

I always tell people that there is an art to applying... There is a way of writing applications to get through the sift. Your class and socioeconomic background also have an impact; some people are writing an application but not saying the right things so that the sifters can't tick their box and shortlist you.

15. Participants felt that application forms are long-winded and unclear. Potential candidates should be able to understand what is expected of them in clear and simple language and application forms should be made available in a variety of formats and languages to encourage people from underrepresented groups in applying:

If you really want to engage with an audience that is underrepresented, even from a socioeconomic standpoint, it's important that you speak their languages...The application doesn't need to be more than one page and should have very simple standard language. It should be available in different languages, available in braille, and accessible to visually impaired people.

16. Many participants felt that video applications would be an effective tool in enabling people from underrepresented groups to submit application forms:

The Children's Commissioner was recently advertising for an advisory group, and you could submit your application by video. Some people aren't good at writing things but can process and present information well.

If you use a video application, the selection panel get to see what a person is like, you're not just reading a basic piece of paper.

Application software

17. Many participants felt that the accessibility and ease of use of the current application software is a barrier:

The website...is not accessible. Everything is put in PDF documents, which is difficult if you have to use assisted technology and ask someone to help type when applying for public appointments. You have to be able to use the software. The software is very clunky.

- 18.** Participants agreed that it is essential that people can download and upload Word documents; can edit applications for subsequent appointments; and should only have to submit personal data once:

The Welsh Government system isn't dreadful but my goodness they could do better in terms of manipulability. As a candidate, you desperately want to be able to re-use your unsuccessful application in other applications not just have to re-enter it all again! You want to be able to download a Word version of what you have submitted in your application. Very simple things that the current system doesn't allow.

You find yourself being asked the same questions, maybe three times through a recruitment process, from various bodies. Come on, try and make the process better!

- 19.** Some participants understood that any new application system would benefit from being piloted by underrepresented groups to ensure accessibility:

There is talk of a new system, let's just not let the geeks invent the system but let's have real applicant guinea pigs really road-test it.

Constructive Feedback

- 20.** All participants agreed that feedback for unsuccessful candidates was poor. Participants explained that feedback was rarely given, and when requested it consisted of a few sentences:

I've applied for nearly 30 roles and I've only ever received feedback once, which was one sentence saying that I didn't meet the criteria. How does that help me improve? I wrote to and spoke with a member of the Welsh Government Board, whom I had built a working relationship with. I asked the person to ask the public appointments unit why I've never had feedback, the answer was "nobody can tell me why you've never got feedback!". That's quite alarming, isn't it?

21. The tone of feedback was also deemed to be a barrier and more encouraging language combined would ensure that candidates continued to apply:

We must try and be more explicitly welcoming to encourage [underrepresented groups] to continue to apply...Because there will be lots of rejections along with successes.

22. Participants described the effectiveness of bespoke, specific, and actionable feedback, explaining that it is an essential tool in improving and developing candidates:

If you can't get feedback how are you supposed to improve on your interview and application, or put a training plan in place for your next appointment...if you don't have that experience how are you supposed to learn?

How unsuccessful but appointable candidates are handled needs to change. We need to make sure that those people who have applied get feedback...the letters to them need to be more explicit to support, nurture, and encourage.

23. Participants agreed that feedback is a two-way approach and that boards should consider asking for feedback from applicants to improve the appointment process and experience:

We should be asking for feedback from applicants...asking them two things every time they've applied: what is one thing we could have done better? What is one thing you think we did well?...to gather some useful data?

Interview

24. Some participants felt that it is important to have underrepresented groups on the interview panel:

I remember applying for one particular board...The board was very male, chauvinistic, and white. It was the worst experience that I have had...I wish I hadn't applied, primarily because the experience was so awful that it actually put me off applying for anything at all because I had such a bad experience.

25. Participants had a range of views about guaranteeing interviews for people from underrepresented groups. Some participants felt that more needs to be done to develop future candidates, and others suggested that applicants from underrepresented groups who meet the minimum criteria should be guaranteed an interview:

We gave [one group of Asian women] help with the application form and interview tips. We knew they didn't have the necessary requirements but nevertheless, we thought we were part of an experiment to positively encourage people from ethnic minorities to go forward for public appointments and be interviewed. But they didn't even get an interview. Welsh Government raised the people's expectations...and they've been dashed. That doesn't really send the right signal to their community. That was a shame.

Transparency: Interview and appointment

26. Some participants questioned the transparency and fairness of selecting candidates for interview:

I have applied for lots of public appointments. When I put down that I've got a disability I don't get through to the interview. I know of two public appointments that I went for that I evidenced all criteria and should have got an interview under the guaranteed interview scheme, but I didn't get an interview.

For me to consider applying for a public appointment again, after my experience, I think the system would need to be fair. It's geared toward a particular type of person. If you are a person of colour...the system doesn't really want, you.

27. Long, and unexplained, delays between an interview and a decision were cited as a barrier along with the ministerial selection of successful candidates:

My first public appointment experience was a bit of a shock. It was very slow-moving compared to the industry that I had worked in, it was very bureaucratic.

28. For some public appointments the ultimate responsibility for appointments rests with Ministers. Ministers can ask panels for prioritisation. Some participants felt that there is a lack of transparency in the appointment process and

described how the credibility of the appointments system can be brought into question:

I was pretty confident in [the process] until one of the ministers recently decided that there was an issue with governance and completely bypassed the process and appointed two or three board members. What about all the people who had applied? Surely the better thing would have been to point out the advert for the vacancy to the men who ended up getting appointed and encourage them to apply. Even though it's quite within the minister's power to appoint, it knocked my confidence in the process a bit.

By fiat that minister decided to appoint three white non-Welsh speaking males all from South Wales. One of whom was previously the minister's SPAD. I appreciate it's allowable for a year through special permission from the commissioner, but this was badly done, badly done indeed.

I find it incredible that some people get appointed knowing their political affiliations and involvement. I think, how did you get through the sift? You wonder how did that happen and is this a hidden political appointment? This does happen but is this right for public appointments?

29. It was suggested that more explicit ministerial guidance is needed to outline timeliness, conduct, and communication with recruitment panellists:

If public bodies are going to instil confidence with a robust, credible, transparent, and unbiased appointment system, then it must not only be robust and beyond reproach, but must be perceived as such.

30. One participant suggested that the public appointments system adopt a format similar to that used by the Welsh Youth Parliament. Twenty of the 60 Welsh Youth Parliament Members come from partner organisations, to ensure the representation of diverse groups of young people:

I quite like the current arrangements that the Welsh Youth Parliament have in place where some spaces are allotted for specific bodies to nominate their candidate. I think that's really good

3. Getting Boards on board

Participants spoke of the need for Boards to develop initiatives to retain people from underrepresented groups. Participants agreed that Boards could do more to break down barriers by embracing diversity; improving accessibility; supporting new Board members; and proactive advocacy.

Embracing diversity

31. Participants agreed that embracing diversity is essential in breaking down barriers for underrepresented groups. However, participants recognised that this is not an easy task:

Diversity makes people uncomfortable. If you have a culture of people operating within their own type, then diversity means that their narrative has to be challenged.

32. Some participants were concerned over terminology, understanding cultural differences, and inadvertently offending someone:

In a meeting I recently attended, someone said that they were asked where they were from. If someone asked me that question I wouldn't be offended because I wasn't born here, I would just answer. I wouldn't perceive any slight at all from that question. But people at the meeting were really offended about being asked that particular question. I was a little bit confused about that. I wouldn't put an agenda behind that as to why someone would ask me. We all have to work with people...Making working relationships work for the common good.

33. Participants were clear that to embrace diversity, Boards must address the issue of tokenism and othering:

There's that tension between how board members think we should behave and how we think we should behave because there is a cultural impasse.

Sometimes...you have a group of people who want diversity, but when the diverse person comes in with all of their ideas the group says "no, we don't want your ideas we want to visibly look diverse, but not actually be diverse."...It's a tokenistic view and it's hard for ethnic minorities when they are the only ones; when they are 'othered'.

34. Participants described how negative assimilation can hinder individuals from underrepresented groups in bringing their culture and lived experience to the Board, often having to acquire the existing attitudes and approach:

It takes all sorts of people and those currently serving must be open to the exchange of information from different backgrounds and experiences, if we're going to encourage people from underrepresented groups to join the traditional style of boards.

35. Participants spoke of the positive impact embracing diversity can have on the Board's effectiveness:

I think that the LGBT+ community is an example of an underrepresented sector that has increased markedly and successfully in its representation. And once people from any underrepresented group become board members, they begin to more freely articulate their range of life experiences more.

36. However, it was made clear that embracing diversity and underrepresentation requires balance:

We must be careful that we don't put off white, able-bodied males and females from applying for public appointments. Because if we're not careful it will be perceived that the pendulum is swinging. It would be wrong, for example, to have an all-female board, it goes too far the other way. So it's about getting a mix of people from all sorts of different backgrounds, education, and qualification.

Accessibility

37. Participants felt that the switch to hybrid meetings could break down barriers for people with disabilities and people from socioeconomically deprived backgrounds:

Having virtual hybrid meetings is a real help and asset in attracting people. Rather than actually having to jump in their car, some people may not have a car or afford the fuel. If you have a physical disability, you haven't got to go to a meeting and can do it from your home.

38. It was suggested that Boards should provide members with the necessary technology to take part effectively in hybrid meetings and that it should not be expected that members have the financial means to buy or use their own kit:

We provide our members with laptops and connectivity boosters if necessary...public bodies should be prepared to support their board members in this way.

39. Participants also recognised the need to ensure that reasonable adjustments are in place to remove or reduce a disadvantage related to someone's disability:

We had site visits to ensure that we had the right sort of transport. We made adaptations to the conference table so that they were able to access the keyboards and such. With their help, we rigged up technology to enable a microphone to function properly. We scheduled regular breaks to take account of the disability. We welcomed a carer. The board member was fantastic and came at things from a totally different angle, quite rightly banging the drum on accessibility. They taught me an awful lot about the barriers that people with disabilities encounter day to day, just getting up in the morning and getting out can take hours. I think that was a very humbling experience.

40. However, participants also described the barriers faced by Board members with disabilities when trying to implement reasonable adjustments:

People did question the need that I have for assisted technology, it made me think about whether I should carry on. Within the first year of my public appointment, I wrote, in

secret, my resignation letter twice. Because I was thinking about whether I was good enough. That's how the organisation made me feel. I didn't hand them in because I wasn't going to be beaten by the system. I believe that if you want to change the system you have to do it from the inside. You have to put that cape on and change attitudes from the inside.

Supporting new Board members

41. Participants spoke highly of a buddying system where experienced Board members pair up with newer Board members, to help upskill them on Board and strategic matters:

It's all about lived experience, that exchange of experience, and how it pincers into your work life. A...buddying scheme could offer a partnership with someone who has been on the board for a few years with someone just coming in...Creating real hegemony is important, as creating a sense of belonging. That people's lived experience and professional abilities are listened to.

42. Concerns were raised about the support given to new Board members:

[Someone] contacted me as she had come across some behaviours that she felt were unacceptable and wanted to know how to handle them. I gave her my advice... But she got no joy at all. I would say that what's emerged recently about the WRU is exactly what she encountered. So, she resigned and that was her last foray into public appointments.

Proactive advocacy

43. Several participants spoke of the importance of proactive advocacy in building connections with underrepresented groups. Participants agreed that the way they conduct themselves both on the Boards and outside of the board room is important:

We all have lots of roles where we come in contact with people who are not the usual suspects; we could – and should - be more proactive in our advocacy, and WG could directly and explicitly require that of us.

4. Remuneration

Participants discussed the barriers faced by underrepresented groups in terms of remuneration. Participants recognised that more could be done to understand the barriers faced by underrepresented groups; improve the timeliness of reimbursements; and improve the competitiveness of Welsh Government remuneration.

Remuneration barriers for underrepresented groups

44. Participants felt that people in full-time employment would need to reduce their working hours or get a leave of absence from their employer to fully participate on a Board:

Board service is not pensionable and has no associated holidays. Some people are forfeiting real material benefit. If your board role is taking 40-45 days a year, your leave of absence from your employer would mean that you lose your employee benefits. That leads to a serious loss of pensionable service, loss of holiday leave, and other pro-rata employment benefits. If you're someone at the early stage of your career that's significant.

