

# Agenda – Public Accounts and Public Administration Committee

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Meeting Venue:

Committee Room 5, Ty Hywel

Meeting date: 21 February 2024

Meeting time: 09.15–11:45

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

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## Hybrid

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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, substitutions and declarations of interest

(09:15)

#### 2 Papers to note

(09:15–09:30)

##### 2.1 Letter from the Welsh Government's Chief Operating Officer's Group on Public Appointments

(Pages 1 – 2)

Attached Documents:

PAPAC(06)–03–24–PTN1–Welsh Government–Public Appointments

##### 2.2 Senedd Commission response to the Public Accounts and Public Administration Committee report on the Scrutiny of Accounts 2022–23

(Pages 3 – 7)

Attached Documents:

PAPAC(06)–03–24–PTN2–Senedd Commission–Scrutiny of Accounts 2022–23



**2.3 Letter from the Director General of the Economy, Treasury and Constitution Group of the Welsh Government on Gilestone Farm and the Osprey Conservation Plan**

(Pages 8 – 42)

Attached Documents:

PAPAC(06)-03-24-PTN3-Welsh Government-Gilestone Farm and Osprey Conservation plan

**2.4 Letter from the Director General of the Economy, Treasury and Constitution Group of the Welsh Government on Amgueddfa Cymru**

(Pages 43 – 48)

Attached Documents:

PAPAC(06)-03-24-PTN4-Welsh Government-Amgueddfa Cymru

**2.5 Letter from the Welsh Government's Minister for Health and Social Services on the Oversight and Escalation Framework**

(Pages 49 – 50)

Attached Documents:

PAPAC(06)-03-24-PTN5-Welsh Government-Oversight and Escalation Framework

**2.6 Welsh Government response to the Public Accounts and Public Administration Committee's report on the Welsh Government's Annual Report and Accounts 2021-22**

(Pages 51 – 70)

Attached Documents:

PAPAC(06)-03-24-PTN6-Welsh Government-Scrutiny of Accounts 2021-22

**3 Evidence Session with the Welsh Government – Covering Teachers' Absence**

(09:30-11:00)

(Pages 71 – 118)

### Welsh Government Officials

- Sioned Evans – Director General, Public Services and Welsh Language Group
- Owain Lloyd – Director of Education and Welsh Language

Attached Documents:

PAPAC(06)-03-24-P1-Audit Wales Briefing Paper

PAPAC(06)-03-24-P2-Audit Wales-Covering-teachers' absence

#### **4 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of today's meeting and Item 1 of the Committee's meeting on Thursday 7 March 2024**

(11:00)

#### **(Break)**

(11:00-11:10)

#### **5 Consideration of the evidence received – Covering Teachers' Absence**

(11:10-11:30)

#### **6 Consideration of the Welsh Government's response to the Public Accounts and Public Administration Committee's report on the Welsh Government's Annual Report and Accounts 2021-22 – Next Steps**

(11:30-11:45)

(Pages 119 – 120)

Attached Documents:

PAPAC(06)-03-24-PTN7-PRIVATE PAPER TO NOTE-Welsh Government-Scrutiny of Accounts 2021-22

# Agenda Item 2.1



Llywodraeth Cymru  
Welsh Government

Grŵp y Prif Swyddog Gweithredu  
Chief Operating Officer's Group

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

29 January 2024

Dear Mr Isherwood,

At its meeting on 14 December 2023, PAPAC members asked for the following information which we undertook to provide (transcript paragraph 121).

1. Figures in terms of the numbers of Welsh speakers on public boards;
2. Percentage of people who live outside Wales sitting on public boards in Wales;
3. Details of whether the Welsh Government collects data on where Public Appointees live i.e. collect the first part of appointees' postcodes to map out any patterns in where Public Appointees live and whether some areas have a higher proportion of Public Appointees than others;
4. In relation to the development of a pipeline of talent, reference was made (transcript paragraph 170) to a Job Shadowing programme and 15 individuals being selected to sit on Boards to gain experience. Further details on how these individuals were selected for the programme to be provided (transcript paragraph 172).

In relation to actions 1-3, I can confirm that this information is not collated as part of the data we collect when making public appointments. As I explained at PAPAC, Welsh Government Equality, Race and Disability Evidence Units have carried out a pilot study to collect baseline data from public bodies on the diversity composition of Boards. The pilot phase did not collect Board information on Welsh language skills or location/place of residence but this can be considered for future data collections. It is anticipated that the findings of the pilot study will be published during the first half of this year.

In relation to the 15 individuals who have been selected to sit on Boards to gain experience, I would like to clarify that these are all graduates of Welsh Government's Near Ready Leadership and Public Leaders of the Future programmes which were run by Chwarae Teg last year. We are in the process of onboarding the 15

applicants who have confirmed their interest and matching them with the Boards who are participating in the programme. We anticipate that the mentees will attend their first Board meetings in March.

I hope this is helpful to the Committee in considering its Inquiry into Public Appointments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Moss', with a long horizontal line extending to the left above the first few letters.

Tim Moss  
Director General and Chief Operating Officer  
Welsh Government

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

# Agenda Item 2.2

29 January 2024

Mark Isherwood MS  
Chair of Public Accounts and Public Administration Committee  
Senedd Cymru

Dear Mark,

**Public Accounts and Public Administration Committee Report on the Scrutiny of Accounts 2022-23.**

I am writing in response to the Public Accounts and Public Administration Committee report on the Scrutiny of Accounts 2022-23. I would like to thank the Committee for its scrutiny.





The Commission notes the views and comments of the Committee along with your recommendations concerning the Commission. We have addressed these in the attached Annex. If you would like any further information on any matter covered in the Annex, please do not hesitate to let me know.

I would like to take this opportunity to assure the Committee that we remain as committed as ever to providing greater clarity and assurance through external scrutiny and audit as well as through our internal governance framework. The Commission's approach is always to try to operate with openness, transparency and clarity.

Yours sincerely,

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

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

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 0300 200 6565**Welsh Parliament**  
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## Annex 1

### Public Accounts and Public Administration Committee Report on the Scrutiny of Accounts 2022-23

**Recommendation 1.** The Commission should keep the Committee updated on their progress in implementing projects as part of the Carbon Neutral Strategy ahead of the Committee's scrutiny of the next financial year's Accounts, including their spend by project, their progress to date and an indication of any overspends or underspends.

