

# Agenda – Public Accounts and Public Administration Committee

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Meeting Venue:	For further information contact:
Committee Room 1 and 2	Fay Bowen
Meeting date: 22 June 2023	Committee Clerk
Meeting time: 09.00	0300 200 6565
	<a href="mailto:SeneddPAPA@senedd.wales">SeneddPAPA@senedd.wales</a>

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This meeting will be broadcast live on [www.senedd.tv](http://www.senedd.tv)

## (Private pre-meeting)

(09:00 – 09:15)

### 1 Introductions, apologies and substitutions

(09:15)

### 2 Papers to note

(09:15 – 09:30)

#### 2.1 Letters in relation to Transport for Wales train procurement

(Pages 1 – 8)

#### 2.2 Letter from the Chief Executive and Clerk of the Senedd in relation to the report: Accounts Scrutiny 2021–22 Senedd Commission

(Pages 9 – 18)

#### 2.3 Letters in relation to the planned changes to Velindre cancer services

(Pages 19 – 29)

#### 2.4 Letter from the Minister for Social Justice and Chief Whip on implementing the recommendations of the Fifth Senedd Public Accounts Committee report: Delivering for Future Generations – the story so far

(Page 30)



**2.5 Letter from the Director General for Education, Social Justice and Welsh Language in response to the Auditor General for Wales report: 'Time for Change' – Poverty in Wales**

(Pages 31 – 35)

**3 Cardiff Airport: Evidence session with Cardiff Airport and the Welsh Government**

(09:30 – 10:25)

(Pages 36 – 85)

Cardiff Airport Officials:

- Wayne Harvey – Chair
- Spencer Birns – Chief Executive Officer
- Jonathan Stott – Finance Director

Welsh Government:

- Tracey Burke – Director General of Climate Change and Rural Affairs
- Peter McDonald – Director Economic Infrastructure
- Jonathan Moody – Head of Aviation

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

(10:25)

The remainder of the meeting.

**5 Cardiff Airport: Private session with Cardiff Airport and the Welsh Government**

(10:25 – 11:20)

**(Break)**

(11:20 – 11:30)

**6 Cardiff Airport: Consideration of the evidence received**

(11:30 – 11:45)

**7 Private paper to note**

(11:45 – 11:50)

**7.1 Letter from the Welsh Government on the Public Accounts and Public Administration Committee's report: Scrutiny of Accounts Welsh Government 2020–21**

(Page 86)

**8 Draft Report – Review of Commissioners**

(11:50 – 12:05)

(Pages 87 – 116)

**9 UK Parliament: Public Administration and Constitutional Affairs Committee Inquiry**

(12:05 – 12:15)

(Page 117)

**10 Forward Work Programme: Autumn 2023**

(12:15 – 12:30)

(Pages 118 – 136)

James Price – Chief Executive Transport for Wales

19 April 2023

## Procurement of Rolling Stock by Transport for Wales

Dear James,

The Public Accounts and Public Administration Committee has received correspondence about the procurement/supply of what we understand to be five 'Class 230' hybrid battery/diesel trains from VivaRail, and in the wake of the appointment of administrators to the company. The correspondence raises concerns about the impact that these developments may have on plans for bringing these trains into service, and delays to date. To assist with our initial consideration of matters raised by the correspondence, the Committee would welcome further details about the arrangements. More specifically:

- confirmation of the number/specification of the trains ordered and whether these have been supplied in full (if not what remains outstanding).
- whether the trains have been bought outright or are being leased, the supporting rationale in either case, and when the contractual arrangements were entered into.
- when Transport for Wales originally expected the trains would come into operation and on what routes, along with any updated position in either respect (in the context of post-pandemic patterns of demand).
- reasons why the trains have not already entered operation and original plans for how they would be serviced/maintained.
- total costs to the public purse to date, how these costs are broken down, and any outstanding debts in either direction.
- TFW's assessment of the impact of VivaRail's administration or other factors on plans for the introduction of these trains into service and ongoing maintenance arrangements.

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

We would welcome a response by 19 May 2023 if at all possible. If there is information that you consider is commercially sensitive but could be made available to the Committee on a confidential basis, then I would ask that you discuss further with the clerking team the handling of your response.

Regards,

A handwritten signature in black ink, appearing to read 'Mark Isherwood', followed by a long horizontal line that tapers to a point on the right.

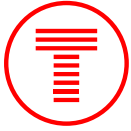
Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee

cc:

Tracey Burke – Director General for Climate Change and Rural Affairs - Welsh Government

Peter McDonald Director of Economic Infrastructure – Welsh Government



Mark Isherwood MS  
Chair of the Public Accounts and Public Administration Committee

18 May 2023

Dear Mark

### **Procurement of Rolling Stock by Transport for Wales**

Thank you for your letter, regarding Transport for Wales (TfW)'s procurement of its Class 230 trains to serve the Wrexham-Bidston line. I welcome this opportunity to share further details about the procurement process and the situation as it stands following Vivarail entering administration. I do hope that this letter will provide some assurance that TfW has exercised due diligence and is working hard to introduce these new trains.

Please find the further detail requested below:

**1. Confirmation of the number/specification of the trains ordered and whether these have been supplied in full (if not what remains outstanding).**

In 2018 as part of the original contract award, five 3-car Class 230 units were ordered from Vivarail under the commitment to improve services on the Wrexham-Bidston route. The trains were identified by KeolisAmey<sup>1</sup> through the Wales & Borders rail franchise bidding process whereby they were then contractualised through the award of the subsequent grant agreement.

The Class 230 is a three-carriage train. Vivarail converted these trains from a London Underground District Line train into a mainline bi-mode/hybrid train which use batteries and a diesel engine. All five 3-car Class 230 units have been supplied. Details are supplied in the answer to question 3.

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<sup>1</sup> Keolis Amey Operations trading as Transport for Wales Rail Services (TfW Rail Services) was a Welsh train operating company owned by Keolis (60%) and Amey (40%) that operated the Wales & Borders rail franchise between October 2018 and February 2021.



**2. Whether the trains have been bought outright or are being leased, the supporting rationale in either case, and when the contractual arrangements were entered into.**

The Welsh Government purchased the trains outright and are owned by TfW (TfW is wholly owned by the Welsh Government). The outright purchase by the Welsh Government was agreed at the time of ordering, as this would have been cheaper over time than Keolis Amey negotiating third party funding and a subsequent lease back, noting that Vivarail were not able to offer a lease arrangement, only outright sale of the units. There have not been any subsequent changes to this arrangement, and as you would expect from a project of this nature periodic reviews have been undertaken. Payments were made on a unit-by-unit basis through 2020 and 2021 once each unit had passed TfW's quality inspection and testing regime.

**3. When Transport for Wales originally expected the trains would come into operation and on what routes, along with any updated position in either respect (in the context of post-pandemic patterns of demand).**

The original contract specified that the Class 230 trains would enter service in 2019. Of the fleet of five, three trains have been cleared for test and driver training, and are now available for service, and are subsequently being used in passenger operation. The fourth train will be available for passenger service in early summer 2023, with the fifth and final train expected to enter service later in the summer / early autumn of 2023.

We expect to operate an hourly service in both directions between Wrexham and Bidston using Class 230s this summer. Successful implementation of a reliable one train per hour service using the Class 230s must be achieved before we move to increase this frequency to two trains per hour.

The units were procured specifically for the Wrexham-Bidston route as a self-contained fleet with the option of operating on a couple of other routes as a stopgap whilst new fleet was being delivered. This option never materialised, and as a result, infrastructure works to allow Class 230 operation have only been carried out on the Wrexham-Bidston route.