45. Complications for people who claim benefits and sit on a Board were also cited as a barrier:

Some people will be on benefits, and if they start a public appointment they can't carry on claiming benefits. So we have to deal with the fact that nobody on benefits will be able to apply for a public appointment.

Timeliness

46. Several participants described the length of time taken to reimburse Board members as a significant barrier:

I sourced [reasonable adjustment support] myself and asked them to pay the invoice. The initial response was for me to pay it and claim it back. Sometimes that can be a barrier, we don't all have the money sitting in our banks, especially at the moment. Let's have a pot of money there that can help immediately, rather than wait for things to be signed off and wait for the person to foot the initial bill and claim it back.

Competitive remuneration

47. Some participants felt that attracting talent from underrepresented groups will be difficult when the Welsh Government remuneration for public appointees is poor in comparison with other legislatures:

I know of examples where talent won't consider Welsh Government appointments because the remuneration levels aren't commensurate with what the central government offers. Everyone's desperate for diverse candidates but why would I offer myself to a Welsh body when I'm offered more by the central government?

5. Welsh Government: Strategy and support

Participants had different views on the efficacy of Welsh Government diversity and inclusion strategies. However, participants agreed that more needs to be done by the Welsh Government and Public Appointments Team to successfully implement change, support Boards, and gather data.

Welsh Government's Diversity and Inclusion Strategy for Public Appointments

I'm going to be bold and say that there needs to be a root-and-branch reform, otherwise we are not going to be able to achieve what Welsh Government wants to achieve, a public appointments system that reflects the people of Wales.

48. Some participants spoke highly of the Welsh Government's Diversity and Inclusion Strategy for Public Appointments.¹ But questions were asked about the effectiveness of the policy implementation:

I think that the strategy is brilliant, its goals are great and the 2030 vision is there. Let's be positive it's really good. My questions would be how will it be resourced, and given resource pressures, how well is it being supported, nettled and monitored as a strategy

I don't hear the minister saying to the chairs, "how are you delivering on diversity, or the diversity and inclusion strategy?" There isn't that acute and intense scrutiny on chairs... We talk about assurance, but we don't delve deeper into why we're not making inroads.

49. It was also believed that the Welsh Government's Diversity and Inclusion Strategy for Public Appointments fails to recognise some underrepresented

¹ <https://www.gov.wales/diversity-and-inclusion-strategy-public-appointments>

groups such as people from socioeconomically deprived backgrounds and neurodivergent people.

50. It was suggested that not only should the Welsh Government engage with Board members from underrepresented groups to support and implement its strategy, but that people leading and implementing the strategy should have lived experience:

It would be a really good idea for the Welsh Government to meet with board members from diverse backgrounds and hear about their board experience.

It's very difficult to have a diversity and inclusion strategy that is not being led by someone with that lived experience. With all due respect, if I were to stand up and talk about disabled rights I should have a disability, or direct contact or proximity to someone who has a disability, that I would understand through them.

Public Appointment and Honours Team

51. All participants, who spoke about the Welsh Government's Public Appointments and Honours Team, agreed that it could do more to support applicants:

It feels like the public appointments unit is in the basement of the Welsh Government and nobody wants it to be found. If we want a more diverse organisation across Wales, that's representative, that public appointments unit needs to be more public-facing.

52. Participants who were interested in applying for a public appointment for the first time spoke about the lack of training and support offered by the Public Appointments and Honours Team:

I contacted the Public Appointments Team to find out more about their training courses. The courses are mentioned when you sign up for their Talent Bank. I received a one-sentence reply, telling me that "Public Appointment isn't running any course but you could check with Academi Wales".

53. Participants who currently hold or who have held a public appointment feel that the Public Appointments and Honours Team does not support Board members effectively:

When you phone the public appointments unit, you're not made to feel particularly welcome when you ask them questions or ask for things in an alternative format I'm quite able to ask for things to be done in certain ways, so I will ring up and ask for things in Word format. But most people won't do that. especially if they think that it will go against them when applying for an interview. People will make do.

Whenever you phone the public appointments unit you might be lucky to get a phone call back. It would be good if you were given a direct point of contact, somebody that you could go to, somebody you could build a rapport with over time.

Visibility of and access to current Board members

54. It was highlighted that there is no publicly available and easy-to-access website hosting the membership and contact details of all Boards. Participants agreed that not having an easy-to-access contact database of Board members is a major shortfall:

Access to a database of board members is another area that needs looking at. I'm sure most of us would be happy for our pictures to be on a website, to give a more representative view, a more friendly facing view to applicants.

There isn't a single accessible database of everyone who holds a public appointment, that's shocking.

55. In December 2022, Mark Isherwood MS, the Chair of the Public Accounts and Public Administration Committee, wrote to over 60 public service boards and organisations. The letter invited people that have, or currently hold public appointment positions, those that have applied for positions but have been unsuccessful, as well as those that are interested in applying, to take part in the inquiry. It was asked that the recipients share the invitation with people who would be interested in taking part:

The Committee's process for contacting me for this interview only reached me through happenstance through one of the boards I'm on. Why didn't the invite get to me through all my

other boards? Interesting! I wasn't even told about it as a senior independent panel member.

Data on current, potential, and unsuccessful Board members

56. Participants agreed that there does not seem to be comprehensive baseline data on current, potential, and unsuccessful Board members:

There doesn't seem to be a list of people holding public appointments, a list of potential applicants, or a list of unsuccessful applicants. There doesn't even seem to be a list of public appointments!

57. Participants felt that without this data is impossible to develop meaningful targets for Wales to improve Board membership:

We also need to identify those boards which are the least diverse and focus efforts on an action plan. I think that health boards are probably more diverse. But we don't know for sure. Do public boards submit any diversity data? All the data collation is pretty poor quantitatively and qualitatively, to be honest.

58. Many participants felt that potential "rising stars" are being lost due to the lack of monitoring and data collection of potential applicants:

Do we know who has applied for what, a database of potential yet unsuccessful applicants? In an ideal world, everyone who applies would be added to a database and every time a new appointment comes up they would all be notified.

Annex 1: Interview Questions

1. What do you think are the main barriers to increasing the diversity of candidates for public appointments in Wales?
2. What can be done to overcome the barriers?
3. How effective are current approaches being taken by the Welsh Government to encourage and increase the diversity of candidates?
4. How can the Welsh Government create a more transparent and open public appointment process?
5. Are there examples of best practice elsewhere in the UK and internationally that Wales should learn from?
6. Do you have any other suggestions on how the public appointments process can be improved to achieve diversity?

Annex 2: Participant demographic.

10 participants were selected for interview. Below is the demographic breakdown of the chosen participants.

Demographic	Data
Location	<p>A mix of both rural, urban, and suburban was achieved. Participants lived in the following local authority areas:</p> <ul style="list-style-type: none"> ▪ Carmarthenshire ▪ Swansea ▪ Vale of Glamorgan ▪ Rhondda Cynon Taff ▪ Newport
Age	<ul style="list-style-type: none"> ▪ Five participants were aged between 26 and 45. ▪ Five participants aged between 46 and 75.
Ethnicity	<ul style="list-style-type: none"> ▪ Four participants identified as white, ▪ Three participants identified as Black, Black Welsh, Black British, Caribbean, or African ▪ Two participants identified as Asian, Asian Welsh or Asian British ▪ One participant identified as other.
Gender	<ul style="list-style-type: none"> ▪ Two of the participants were male. ▪ Eight participants were female.
Disability	<ul style="list-style-type: none"> ▪ Two participants identified as disabled. ▪ Learning and physical disabilities were represented.
Highest qualification of parent	<ul style="list-style-type: none"> ▪ Three participants' parents had no qualifications. ▪ Two participants' parents had GCSEs or equivalent. ▪ Five participants' parents had degree qualifications or higher.
School attended	<ul style="list-style-type: none"> ▪ Two participants attended private or grammar school. ▪ Eight participants attended a state school

Demographic	Data
Free school meals	<ul style="list-style-type: none">▪ Six participants received free school meals.
Public appointments	<ul style="list-style-type: none">▪ Six participants have either held or currently hold a public appointment.▪ Four participants have either applied for a public appointment but were unsuccessful or have never held a public appointment but are interested in applying.

Betsi Cadwaladr University Health Board – Review of Board Effectiveness

Audit year: 2022-23

Date issued: February 2023

Document reference: 3370A2023

I have prepared this report in accordance with Paragraph 19 of Schedule 8 to the Government of Wales Act 2006, which provides that if I think that it would be in the public interest to bring to the public's attention a matter coming to my notice in the course of an examination of auditable accounts, I may prepare a report on that matter. I am required, as soon as practicable after preparing such a report to lay the report before the National Assembly. In the course of undertaking my audit work at Betsi Cadwaladr University Health Board, I identified certain matters which I think are in the public interest and I am now bringing these to the public's attention through this report.

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Summary report

Introduction

- 1 Through the delivery of our routine audit work at Betsi Cadwaladr University Health Board (the Health Board) we became aware of growing concerns regarding the cohesiveness of the board¹ and working relationships at a senior level. The nature and extent of the concerns have led the Auditor General to undertake an urgent and focused review of the collective effectiveness of the board at Betsi Cadwaladr University Health Board.
- 2 This work was undertaken during December 2022 and January 2023, and drew appropriately on evidence that had already been collected as part of the Auditor General's 2022 structured assessment work at the Health Board. The work was undertaken to help the Auditor General discharge his statutory duty under Section 61 of the Public Audit Wales Act 2004 to satisfy himself that NHS bodies have proper arrangements in place to secure economy, efficiency, and effectiveness in the use of their resources. This report has been prepared solely for the purposes of discharging the Auditor General's statutory functions.
- 3 The focus of the review was to determine the extent to which the board is working effectively and cohesively as a team to discharge its role and functions, including providing the collective leadership that is required to grip the numerous challenges the Health Board is facing.
- 4 This report sets out the findings from our review and identifies the immediate actions we think are necessary to address the concerns our work has identified.
- 5 The report is aimed at those charged with governance at the Health Board but should also be used to inform interventions and support work organised by the Welsh Government as part of the NHS Wales Escalation and Intervention Framework.

Acknowledgements

- 6 We are grateful to the Health Board for supporting the rapid set up of the review and to the individuals who have made themselves available to speak to our reviewers at what we acknowledge to be a very challenging time for the Health Board.

¹ The term 'Board Members' includes Independent, associate and Executive Team members. The term 'board' represents the collective group of Board members. The term 'Health Board' relates to the entire organisation. 'Executive Team' is a group of the most senior Executive Directors within the Health Board.

Background

- 7 Whilst the Health Board was de-escalated from Special Measures in November 2020, it remains in Targeted Intervention² in five areas:
- Mental Health Services;
 - Strategy, Planning & Performance;
 - Ysbyty Glan Clwyd;
 - Leadership; and
 - Engagement.
- 8 Ysbyty Glan Clwyd was added to these Targeted Intervention areas in June 2022 following significant concerns regarding the hospital's Emergency Department and vascular services. More generally the Health Board has significant performance challenges around aspects of planned care performance and unscheduled care. In addition, the ability to produce an approvable Integrated Medium-Term Plan and a clinical services strategy with detailed underpinning clinical plans remain long-standing challenges for the Health Board.
- 9 In August 2022, the Auditor General's audit of the Health Board's 2021-22 accounts identified significant errors within those accounts. The Health Board was unable to provide sufficient audit evidence to demonstrate the existence of £72 million of expenditure recorded to have been incurred within the accounts but not paid in the year. There was also insufficient evidence to confirm that expenditure of £122 million recorded in the accounts related to the 2021-22 accounting period. The Auditor General therefore placed a "limitation of scope" qualification on the Health Board's accounts. The Auditor General also qualified his regularity opinion on the accounts as a result of the Health Board's inability to demonstrate financial balance over a three-year period, and expenditure and funding in respect of clinicians' pension tax liabilities.
- 10 The Health Board commissioned Ernst and Young to undertake an external review to further explore the cause of the inaccuracies identified in the audit of the Health Board's accounts. As a result of that work, further investigations are now being carried out by NHS Wales Counter Fraud Service.
- 11 The Health Board's substantive Chief Executive left the organisation at the end of October 2022 creating some immediate challenges for the organisation in terms of continuity and stability of Executive Team leadership. Interim Chief Executive arrangements have been put in place ahead of a process to recruit a substantive replacement.
- 12 During November and December 2022, a significant number of disclosures have emanated from within the Health Board raising various concerns about the culture

² Targeted Intervention forms part of the NHS Wales Escalation and Intervention Arrangements - [Escalation and Intervention Arrangements for handling serious issues facing NHS Wales \(gov.wales\)](#)

at the top of the organisation and business processes including those associated with the use of interim senior appointments. The disclosures are the subject of an ongoing independent investigation, organised by the Welsh Government.