#### Accepted

We welcome the Committee's scrutiny and request for further information on the Commission's progress in implementing projects as part of the Carbon Neutral Strategy. We will ensure that the Committee receives a report covering spend by project, progress to date and any indications that we have of over or underspends by project before the scrutiny of the 2023-24 Financial Accounts.

**Recommendation 2.** The Commission should provide six-monthly updates to the Committee, starting in Spring 2024, on the progress of the Ways of Working Strategy and the resources that have been allocated to delivering the projects associated with the Strategy

#### Accepted

We agree to provide the Committee with biannual updates on the progress of the Ways of Working programme including details of resources allocated to the projects to be delivered. We will provide our first report in Spring 2024.

**Recommendation 3.** As part of the Annual Report and Accounts, the Commission should consider including an estimate of the likelihood of a risk occurring, to better inform future consideration of the Senedd's risk profile.

#### Accepted

We note the Committee's request and will ensure information on the estimates of the likelihood of a risk occurring are include in the Annual Report in future.

**Recommendation 4.** The Commission should update the Committee on the work of the groups looking into the role of Artificial Intelligence within the Senedd ahead of the Committee's scrutiny of the Accounts for 2023-24.

#### Accepted



We agree to provide an update on the work of the groups looking into the role of Artificial Intelligence within the Senedd ahead of the next Committee scrutiny of the Accounts for 2023-24. We would suggest that this update may benefit from a briefing session for Committee members to share the requested information. Should the Committee prefer a report we will ensure that is provided before the next scrutiny session as well.

**Recommendation 5. The Commission should consider, in future, implementing recruitment schemes, as part of its Workforce Plan, to encourage applications from individuals from a variety of socio-economic and geographic backgrounds, to ensure the Senedd better reflects the nation it represents. The Committee would appreciate updates on how this could be implemented and any targets the organisation has for addressing the present imbalance.**

### **Accepted**

The Commission is committed to delivering on the Senedd's objective of ensuring that the Senedd better reflects the nation it represents.

As presented in the Commission's [Annual Diversity and Inclusion Report 2022-23](#), this was the first year that we collected workforce data and two years since we started to collect recruitment data relating to socio economic background and so the data sets are emerging. It is of note that only just under half the Commission's workforce (47%) declared its socio-economic background; this compares to an average of 90% response rates for the protected characteristics. The data we do have provides us with baseline data and our focus will continue on building richer data sets to provide more sophisticated insights into both the geographical and socio-economic profile of our workforce. The analysis of comprehensive diversity data on our workforce will be available in the Annual Diversity and Inclusion Report 2023-24 due for consideration by the Commission in the Summer Term and subsequently shared with the Committee thereafter.

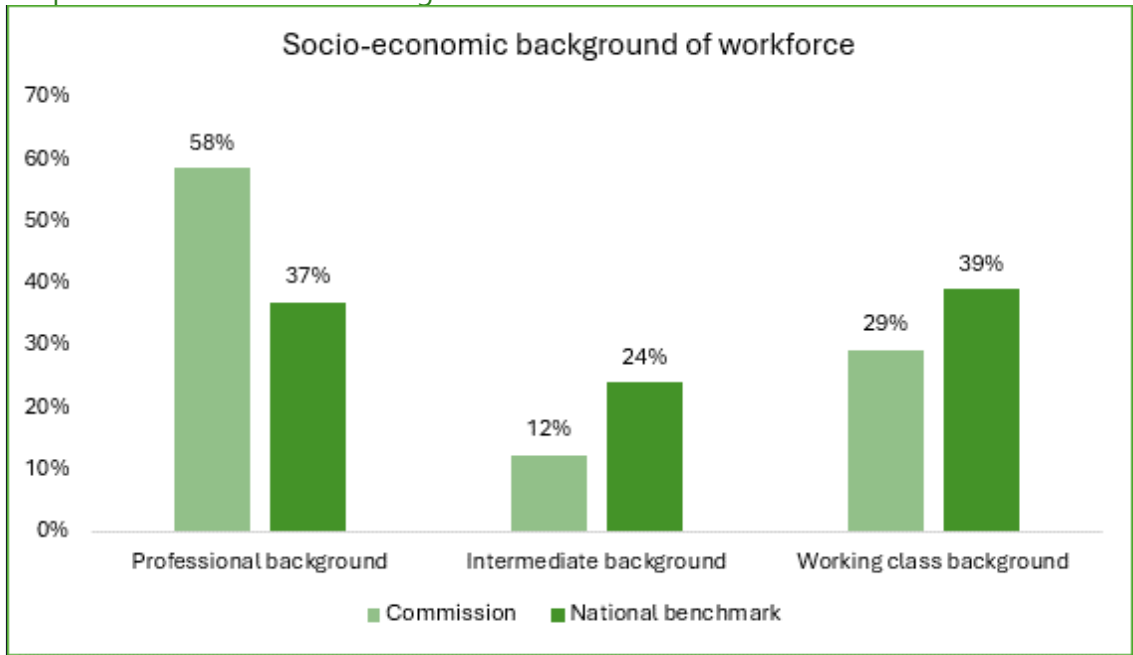
The Ways of Working Programme has recently established two steering groups for Workforce and Diversity & Inclusion respectively. Accessing richer, more complete data sets is a focus for both these groups, which will operate in alignment with one another. From these steering groups, we will then be able to develop further our attraction strategy to encourage candidates from a wide range of socio-economic and geographic backgrounds to apply for roles within the Commission. The Commission agrees to sharing any relevant data insights with the Committee as they emerge.