**4. Reasons why the trains have not already entered operation and original plans for how they would be serviced/maintained.**

The reasons for the delayed entry of the Class 230 trains into service are as follows:

- Vivarail's committed programme timescales proved to be unrealistic. Vivarail accepted majority fault for the delays, and a substantial liquidated damages payment of £1.5 million was agreed and paid;
- delays in production at Vivarail due to the onset of the coronavirus pandemic (namely delays in obtaining materials) - these were accepted as permitted delays;



- coronavirus restrictions and social distancing requirements also served to delay driver training in light of the need to form traincrew ‘bubbles’;
- poor initial reliability delayed ‘fault free running’ and acceptance of the units by TfW. This also led to occasional cancelled driver training;
- quality issues requiring resolution before the units could be accepted by TfW such as two separate thermal incidents between July 2021 and April 2022 led to fleet stand down while the issues were understood and mitigations were put in place. This was followed up by a substantial piece of work to re-map the engine control software, battery and rectifying wiring;
- the two fleet stand-downs delayed driver training, but also led to some drivers losing competency and needing additional refresher training;
- Vivarail entering into administration at the end of 2022 caused further delays while TfW established an in-house maintenance team.

Original plans upon purchase of the trains were for Vivarail to carry out the maintenance of the fleet, although a maintenance agreement was never signed. During production and initial testing it became evident that the trains required more maintenance than originally envisaged and Vivarail could not proceed with their proposed prices. TfW was negotiating with Vivarail a revised maintenance agreement at the time Vivarail entered administration. During this time, TfW agreed the use of Birkenhead North depot as a maintenance base for the Class 230 fleet and had contracted Vivarail technicians to support driver training on an ad-hoc basis. This was supplemented by a TfW-contracted team assisting the Vivarail technicians at Birkenhead North.

When Vivarail went into administration, TfW’s maintenance team (joined by additional recruits including some ex-Vivarail technicians) were approved as the fleet maintainers, allowing driver training to recommence ahead of passenger service in April 2023. We intend to continue with this team over the next few months while a decision is taken on the best long-term maintenance option for the Class 230 fleet.

**5. Total costs to the public purse to date, how these costs are broken down, and any outstanding debts in either direction.**

The total expenditure to date is £30.7m, this includes £16.6m for the purchase of the units; £8.5m capital costs to bring the trains into service; and £5.7m for operational costs. The breakdown of these costs is shown below.





The capital costs associated with purchasing the Class 230 units and getting them into service are as follows:

Capex costs	Spend to date £k
Cost of units	16,575
Capital Spares	2,482
Variations	1,978
Depot Upgrade	950
Other Costs	3,001
<b>Total</b>	<b>24,985</b>

The operational costs ahead of passenger service:

Opex costs	Spend to date £ k
Liquidated Damages paid to TfW	(1,473)
Vivarail maintenance	2,496
Training	186
TfW contracted maintenance	2,595
Materials and Heavy Maint	29
Depot Access (Birkenhead)	1,365
Security / cleaning / tooling	103
Other	426
<b>Total</b>	<b>5,728</b>

There are no outstanding debts in either direction. The payment agreed with Vivarail's administrator, which included access to a significant volume of spares, factored in payment of the outstanding invoices due to Vivarail for maintenance technicians, as well as the remaining liquidated damages due from Vivarail for the delays to the programme.

**6. TFW's assessment of the impact of VivaRail's administration or other factors on plans for the introduction of these trains into service and ongoing maintenance arrangements.**

At the time Vivarail went into administration, the Class 230s were two to three months away from entering passenger service, subject to the agreement of a satisfactory maintenance agreement with Vivarail. However, due to the protracted agreement of the maintenance regime with Vivarail, TfW had already taken several steps to ensure the resilience of the Class 230 operation. These were:



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FOR WALES**

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- a. generation of TfW's own maintenance instructions, as Vivarail instructions were not considered adequate;
- b. resolution of the two thermal incidents, including extensive testing and full technical audits of all Class 230 trains carried out by TfW;
- c. sourcing of major capital spares to support future maintenance, regardless of who this will be carried out by;s
- d. establishment of good working relationships with Vivarail technical personnel at a working level, which facilitated TfW quickly securing ex-Vivarail staff when the business went into administration;
- e. appointment of TfW team at Birkenhead North depot to support the Vivarail team, and set-up of off-site parts stores and a component maintenance location nearby;
- f. Investing in the depot facilities at Birkenhead North depot, including fuelling facilities and toilet tank emptying. Using this depot also means that the Class 230 trains no longer need to travel to Chester for maintenance and/or servicing which ultimately saves on costs and resource.

When Vivarail ceased trading, these steps enabled us to move quickly to appoint a complete 'in-house' maintenance team, secure spares and recommence driver training to achieve passenger entry into service on 3 April 2023, around only four months after Vivarail ceased trading.

In addition, the Class 230 trains have generally been operating reliably and the major technical issues seem to have been resolved. As a result, TfW is now in a position to continue operation of the Class 230s for the foreseeable future, providing the Wrexham-Bidston route with a better standard of service than has previously been possible. A positive relationship has been established with First Group, who purchased the remaining Vivarail assets, allowing us to further strengthen our spares-holding position.

I trust the committee will find the content of this response detailed and informative, and I welcome any further questions you may have. If I can be of any further assistance, please do not hesitate to get in touch.

Yours sincerely,

James Price  
Prif Weithredwr / Chief Executive

Mark Isherwood MS  
Chair of Public Accounts and Public Administration Committee  
Senedd Cymru  
Tŷ Hywel  
Cardiff Bay

6 May 2023

Dear Mark

When I wrote to you previously with regard to the Commission's response to the Public Accounts and Public Administration Committee's recommendations made in the Report on the Scrutiny of Accounts 2021-22, I committed to providing further information in relation to Recommendation 5 when it became available, and stated that I would write to you in relation to Recommendation 1 after the year end. This information is set out in **Annex 1**.

I hope this is useful information for your Committee.

Yours sincerely



**Manon Antoniazzi**  
**Prif Weithredwr a Chlerc y Senedd / Chief Executive and Clerk of the Senedd**

cc Senedd Commissioners, Ed Williams

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.



## Annex 1 - Public Accounts and Public Administration Committee Recommendations

### Recommendation 1

**The Committee would like to hear from the Commission on an annual basis with a breakdown of the projects actioned as part of the project fund and the funding allocated to these individual projects. This information should be provided ahead of the Committee's annual scrutiny of the Commission's Accounts.**

The Commission agreed to outline the breakdown of the projects actioned as part of the 2022-23 project fund and the funding allocated to these individual projects, following the end of the 2022-23 financial year. That information is provided below.

Project / Item	Budget Assigned £000
Customer Relationship Management & Online Engagement Tools	£66
Project and Programme Management System	£69
Service Level Agreement: Police vehicle replacement and equipment upgrade	£65
Post-pandemic return to the estate – re-equipping of desks in Ty Hywel	£37
Pierhead toilet refurbishment works	£45
Senedd door security upgrade	£30
Ty Hywel Block 1A return to estate adaptation works	£70
Cyber security enhancement project	£154
Rolling Ty Hywel fire door replacement (Phase 5)	£80
Rolling energy saving LED office lighting upgrade	£100
Senedd Building Management System replacement feasibility study	£20
Senedd Siambr LED lighting upgrade	£45
Senedd smoke detection equipment renewal	£20
Senedd UV water treatment system repair	£50
Professional advice on future strategic options for Senedd estate	£50
Cost of living payment to Commission staff	£97
Replacement Broadcast Encoders and Social Media Streaming System to continue live-feed of Senedd proceedings	£62
<b>Total</b>	<b>£1,060</b>

### Recommendation 5

**The Commission should share a summary of the results of each pulse survey, when available, with the Committee with a focus on mental ill health, indices of mental ill health and staff absences more generally. The Committee also looks forward to reviewing the results of the annual staff survey for 2022.**

The annual Commission staff survey for 2022-23 has been undertaken by the Executive Board. Shortly afterwards the most recent of the regular 'pulse surveys' was also undertaken. A summary of findings from each are included below.