Overall conclusions

- 13 Overall, our work has identified a number of concerns which in combination are fundamentally compromising the ability of the board to work effectively and in an integrated manner to address the significant challenges the Health Board faces.
- 14 Central to our concerns are the clear and deep-seated factions that exist within the Executive Team and, to an extent, the wider board. The dysfunctionality within the Executive Team is clearly visible to the Independent Members on the board. This, along with concerns about Executive Team grip on operational challenges and the quality of assurances, has eroded Independent Member trust and confidence in the Executive Team.
- 15 In the face of growing concerns about the inability to address long-standing service performance, quality, and safety challenges there have been examples of very challenging public scrutiny of the executive by some Independent Members. These have adversely affected working relationships and functionality within the board, further embedding divisions between the Executive Team and Independent Members. Board development activities have largely failed to resolve these and other tensions and facilitate more integrated and effective board working.
- 16 Disclosures have been made by members of staff setting out various concerns about business processes and the behaviours of some board members on both the executive and Independent Member side. These are subject to separate ongoing investigations which will need to conclude quickly and clearly given the destabilising effect the disclosures are having on the Executive Team and wider board.
- 17 Continuity of leadership and pace of change has been affected by turnover and portfolio changes within the Executive Team. The organisation again finds itself without a substantive Chief Executive and with a number of other executive posts also currently being occupied on an interim basis. A heavy reliance on interim posts within the wider senior management structure is still evident and points to ongoing difficulties securing the senior leadership capacity that the Health Board needs.
- 18 Urgent action is needed to tackle the concerns set out in this report and to create a board and Executive Team environment that is more cohesive and unified around the significant challenges the organisation faces.
- 19 The findings underpinning the above conclusions and key messages are set out under the following headings.

Findings

Working relationships within the Executive Team and wider board

We found clear and deep-seated fractures within the Executive Team that are preventing that team from working effectively. Concerns about the pace of improvement and quality of assurance from executives have also led some Independent Members, on occasion, to resort to very challenging scrutiny of some executives in public meetings. This has adversely affected working relationships between some Independent Members and some of the Executive Team and is compromising the board's ability to work in a cohesive and collective manner to effectively tackle the considerable challenges the organisation faces.

Urgent action is needed to address this and create a board culture that is based on trust, candour, and respectful relationships between the Executive Team and Independent Members.

- 20 During November and December 2022, Audit Wales, Healthcare Inspectorate Wales, and Welsh Government received in total around 20 disclosures raising workplace concerns from Health Board staff, including some senior members of staff. In the main these focus on concerns around some business processes and the behaviours of some senior leaders within the Health Board. The volume and nature of disclosures point to significant problems with working relationships within the Executive Team and between certain Executive Directors and Independent Members.
- 21 As the disclosures relate to the behaviours of individuals, it is not appropriate for the Auditor General to investigate them directly. A separate process to examine the concerns has been established with the assistance of the Welsh Government, which remains ongoing.
- 22 Our interviews did, however, identify clear and deep-seated fractures within the Health Board's Executive Team. The evidence presented to us points to dysfunctionality and factions within the team, and that the whole team is not united around the interim Chief Executive to collectively tackle the significant challenges facing the Health Board. From what we heard at interviews and have seen in the content of some of the disclosures, we have significant doubt as to whether working relationships within the current team are repairable.
- 23 This dysfunctionality has become increasingly apparent in the way weekly Executive Team meetings are operating. Despite the Health Board having a significant and growing number of challenges to deal with, the scope of Executive Team meeting agendas substantially reduced between October 2022 and mid-January 2023, with varying degrees of engagement from Executive Team members. Meeting agendas have since improved to be more reflective of the challenges the organisation faces, although attendance levels remain patchy. This situation is likely to limit the ability of the Executive Team to provide the unified and

agreed direction which is so urgently required to respond to the challenges the organisation currently faces.

- 24 Whilst there is a clear recognition amongst the board as a whole that urgent action is needed to resolve the challenges the organisation faces, Independent Members in particular have expressed frustration that progress in addressing these has been slow, and also at misleadingly positive assurances they feel they have received from some members of the Executive Team in certain areas.
- 25 The fractures within the Executive Team are clearly visible to Independent Members on the board, which raises concern about the Executive Team's ability to collectively grip the challenges at hand. In contrast, we noted a more obvious cohesiveness within the Independent Member cadre of the board.
- 26 The concerns and frustrations experienced by Independent Members have resulted in some very challenging public scrutiny of Executive Directors by Independent Members. Whilst such challenge is viewed as necessary by some, for others it represents an unhelpful move towards a hostile and inquisitorial board culture with "public shaming" of individuals at board and committee meetings.
- 27 As a consequence of the disclosures made in relation to culture and behaviour, some Independent Members have indicated to us that they now feel wary about challenging poor performance because of the consequences that might follow.
- 28 Given the extent of the problems, it is understandable that several board members we interviewed showed visible signs of emotional distress, giving us concern about their well-being. Urgent action is needed to address this situation.

Conduct of business at board and committee meetings, quality of assurances and support for governance arrangements

While there is reasonable ongoing administration of meetings, there is an urgent need to address some long-standing concerns around assurance arrangements at board and committee meetings, including ensuring an agreed position on the level of risk the board is prepared to tolerate within the services it delivers. There is also a need to strengthen and stabilise arrangements around the Office of the Board Secretary.

- 29 The Health Board's board and committee meetings typically demonstrate appropriate "administrative governance" arrangements. Agendas and papers are largely published on time, meetings are routinely quorate and include key administrative tasks such as the review and approval of minutes, review and discussion of actions and matters arising and there is reasonable use of public and private sessions of the committees and the board.
- 30 The Health Board has recently reinstated its 'Chair's Group', which enables cross referral of issues between committees and avoids duplication of work. Whilst committee chairs provide good assurance reports to the board, when committees escalate issues to the board, they need to be clearer on the actions they expect the board to take.

- 31 In the previous section we highlighted some significant concerns about the working relationships within the board including those between independent members and some members of the Executive Team. A number of factors appear to be driving Independent Members' behaviours and their style of scrutiny and challenge:
- Quality of papers presented to the board and its committees:** Independent Members have publicly and repeatedly expressed frustrations about the quality of papers and the fact that the Executive has not been able to rectify this. Through our work we have seen that papers are often too long, sometimes not well summarised, do not always highlight issues clearly enough or what needs to change as a result. The Health Board has now introduced a standard operating procedure to strengthen arrangements but needs to ensure that the necessary improvements are properly implemented and sustained.
- The nature of assurances provided:** We have been made aware of several instances where Independent Members feel that responses and assurances provided by the Executive have either failed to acknowledge the gravity of the issue under scrutiny, have incorrectly provided positive assurance, or have failed to deliver on actions previously agreed at board and committee meetings.
- Executives' knowledge of issues under examination:** Some Independent Members told us that Executive Directors are sometimes under-prepared or under-briefed for meetings and indicated that they gain greater assurance when service representatives also attend meetings. We note that committee meetings are now seeing increasing attendance from service level senior managers, which should help provide direct assurance and, over time, would also enable the senior managers who prepare reports to understand better the expectations of committee members.
- An agreed position on risk tolerance:** Our fieldwork has highlighted concerns around differing levels of tolerance for organisational risks between some of the Executive Team and Independent Members. In a unified and cohesive board there would be a common and agreed approach to risk appetite and the level of service and clinical risks that the board is prepared to tolerate. However, at interviews we heard that in some quarters, the Executive are prepared to 'run with' higher levels of service and clinical risk than Independent Members are prepared to accept.
- 32 Collectively these issues appear to have eroded Independent Members' trust and confidence in the Executive Team's ability to demonstrate the required operational grip on the key challenges facing the organisation. As noted in the previous section such concerns are driving Independent Members to resort at times to very challenging and direct scrutiny of Executive Team members and to also seek increasingly detailed information on operational issues at the expense of devoting time to more strategic discussions.
- 33 The need for Independent Members to receive the assurances they are seeking on key operational challenges is also resulting in additional layers of scrutiny being created in the case of concerns relating to Ysbyty Glan Clwyd (YGC). A "cabinet" arrangement has been put in place to provide assurance to the board on progress

of the work to address Targeted Intervention issues at YGC. This allows direct challenge on the progress being made on the problems at YGC from the Chair and Vice Chair via frequent cabinet meetings. Given the nature of the concerns, close scrutiny is clearly needed. However, the fact that an additional layer of governance over and above the existing Targeted Intervention monitoring arrangements, and board and committee meetings has been deemed necessary demonstrates where the Health Board currently stands in respect of gaining assurance on key operational challenges.

- 34 Another consideration is the medium through which board and committee meetings are currently held. These have been largely undertaken virtually. However, this may not be the most conducive medium in which to tackle difficult and challenging discussions. It also limits opportunities for informal networking and relationship building that would otherwise occur with in-person meetings.
- 35 Positively, the board and its committees routinely receive information on patients' experiences which can help focus or centre discussion around what matters to the people receiving the Health Board's services. However, the board does not routinely hear staff stories, which can provide equally powerful feedback, particularly when there is such significant strain currently on services and staff. Board member walkarounds have now restarted which can be a useful tool to understand how well services are operating and what staff think. Our structured assessment work found that Independent Members welcome the walkaround approach, but they have differing ideas about their purpose, and some felt that some visits had been 'managed' to provide a more positive picture of services and staff views.
- 36 The Office of the Board Secretary has a key role to play in helping the Executive Team and Independent Members navigate their way through the challenges outlined above and elsewhere in this report. However, there have been capacity constraints within that Office over the last twelve months with vacancies and a long-term reliance on interim leadership arrangements. This needs resolving as a matter of urgency and in that regard it is positive to note that a paper setting out new arrangements around the Office of the Board Secretary was approved by the Remuneration and Terms of Service Committee in December 2022.

The use of board development activities to support a positive and cohesive board culture.

The board has not been able to fully use the most recent programme of board development work to develop the more integrated and effective approach to board working that is urgently needed.

- 37 The worrying issues flagged in this report appear to have been a long time in the making and the Health Board has sought to use board development activities to help address some of the specific challenges it has faced at board level. The most recent programme of board development work has seen the Health Board engage the King's Fund to deliver a programme of work comprising two contracts undertaken between 2019 and 2022³. In November 2022, the King's Fund produced an end of programme review of the board development work setting out its reflections on the programme and the extent to which it had been successful.
- 38 It is interesting to note that the Health Board initially commissioned the King's Fund to run separate workstreams for Independent Member and Executive Team development. The King's Fund themselves noted this was a departure from more traditional approaches to board development that are based more on a whole board approach, and the nature of the King's Fund brief is indicative of the specific challenges that have existed at the board.
- 39 The Executive Team workstream focussed on a need to build a cohesive team and address emerging factions within the team. For Independent Members, the King's Fund focussed on exploring the working relationships with the Executive Team, improving their approaches for holding to account and focusing on collective and individual development. Each phase of the King's Fund work also included whole board workshop sessions alongside the separate Independent Member and Executive Team workstreams.
- 40 As an overall assessment, the King's Fund noted that the board development programme had only been partially successful in promoting effective and integrated working within the board. The Independent Member group presented as cohesive, willing to engage in development and open to reflecting on behaviours and approaches. In contrast, the King's Fund described the Executive Team's engagement as more hesitant, with the Team presenting as 'relatively divided' and trust within the team was generally low.
- 41 It is important to recognise that the board's work with the King's Fund coincided with the significant and unavoidable challenges and pressures brought by the COVID-19 pandemic. This resulted in Executive Team development sessions being necessarily postponed several times. The move to virtual working also created specific challenges for board development working. Nevertheless, other challenges also impacted on the programme's success such as churn and

³ Contract 1 commenced July 2019 and ended December 2020. Contract 2 commenced July 2021 and ended July 2022.

fractured working relationships within the Executive Team and discontinuity in the Board Secretary role with the latter hampering the board's ability to consolidate agreed actions and align the board development work with other relevant improvement activities.