For ease, here are the socio-economic data from the [Annual Diversity and Inclusion Report 2022-23](#):

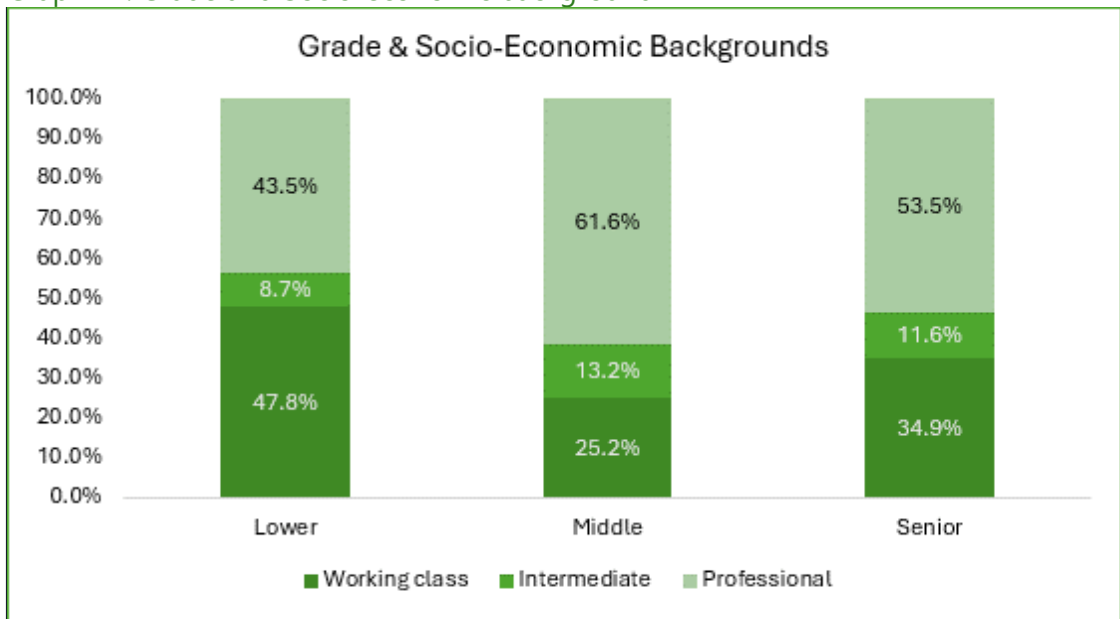




Graph 10: Socio-economic background of workforce



Graph 11: Grade and Socio-economic background



**Recommendation 6.** The Workforce Plan and any outputs from the Medium Term Resourcing Framework should be shared with the Committee as soon as they are available, to ensure that we are updated on the Commission’s future planning around Senedd Reform and under the Ways of Working Strategy.

Accepted



We agree to provide the Committee with updates on outputs, as and when they arise and in advance of the annual scrutiny session in Autumn 2024 to ensure the Committee are updated on the Commission's future planning around Senedd Reform and under the Ways of Working Strategy.

**Recommendation 7. The Commission should set out how it intends to reflect on the views of Members and their staff as part of their future planning under the Ways of Working Strategy and any other stream of work that addresses the implications of Senedd Reform.**

### **Accepted**

The Commission is committed to ensuring that the views of Members and their staff are reflected in the Ways of Working strategy along with any other streams of work that address the implications of Senedd Reform. We will seek to gain an understanding of those views through the following engagement groups and activities.

- **Siambro 2026 project** -Engagement and views will be sought through a Member reference group (plus Commission) for this project. The Llywydd and one of the Commissioners acted as observers during a procurement process for architectural services providing assurance that the views inform the outcome of the project.
- **Ty Hywel 2026 project** – Engagement and views will be sought through a Member user group and a Chief of Staff user group. Commissioners will also engage with their parties to understand views and bring those views to the Project Board.
- **Cardiff Bay 2032 Project** – The Llywydd / Group Leader bilaterals will be the main engagement point with Members and their staff at this early stage of the project. Commissioners will also be engaging with their parties to understand views and will be providing the outcome of those conversations to the Project Board.

Engagement levels and method will change as each of the projects move through their delivery stages. This will be monitored and adapted to meet the needs of each project stage, as well as reviewed to ensure that successful engagement is taking place. As well as engagement to gather information and views, there will also be feedback and touch point engagement and communications at key points of the projects.





Llywodraeth Cymru  
Welsh Government

Cyfarwyddwr Cyffredinol – Director General

Mark Isherwood MS  
Chair  
Public Accounts and Public Administration Committee  
Senedd Cymru  
Cardiff Bay  
Cardiff  
CF99 1NA

2 February 2024

Dear Chair

## GILESTONE FARM

You and Committee members will have seen the Written Statement issued earlier this week by the Minister for Economy, relating to the future of Gilestone Farm.

As the Minister for Economy says in the Statement, and as I discussed with the Committee last autumn, the arrival of a pair of ospreys that have decided to nest on the site at Gilestone Farm was a surprise to all parties. It is the first time ospreys have been observed this far south in Wales in around 200 years.

Following the birds' arrival, we immediately took steps to safeguard them and their nest. As a reflection of their scarcity, ospreys are a Schedule 1 species designated under the *Wildlife and Countryside Act 1981* and subject to a range of special statutory protections. We took the decision, with the full support of Green Man, to pause our assessment and due diligence on their business proposal, including work on environmental assessments and licences relating to proposed activities on the site.

To protect the birds, we took rapid action with local bird recorders to install surveillance and security at the site. We also appointed the UK's leading expert on ospreys, Dr Tim Mackrill, to undertake an Osprey Conservation Plan for Gilestone Farm. This was to advise us on how best to manage the site going forward, and to aid our understanding of how the presence of the birds and their nest impacted on the proposed activities contained within the Green Man business proposal.

We received the expert adviser's report in December. A copy of the Osprey Conservation Plan for Gilestone Farm, which is being prepared for publication shortly, is attached. You will note the document is marked 'DRAFT', but the text of the report is in its final form – we thought the Committee would appreciate early sight of its contents.



After taking the report's recommendations into consideration, advice was submitted to the Minister for Economy noting that the key findings meant in practice that the full commercial and charitable objectives of the Green Man Group in relation to the proposed use of Gilestone Farm could no longer be realised. Primarily, this was because the report advised that a 750m restricted zone around the nest be put in place within which only very limited human activity can take place. In addition, the report advised a cautious approach with regards to human activity on the wider site, even beyond that within the specific restriction zone. The Minister for Economy accepted these recommendations, and accordingly commercial negotiations between Welsh Government and Green Man regarding a lease for the site were drawn to a close.

For the time being, also in light of the recommendations of the Osprey Conservation Report, the Minister for Economy has approved a new Farm Business Tenancy agreement with the current tenant, on commercial terms, for a period of one year. This new agreement will include a break clause should Welsh Government wish to put alternative provisions in place for the site during this period.