# Senedd Commission People Survey 2022-2023 Summary of Findings

## Overview

This Senedd Commission people survey took place in March 2023. With a survey response rate of 71%, the overall score was 75% against the Six Steps to Workplace Engagement.

Theme	Average Score %	Difference to previous survey %
<b>Engagement Index</b>	<b>75</b>	-
Reward and Recognition	<b>74</b>	-2.9
Information Sharing	<b>73</b>	+0.4
Empowerment	<b>74</b>	+0.3
Wellbeing	<b>72</b>	-0.2
Instilling Pride	<b>78</b>	-1.1
Job Satisfaction	<b>78</b>	+0.5
My Manager	<b>75</b>	-1.7
Leadership and Managing Change	<b>64</b>	+1.3
Learning and Development	<b>66</b>	+1.2
The Senedd Commission and its Culture	<b>79</b>	+1.6
My Team	<b>83</b>	+1

# Snapshot



Workplace Happiness Index Themes	Senedd Commission Themes
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**74%**  
Reward and Recognition  
(-3%)



**73%**  
Information Sharing  
(0%)



**75%**  
My Manager  
(+2%)



**64%**  
Leadership and Managing Change  
(+1%)



**74%**  
Empowerment  
(0%)



**72%**  
Wellbeing  
(0%)



**66%**  
Learning and Development  
(+1%)



**79%**  
Organisational Culture  
(+1%)



**78%**  
Instilling Pride  
(-1%)



**78%**  
Job Satisfaction  
(0%)




**83%**  
My Team  
(+1%)

# The Six Steps to Workplace Engagement

The Six Steps to Workplace Engagement is a framework that encompasses the six key drivers of employee engagement, happiness and well-being: Reward and Recognition, Information Sharing, Empowerment, Well-being, Instilling Pride and Job Satisfaction.

## Six Steps to Workplace Engagement Scores

The Six Steps are the six categories you need address and work on to engage your staff and improve workplace engagement.

 Reward & Recognition		Good Score!
 Information Sharing		Good Score!
 Empowerment		Good Score!
 Wellbeing		Good Score!
 Instilling Pride		Good Score!
 Job Satisfaction		Good Score!

## Wellbeing Survey March-April 2023 Summary of findings

The findings, as with previous surveys, remain generally positive across most areas. A number of areas show some slight improvements against the last survey in September e.g. financial awareness, connection across the Commission, and very marginal improvement in workloads. However, the number of respondents who worked whilst unwell has increased, and work related stress remains an area of concern.

The survey also asks questions against the overall aims of the Wellbeing Strategy, which is:

To protect, promote and support organisational capability by achieving a workplace culture and environment where health, safety and wellbeing is championed by all, where people are able to bring their whole self to work, and where staff are enabled and empowered to make choices that support them to live well and work well.

In relation to this:

- **79%** of respondents agree the organisation does a good job of embedding well-being into the workplace culture. This has increased by 2% since the last survey in September 2022. This aligns to the March 2023 People survey which finds that 79% of respondents agree that their employer cares about their wellbeing
- **83%** of respondents agree that they are able to 'bring your whole self to work' -be authentic at work without judgement. This has increased by 2% since the last survey in September 2022. This correlates with the March 2023 People Survey where 79% of colleagues agree that the Senedd Commission is committed to creating a diverse and inclusive workplace, and that the Senedd Commission respects individual differences.
- **Nearly two thirds (63%)** of respondents agree that the Commission's senior management role models and encourages wellbeing at work. 22% disagree or strongly disagree and 15% don't know. This is the first time this question has been asked in the survey.

This report should also be read alongside the results of the March 2023 People Survey, which found that the overall wellbeing score for the Commission is 'Good' when compared to the industry average:

	2022	Industry average 2022
% of employees at risk of having poor wellbeing	21%	40%
My employer cares for my wellbeing	79%	68%
I rarely feel anxious or depressed about work	63%	57%
I am happy with my working environment	75%	72%
I feel happy at work	72%	69%



## Core question results and prior survey comparison

	May 2020	July 2020	Nov 2020	March 2021	July 2021	Oct 2021	Mar 2022	Sept 2022	April 2023	Change
Response rates	60%	62.4 %	70.6%	71%	64%	67%	67%	68%	63%	↓
<b>% agreeing or strongly agreeing</b>										
Staff agree that the organisation does a good job of embedding wellbeing into workplace culture	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	77%	79%	↑
<b>Physical wellbeing</b>										
Physical wellbeing rating (1. V Poor / 5 Excellent)	3.65	3.49	3.49	3.55	3.44	3.36	3.37	3.52	3.45	↓
Staff who have worked whilst unwell over the last 12 months	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	43%	43%	51%	↑
<b>Mental wellbeing</b>										
Mental wellbeing rating (1. V Poor / 5 Excellent)	3.41	3.4	3.3	3.21	3.33	3.26	3.24	3.36	3.32	↓
Staff experiencing anxiety / stress over the last 6 months which was partly or wholly work related	Not asked	Not asked	Not asked	47%	46%	43%	45%	41%	40%	↓
Staff who agree their line manager communicates well and they understand what's important and what to focus on	92%	93%	95%	94%	92%	92%	91%	91%	94%	↑
Staff who feel workload is too high for the hours they were able to work	Not asked	21%	20%	17%	18%	22%	23%	19%	18%	↓
Staff who feel they do not have enough work to fill their hours.	Not asked	5%	4%	3.5%	5%	4%	4%	4%	4%	=
<b>Social wellbeing / connectivity</b>										
Staff agree that their line manager cares about their wellbeing	Not asked	Not asked	96%	98%	95%	96%	97%	96%	96%	=
Staff feel supported and connected to their team	95%	97%	96%	94%	92%	92%	92%	92%	95%	↑
Staff agree they feel connected across services	Not asked	Not asked	Not asked	59%	61%	67%	56%	62%	69%	↑
<b>Financial wellbeing</b>										
Staff agree that the Senedd provides enough support and information regarding financial support and options	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	74%	73%	76%	↑
<b>Healthy workspaces</b>										
Staff agree that they are able to work from home effectively.	85%	87%	83%	89%	93%	95%	95%	95%	98%	↑
Staff agree their working environment is healthy and safe	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	Not asked	94%	98%	↑