- 42 Given the investment the Health Board had made in board development, it is both concerning and disappointing that the desired aims of more integrated and effective board working have not been achieved. Interviewees told us that some aspects of the board development work were helpful and informative. But we also heard that some sessions didn't significantly help the board move forward. In addition, we heard that whilst there were good commitments made in some sessions, behaviours returned to type in-between sessions and agreed actions weren't progressed effectively outside of the board development sessions.
- 43 Our current work has shown that many of the concerns that prompted the Health Board to engage the King's Fund are still evident, and in some ways have been further entrenched, indicating that much work is still needed in this space. The King's Fund end of programme reflections, while not perhaps reflecting the views of all participants, are informed and insightful and it is important they are used to guide any further board development that is undertaken.

Executive Team and senior management capacity

Churn within the Executive Team has been a constant feature in recent years and the Health Board continues to have an over-reliance on interim roles for key posts in the senior management structure. Urgent action is needed to move to a more stable and sustainable senior staffing model, which must include expediting plans to recruit a new substantive Chief Executive and ensuring the necessary backfill arrangements are in place to support the current interim arrangements.

- 44 Churn within the Executive Team has been a feature in the senior leadership landscape at the Health Board for some considerable time. Since 2019 four different individuals have occupied the Chief Executive role on either a substantive or interim basis, with the current post holder stepping into the interim role for the second time. In the same period there have been four different Medical Directors, five other changes in Executive Team personnel, changes in the role of the Board Secretary and changes to operational portfolios of individual Executive Directors. In addition, the Health Board has recently needed to secure the services of an interim Director of Finance in the wake of the substantive post holder taking leave of absence whilst concerns associated with the 2021-22 accounts are fully investigated.
- 45 The significant churn noted above has created challenges in respect of capacity and continuity of executive leadership and pace of change. It has also, in part, contributed to the Health Board's continued reliance on interim roles within its senior management structure. Whilst this has previously been raised as a cause for concern, the Health Board's use of such posts has grown, linked in part to the

implementation of the Health Board's new operating model. In respect of the latter, we heard concerns about the length of time it has taken to move to implementation and the associated loss of experience and knowledge following staff departures through the voluntary early release scheme and retirement.

- 46 The departure of the substantive Chief Executive, and the interim appointments this has necessitated are creating further immediate challenges in respect of leadership stability and continuity. Some members of the Executive Team who have stepped up into interim roles alongside their substantive roles, are also holding unsustainably large portfolios of responsibilities, which creates risks for the quality and safety of services.
- 47 Currently, the roles of Chief Executive, Deputy Chief Executive, Executive Director of Finance⁴ and Executive Director of Therapies and Health Science are all subject to interim arrangements. There is also substantial use of senior agency interims in nearly all service areas where there are substantial ongoing concerns including:
- Chief Operating Officer/Regional Delivery Director (of which there have been several interim appointments over the past three years)
 - Planned care programme improvement
 - Unscheduled care programme improvement
 - Senior posts in the new integrated health community structure
 - Vascular services
 - Mental health services.
- 48 For some of the above roles, the Health Board has sought to bring in specific management consultant type expertise to provide a knowledge and skill set that it may otherwise struggle to attract through substantive recruitment exercises. Bringing temporary specialist expertise in areas such as vascular services is clearly part of a necessary programme of targeted intervention and service recovery. However, the Health Board urgently needs to move to a situation where it is less reliant on interim roles in key organisational leadership posts. During our fieldwork we heard concerns that recruitment is not timely enough and that succession planning and leadership development is not currently effective enough to build the necessary skills from within.
- 49 We were also concerned to hear that the appointment process for some very senior interim appointments has not been fully compliant with Health Board policy. Whilst it is beyond the scope of this review to examine these concerns in detail, the board will need assurance that arrangements covering the appointment of interim posts fully comply with the necessary policy and procurement requirements and that the roles, responsibilities and authorities of such post holders are clearly understood by all parties.

⁴ The Health Board appointed an interim Executive Director of Finance in December 2022.

- 50 The recruitment of a substantive Chief Executive with the right skill set to help turn the organisation around is clearly now crucial. However, the Health Board has been slow to set up the recruitment process. Even though the previous substantive Chief Executive announced her intention to depart the organisation at the beginning of September 2022. The final shortlisting for contracting a recruitment partner only occurred in December 2022, and the actual recruitment process will not start in earnest until February 2023. Even allowing for the Christmas period, it is surprising that there was not more urgency in setting up the recruitment process considering that there is typically a lengthy lead in process in getting a new Chief Executive on board. The Health Board must now expedite plans to recruit a substantive Chief Executive as a matter of urgency and we understand that progress is being made on that front.
- 51 We are also concerned about the stability within the Finance Directorate. As a result of our financial audit and the subsequent review by Ernst Young, a number of senior staff in the Finance Directorate have taken a leave of absence. Further work is currently underway by NHS Counter Fraud Service Wales, and this may take time to complete, leaving the senior leadership within the finance team significantly diminished. The Health Board has recently appointed an Interim Executive Director of Finance. The Health Board must act urgently to bolster other senior staff capacity in the Finance Team to mitigate the impact on business continuity. In addition, the Health Board needs to ensure that it effectively responds to the issues arising in our Audit of Accounts report for 2021-22 as part of preparation of the 2022-23 accounts, the findings from the Ernst Young review, and findings from any potential related counter fraud reporting.

Performance accountability arrangements

On-going action is needed to ensure accountability arrangements are resulting in the necessary improvements to services and corporate arrangements

- 52 Our review established that the Health Board's Remuneration and Terms of Service Committee had raised concerns about the setting of objectives for Executive Team members, noting that there was an imbalance of objectives across the team, insufficient focus on outcomes and insufficient links between Executive objectives and corporate priorities. There was also concern around whether the objectives could be used effectively to performance manage under-delivery.
- 53 We understand that progress has been made to address these concerns. Notwithstanding that, this is an area that will need to be kept in close view given that the last 12 months has seen a deterioration in the financial position, deteriorating organisational performance and on-going concerns around quality of services in some specific areas⁵. Accepting that many factors will be contributing to

⁵ Noting that the Health Board is currently receiving additional Welsh Government allocation of £82 million per annum as part of targeted intervention funding.

these challenges, the board needs to have assurance that executive level performance accountability approaches, both collectively and individually, are effectively driving the required improvements.

- 54 More broadly, our structured assessment work has indicated that organisational performance accountability arrangements also require strengthening. The Health Board uses accountability meetings as part of its performance management arrangements to oversee progress and provide challenge on performance. There has been inconsistency in the approach and frequency of these meetings over the last 18 months with accountability meetings stood down from November 2021 and, we understand, not reintroduced until June 2022.

Closing comments and immediate areas for action

- 55 This high-level report describes a deeply worrying degree of dysfunctionality within the board and senior leadership of Betsi Cadwaladr University Health Board. It comes at a time when the Health Board faces unprecedented challenges in relation to demands on its services at the same time as long-standing concerns about the performance, quality and safety of a number of specific services.
- 56 In the context of such challenges the Health Board needs senior leaders on its board and in particular its Executive Team members, to demonstrate a unified and cohesive approach that drives the immediate and longer-term actions that are necessary. This will be essential if the Health Board is to make effective use of the significant sums of strategic funding assistance it has received from Welsh Government as part of a Targeted Intervention framework. Working relationships between Independent Members and the Executive Team need to be built on respect, trust, candour, clear accountability and constructive challenge. They also need to be rooted in clear agreement on the level of risk that the board is prepared to tolerate in respect of the quality and safety of services.
- 57 Currently the board has a long way to go before it can demonstrate the attributes outlined above. Deep seated fractures within the Executive Team need to be resolved and trust rebuilt between the Independent Members and the Executive Team. The recruitment of a substantial Chief Executive with the right skill set and experience is going to be crucial and needs to be expedited along with an approach to senior workforce planning which places much less reliance on interim roles.
- 58 It is doubtful that the Health Board can make the necessary improvements without external intervention and the Welsh Government will need to use the current Escalation and Intervention Framework to support the urgent improvements which are necessary. In doing so, the findings from this review will need to be considered alongside those of other reviews in response to serious concerns, and which may lead to specific actions in their own right.

59 In the section below we set out the key areas where urgent action is needed to address some of the fundamental challenges our work has identified.

Immediate areas for action

60 A number of immediate areas for action are identified below in **Exhibit 1**.

Exhibit 1: immediate areas for action

Responding to independent reviews and investigations

- Take the necessary action in response to the findings from the investigations into whistleblowing disclosures that relate to Executive Directors and senior management (noting that any actions in respect of concerns about Independent Members would be matters for the Minister).
- Resolve quickly any issues arising from the Ernst Young review.
- Fully support any investigations the National Counter Fraud Service need to undertake in response to the Auditor General's audit of the 2021-22 accounts and the subsequent Ernst Young review.

Rebuilding and strengthening senior leadership capacity

- Expedite plans to recruit a substantive Chief Executive Officer as a matter of urgency.
- Critically review the use of interim senior appointments and management consultants with a view to reducing reliance on such appointments within the senior leadership structures.
- Act urgently to bolster senior staff capacity in the Finance Team to mitigate the impact on business continuity.

Building a more cohesive and effective board and Executive Team

Take urgent action to create a more collegiate and unified approach to leadership of the organisation, which involves:

- Repairing / addressing the working relationships within the Executive Team.
- Ensuring the Executive Team understand the concerns held by Independent Members over performance and assurances received, including issues relating to the quality of papers presented to the board and its committees.
- Ensuring that Independent Members understand Executive team concerns about the impact of overly robust challenge, with the aim of moving to a 'high support and high challenge' leadership approach.
- Establishing an agreed level of risk appetite and tolerance between Executives and Independent Members.
- Establishing a working environment and culture at board and its committees that promotes transparency and maintains the correct balance between scrutiny,

challenge and support, reflecting the organisation's expected values and behaviours.

- Using appropriate external facilitators and mediators to work through the above issues as part of a wider board development programme which is informed by the King's Fund's reflections on the previous board development programme.
- Aligning Independent Member portfolios to Executive Director portfolios to support information and knowledge sharing.

Appendix 1

Audit approach

Exhibit 2 sets out the approach we adopted for delivering our board effectiveness review at the Health Board.

Exhibit 2: audit approach

Element of audit approach	Description
Observations	<p>We observed meetings of the following:</p> <ul style="list-style-type: none">• The Board, August 2022, November 2022, January 2023.• Performance, Finance and Information Governance committee, December 2022, January 2023.• Partnerships, People and Population Health committee, January 2023.• Quality, Safety and Experience committee, January 2023.• Audit Committee, January 2023.
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none">• Board and Committee agendas, papers, and minutes.• Executive Management Team agendas.• King's Fund end of programme review.• Reports prepared by the Internal Audit Service, Healthcare Inspectorate Wales, Local Counter-Fraud Service, and other relevant external bodies.