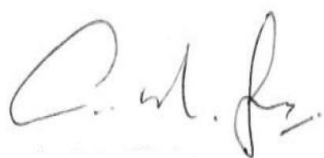
Following the implementation of the Osprey Conservation Plan and the subsequent conclusion that the Green Man proposal is no longer deliverable as a commercial proposition at Gilestone Farm, the site will be treated as surplus to Welsh Government requirements in terms of the initial policy objectives stated in the rationale for acquiring the site. Welsh Government has existing guidance for such circumstances, the Identification and Disposal of Welsh Government Non-Core Surplus Land and Buildings, which will be used to inform decisions about next steps. In the first instance, we will consider whether the site can deliver alternative policy proposals and will speak to other public bodies and NGOs about the farm's conservation and wildlife tourism potential.

Colleagues had a constructive meeting with local community representatives in Talybont-on-Usk today on 30 January to talk through the Osprey Conservation Report, the decision on the Green Man business proposal, and next steps for the site and its management. We continue to work closely with colleagues in Powys County Council and the Bannau Brycheiniog National Park Authority on these matters.

I will write to the Committee again with an update once a final decision has been taken by Welsh Government on the future of the site.

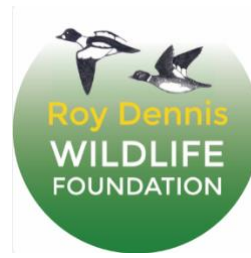
With best wishes.

Yours sincerely



**Andrew Slade**

Director General, Economy, Treasury & Constitution



## Osprey Conservation Plan – Gilestone Farm



Author: Dr Tim Mackrill, Roy Dennis Wildlife Foundation

*Version 1.1 (February 2024)*

*This document was commissioned by Welsh Government*

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## Executive Summary

The Osprey, a bird of prey which feeds exclusively on fish and migrates mainly to West Africa for the winter, is one of the rarest and most spectacular birds in Wales. There were eight known breeding pairs in 2023 and, as such, every nest site is of considerable national importance.

In summer 2023 a male Osprey built a nest in an oak tree at Gilestone Farm, Talybont-on-Usk, and attracted a female. It is highly likely, given the usual behaviour of young Ospreys, that the birds will return to the site in 2024 and attempt to breed for the first time. The present breeding range of the species in Wales extends from Llyn Brenig in the north, to Llyn Clywedog in the south. The Gilestone Farm nest, lying 82 miles south of Llyn Brenig, and 40 miles south of Llyn Clywedog, is thus of particular significance, given that it doubles the current geographical range of the species within Wales.

The Osprey is protected as a Schedule 1 species under the Wildlife and Countryside Act 1981. This highest level of legal protection means it is an offence to disturb it when it is building a nest, or at any stage of the breeding season. Furthermore, the nest itself is protected year-round. This plan sets out the conservation measures required to protect the Ospreys, particularly in relation to other activities that currently take place, or are planned for the future, at Gilestone Farm, which is owned by Welsh Government.

Recommendations outlined in the plan include the installation of a CCTV camera system at the nest and establishment of specific exclusion zones to prevent disturbance to the Ospreys. The presence of Ospreys in other parts of Wales generates great interest and has been shown to give a significant boost to the rural economy through increased visitor spending. The Ospreys at Gilestone Farm thus present an exciting ecotourism opportunity. As such, it is also recommended that a public viewpoint is established and live images from the nest streamed online in 2024.

The plan also outlines the monitoring required to record the breeding behaviour of the Ospreys and to enhance security. It is recommended that an Osprey Steering Group is set-up to oversee the implementation of the plan and to undertake a formal annual review of the effectiveness of the exclusion zones and other conservation measures.



## 1. Aim and scope of the plan

The Osprey *Pandion haliaetus* is an extremely rare breeding species in Wales. In 2023 eight breeding pairs reared a total of 18 young at sites in North and Mid Wales, with the most southerly nest at Llyn Clywedog in Powys. Ospreys generate significant public interest, with several public viewing sites attracting thousands of visitors each summer and thus providing a significant boost to the rural economy.

As numbers of Ospreys have increased in Wales, the species has become regular visitor to the Usk valley, particularly since 2021. In summer 2023 a male Osprey built a nest in an oak tree at Gilestone Farm and attracted a female. It is highly likely, given the usual behaviour of young Ospreys, that the birds will return to the site in spring 2024 and attempt to breed for the first time. This would be a significant development in the conservation of Ospreys in Wales given that the site is more than 40 miles south of Llyn Clywedog and 82 miles south of the most northerly nest, at Llyn Brenig, thus doubling the range of the species within the country.

As a Schedule 1 species under the Wildlife and Countryside Act, the Osprey has the highest level of legal protection, making it an offence to disturb a breeding pair, whether intentionally or otherwise, at their nest. The nest itself is also protected year-round. Further details are included in section 4.

The key aim of this plan is to set out the conservation measures required to protect the Ospreys at Gilestone Farm, including the establishment of exclusion zones around the nest. In addition, the plan outlines the monitoring required to record the breeding behaviour of the Ospreys and to enhance security. It also explores potential eco-tourism opportunities.

It is recommended that an Osprey Steering Group is set-up to oversee the implementation of the plan and to undertake a formal annual review of the effectiveness of the exclusion zones and other conservation measures.

## 2. The Osprey in Wales

The Osprey is exclusively piscivorous and readily breeds close to freshwater and saltwater habitats (Poole 1989, Dennis 2008).

The species' fishing prowess has been well known for centuries, and evidence suggests that its piscivorous diet led to extensive persecution across Europe. Yalden and Albarella (2009) estimated that there may have been as many as 3,800 breeding pairs in Mesolithic Britain and historical references indicate the Osprey was still widespread during the tenth and eleventh centuries. Dennis (2008), however, suggests that the early selective-killing of fish-eating raptors occurred across Britain and Western Europe during the Middle Ages due to the strict religious requirement to eat fish on Fridays, and that this led to dramatic declines in the numbers of breeding Ospreys.

Although there are no historical breeding records of Ospreys in Wales, it seems likely that this is because the species was exterminated before ornithological records were kept (Dennis 2008). Evans (2014) reported that a Flemish engineer working on wetland drainage systems on the Dyfi estuary in Mid Wales in 1604 mentioned several 'fishery hawks' breeding close together along the banks of the River Dyfi. Meanwhile, the wildlife historian Twm Elias recorded at least ten different names for the Osprey in Welsh, dating back to 1604 (Evans 2014). Furthermore, the coat-of-arms of the city of Swansea, granted in 1316, and of West Glamorgan both feature an Osprey (Mackrill 2019). This evidence, coupled with the species' ecological requirements, imply that the Osprey was probably widespread in Wales, before being persecuted to extinction.