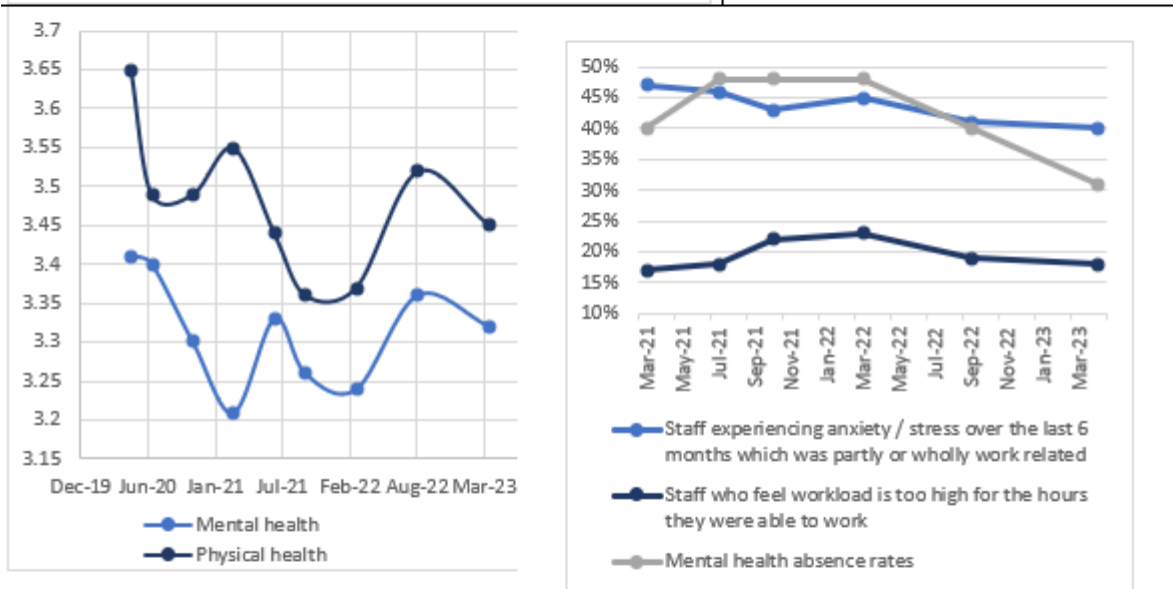
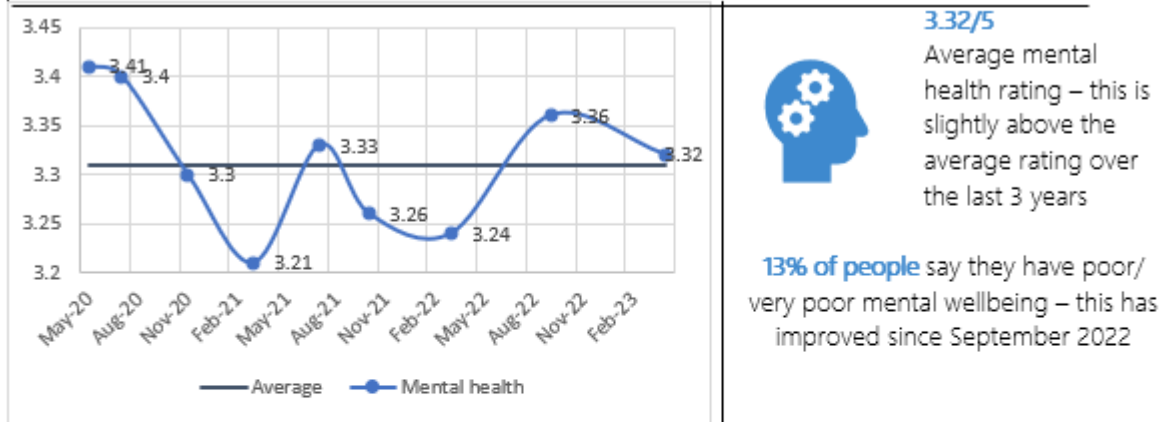
Positive result, does not need attention

May need attention

Area of immediate attention

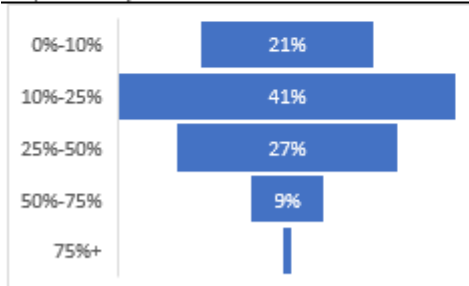
As the Committee has particularly asked for information related to Mental Health, the following sections are the results from the Wellbeing Pulse Survey regarding Mental Health:

## Mental wellbeing



Over the last 6 months **57%** of respondents have had anxiety or stress (home or work related) which has had a negative effect on their wellbeing (this is **the same** as in September)

**40%** of the whole workforce has experienced work related stress over the last 6 months (this is the lowest since we started asking this question in March 2021, and is 4% lower than the average response across that time). This is comparable with the March 2023 People survey figures where 63% of respondents say they 'rarely feel anxious about work'

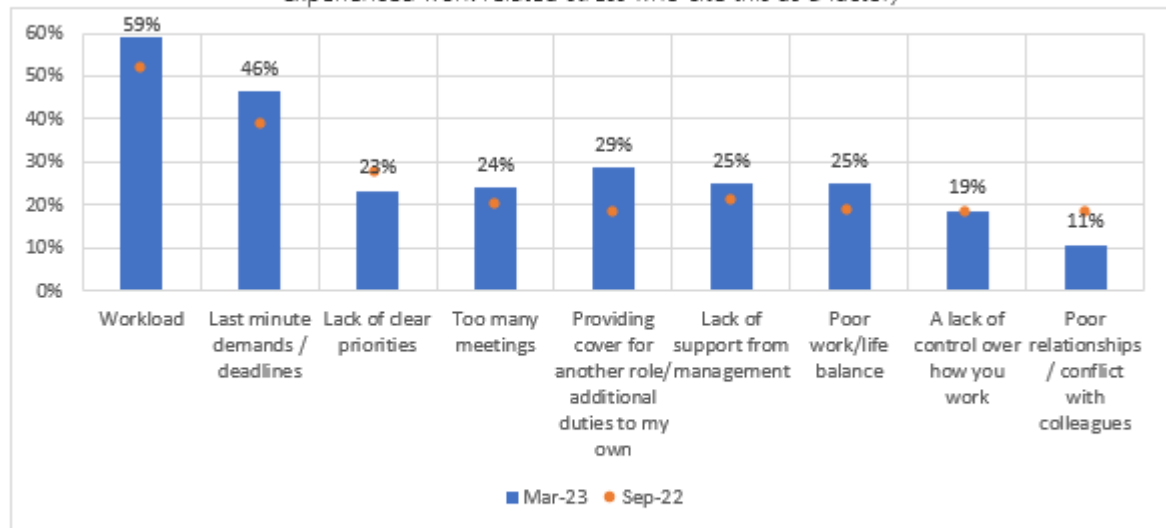


Percentage of time respondents spend in meetings per week

Views on workload:



Factors cited as causing work related stress (percentages relate to the amount of staff who have experienced work related stress who cite this as a factor)



In response to the question 'Is there any way in which you believe that the Commission could better support employees' mental health?', a significant number of responses was received and the full responses are in Annex 2. A summary of the most commonly mentioned responses is below:

- Better management of workload
- More staff / resources to lower workload pressures
- Training space / gym / equipment on site
- Engage a retained mental health professional to support staff
- Allow paid time during the work day for wellbeing activities
- Increase wages in line with the cost of living or provide another payment
- Consider and trial a 4-day working week
- Mandatory/refresher wellbeing training for line managers , including topics such as mental health, neuro diversity and menopause
- Healthier food options in the canteen
- Taking a more agile / speedy approach to the authorisation of and process of vacancy management/ recruitment
- Fair / consistent treatment
- Encouraging fewer meetings and protecting lunch hours / breaks
- Better management of conflicting / unrealistic / unreasonable deadlines which create high pressure points
- Taking a less hierarchical approach by allowing people to take managed risks and make decisions.
- Allow a number of Mental Health days for employees during the year

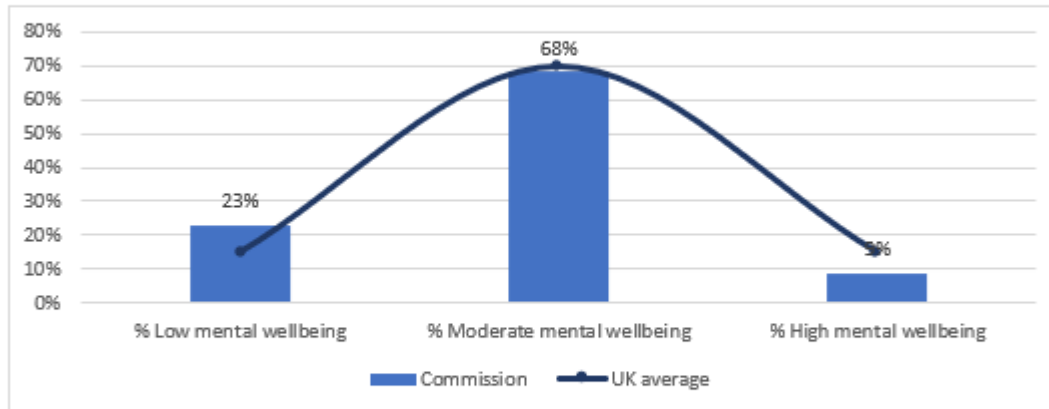
Positive responses were also received including:

**"This is by far one of the most inclusive places I've ever worked. It's such a lovely atmosphere, and the Senedd staff really care about each other's wellbeing."**

**"I couldn't feel any more supported than I do. Such a fantastic place to work. I don't think people here realise how good they have it compared to other work places."**

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For the first time in the wellbeing survey, we used the [Warwick-Edinburgh Mental Wellbeing Scales](#), which is a scale used nationally and internationally to measure mental wellbeing. Moving forward, this will allow us to benchmark the mental wellbeing of our staff, as well as assess the effectiveness of interventions. 250 people completed this section:



Against the different indicators on the scale, as a group, respondents scored lowest on the indicator regarding feeling relaxed. It should be noted that 24 people have a score which is indicative of probable mental illness. Respondents were advised when completing the survey that if they had a score of <20, they may wish to see support from Occupational Health or the Wellbeing team.