Element of audit approach	Description
Interviews	<p>We interviewed each member of the board individually. This included every Independent Member and Executive Director.</p> <p>In addition, we interviewed the Integrated Health Community Directors for the three regions: east, centre and west.</p>
Structured assessment 2022	<p>We drew appropriately on work already undertaken as part of the Auditor General's 2022 structured assessment at the Health Board.</p>



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



Digital inclusion in Wales

Report of the Auditor General for Wales

March 2023



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Summary

- 1 This report provides a high-level overview of issues relevant to digital inclusion in Wales. Digital inclusion is complex, and our report is not intended to be comprehensive. We summarise terminology, key data and interventions in Wales. **Appendix 1** provides more information about our work. We have also released a document alongside this report that sets out questions for public bodies to ask themselves as they consider their approach to digital inclusion.
- 2 In summary, our report highlights:
 - **7% of adults in Wales are ‘digitally excluded’**, meaning they have not personally used the internet in the previous three months.¹
 - the percentage of households with **access to the internet has steadily increased since 2012** but some groups in society are more likely to be excluded.
 - while there is enough data to suggest high-level trends, **there are data gaps** that make it difficult to give a complete picture and gain an understanding of the ‘lived experience’ of people who are excluded.
 - digital inclusion is **complex and is not simply an issue of access to technology**. It is not just an issue of rurality or just an issue for older people. Even when people have access and digital skills, some people may still prefer to access services face-to-face.
 - there is a trend of public bodies moving some of their services online, which has many potential benefits but also **risks disadvantaging digitally excluded people**.
 - While the UK Government is responsible for digital infrastructure across the UK, the **Welsh Government is investing in broadband infrastructure**.
 - the **Welsh Government has a specific mission around digital inclusion** and is investing in digital inclusion projects.

1 Welsh Government, [National Survey for Wales, 2021-22](#). Adults are defined as people aged 16 and over.



The Welsh Government has invested heavily in improving broadband infrastructure and the past few years have shown how reliant many of us have become on good quality internet access. However, spending on infrastructure needs to be balanced with work to tackle the root causes of digital exclusion to manage the risk of creating a two-tier society when it comes to access to public and other services.

We have published a key questions document alongside this report to help public bodies reflect on their approach to digital inclusion.

Adrian Crompton
Auditor General for Wales



Background

3 **Exhibit 1** defines terms used in our report. Our work follows several other reports related to digital inclusion, infrastructure and connectivity in Wales. These include, among others, our 2015 report on the Welsh Government’s Superfast Cymru agreement with BT², the 2020 National Infrastructure Commission for Wales report on digital infrastructure strategy³, and the 2022 Senedd Climate Change, Environment, and Infrastructure Committee report on digital connectivity.⁴

Exhibit 1: definitions of key terms



Digital is a term that describes internet or technology-based activities for example emailing, internet shopping or booking an appointment online.



Digital exclusion describes the challenges people face when they do not have access, skills or confidence to use the internet.

Digital inclusion is the opposite of digital exclusion. Being digitally included means being willing and able to use digital tools or services independently.



Internet speed is a key measure of how effective and suitable internet access is for users. The greater the speed, the more users and activities that can be accommodated using that internet connection.

Upload speed: the speed information moves from your device (phone or computer) to the internet. For example, uploading a document to send in an email.

Download speed: the speed information moves from the internet to your device. For example, loading a shopping webpage or watching a film on your tablet or computer.

Megabits per second (Mbps): the speed of an internet connection is measured in megabits per second. This is the standard measure for how fast information moves over the internet to your device.

2 Auditor General for Wales, [Welsh Government investment in next generation broadband infrastructure](#), May 2015

3 National Infrastructure Commission for Wales, [Digital Communications Infrastructure in Wales](#), December 2020

4 Senedd Climate Change, Environment, and Infrastructure Committee, [Digital connectivity – broadband](#), August 2022

Exhibit 1: definitions of key terms



Broadband is a way of connecting to the internet, which is seen as generally faster and more reliable than older internet connections.

The following describe types of broadband:

- **Asymmetric Digital Subscriber Line (ADSL)** was used mostly in the earlier days of the internet. Uses copper telephone lines. Depending on the line, ADSL speeds can be around 1-8 Mbps.
- **Broadband connections through fibre-optic lines.** Fibre can be used for the whole line (full fibre) or part of the line alongside copper. Quicker and more reliable than ADSL.
- **Superfast broadband** has no single definition but suggests faster internet access than ADSL. Can mean full-fibre or partly through fibre cabling. UK telecoms regulator, Ofcom and the Welsh Government define superfast as a speed of at least 30 Mbps.
- Ofcom defines **ultrafast** as broadband with download speeds of greater than 300 Mbps.
- **Gigabit broadband** describes an internet connection that can deliver speeds of 1 gigabit per second (Gbps). 1 Gbps is equal to 1,000 Mbps.



Mobile based internet access is another way people can gain access to the internet. It can be used alongside broadband or as an alternative to broadband. An example of mobile based internet access is using a 4G smartphone.

2G/3G/4G/5G: These numbered terms describe advancing ‘generations’ of mobile communications technology. 2G was the initial technology for mobile to allow calls and text messages. 3G added the option of accessing the internet. 4G and 5G use similar radio signal technology, but these newer generations can provide faster internet speeds.



Satellite technology is another way people can gain access to the internet. Satellite related broadband access can be used by businesses or individuals, and can be suitable in particular for more remote locations.

Source: Audit Wales

Why digital inclusion is important

- 4 The internet has changed many of our everyday tasks. The benefits of using the internet were highlighted during the height of the COVID-19 pandemic when many people relied heavily on internet-based services. **Exhibit 2** shows how people can benefit.

Exhibit 2: benefits of using the internet



'I can connect with family, friends and communities'



'I can work from home'



'I can use the internet to access research, learning or education opportunities'



'I can access businesses online and/or my business can reach more people'



'Public services and organisations can share and/or collect information online'



'I can book or pay for services online'



'I can try and find the best offer or access a wider range of choices'



'I can access hobbies, culture and leisure activities'

Source: Audit Wales

- 5 Digital inclusion is important in the context of public services ‘digitising’. This means moving services online and/or using technology to deliver services. Examples include virtual classrooms, online record keeping and online forms to access public services. For all organisations and sectors ‘digitising’ services, there is an inherent risk that the needs of digitally excluded people could be overlooked.
- 6 Our recent report on Poverty in Wales highlighted that shifting services online continues to grow in importance for councils, but digital exclusion remains a major challenge, especially for people who experience or live in poverty.⁵ We found that most Welsh councils recognise the problem of digital inclusion, with 14 of the 22 having adopted a digital strategy and many of these focusing on tackling digital inclusion. However, only 12 councils were providing people with access to a digital skills inclusion programme.
- 7 **Exhibit 3** summarises the main reasons for people being digitally excluded. Digital exclusion can be a real problem, for individuals and for public bodies. It can make it more difficult to keep in touch with friends, family and organisations. It can mean that people miss key information from public bodies. And it can mean people miss the chance to take advantage of cheaper goods and services offered online.⁶

Exhibit 3: main reasons for digital exclusion



Digital infrastructure not available

- To get online and access the internet, people need broadband or mobile infrastructure to be available.
- The infrastructure needs to deliver sufficient internet speeds for everyday use.



Can't afford to be digital

- There are people who can't afford electronic devices, sufficient data and/or broadband/mobile contracts.
- The rising cost of living risks excluding more people who can't afford digital devices or ongoing internet costs.

5 Auditor General for Wales, [Time for change – Poverty in Wales](#), November 2022

6 Good Things Foundation, [The economic impact of digital inclusion in the UK](#), July 2022.
Good Things Foundation is a digital inclusion charity in the UK.

Exhibit 3: main reasons for digital exclusion



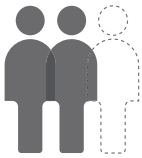
Lack of basic digital skills

- Some people lack the skills, motivation and confidence to use the internet.
- People need to know how to find support, training or learning to develop their digital skills.



Accessibility, usability and language

- Some people are excluded because they need additional help or different solutions to help them use and access technology.
- People need to be able to access technology using the language of their choice, including the Welsh language.
- Examples of tools to support accessibility include text to speech readers, translation services, larger fonts and other assistive technologies.



Some people choose not to use digital services

- Some people might have the access and skills but from time to time choose not to use digital services and choose to access services in person.
- There will always be some people who prefer not to be digitally included, which is of course their choice. This does not mean that they are necessarily digitally excluded, but by choice are not digitally included.



Safety online can be a barrier

- Some people might be excluded because they do not feel able or confident to use online services because of worries about online safety and security issues.
- Online safety as a barrier could be linked to affordability of secure technology.

Source: Audit Wales

Data on digital inclusion – gaps and challenges

- 8 **Exhibits 4, 5, 6 and 7** summarise key data about digital inclusion in Wales. Some of the data focuses on access to digital and telecommunications infrastructure, while the National Survey for Wales provides data about whether people have personally used the internet in the previous three months.⁷ However, there are limitations with this data. For example, the data relies on self-assessment and an imperfect definition of someone being classed as digitally included if they have personally used the internet once in the past three months. However, with the same question being asked over time, the data are still helpful in showing trends.
- 9 Ofcom⁸ reports data and information about premises that can access broadband or mobile coverage as well as some data on take-up rates of full-fibre and superfast broadband.⁹ This data helps provide key information about premises that can access internet services and the coverage of broadband networks. However, the data alone does not provide a complete picture of whether premises and individuals are fully exploiting the opportunities from the digital infrastructure available.
- 10 While the data suggests most areas of Wales have access to the internet, the reality on the ground for people using the internet may be quite varied. There might be data limits on phone packages, download limits on some broadband contracts or unstable connections. Cost of living pressures may also force people to reflect on the affordability of their current arrangements for internet access. Feedback we collated about people’s experiences of using the internet highlights connectivity issues even when homes have access. For example, one person described how ‘when we are using the internet it constantly loses connection ... This can be frustrating as the issue can take several hours to be resolved.’ Another person stated: ‘I work from home a lot and at peak times of the day there is an impact on my internet speed’.

7 Welsh Government, [National Survey for Wales](#), 2021-22. While not without its limitations, data about whether people have used the internet in the last three months is a widely used indicator across the UK and beyond. It is an indicator used for example by the [Office for National Statistics](#), [Organisation for Economic Co-operation and Development](#) and the [University of Oxford](#).

8 Ofcom is the UK telecommunications regulator and has responsibility along with the UK Government for most telecommunications policy in Wales. Ofcom aims to make sure people get the best from their broadband, home phone and mobile services.

9 Ofcom’s [Connected Nations](#) reports include data on communications infrastructure such as performance of broadband and mobile networks. The data reported covers the UK and Ofcom produce an annual [Wales Report](#). Ofcom releases annual reports and two further updates each year.

- 11 Rurality has been a long-standing theme around digital connectivity challenges in Wales.¹⁰ Ofcom's 2021 Connected Nations report (see **footnote 9**) highlights key differences in performance and availability of internet connections in rural and urban premises. Data sets can overlook the additional challenges and costs of delivering infrastructure transformation within the landscape of Wales. Data sets can also overlook the complexity of challenges in rural areas. In 2020, British Telecommunications plc (BT) produced a report about digital connectivity in rural Wales. The report highlighted evidence that infrastructure is only part of the picture and emphasised the importance of understanding the wider barriers to making greater use of the digital infrastructure which is increasingly available in rural areas.¹¹

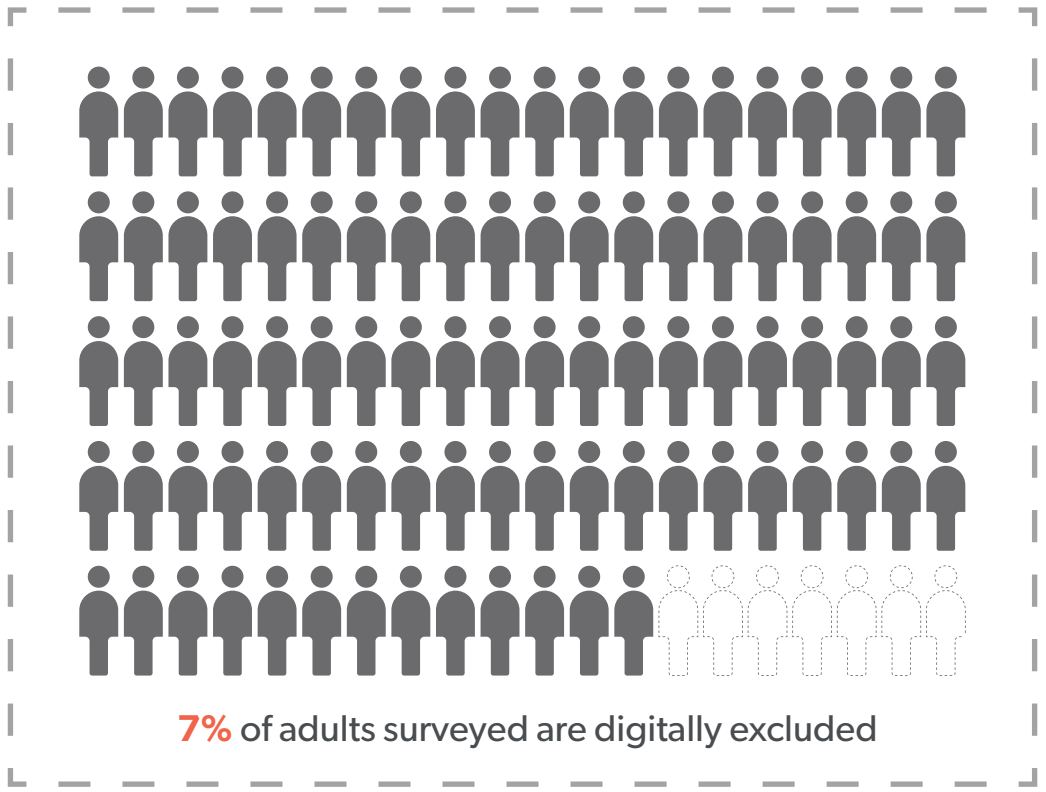
10 Welsh Government Farming Connect website, [Digital disregard and inequality in rural areas](#), October 2020 and Cardiff University's Superfast Broadband Business Exploitation Project, [Digital technologies and future opportunities for rural businesses and areas in Wales](#), January 2019.