The Osprey recolonised Wales in 2004, when breeding pairs were found at two sites (Evans 2014). By 2023 there were at least eight breeding pairs, with a total of 149 chicks fledging since 2004. Young Osprey usually breed for the first time at three-five years of age (Dennis 2008) and males in particular tend to show strong natal philopatry, usually, but not always, choosing to breed close to their natal site (Dennis 2008, Poole 2019). Females, on the other hand, may disperse considerable distances, as exemplified by the fact that five different females originating from the Rutland Water population in central England have bred successfully in Wales since 2011, while two females from Poole Harbour in Dorset have bred at sites in the Glaslyn valley in North Wales.

Once a pair is established at a nest, they tend to show strong site fidelity and can breed for ten years or more (Poole 1989, Dennis 2008). Satellite tracking and colour ringing studies have shown that most Ospreys from the UK winter in West Africa, with smaller numbers in Portugal and Spain (Mackrill

2017). Breeding birds return to nests in late March and early April and remain until late August or early September.

Young Ospreys usually spend the whole of their second calendar year on the wintering grounds, before returning to their natal area for the first time in the spring of their third calendar year (Dennis 2008, Mackrill et al. 2013, Poole 2019). Young birds prefer to take over an established nest than build their own, and so active nests are regularly visited by young non-breeders prospecting future breeding sites (Dennis 2008, Mackrill 2019). This means that if a breeding bird fails to return, it is usually replaced by another, and, as such, the same nests are often used by successive generations of Ospreys (Dennis 2008). Nevertheless, some young birds build their own nests and these individuals can be key in the geographical expansion of the population. This is particularly the case if they build at a site away from the existing core range, as observed in the Usk valley.

### 3. Ospreys in the Usk Valley

There has been a notable upturn in the number of Ospreys visiting the Usk valley in recent years, culminating in a male Osprey building a nest at Gilestone Farm during June and July 2023, and pairing up with a female. Much of this activity has been documented in the Breconshire Bird Reports for 2021 and 2022 (in press). Additional data has been supplied by Andrew King, Breconshire bird recorder.

On 30<sup>th</sup> March 2021 a blue-ringed male Osprey was observed fishing at Llangorse Lake. This bird was subsequently identified as JW2, which had been ringed as a nestling at Loch Lomond in Scotland in 2018. Given its age, this individual was unlikely to have an established territory further north, and it subsequently spent much of the spring in and around the Usk valley, being observed on at least four occasions at Gilestone Farm between 1<sup>st</sup> April and 22<sup>nd</sup> May, as well as at Llangorse Lake. There were no confirmed sightings of this bird during June and July but it may have been one of a group of three Ospreys seen in the area on 4<sup>th</sup> August. An individual was also seen 4km downstream of Gilestone Farm at Tor-y-foel, Llandetty on 14<sup>th</sup> August.

Sightings became even more frequent during 2022. The first sighting was on the River Usk near Brecon on 11<sup>th</sup> May, and there followed in excess of 20 observations of summering Ospreys in an area spanning some 20km of the Usk valley, between Brecon and Crickhowell, including Llangorse Lake and with Gilestone Farm at the centre. Two birds were seen together on a number of occasions, but there were no confirmed sightings of JW2, although it was suspected that this bird was one of those present

in the area. Interestingly it was observed and photographed at its wintering site at the Sine Saloum Delta in Senegal by the same observer, ornithologist Jean-Marie Dupart, on 8/12/21 and 14/12/22.

In 2023 there were a total of ten sightings of Ospreys at Llangorse Lake during May, and another observation of a bird at Old Ford, Llanhamlach on 29<sup>th</sup> May. A female, photographed at Llangorse on 28<sup>th</sup> May, had a blue ring on its right leg. The colour rings currently used on Ospreys in the UK have a three-digit inscription, and although only the first digit and part of the second were visible on the best photo taken that day, this was sufficient to indicate it was likely to be one of two two-year-old females from Poole Harbour in Dorset which were seen in Wales during 2023 (Figure 1), and most likely 379, a female which was observed intruding at the Cors Dyfi nest in Mid Wales on 1<sup>st</sup> May. Two other Poole Harbour females bred successfully in Wales in 2023 and a third, 372, paired with a young male at a nest in North Wales.



Figure 1. Female Osprey with a blue ring on its right leg, Llangorse Lake on 28<sup>th</sup> May 2023 (photo by Will Lewis)

The first sighting of the year at Gilestone Farm was made on 1<sup>st</sup> June. Two birds, an unringed male and a female with a blue ring on its right leg (likely the bird seen at Llangorse Lake on 28<sup>th</sup> May) were perched together on a riverside dead tree at Gilestone Farm on 17<sup>th</sup> June and it is thought that the male began nest building around this time. No nest was present on 1<sup>st</sup> June, but by the end of the

month a significant structure had been constructed in the top of an oak tree near the river, by the Ospreys, with the majority likely undertaken by the male (Figure 2). This is the typical time of year for young Ospreys to build a nest.



Figure 2. The unringed male perched on the nest (photo by Steve Wilce).



Figure 3. The unringed male taking off from the nest (photo by Steve Wilce).

The two birds remained in the vicinity of the nest at Gilestone Farm for the remainder of the summer and were also frequently seen at Llangorse Lake. The nest visibly grew in size during July and August (Figure 4) and the two birds were still present together on 28<sup>th</sup> August, when they were photographed in a dead tree near the nest (Figure 5).



Figure 4. A view of the nest, taken on 26<sup>th</sup> August 2023 (photo by P.J. Seaman).

The female was not seen after 28<sup>th</sup> August, but the male remained at Gilestone Farm into early September, with the last sighting on 6<sup>th</sup>.