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**94%** feel their line manager communicates well and they understand what's important and what to focus on



**91%** would talk to their manager if work made them stressed or anxious

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### Analysis

- There is an overall positive improvement on the number of respondents saying that workload is too high – and compared to this time last year it has reduced by 5%. However, this remains the highest factor contributing to work related stress, alongside last minute demands / deadlines
  - There has been a significant increase in respondents saying that working additional duties / providing cover for others is contributing to work related stress, and this is further shown through the free text responses where there are a number of comments about the need for additional resource and better management of vacancies
  - Compared to the UK average, the Commission has slightly more people with low mental wellbeing, and slightly less people with high mental wellbeing, but about the same representation of people with moderate mental wellbeing
  - Respondents remain largely positive regarding management communication and ability to talk to managers if stressed, although there were a number of comments received regarding the need for more management training
  - Unsurprisingly, there is generally a clear correlation between how staff rate their mental health and physical health, when comparing the results across previous surveys, as well as correlations between work related anxiety/stress, and workload. Mental health sickness absence rates were artificially inflated as a result of the pandemic, have reduced and are now at pre pandemic rates
-

Judith Paget - Director General for Health and Social Services/Chief Executive

NHS Wales

Steve Ham - Chief Executive Officer Velindre University NHS Trust

23 March 2023

Dear Both,

I have received correspondence setting out concerns about the planned changes to Velindre cancer services and development of the new Velindre Cancer Centre. The issues raised touch on the overall clinical model and case for the new Centre that I am aware has been debated elsewhere, as well as the timeline and latest costs. However, these issues also cover the potential involvement in the Mutual Investment Model (MIM) contract of the firm Kajima, given litigation issues in England and reported criminal action against company executives overseas in relation to bidding practices. Similarly, a company called Sacyr, who is also in the Velindre Trust's preferred bidder, the 'Acorn consortium, for the new Velindre MIM contract has received a fine for bid-rigging.

Given the remit of the Public Accounts and Public Administration Committee, I am seeking further information and assurances, and I ask that you provide the following:

- Confirmation of the current status of the contractual arrangements for the main MIM contract, and any other related contracts.
- Details of the due diligence undertaken at different stages of the procurement process for the MIM contract, including how/whether the concerns around Kajima noted above have featured in that process, any additional assurances that have been sought as a result, or any relevant safeguards that are being reflected in the contracting arrangements.
- A breakdown of the costs to date of the project to develop the new Centre, and of current estimated lifetime project costs including the MIM contract. We would also ask for any comparison that can be provided with estimates earlier in the project lifecycle at key decision points (eg. full business case approval), and an explanation of the main reasons behind any cost increases.
- Details of the current timeframe for completion of the construction phase of the project and opening of the new Centre, again compared with estimates at key points earlier in the project lifecycle.
- Confirmation of whether, in advance of agreeing the MIM contract, there has been any reassessment by the Welsh Government and/or the Trust of the overall business case for the project given the impact of

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

inflationary pressures or other factors, including whether the Welsh Government and the Trust remain satisfied that the plans for the new Centre provide the best value for money and a sustainable clinical solution for the longer term (across the lifetime of the MIM contract and well beyond).

I recognise there may be commercial sensitivities involved in responding to some of these matters but would ask that you discuss any handling issues with the clerking team while seeking to respond as fully as possible.

I look forward to receiving your response as soon as possible.

Regards,

A handwritten signature in black ink, appearing to read 'Mark Isherwood', written over a horizontal line.

Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee

cc: Eluned Morgan MS - Minister for Health and Social Services

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/  
Prif Weithredwr GIG Cymru  
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/  
NHS Wales Chief Executive  
Health and Social Services Group



Llywodraeth Cymru  
Welsh Government

To:

Mark Isherwood MS  
Chair, Public Accounts  
and Public  
Administration  
Committee

17<sup>th</sup> May 2023

Dear Mr Isherwood

**Public Accounts and Public Administration Committee – Questions on new Velindre Cancer Centre (nVCC)**

Thank you for your letter dated 23<sup>rd</sup> March.

**1. Governance Arrangements**

1.1 Prior to consideration of the answers to the questions submitted, we wanted to provide you with an overview of the robust strategic and operational governance related to the development of the new Velindre Cancer Centre (nVCC). We hope this context will support the direct answers to your specific questions.

1.2 The Project Governance Arrangements work on three levels:

- Welsh Government (Strategy & Policy)
- Velindre University NHS Trust (Corporate)
- Velindre University NHS Trust (Operational / Project)

## 2. Welsh Government (Strategy & Policy)

Below is a table outlining the Welsh Government Structures and how they operate.

<b>Group/Board</b>	<b>Overview</b>
<b>MIM Velindre Health Strategic Board (HSB)</b>	Monthly meeting chaired by Deputy Chief Executive NHS Wales, attended by VUNHST Chief Executive and nVCC & Enabling Works Project Director to support the management of the MIM processes, provide progress updates, challenge project delivery, discuss rationale for MIM Policy derogations and provide a point of escalation.
<b>Welsh Government Advisory Group Business Case Scrutiny</b>	Business cases are scrutinised by a multi-disciplinary team of Welsh Government officials and external advisors, including clinical, workforce, policy, planning, finance, economists and estates professionals in order to consider the strategic, economic, commercial, financial and management cases for the spending proposal against the investment objectives and criteria. Their feedback and recommendations feed into the Infrastructure Investment Board.
<b>Welsh Government Infrastructure Investment Board (IIB)</b>	The IIB's remit includes ensuring that all investments fit with the strategic direction of the NHS and infrastructure Investment objectives and meet the specified investment criteria. Subject to the IIB's support, formal advice and recommendations are presented to the relevant Minister as described above.
<b>Welsh Ministers</b>	<p>The MIM Pipeline and associate projects bridge two Government Departments, namely Treasury and Health. The final signoff of the nVCC scheme authorising VUNHST to proceed into procurement is that of the Welsh Ministers. The Welsh Government MIM assurance framework includes Commercial Approval Points (CAPs) which have considered at various points to date the impact of project-specific commercial factors in relation to:</p> <ul style="list-style-type: none"> <li>• Affordability;</li> <li>• Value for Money;</li> <li>• Deliverability; and</li> <li>• Commercial and compliance aspects of a Project.</li> </ul>

## 3. Additional External Assurance

### 3.1 Gateway or Project Assurance Reviews process

The development of the new Velindre Cancer Centre is subject to the Gateway and Project Assurance Reviews process - a standard part of the business case process required by the UK and Welsh Treasuries for all large infrastructure projects. The Infrastructure Projects Authority (IPA) Gateway Review process examines Projects at key decision points in their lifecycle. As part of this process, an independent expert team assesses the delivery confidence of a Project or Programme.