11 BT, [Smart rural – The utilisation of digital infrastructure by the agricultural and tourism sectors in rural Wales](#), September 2020

Data on digital inclusion – what does the data show?

Exhibit 4: data on who is digitally excluded in Wales in 2021-22

In the Welsh Government’s **National Survey for Wales**, people were asked about their **personal use of the internet** and whether they have used the internet in the last three months



32% of people aged 75+ are excluded

14% of social housing residents are excluded

12% of those with a limiting long-term illness are excluded

Source: Audit Wales analysis of data from the Welsh Government’s National Survey for Wales, 2021-22

Exhibit 5: data on digital skills in Wales in 2021-22

In the Welsh Government’s **National Survey for Wales**, people were asked if they had completed activities on the internet. These activities were then grouped into five digital skills categories below:

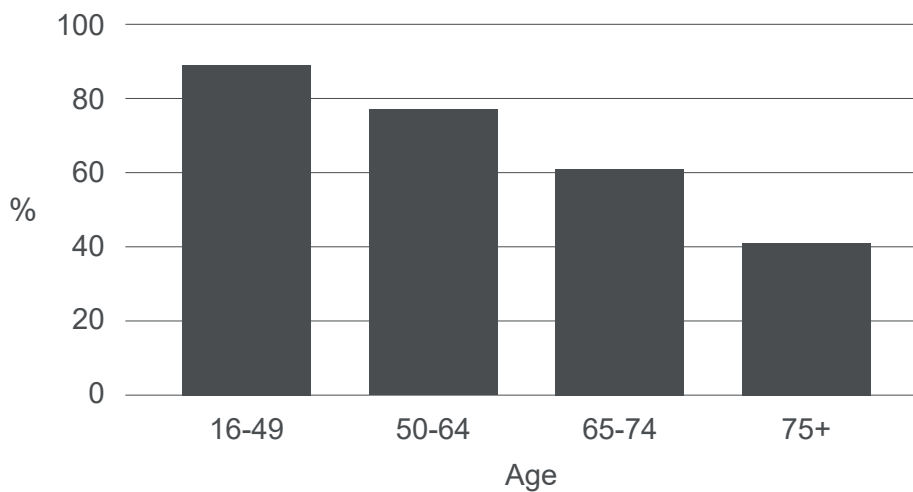
- 1 Handling information and content
- 2 Communicating
- 3 Transacting
- 4 Problem solving
- 5 Being safe and legal online



78% of adults surveyed had accomplished **five digital skills** in the previous three months

41% of internet users **over 75** had all five digital skills compared to **89%** of internet users **aged between 16-49**

The percentage of people surveyed who had accomplished **5 digital skills** in past 3 months by age category

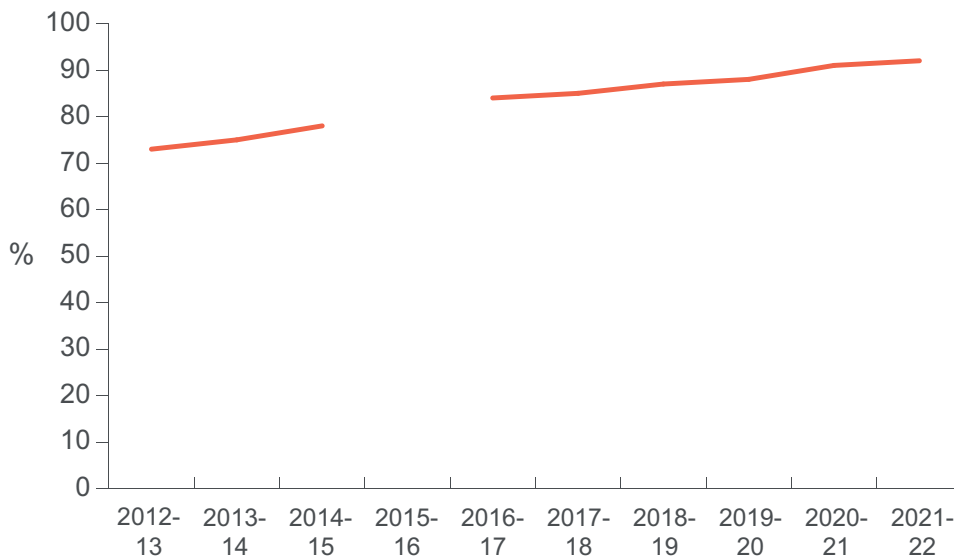


Note: The five digital skills are widely recognised across the UK and based on the essential digital skills framework developed by the UK Government. The framework is aimed at those involved in supporting adults to improve their essential digital skills.

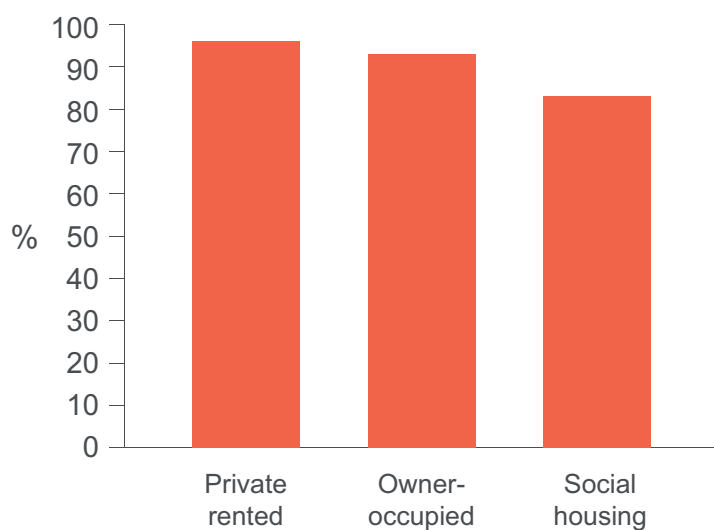
Source: Audit Wales analysis of the Welsh Government’s National Survey for Wales, 2021-22

Exhibit 6: data on digital infrastructure in Wales

The percentage of households that have access to the internet has **steadily increased** since 2012-13



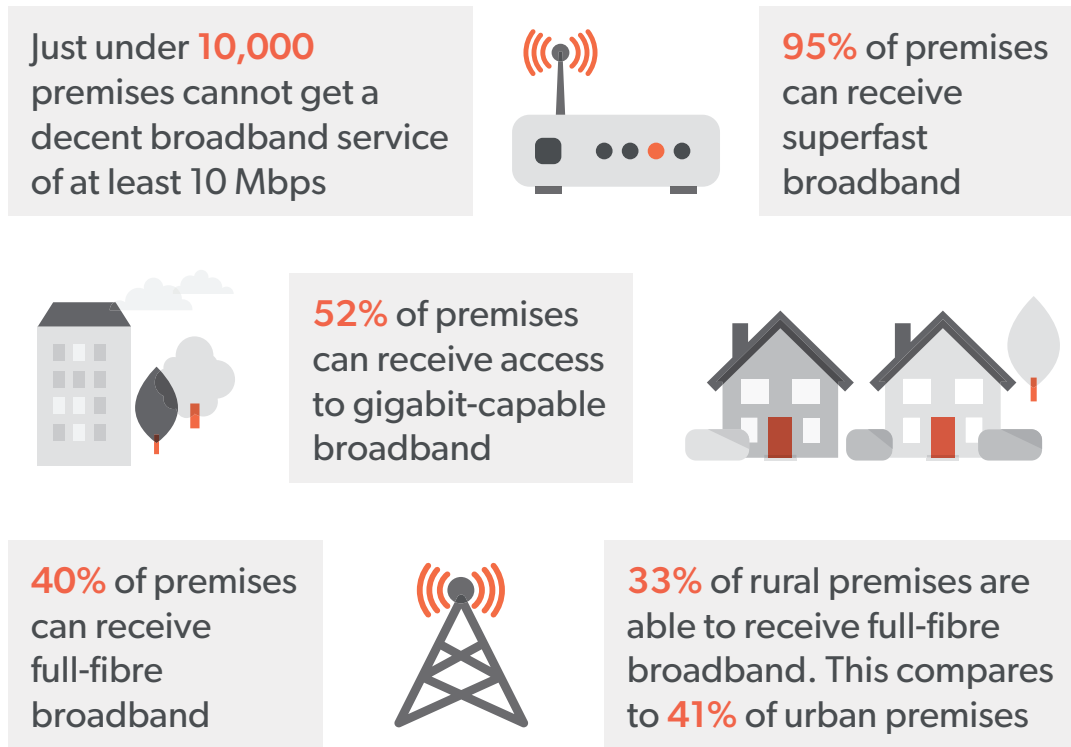
Private rented tenants and **owner-occupiers** were more likely to have access to the internet compared to **social housing** tenants in 2021-22



Note: No data was available for 2015-16 in relation to the percentage of households that have access to the internet. Access is defined as where people have the necessary connectivity to the internet and choose to use it.

Source: Audit Wales analysis of the Welsh Government’s [National Survey for Wales](#), 2021-22

Exhibit 7: Ofcom data about premises in Wales where an internet connection is available



Note: Decent is defined by Ofcom as broadband services of at least 10 Mbps download speed and 1 Mbps upload speed from either fixed or fixed wireless networks.

While we have used data reported by Ofcom across the measures in this Exhibit, other live modelled data on broadband coverage for Wales, calculated using a different methodology, is published on the [Local Broadband Information website](#). At 2 March 2023, that live data indicated superfast broadband coverage in Wales of 97%

Source: Audit Wales analysis of Ofcom, [Connected Nations 2022 Wales Report](#), December 2022

People's experiences of digital inclusion and exclusion

- 12 Digital inclusion is crucially about people and people's experiences. As part of this project, we made an appeal for people in Wales to tell us about their experiences of digital exclusion. **Exhibit 8** sets out some of the stories and experiences that people shared. We have included further extracts and information in **Appendix 2**.