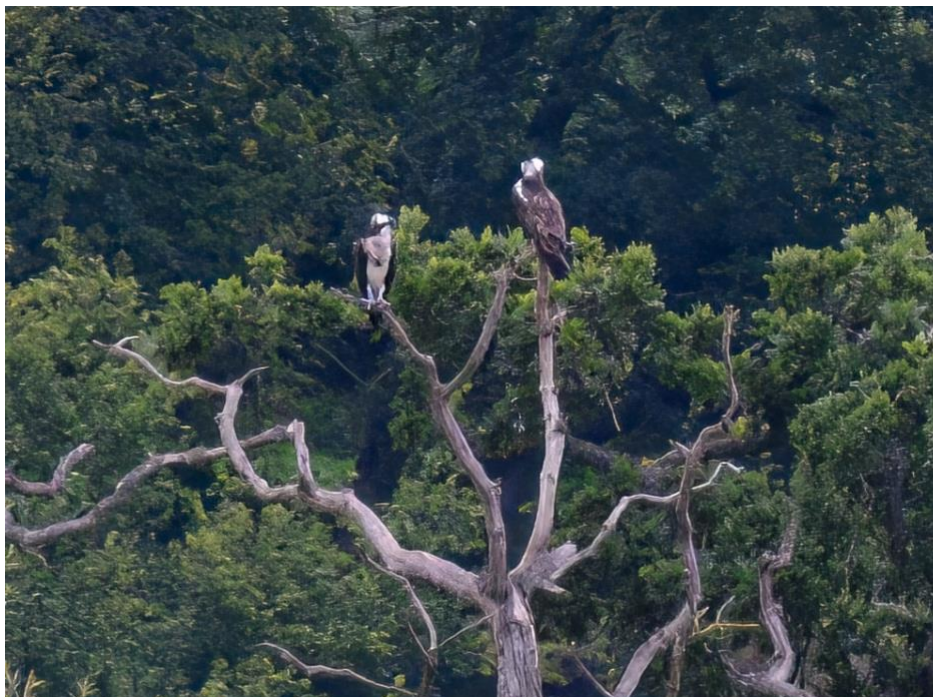


Figure 5. The Osprey pair (female on left) at Gilestone Farm on 28<sup>th</sup> August 2023 (photo by P.J. Seaman).

## 4. Legal protection of Ospreys and relevance to Gilestone Farm

The Osprey is listed as a Schedule 1 species under the Wildlife and Countryside Act 1981 (WCA), giving it the highest level of legal protection.

Section 1 of the legislation (<https://www.legislation.gov.uk/ukpga/1981/69/section/1>) states the following:

- 5) Subject to the provisions of this Part, if any person intentionally or recklessly—
- (a) disturbs any wild bird included in Schedule 1 while it is building a nest or is in, on or near a nest containing eggs or young; or
  - (b) disturbs dependent young of such a bird,
- he shall be guilty of an offence.

In addition, Osprey nests are protected throughout the year, even when not in use, because the species is listed with two others (Golden Eagle *Aquila chrysaetos* and White-tailed Eagle *Haliaeetus albicilla*) on Schedule ZA1 (Birds which re-use their nests), as follows:

Section 1 of the WCA states the following:

- 1) Subject to the provisions of this Part, if any person intentionally—
- (a) kills, injures or takes any wild bird;
  - (aa) takes, damages or destroys the nest of a wild bird included in Schedule ZA1;
  - (b) takes, damages or destroys the nest of any wild bird while that nest is in use or being built; or
  - (c) takes or destroys an egg of any wild bird,
- he shall be guilty of an offence.

Having built the nest and summered at the site, evidence from other areas indicates that it is highly likely that the Ospreys will return and attempt to breed for the first time in 2024 (Dennis 2008, Mackrill et al. 2013). Even if one of the birds was to fail to return, the increasing number of Ospreys in Wales means that the missing individual would likely be replaced by a different Osprey. Given the protected status of the Osprey and the significance of the nest from a conservation perspective, particularly in relation to the continued recovery of the species in Wales, it is essential that steps are taken to ensure that the birds are protected. As described above, the location of the nest effectively doubles the range of the Osprey in Wales.

## 5. Nest site

### 5.1. Nest site location

The nest is located in the top of an oak tree situated in arable fields adjacent to the River Usk, in the North-West of the Gilestone Farm land holding (Figure 6 and Figure 7). The Ospreys were regularly observed foraging at Llangorse Lake, situated 1.6 miles to the north-east, and in the River Usk, during the course of summer 2023. Interestingly an artificial nest had been constructed in the same tree more than 15 years ago, in an effort to attract Ospreys into the area, but was not successful (A. King *pers. comm.* 2023). The structure was not maintained and was eventually blown out of the tree, leaving just a single timber support located approximately one metre below the natural nest built by the Ospreys in 2023. This is visible in Figure 9.



Figure 6. Aerial imagery showing the location of the nest, close to the River Usk.