### **3.2 Business Case approval**

The development of the new Velindre Cancer Centre project has followed the Welsh Government's five case model guidance in developing the relevant business cases. It was included in the Strategic Outline Programme for the Transforming Cancer Services programme in 2015; in the Programme Business Case developed in 2017.

There are a number of business case processes which form part of the Transforming Cancer Services Programme:

- The Enabling Works Project Full Business Case was approved in February 2022. This part of the programme is the preparation of the site and building the necessary roads and bridges. The work started in February 2022 and is nearing completion.
- The Radiotherapy Satellite Centre Full Business Case was approved in September 2022. This is to build a centre at Abergavenny in order to improve accessibility to tertiary cancer care across the region. The work is underway.
- The Integrated Radiotherapy Solution Full Business Case was approved in September 2022. This is for the provision of ten Linear Accelerators, eight of which will be in nVCC and two in the Radiotherapy Satellite Centre in Abergavenny. Following a robust procurement process the contract has been awarded and work on implementation for both sites is in progress.
- The Outline Business Case for the nVCC was approved in March 2021. The Acorn Consortia was selected as the Successful Participant of the competitive dialogue to design, build, finance and maintain the nVCC in July 2022 following a robust nine month competition. Following the conclusion of the competition phase of the procurement process, the Trust proceeded to the "Successful Participant to Financial Close" stage which is ongoing as we write. Full Business Case will be submitted for approval in line with Financial Close with the Acorn Consortia.
- The nVCC Business Case has an important emphasis on wider community benefits. These include:
  - Recruitment and training of unemployed and economically inactive people.
  - New apprenticeships, particularly for young people aged 16-24 who are NEET/LTE or a Disadvantaged Worker
  - Supply chain initiatives for SMEs and social enterprises.
  - Minimising adverse environmental impact, making a positive impact on the environment
  - Educational initiatives: engagement, STEM subjects, and career workshops
  - Engagement with the third sector
  - Community initiatives, to support community engagement, regeneration, the Welsh language and culture and community cohesion

The development of all the Business Cases (have been subject to scrutiny and assurance within Velindre University NHS Trust; external reviews (Gateway reviews and commercial approval point reviews, where appropriate); scrutiny by commissioning University Health Boards and scrutiny from the Welsh Government's Infrastructure Investment Board prior to Welsh Government Ministers' consideration.

4. **Velindre University NHS Trust (Corporate) – and Velindre University NHS Trust (Operational / Project)**

All work associated with the nVCC development is subject to the following internal scrutiny:

<b>Group/Board</b>	<b>Overview</b>
<b>Velindre University NHS Trust Board</b>	<p>The role of the Trust Board is to:</p> <p>Set the Trust’s strategic direction.            Establish and uphold the Trust’s governance and accountability framework, including values and standards of behaviour.            Ensure delivery of the Trust’s aims and objectives through effective challenge and scrutiny of performance.</p> <p>The Trust Board is a corporate decision-making body who reserve the right to approve all financial commitments exceeding the Chief Executive’s financial limit (currently £100k). The Board holds the Chief Executive (Senior Responsible Owner) accountable for the delivery of the nVCC Project.</p> <p>The Trust Board receives reports relating to the nVCC Project at every meeting. The report gives the Trust Board full visibility of how the nVCC project is performing to time, cost and quality. It also informs the Trust Board of progress against plan, notable project risks and issues, and asks the Trust Board to consider approving matters that exceed the delegated authority of the nVCC Project Board.</p>
<b>TCS Programme Scrutiny Sub Committee</b>	<p>The nVCC Project Board is assured by a TCS Scrutiny Committee made up of Independent Members and attended by the SRO, Programme Director, Project Director and other Trust Officers.</p> <p>The TCS Scrutiny Sub-Committee reports to the Trust Board.</p>
<b>Strategic Capital Board (replacing Programme Delivery Board)</b>	<p>The Strategic Capital Board is responsible for leading and coordinating the development and delivery of the Trusts Infrastructure programmes.</p> <p>The Strategic Capital Board will have delegated Approval authority (when applicable) on behalf of the VUNHST.</p>
<b>nVCC and Enabling Works Project Board</b>	<p>The nVCC Project Board is a decision making board that has the relevant delegations (approved by the Trust board) to manage the delivery of the nVCC Project. It is chaired by Project Director. The nVCC Project Board oversees the Design, Procurement, Construction and Commissioning of nVCC.</p>

5. **Internal Audit**

NHS Wales Shared Services Partnership provides Internal Audit services to Velindre. The nVCC project forms an integral part of the Trust's annual audit cycle due to its significance to the organisation. There is a continuous stream of Internal Audit reviews of the Project and Internal Audit representative attends the Enabling Works/nVCC Project Board. Since the start of 2022, there has been five Internal Audit reviews undertaken to date, three of which were assessed as Substantial assurance (Green), one Reasonable (Yellow) and one Limited (Amber).

Both enabling works and nVCC projects were managed separately for a number of reasons, including the different funding model developed for both. The project boards meet on a monthly basis to review progress, risk and benefit. The project is considered as part of the wider Transforming Cancer Services programme

## 6. PAC Questions

### **1. Confirmation of the current status of the contractual arrangements for the main MIM contract, and any other related contracts.**

1.1 There are a number of business cases related to the development of the new Velindre Cancer Centre. As outlined above in the context of the assurance framework, these are:

- The Enabling Works Project Full Business Case, approved in February 2022.
- The Radiotherapy Satellite Centre Full Business Case, approved in September 2022.
- The Integrated Radiotherapy Solution Full Business Case, approved in September 2022.
- The Outline Business Case for the nVCC, approved in March 2021. Full Business Case will be submitted for approval in line with Financial Close with the Acorn Consortia.

1.2 The Acorn consortium team includes Kajima Partnerships, Sacyr, Abrdn, Andrew Scott, Kier Facilities Services, White Arkitekter, Arup, MJ Medical, Turley, Studio Response, Camlins Landscape Architects, Osborne Clarke, Operis and Confab Lab.

### **2. Details of the due diligence undertaken at different stages of the procurement process for the MIM contract, including how/whether the concerns around Kajima noted above have featured in that process, any additional assurances that have been sought as a result, or any relevant safeguards that are being reflected in the contracting arrangements.**

2.1 Velindre has obtained information and has sought further information and assurance from the Acorn consortium in connection with the following ongoing proceedings:

- a. administrative proceedings by the Comisión Nacional de los Mercados y la Competencia in Spain of 7 July 2022, in relation to alleged collusion in Spain that are subject to an appeal by Sacyr Construcción S.A (the "**Sacyr Proceedings**"); and
- b. administrative and alleged criminal proceedings in respect of alleged breaches of the Japanese Antimonopoly Act against Kajima Corporation and one of its

employees, last heard in the Tokyo High Court of Appeal in early March 2023, and that are subject to an appeal by Kajima Corporation and the relevant employee (the “**Kajima Proceedings**”).

Sacyr Construcción S.A is the Construction Contractor Guarantor on the Project.

2.2 Kajima Corporation is not directly involved in the Project but is the ultimate parent company of Kajima Partnerships Limited (Developer/ shareholder) and Kajima Europe Ltd (Financial Support Provider to Kajima Partnership Ltd).

### **Procurement Process**

2.3 The procurement process was designed with Velindre’s legal advisors in accordance with, and when undertaken, was compliant with best practice, the Public Contracts Regulations 2015 (the “Procurement Regulations”) and Welsh Government guidance.

2.4 The Pre-Qualification Questionnaire (PQQ) for the Project was developed using the MIM Standard Form PQQ published by Welsh Government for MIM projects (with tailoring to certain non-mandated aspects to reflect market conditions and sector and project specific matters). Exclusion grounds were included in Part 2 (Exclusion Grounds) of the PQQ, in accordance with Regulation 57 (Exclusion Grounds) of the Procurement Regulations.

2.5 There are two exclusion grounds which are of particular relevance to the proceedings regarding “Competition Exclusion Ground” and “Criminal Conviction Ground.”