Exhibit 8: a sample of experiences that people shared with us

“ [Internet affordability is] a big issue ... There was a time several years ago now when financially I was very stretched and lost access to internet when couldn't pay the bill. Fortunately, I was able to rectify this within a few weeks but the effect at the time was profound. ”

“ **I'm not always interested in accessing online services. I prefer face to face or speaking to someone on the phone. ”**

“ [The internet has] become part of life and somewhat a necessity ... people are expected to do everything online. Every phone call is linked to a website and the automated service will initially guide you to [a] ... website page unless you want to wait an hour on the phone or go over an automated service that cuts off or doesn't take you where you needed to go ... Families struggle to provide phones for their children. You have to have a phoneline to have TV these days ... and in the current climate people are talking about not running phone lines so children won't have access to internet at home unless they have a phone to access. ”

Source: Audit Wales analysis of public responses to our call for case studies, issued via Digital Communities Wales's Digital Inclusion Alliance Wales

The national strategy on digital inclusion

- 13 The Welsh Government's Digital Strategy for Wales¹² includes a mission on 'digital inclusion' to 'equip people with the motivation, access, skills and confidence to engage with an increasingly digital world, based on their needs.' The Welsh Government's Digital Strategy supersedes its Digital Inclusion Forward Look,¹³ which set out aims to help people gain greater confidence in the digital world. In March 2022, the Welsh Government published a digital inclusion progress report, summarising its work to date in addressing the priorities set out in the Digital Inclusion Forward Look to tackle digital exclusion.¹⁴
- 14 In addition to the Digital Strategy, the Welsh Government has recognised the complexity of digital inclusion and the need for further research around the topic. For example, the Welsh Government has commissioned a project to look at a Welsh Minimum Digital Living Standard. The project team published an interim report, which summarised the work carried out since February 2022, with a final report due in early 2023. The project has considered the minimum features needed to be digitally included in Wales including, for example, type of device, internet access (broadband and/or mobile) and level of digital skills.¹⁵
- 15 Responsibility for digital inclusion policy sits within the Welsh Government's Financial and Digital Inclusion Team. This team chairs a Digital Inclusion and Skills Programme Board, which includes representatives from across the Welsh Government and external stakeholders, to discuss digital inclusion policies and issues. While individual public bodies have their own roles to play in promoting digital inclusion, including for example Digital Health and Care Wales, the Welsh Government is also providing additional funding to support delivery of its digital strategy through the work of Centre for Digital Public Services (CDPS) and the Digital Communities Wales (DCW): Digital Confidence, Health and Well-being programme. Other policy measures across the Welsh Government or steps taken by other public bodies may also contribute to digital inclusion. For example, the new Curriculum for Wales includes digital as a cross-curricula set of skills.¹⁶

12 Welsh Government, [Digital Strategy for Wales](#), March 2021

13 Welsh Government, [Digital Inclusion Forward Look](#), December 2020

14 Welsh Government, [Digital inclusion progress report: towards a digitally confident Wales](#), March 2022

15 Yates et al. (for the Welsh Government), [Towards a Welsh Minimum Digital Living Standard: Interim Report](#), July 2022

16 Auditor General for Wales, [The new Curriculum for Wales](#), May 2022

- 16 The DCW programme is a key Welsh Government programme for tackling digital inclusion. Cwmpas, formerly the Wales Co-operative Centre, delivers the programme in partnership with the Good Things Foundation and Swansea University. DCW receives £2 million annually from the Welsh Government's digital inclusion and health teams. This funding was initially in place from the start of the programme in July 2019 until June 2022 and has now been extended to 2025. DCW supports organisations to develop digital inclusion projects and to increase the digital skills and confidence of the people they support. DCW coordinates Digital Inclusion Alliance Wales (DIAW), which is made up of a multi-sector group of organisations. DIAW aims to coordinate, promote and shift the agenda around digital inclusion activities.
- 17 **Exhibit 9** sets out the four DCW key performance indicators (KPIs) and information about performance. Following the agreement to extend the programme, the Welsh Government and DCW agreed revised KPIs for July 2022 to June 2025, taking account of previous performance and other factors. **Exhibit 9** also sets out the revised targets for the period 2022-2025.

Exhibit 9: summary of Digital Communities Wales performance since April 2021

	Target April 2021 – June 2022	Actual performance April 2021 – June 2022	Target July 2022 – June 2025	Actual performance July 2022 – September 2022
KPI 1 People supported to become digitally confident (motivation, basic skills and confidence)	32,500	45,872	102,000	3,709
KPI 2 Volunteers providing support to citizens	1,250	1,193	3,000	67
KPI 3 Support to ensure digital inclusion is recognised and embedded within organisational strategy and delivery	35	44	55	2
KPI 4 Health and care, public, private and third sector staff supported to become digitally confident	1,750	1,870	4,050	555

Note: performance against targets for July 2022 to June 2025 has been rebased to zero and does not include previous activity. When the contract with DCW first started in July 2019 there were nine KPIs. Following an independent evaluation, both parties agreed a revision to four KPIs. The original nine KPIs were reported between July 2019 and March 2021. The four new KPIs have been in effect from April 2021 to June 2022.

Source: Digital Communities Wales, Quarter Report – Key Performance Indicators, April to June 2022 and July to September 2022

- 18 The CDPS launched in June 2020, with the Welsh Government committing £4.9 million each year from 2020 to 2025 to fund its activities. CDPS works across the Welsh public sector and aims to encourage digital transformation and delivery of services around the needs of the people who use them. The Welsh Government set out in CDPS's term of the Senedd remit letter (2022 to 2026), the expectation that the CDPS would focus on themes including leadership and culture around digital policy, digitising public services, collaboration and digital transformation.
- 19 **Exhibit 10** shows CDPS's objectives and examples of activities to meet them. One example of CDPS's activities is a landscape review, part of which considered what organisations across Wales are doing to support people to get online. The evidence base included a survey of public bodies and any other organisation carrying out or involved with digital inclusion activities. The review also collected information and data from the Welsh Government and Digital Communities Wales. The output from the project summarised some comparisons of digital inclusion activities across the UK nations and beyond. The output of the digital inclusion activities survey is not yet publicly available, but the Welsh Government is looking to build on it and collect further information for release during 2023. The Welsh Government is developing an interactive map to be hosted on its website. The interactive map is aimed at organisations and trusted people to help those digitally excluded to find places where they can get help, for example, to develop basic digital skills, use a device or access the internet.

Exhibit 10: Centre for Digital Public Services objectives and examples of activities

Examples of activities in 2021-22 to meet the objectives

Objective 1

Help people in Wales to use modern digital services

- Used teams of digital experts to work in partnership with others, for example through showing best practice and providing skills transfer when developing public sector digital services.
- Developed and promoted Digital Service Standards for Wales, helping organisations meet the standards and build services that meet the needs of all users.

Objective 2

Prepare leaders for digital transformation

- Developed and delivered digital skills training for senior leaders. This included information around the benefits of digital services for end users.
- Held webinars and established 'Communities of Practice' networks, that aim to connect digital expertise and help support people working around digital in the public sector.

Objective 3

Stimulate innovation in our economy

- Designed plain English procurement templates to help the Welsh public sector when buying digital contracts or services.
- Showed Welsh suppliers the public sector's approach to 'procuring digital' with the aim that more Welsh suppliers win Welsh public sector contracts.

Objective 4

Build skills for digital engagement

- Developed a landscape review of digital inclusion initiatives in Wales (see **paragraph 19**)
- Used expert content designers who specialise in creating accessible content, to show examples to those delivering public services in Wales.

Source: CDPS's objectives as set out in their annual review [Centre for Digital Public Services, Looking back: CDPS year in review 2021-22](#)

Improving digital infrastructure

- 20 Telecommunications and broadband infrastructure are reserved matters and therefore the responsibility of the UK Government and Ofcom. As such, the UK Government has taken steps towards funding infrastructure in Wales, for example through 'Project Gigabit'.¹⁷
- 21 Despite telecommunications infrastructure not being a devolved area, the Welsh Government has chosen to invest in broadband infrastructure over the past decade or so. An example is the Superfast Cymru programme that we examined in 2015.¹⁸ Since 2015, the Welsh Government has continued to help fund or subsidise broadband infrastructure costs, for example through extending Superfast Cymru and other projects such as Access Broadband Cymru. The Welsh Government has provided such investment through economic development powers, aiming to fill gaps where it considers there have been gaps in investment from either the UK Government or the private sector.
- 22 The Welsh Government has carried out several market reviews to capture and analyse the premises in Wales that would benefit from existing commercial rollout of broadband investment. There are areas and locations in Wales where the private sector has judged it is not commercially viable to invest, and therefore public investment has been required to fund projects in full, or in part, alongside private investment. The Superfast Cymru agreement between the Welsh Government and BT from 2012 included over £200 million in public sector investment. Other examples of investment in broadband infrastructure include work between smaller telecommunications businesses and local authorities to improve connectivity in Wales. **Exhibit 11** provides an overview of key broadband infrastructure projects in Wales where the Welsh Government has contributed capital funding.

17 UK Government, [Project Gigabit](#), first published in April 2022. This project funds 'gigabit-capable' broadband in all areas of the UK and includes a voucher scheme for rural areas.

18 See footnote 2

Exhibit 11: key examples of Welsh Government capital investment in broadband projects since 2012

Project	Public funding	Objectives	Outcomes
<p>Superfast Cymru 2012 - 2018</p> <p>The original Superfast Cymru agreement between the Welsh Government and BT was announced in 2012. There have since been further phases to the work including Next Generation Access Broadband Wales, see below.</p>	<p>£213.7 million (actual) of which:</p> <ul style="list-style-type: none"> • £93.3 million – EU funding • £67 million – UK Government • £53.5 million – Welsh Government 	<p>The project aimed to provide superfast broadband to 95% (approximately 700,000) of premises within the intervention area by 2015. The number of premises and the timeframe was extended to 726,000 premises by 2018.</p>	<p>By the end of December 2014, 47% (346,000 premises) within the intervention area covered by the agreement could access superfast broadband. This had increased to over 730,000 premises in Wales by December 2018.</p>
<p>Access Broadband Cymru (ABC) 2016 - 2023</p> <p>This Welsh Government grant helps fund or part-fund alternative broadband solutions for premises. Funding is based on eligibility criteria. New connections must deliver a significant change in speed (at least twice the current download speed), with the new connection providing a minimum download speed of at least 10 Mbps.</p>	<p>£10.5 million (budgeted) – Welsh Government</p>	<p>ABC funding is specifically focused on helping premises that would otherwise not benefit from existing broadband infrastructure available through private sector broadband providers.</p>	<p>Our 2015 report noted the relatively low take-up of this grant. The National Infrastructure Commission for Wales (NICW) report included a recommendation for reviewing this scheme (see footnote 3). The Welsh Government accepted this recommendation.</p> <p>A review of the approach to funding will be undertaken to ensure that all schemes, including ABC, meet the requirements of home and businesses across Wales.</p>

Project	Public funding	Objectives	Outcomes
<p>Next Generation Access Broadband Wales</p> <p>2018 – 2023</p> <p>A further example of a grant award to BT following a procurement process. Aiming to bring fibre broadband to premises in addition to those targeted in the Superfast Cymru agreement</p>	<p>£57.0 million (budgeted) of which:</p> <ul style="list-style-type: none"> • £36.2 million – EU funding • £18.8 million – Welsh Government • £2.0 million – UK Government 	<p>This project aims to enable premises to have access to full-fibre or ‘fibre to the premises’ broadband. The project aimed to help 39,000 premises to gain full fibre broadband access by March 2022 (now extended to end of March 2023).</p>	<p>The project has delivered access to gigabit capable broadband to 29,959 premises (position at the end of March 2022).</p> <p>The Minister for Climate Change’s July 2022 statement noted that the Welsh Government recognises the project has so far delivered less than the anticipated number of premises. The Minister noted some premises were de-scoped, for example those that gained access to gigabit broadband under other rollouts.</p> <p>The Welsh Government forecasts that the total premises improved will exceed the 39,000 target when the project closes in March 2023.</p>

Project	Public funding	Objectives	Outcomes
<p>Local Broadband Fund (LBF)</p> <p>2019 - 2025</p> <p>Aimed at local authorities and social enterprises to help local communities gain access to faster broadband services. The emphasis is to support local solutions and innovation or creative solutions to connectivity challenges. Local authorities and social enterprises are encouraged to work together on applications but can also submit their own. Applications are sought every six months.</p>	<p>£20.0 million (budgeted) – Welsh Government</p>	<p>Aims to provide funding for local projects to deliver fast and reliable broadband to areas of Wales currently without access to 30 Mbps.</p>	<p>11 projects have been funded by the LBF. The majority of projects received funding in the previous 12 months. All projects have differing timescales, ranging from 12 months to longer term timescales that will end in March 2025.</p> <p>The spend and implementation to date for this project is described by the Welsh Government as slower than anticipated. The Welsh Government has cited the COVID-19 pandemic and applicants facing challenges with contracts as the cause of delays.</p>

Note: Appendix 1 explains our rationale for the scope of the broadband infrastructure projects that we have included. The figures cover capital investment and do not include revenue funding. Figures are budgeted values (due to projects being live), unless stated otherwise. The figures for Superfast Cymru are based on actual reported costs between 2012-2018. Figures are rounded-up to the nearest decimal point. The Superfast Cymru agreement also included a BT contribution, and the Welsh Government contributed a further £1.7 million towards Superfast Cymru communications. Openreach is a wholly owned subsidiary of BT Group and a legally separate business.