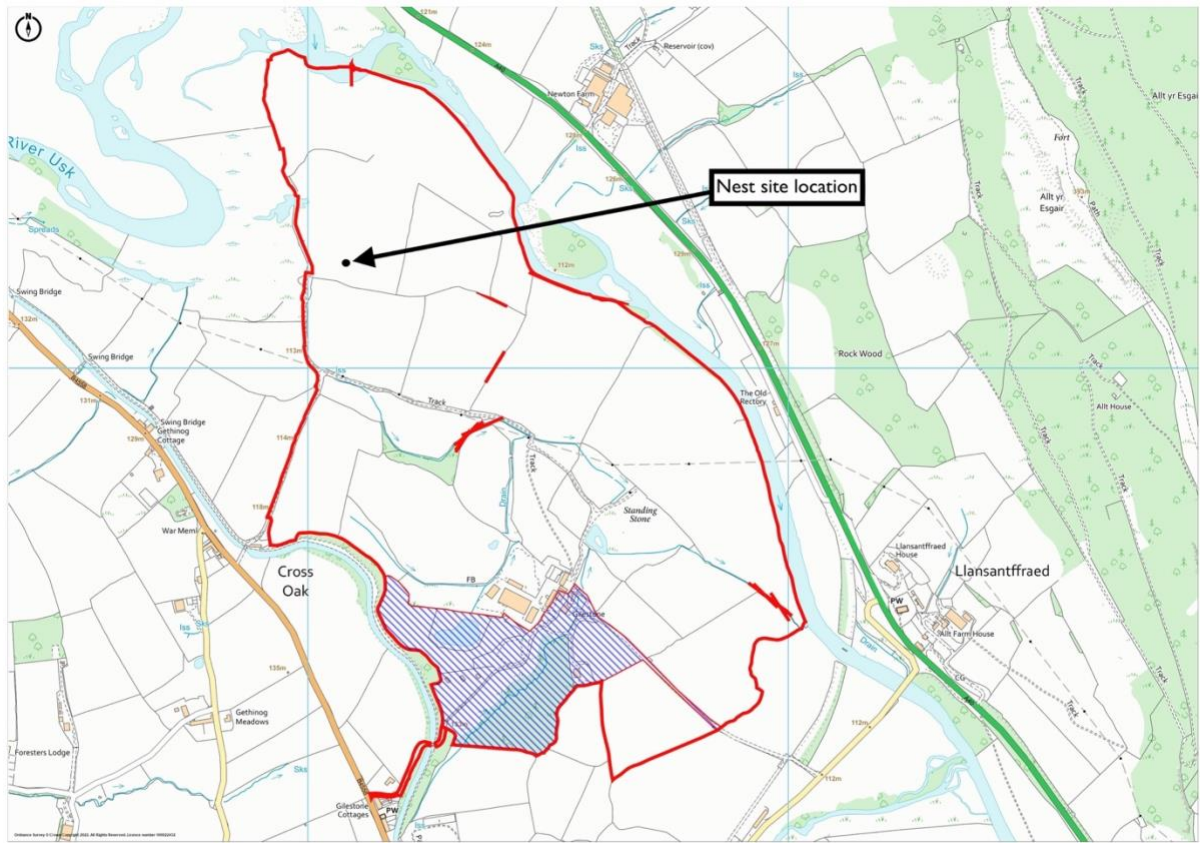


Figure 7. Location of the nest on Gilestone Farm land holding (red line = boundary)



Figure 8. View of the nest and nest tree from a drone, November 2023

## 5.2. Condition of nest

On 14<sup>th</sup> November, over two months after the Ospreys left the site, a visual inspection of the nest was carried using a drone. Almost all of the structure was still intact despite recent heavy rain and strong winds, but it was noted that the branches supporting the nest appeared relatively weak and, potentially, prone to breaking (Figure 9 and Figure 10).



Figure 9. Drone view of the nest with last remaining timber support from original artificial nest just visible.



Figure 10. Drone view of the nest, showing supporting branches.

Ospreys show very high nest site fidelity and once a pair become established at a nest, the same site can be used by successive generations because young birds generally prefer to take over at an established nest than construct their own (Poole 1989). Some Scottish nests have been occupied since the early 1960s for this reason (Dennis 2008). The fact that the same nest is used each year means they can become very large, heavy structures which are prone to collapsing. Where there is a risk of this occurring a more secure artificial nest can be installed in the tree, which Ospreys readily accept. This work was pioneered by Roy Dennis during the early years of the Scottish recovery in the 1960s and 1970s and is now standard conservation practice, which has greatly facilitated the Osprey's re-establishment in the UK (Dennis 2008). This methodology was used successfully at the Glaslyn nest in North Wales where a pair nested for the first time in 2004. That year, the nest, built by Ospreys on top of a pine, collapsed in summer storms, killing the two chicks. An artificial nest was constructed in its place and was used by the birds the following year. The nest has been occupied each year since with a total of 47 chicks fledging successfully (Glaslyn Ospreys 2023).

It was noted that the branches supporting the nest appeared relatively weak, with some evidence of rot, when the drone survey was carried out on 14<sup>th</sup> November. This means they may be vulnerable to collapsing under the weight of the nest, particularly during periods of heavy rain and high winds. It is possible that the existing structure could be secured with supports, or it may be necessary to build a replacement nest in the adjacent part of the crown, where there is no issue with rotting timber, as indicated in Figure 11. This structure would be built to look as natural as possible and experience shows that it will be readily accepted by the Ospreys. It was not possible to determine the best course of action without climbing the tree, but either option will require a licence from Natural Resources Wales (NRW). It is therefore recommended that a licence is applied for as soon as possible, covering the two alternative methods. One possibility would be to secure the existing nest prior to the return of the Ospreys in 2024, and then, if necessary, install a replacement structure the following winter. [Edit – a licence application was submitted to NRW on 21<sup>st</sup> December 2023. Further investigations were carried out on 16<sup>th</sup> January, after consultation with NRW. This indicated that the existing nest structure could be secured in its current location.]

There are a number of dead trees in close proximity to the nest and along the River Usk. These provide excellent perching opportunities for Osprey and it is important that they are left in situ.