2.6 PQQ Responses to Part 2 of the PQQ were evaluated by the Legal Evaluation Team. The Economic Operators within the Acorn Consortium answered no to both questions referred to above and passed Part 2 (Exclusion Grounds) of the PQQ. The evaluation approach to these questions was consistent with Regulation 59 (Single Procurement Document) of the Procurement Regulations.

2.7 Sacyr appropriately answered No to both questions in the PQQ, given there are no final binding judgements on the Sacyr Proceedings. However, in the spirit of full and transparent dealings, and at the same time, Acorn provided additional further information to their PQQ, to confirm that it had given written notice of its intention to file a challenge of the decision. They confirmed that they would present this to the High Court Justice in Spain before the deadline of October 2022, together with a request for a precautionary measure (which is the interim application for the full suspension of the decision (including payment of the fine)). This was therefore taken into account during the selection process and legal advice confirmed is as an appropriate position. The challenge was subsequently filed by Sacyr prior to the October 2022 deadline.

### **Subsequent Diligence and Assurance & Contractual Context**

2.8 During the procurement process Velindre has sought additional information from the Acorn Consortium on these proceedings. The information requested has been provided.

2.9 To the extent appropriate and records were available, the procedural information provided by the Acorn Consortium on the Sacyr Proceedings and Kajima Proceedings has been verified by Velindre’s legal advisers through checks of the relevant court records.

2.10 The verified information has been taken into account by Velindre and its legal advisers to assess whether the Sacyr Proceedings or the Kajima Proceedings impact on the PQQ evaluation. In summary, on the basis of that information and as there are no final binding judgements on the Sacyr Proceedings or the Kajima Proceedings, the outcome of these assessments is that there is currently no change in circumstances which would result in the Acorn Consortium failing the PQQ Criminal Conviction Ground or Competition Ground.

2.11 Were there to be final binding judgements in either the Kajima Proceedings (concerning Kajima Corporation) or the Sacyr Proceedings, against the relevant entities during the procurement process, the Acorn Consortium would be required to provide further information to Velindre in keeping with its obligations under the procurement documents. In that scenario, the Authority would expect the Acorn Consortium to provide the necessary level of evidence required to satisfy the *self-cleaning* provisions under Regulations 57(13) to 57(16) providing the appropriate level of proof under Regulation 60 (Means of Proof). Self-cleaning includes action such as: paying necessary compensation; taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct; and the measures taken by the economic operator are evaluated taking into account the gravity and particular circumstances of the criminal offence or misconduct.

2.12 Notwithstanding the fact there has been no final finding of distortion of competition, there is further assurance that Velindre would take from undertaking checks on information akin to self-cleaning at this time. This process is currently underway with the Acorn Consortium and will be completed prior to Financial Close. The assessment of self-cleaning information will reflect what would have been required under Regulations 57(13)-57(16) and the evaluation methodology outlined in the Descriptive Document for the Project, where there had been an adverse final decision in respect of the Sacyr Proceedings and/ or the Kajima Proceedings (relevant to Kajima Corporation) during the Procurement Process.

**3. A breakdown of the costs to date of the project to develop the new Centre, and of current estimated lifetime project costs including the MIM contract. We would also ask for any comparison that can be provided with estimates earlier in the project lifecycle at key decision points (eg. full business case approval), and an explanation of the main reasons behind any cost increases**

3.1 The total cost of the costs to date of the project to develop the new Velindre Cancer Centre itself (from 2014 up to the end of March 2023) are £16.3 million. These costs include project management, legal, design, planning and all other expert advice since 2014.

The table below shows the costs related to the overall Transforming Cancer Services Programme from 2014:

<b>Workstream</b>	<b>Cost to date as at March 2023</b>
nVCC & Transforming Cancer Services Wider Programme	£18.874m
Enabling Works	£19.99m
Integrated Radiotherapy Solution	£9.01m

3.2 The Full Business Case is in preparation, but a relevant reference point is the budget agreed in summer 2022 at the conclusion of the competitive dialogue process. This was an annual service payment for the MIM of c £29m and that includes 25 years of maintenance costs, 25 years of lifecycle replacement, the full capital cost of the building and all borrowing costs. This budget would be subject to changes to inflation and base rate. Any such changes

would need to be reflected in the Successful Participant to Financial Close phase of the MIM procurement process.

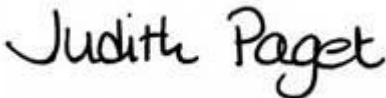
**4. Details of the current timeframe for completion of the construction phase of the project and opening of the new Centre, again compared with estimates at key points earlier in the project lifecycle.**

4.1 The historical target was to treat the first patient in Quarter 2 of 2025/26 and be fully operational following transition in Quarter 3 2025/26. The Full Business Case once finalised will confirm the construction programme and refresh these target dates once all commercial aspects have been finalised.

**5. Confirmation of whether, in advance of agreeing the MIM contract, there has been any reassessment by the Welsh Government and/or the Trust of the overall business case for the project given the impact of inflationary pressures or other factors, including whether the Welsh Government and the Trust remain satisfied that the plans for the new Centre provide the best value for money and a sustainable clinical solution for the longer term (across the lifetime of the MIM contract and well beyond).**

5.1 We can confirm that the conclusion of the Financial Close of the contract with Acorn is underway. Further information regarding the details of the contract are currently subject to commercial sensitivities and therefore cannot be disclosed at this time. As previously noted, all major infrastructure projects and their related capital and borrowing costs are subject to changes to the global economy and markets and their subsequent impact on the UK inflation rate. However, we can confirm that the Full Business Case, which will be considered by the Welsh Government, requires the inclusion of the Public Sector Comparator (PSC) which is the key management tool in the quantitative assessment of Value for Money for public sector infrastructure projects.

Yours sincerely



**Judith Paget CBE**



**Steve Ham**

# Agenda Item 2.4

Jane Hutt AS/MS  
Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip  
Minister for Social Justice and Chief Whip



Llywodraeth Cymru  
Welsh Government

Our ref: MA/JH/1463/23  
Mark Isherwood MS  
Chair of Public Accounts and Public Administration Committee  
Senedd Cymru  
Cardiff Bay CF99 1SN

06 June 2023

Dear Mark,

Following publication of the Public Accounts Committee (5th Senedd) report *Delivering for Future Generations – the story so far* in March 2021 you wrote to me in December 2021 requesting six-monthly updates on the Welsh Government's progress in implementing the report's recommendations. In my letter to you on 10 January 2022, I committed to provide updates in June and December 2022. These updates were sent to you on 25 May and 1 December 2022.

I am of the view that all recommendations for the Welsh Government have been complete and addressed and therefore I plan to use our annual progress reporting on the recently published [Well-being of Future Generations Continuous Learning and Improvement Plan 2023-25](#) to continue to communicate the progress we are making to implement the Well-being of Future Generations (Wales) Act 2015. The Plan brings together over 50 actions that the Welsh Government is taking to deepen the understanding and application of the sustainable development principle in how the organisation works, including how we use our budget processes, public services boards arrangements, and our national milestones and indicators to do this. The Plan also serves as the Welsh Government's substantive response to the recommendation in the Future Generations Commissioner for Wales' section 20 review report, which was published in December 2022.

I will ensure that you are sent copies of the annual progress reports when they are published.

Yours,

**Jane Hutt AS/MS**  
**Gweinidog Cyfiawnder Cymdeithasol a'r Prif Chwip**  
**Minister for Social Justice and Chief Whip**  
Copied to the Chair of Equality and Social Justice Committee

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru  
Welsh Government

Y Grŵp Addysg, Cyfiawnder Cymdeithasol a'r Gymraeg  
Education, Social Justice and Welsh Language Group

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

21 November 2022

Dear Adrian

Thank you for your recent report which looks at the challenge of poverty in Wales and how government is responding. We welcome the recognition within the report of the scale and complexity of the challenge that we and local authorities face in tackling and alleviating poverty in Wales and that many of the key levers to alleviate poverty are outside of Wales's control. We would agree therefore that it is only through working together that we will be able to make any impact on levels of poverty in Wales. We would offer the following response to the 8 recommendations within your report. We have accepted Recommendations 1 and 4. We have noted the other six recommendations which are for Councils in Wales.