Source: Audit Wales summary of information provided by the Welsh Government. We have not audited this information. The Welsh Government's [Written Statement on Superfast Cymru](#) in December 2018, provided an update about the number of premises that have benefited from Superfast Cymru. The Welsh Government website sets out the full [Eligibility Criteria for Access Broadband Cymru](#) and further details about the [Local Broadband Fund](#). Information about the ABC scheme review is detailed in the [Welsh Government response to the National Infrastructure Commission for Wales Report on digital infrastructure](#), September 2022. Data reported on NGABW premises is outlined in the Minister for Climate Change's [Written Statement: Update on Digital Connectivity in Wales](#), July 2022.

- 23 Our 2015 report focused on Superfast Cymru. The original agreement for the intervention area included a public sector contribution capped at £205 million, and £26 million from BT (£231 million total capital contribution). Outside of the agreement, BT also committed to invest around £19 million of capital expenditure and £82 million up to 2023 during the operational phase to support, operate and maintain the network. Variations in the capital contributions shown in **Exhibit 11** compared to the 2015 report reflect the extension of the Superfast Cymru agreement and the fact that we have now been able to include actual reported costs.
- 24 An element of the Superfast Cymru agreement between BT and the Welsh Government was a ‘claw-back’ arrangement. The terms of the ‘claw-back’ set out that if take-up exceeded 21% within the period to the end of 2023, then BT would distribute 50% of its profit margin on its wholesale services back to the Welsh Government. Some claw-back funding has already been used to help fund further phases of Superfast Cymru.¹⁹ The Welsh Government is expecting to claw-back around £80 million in total.
- 25 Mobile phone-based internet infrastructure is also not devolved. However, the Welsh Government has developed a mobile action plan covering its work around the topic of mobile-based internet infrastructure with the mobile phone industry and Ofcom.²⁰ The UK Government funds a UK-wide Shared Rural Network programme focused on improving 4G coverage. The Welsh Government has not invested additional funding specifically to improve mobile phone coverage to date.

19 UK Government, [Superfast Broadband Programme evaluation](#), first published October 2021

20 Welsh Government, [Mobile Action Plan](#), October 2017

Appendix 1 – About our work

Audit question and scope

Our high-level review asked, ‘What is the current extent of digital inclusion in Wales?’. As part of the project, we looked at the overall picture of digital connectivity in Wales including the Welsh Government’s investment in broadband infrastructure and digital inclusion projects.

We have not carried out an updated detailed examination of Superfast Cymru since our 2015 report, because several other reports have since looked at that project. We have included a high-level summary of Welsh Government capital investment in some key broadband infrastructure projects, for example Superfast Cymru and Next Generation Access Broadband Wales. The rationale for our coverage was to focus on the role the Welsh Government has played in funding capital investment in Welsh broadband infrastructure as a key element of getting Wales connected to the internet to support digital inclusion. We have not considered other areas of the Welsh Government’s investment around wider digital infrastructure or Welsh Government revenue funding of smaller projects in Wales as these were not directly linked to digital inclusion. For example, we have not looked in detail at the Welsh Government’s contribution towards projects such as Public Sector Broadband Aggregation²¹ or superfast exploitation business support.²²

We have not examined commercial broadband investment, the role of the communications regulator Ofcom, or the technological merits of different internet connections, as these would not fall within the remit of Audit Wales. There are other UK projects around digital infrastructure and digital inclusion, for example Project Gigabit. We have not considered these projects as they are not funded by the Welsh Government. Our report will inform a shared learning event on the theme of digital later in 2023. During this forthcoming year, we will also be undertaking audit work looking at Local Government’s digital strategies and vision. As part of our ongoing audit planning, we are considering the option of further work in future years to look at the implementation of the Welsh Government’s Digital Strategy.

21 The Welsh Government contributes revenue funding towards a cloud network for the public sector in Wales. The contract for managing and running the [Public Sector Broadband Aggregation](#) (PSBA) is currently held by BT.

22 Welsh Government, [Superfast Business Wales](#). The Welsh Government offers support and advice for businesses to try and use digital connectivity opportunities.

Methods

- **Document review:** We reviewed documents and research articles on digital inclusion. These included the Welsh Government’s strategy, plans and delivery documents relating to digital and digital inclusion. We considered the evidence, reports and recommendations from various Senedd committees on and around the topic of digital infrastructure and digital inclusion, including the work of the Public Accounts Committee (Fourth Senedd)²³ and Economy, Infrastructure and Skills Committee (Fifth Senedd),²⁴ as well as the current Climate Change, Environment, and Infrastructure Committee.²⁵ We also considered other reports about digital inclusion, technology and digitising services from the Older People’s Commissioner for Wales,²⁶ Wales Centre for Public Policy,²⁷ Nesta / Y Lab,²⁸ and National Infrastructure Commission for Wales (see **footnote 3**).
- **Interviews:** We interviewed officials from several Welsh Government departments. We also interviewed representatives of DCW, the Older People’s Commissioner for Wales, the Equality and Human Rights Commission, Data Cymru, CDPS and Ofcom.
- **Data analysis:** We reviewed data from open sources including Ofcom and the National Survey for Wales. The National Survey for Wales is a Welsh Government survey involving around 12,000 people each year. Questions cover various topics, including internet, skills and media. Audit Wales recently released a data tool, which provides information about the context and challenges around poverty in Wales, and also includes information about trends of internet use across Wales.²⁹
- **People’s experiences:** With thanks to DCW for distributing our call for evidence to their DIAW. Our call for evidence was opened between 14 October 2022 and 14 November 2022. We received 51 anonymous responses.

23 Senedd Cymru, [Welsh Government investment in next generation broadband infrastructure – The Fourth Assembly](#), March 2016

24 Senedd Cymru, [Digital infrastructure in Wales](#), February 2021

25 Senedd Cymru, [Digital Connectivity – broadband report](#), August 2022. The report was debated and noted at a [Senedd Plenary meeting, 17/11/2022](#). The debate included a response from the Welsh Government. The Welsh Government accepted all recommendations in the Committee’s report.

26 Older People’s Commissioner for Wales, [Ensuring access to information and services in a digital age: Guidance for Local Authorities and Health Boards](#), September 2022

27 Wales Centre for Public Policy, [What does ‘blended’ digital and face-to-face provision mean for access to services during the cost-of-living crisis?](#), November 2022

28 Nesta, [Data Poverty in Scotland and Wales](#), April 2021

29 Auditor General for Wales, [Tackling Poverty in Wales data tool](#), November 2022

Appendix 2 – What people told us about their experiences of digital inclusion and exclusion

Introduction

Our call for evidence (see **Appendix 1**) aimed to gather views, experiences and stories about people's experiences of using the internet. These are anonymous accounts from people in Wales.

We asked the following questions to people about their experiences of using the internet:

- Do you feel you have good internet that meets your needs?
- Do you feel you have the right skills and confidence to do everything you would like to do online?
- Have you ever had help to get online or use the internet? Or have you ever helped someone else?
- Do you use or contact public services such as council services online?
- Do you feel the cost of having the internet and/or mobile phone data is manageable for your household budget?

Do you feel you have good internet that meets your needs?

Most people noted that they had **fast and reliable access to the internet** but even when people do have access to the internet, **the internet access is not always stable**

Some people highlighted **particular challenges** due to **living in a rural area**

Many noted the **importance of good internet** for **working at home**

“ I live in a rural (area) and my **internet connection was poor** with very few options to improve the speed via internet service provider due to the modern infrastructure (fibre) not being in place and not likely to be in place for another 4-6 years. **I then took matters into my own hands and purchased a satellite service.** It is an absolute miracle device. We went from 2Mbps to 200Mbps instantaneously. It is an expensive service, but worth considering if you are a long-time sufferer of poor connectivity. We have dropped other services to help budget for the monthly cost ”

“ In part, although being rural it can be **difficult to maintain connection** and you never know when it might drop off which makes it **difficult to work at times** ”



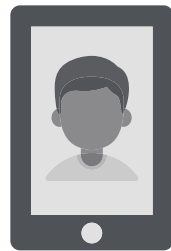
Do you feel you have the right skills and confidence to do everything you would like to do online?

Most people felt **they have the skills and confidence**, but many identified areas where they might benefit from **further developing their skills and confidence**

“ Yes. Although I do feel as my son gets older and closer to using the internet and social media himself that I **might not have the necessary knowledge to keep him safe** ”



Some expressed their awareness around **future changes and developments in technology and the need to keep pace**



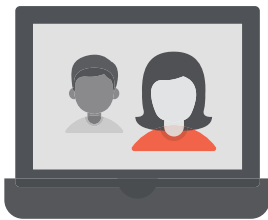
“ **Yes and no. I do not have enough confidence to try new things** ”



“ Yes, pretty much. **And I know how to find out information if I need to do anything new.** However, I carry an anxiety that things are **moving very fast** and will soon **move too quickly away from my current skills and knowledge** ”

Have you ever had help to get online or use the internet? Or have you ever helped someone else?

Most people **access the internet without any help**, but many people play **key roles in helping friends, family and colleagues to use the internet and be digitally included**



“ Both. **Needed help to resolve problems I was unable to solve.** Also helped others to access internet, get online, set up router, log-in, set up accounts, download apps, etc. ”

“ Recently my elderly next-door neighbour was admitted to hospital where he spent 6 weeks in hospital following a fall and fractured hip. Due to ongoing (COVID-19) restrictions there was very limited visiting allowed on the ward.

The television on the ward (was) too far away for him to see properly and the channels that were put on mainstream TV he was not interested in watching.

He does not have the internet at home, no mobile phone etc and is reluctant to use / learn anything digital as ‘he doesn’t trust it’. As a result, (he) had limited contact with the outside world during his stay.

I wanted to try and help. He is an avid fan of cricket, I set up a sports app and wrote out step by step instructions and provided him with a set of earphones to plug in so that he didn’t disturb others with the sound. He’s quite deaf and needs the sound on loudly to hear. Feedback was that this ‘was a Godsend’ and helped alleviate his boredom, engaged him in what was happening and gave him something to talk about to others ”

Do you use or contact public services such as council services online?

Most people said **they use public services online**, however some highlighted **challenges in general with using websites**

Some respondents indicated that they **could use services online**, but have to or **chose to speak to someone instead**

“ I use the local council website to arrange visits to the recycling centre ”



“ Yes. I generally use online first. My doctor’s surgery has online consulting so I complete a survey and a doctor calls me back. The experience has been positive ”



“ My first attempt is always to **get information or contact services online**. However, their websites are often rubbish and the only way to get answers or services is to telephone them ”

“ Very rarely, again I prefer to speak to someone about any issues ”

Do you feel the cost of having the internet and/or mobile phone data is manageable for your household budget?

Most respondents said they felt **the cost was manageable** however many **highlighted concerns** and difficulties with affording the cost

Most respondents see the **internet as essential**

“ It is an essential service just like one of your utilities (water, gas or electricity) you have to manage budgets accordingly. If budgets are tight then we have to prioritise the important things first. A connection to the internet for us in a rural location is our window out onto the world, it’s our library, our school our hobbies, our entertainment and our health centre ”



“ It’s an essential for me so I need to make sure I budget for it ”

“ just about manageable. We are considering moving to ‘sim only’ ”



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales

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