## **National strategy and targets for tackling and alleviating poverty**

### **Recommendation 1 - We recommend that in updating its (Child Poverty) strategy the Welsh Government:**

- **set SMART national actions;**
- **establish a suite of performance measures to judge delivery and impact;**
- **sets target for alleviating and tackling poverty; and**
- **undertake regular evaluation of performance and public reporting.**

### **Accept**

The Well-being of Future Generations (Wales) Act 2015 serves to put into law the requirement for public bodies to pursue the economic, social, environmental and cultural well-being of Wales. The Act made Wales the first country in the world to legislate for the well-being of current and future generations.

*Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.*

*We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.*



In order to understand the progress that is being made towards the realisation of the Act, the Welsh Government introduced 46 National Indicators in 2016. These National Indicators are updated regularly as more data becomes available.

In collaboration with a range of stakeholders, the Welsh Government set out to develop National Milestones that would measure progress towards the National Indicators. These National Milestones are being developed in collaboration with the public, third and private sector organisations, and public bodies across Wales. The Welsh Government aims to co-produce National Milestones that are achievable and help Wales progress towards the well-being goals set out in the Act.

As part of this process, the Welsh Government launched a consultation entitled 'Shaping Wales' Future' in September 2021. A broad range of stakeholders were invited to respond to the proposals and express their views. This feedback was then considered by the Welsh Government Cabinet office before the proposed Milestones and Indicators were laid before the Senedd in December 2021.

Following on from this consultation Welsh Government has sought to develop a second set of National Milestones. They put the proposals forward for public consultation in June 2022. Stakeholders were invited for their views, including in providing feedback on the proposals. The consultation included an income poverty milestone (Indicator 18) – to reduce the poverty gap between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and those without those characteristics by 2035.

As part of the consultation on the refreshed Child Poverty Strategy, stakeholders will be asked to consider the requirement for further poverty targets or performance measures taking into account the national milestones. The Children and Families (Wales) Measure 2010 requires the Welsh Government to conduct a tri annual review of the extent to which it has achieved, or the progress towards achieving, the objectives within the Child Poverty Strategy.

### **Local strategies, targets and performance reporting for tackling and alleviating poverty**

**Recommendation 2 - We recommend that the councils use their Wellbeing Plans to provide a comprehensive focus on tackling poverty to co-ordinate their efforts, meet local needs and support the revised national plan targets and actions. This should:**

- **include SMART local actions with a greater emphasis on prevention;**
- **include a detailed resourcing plan for the length of the strategy;**
- **be developed with involvement from other public sector partners, the third sector, and those with experience of poverty;**
- **include a robust set of consistent outcome indicators and measures to increase understanding of poverty locally; and**
- **be subject to annual public reporting to enable a whole system view of poverty locally to help improve delivery and support.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Leadership on the poverty agenda**

**Recommendation 3 - Given the importance of effective leadership in driving the poverty agenda forward and breaking silos within councils and between public**

**bodies, we recommend that each council designate a cabinet member as the council's poverty champion and designate a senior officer to lead and be accountable for the anti-poverty agenda.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Improve the efficiency and effectiveness of grant-funded programmes**

**Recommendation 4 - To ensure councils are able to maximise the impact of funding and tackle the more difficult and longstanding problems, we recommend that the Welsh Government:**

- **provide longer timescales for announcing and receiving bids to enable better resource planning;**
- **move away from annual bidding cycles to multi-year allocations;**
- **enable funding to be more flexibly spent to avoid an emphasis on quicker projects, rather than more impactful interventions that take longer to establish;**
- **allow councils to consolidate funding to reduce bureaucracy;**
- **streamline and simplify processes and grant conditions to reduce the administrative burden; and**
- **keep requests for information and supporting materials from councils to a minimum.**

**Accept.**

Welsh Government provides significant funding for delivery by local authorities through specific grants some of which are allocated by formula and some operated on the basis of bids for specific projects or activities. Where funding streams are introduced on the basis of competitive bids we agree that where possible reasonable periods of time should be allowed for the development of proposals as well as for the assessment of bids and subsequent delivery of successful proposals. Sometimes funding will become available to Welsh Government relatively late and timescales will be shorter than is ideal.

The Government is keen to offer local government partners longer certainty. The three year budget for Welsh Government under the last spending review offered us the opportunity to do so and accordingly the publication of the 2022-2023 unhypothecated Settlement set out indicative funding for succeeding years for both the Settlement and for specific grants where known. The UK Government's fiscal statement on 17 November however will require a reconsideration of the Welsh Government's budget including the certainty we had sought to provide to others.

The design of grant programmes should focus on outcomes and meet the requirements of the Wellbeing of Future Generations Act. There is work underway as part of the Programme for Government commitment to work with local government to reduce the administrative burden on local authorities and this will include consideration of the approach to grant funding processes and the balance of accountability and administrative overhead.

The Welsh Government Grant Centre of Excellence, working with Ministers and Grant Managers, recently introduced a new "longer duration of funding and benchmarking process" which helps provide Grant Managers with different options to improve their grant processes (for hypothecated grants). This includes:

- a move away from annual or short-term grants being re-competed each year (where appropriate), with a longer duration of funding approach introduced.
- an option to establish a 'benchmarking' exercise at the end of a competitive grant scheme to determine whether organisations receive additional funding, and allow longer duration of funding / multi-year funding.

These improvements also tackle head-on many of the issues you raise and can help maximise impact of (hypothecated grant) funding to Local Authorities and bring about tangible, lasting benefits to individuals and communities in Wales, when it is most needed.

### **Experience mapping to create inclusive services for people in poverty**

**Recommendation 5 – We recommend that councils improve their understanding of their residents' 'lived experience' through meaningful involvement in decision-making using 'experience mapping' and/or 'Poverty Truth Commissions' to review and improve accessibility to and use of council services.**

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Single web landing page for people seeking help**

**Recommendation 6 - To ensure people are able to get the information and advice they need, we recommend that councils optimise their digital services by creating a single landing page on their website that:**

- is directly accessible on the home page;
- provides links to all services provided by the council that relate to poverty; and
- provides information on the work of partners that can assist people in poverty.

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

### **Streamlining and improving application and information services for people in poverty**

**Recommendation 7 – We recommend that councils:**

- establish corporate data standards and coding that all services use for their core data;
- undertake an audit to determine what data is held by services and identify any duplicated records and information requests;
- create a central integrated customer account as a gateway to services;
- undertake a data audit to provide refresher training to service managers to ensure they know when and what data they can and cannot share; and
- review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

## Complying with the socio-economic duty

**Recommendation 8 - We recommend that councils review their integrated impact assessments or equivalent to:**

- ensure that they draw on relevant, comprehensive and current data (nothing over 12 months old) to support analysis;
- ensure integrated impact assessments capture information on:
  - involvement activity setting out those the service has engaged with in determining its strategic policy such as partners, service users and those it is co-producing with;
  - the cumulative impact/mitigation to ensure the assessment considers issues in the round and how it links across services provided across the council;
  - how the council will monitor and evaluate impact and will take corrective action; and
  - an action plan setting out the activities the Council will take as a result of the Integrated Impact Assessment

The Welsh Government has noted the report's findings and its recommendations for Councils in Wales.

Kind regards,



**Jo-Anne Daniels**

Director General  
Education, Social Justice & Welsh Language

# Agenda Item 3

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

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# Agenda Item 7.1

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# Agenda Item 10

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