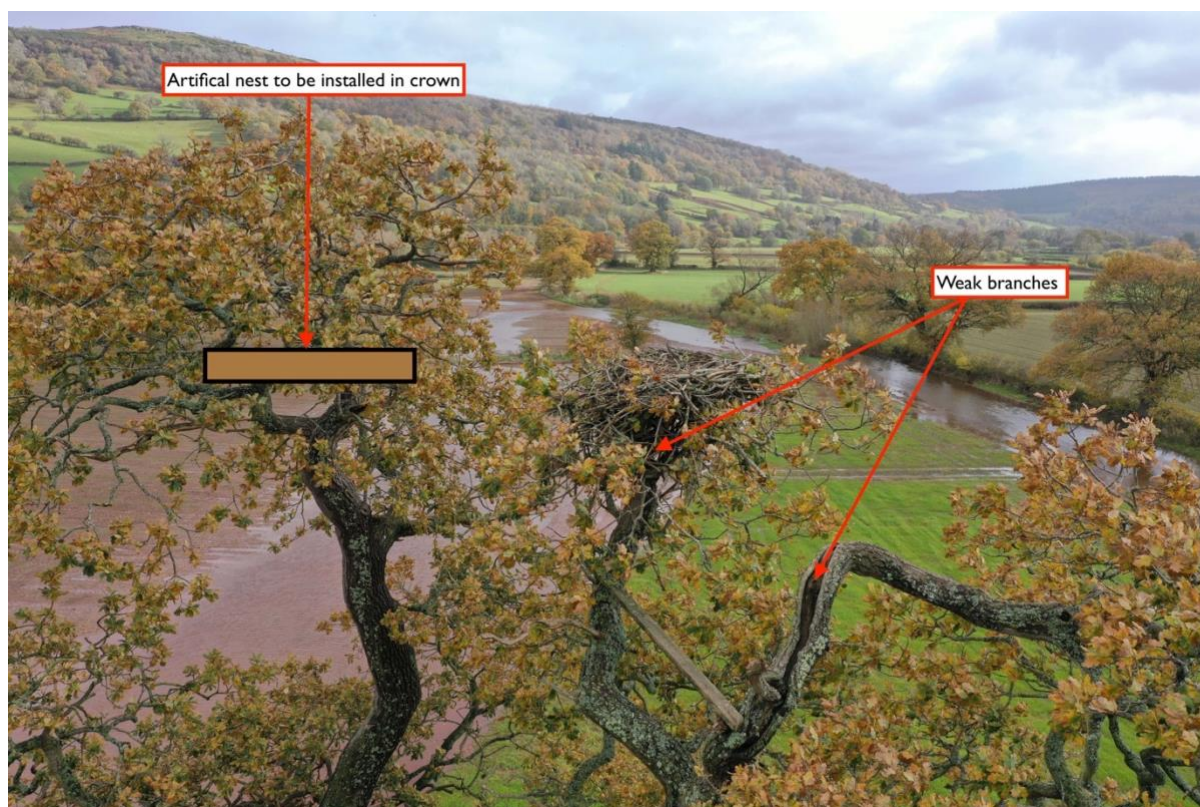


Figure 11. Proposed location of new nest, if further investigation shows it is required.

### 5.3. Installation of CCTV and other security measures at the nest

The presence of the Ospreys in the Usk valley is likely to create significant public interest, and indeed this has already proved to be the case, with an article appearing in [The Times on 15<sup>th</sup> September 2023](#). It is important, therefore, that consideration is given to how the nest can be protected should, as is likely, the Ospreys return in 2024.

Two intrusion detection cameras were installed at ground level adjacent to the nest tree during summer 2023. These cameras are monitored on a 24-hour basis by a security company, with an agreed response protocol. There are two detectors, located on opposite sides of the nest tree, each providing 360-degree security over a radius of approximately 12.5m (Figure 12, also see Figure 8). When triggered, the detectors sound a voice message warning that police have been notified, and capture a short video clip. It has been agreed that this system is kept in place throughout winter 2023/24 in addition to the period when the Ospreys are present, as an additional security measure.

In addition to the intrusion detection cameras, signs have been placed on gates and key access points around the farm. The signs state there is no access and that video surveillance is in operation. CCTV cameras will be installed at key access points into the farm over winter 2023/24.



Figure 12. Location of intrusion detection cameras, situated either side of the nest tree.

Closed circuit television (CCTV) cameras are routinely fitted to Osprey nests both as a nest protection method, and as a public engagement tool. Live footage from other Osprey nests in Wales in the [Glaslyn valley](#), at [Cors Dyfi](#), [Llyn Brenig](#), and [Llyn Clywedog](#) is streamed online to an audience of thousands and generates great interest. Climbing the tree to undertake remedial work would provide an opportunity to install such a system on the Gilestone Farm nest. It is recommended, therefore, that an application is made to NRW to undertake work to secure the nest, as detailed above, and to install a CCTV camera system. This application should be made before Christmas 2023 so that work can be undertaken prior to the Osprey's return in late March/early April 2024. It is recommended that the camera system enables footage to be viewed live, continuously recorded on site, and streamed online. In addition to the camera sited in the tree, a second wide-angle camera with pan-tilt-and-zoom capabilities should be located in the hedge immediately to the south of the nest tree. It will be important for both cameras to be accessible remotely, but with public live streaming from the nest camera only. [Edit – application sent to NRW on 21<sup>st</sup> December 2023.]

## 5.4. Ospreys and disturbance

### 5.4.1. Sensitivity of Ospreys to disturbance

Research has shown that human disturbance through a range of different sources, can have a negative impact on the breeding success of Ospreys. Predictable disturbance that is concurrent with nesting initiation, is usually better tolerated than sporadic disturbance or new sources of disturbance that occur during incubation and the early nestling stage, but it varies on a case-by-case basis (Levenson 1979, Poole 1989). Disturbance that causes the adult birds to leave the nest frequently or for extended periods during incubation or when there are small dependent young is particularly serious and can lead to reduced brood size, or complete failure, either through chilling or predation (Levenson and Koplín 1984, Monti et al. 2018). Under normal circumstances one of the adult Ospreys will remain on the nest at all times, particularly during incubation and while young are small. The female undertakes the majority of incubation, with the male taking over for short stints, usually to allow her to feed. This means the eggs are only uncovered for a few seconds while the birds change-over. Once young hatch the female remains on the nest at all times to brood and protect them (Dennis 2008, Mackrill et al. 2013). Leaving the nest unattended during these stages can leave eggs or young vulnerable to predation by opportunistic corvids, as observed at another Welsh Osprey site, Llyn Brenig, in 2020. Thus, periods where eggs or small dependent young are left for even a short period (i.e. as little as one minute) can provide clear evidence of disturbance during these critical periods of the breeding season. A bird leaving the nest under these circumstances will usually give an alarm call at the same time, which becomes more vociferous as the level of disturbance increases. Thus, the alarm call gives a useful indication as to whether the adult Osprey has left the nest for a short exercise flight (usually a few seconds) or due to disturbance. Clearly the longer the adult Ospreys are kept off the nest, the more serious the disturbance incident.

Ospreys tend to be more prone to being disturbed by people on foot, and Ruddock and Whitfield (2007) asked selected experts to record the distance at which Ospreys typically showed a 'static' (e.g. alarm calling) and an 'active' (e.g. taking flight) behavioural response to a single pedestrian observer walking in full view towards an active nest. They received a wide range of opinions, but mean values were 329m for 'static' and 225m for 'active' disturbance during incubation, and 325m for 'static' and 221m for 'active' during chick rearing. Fieldwork has also shown that adult birds become more sensitive to disturbance when young are close to fledging.

The type of disturbance can also be a factor. While Ospreys are easily disturbed by people on foot, they can become habituated to some agricultural activities if operatives remain inside vehicles. For example, 80% of Osprey breeding attempts in the Rutland Water area since 2001 have been in nests on or adjacent to arable fields. Ospreys usually accept the presence of tractors or combine harvesters near the nest, but easily flush upon sight of a person. Section 4(2)(c) of the WCA states the following: “Notwithstanding anything in the provisions of section 1 or any order made under section 3, a person shall not be guilty of an offence by reason of any act made unlawful by those provisions if he shows that the act was the incidental result of a lawful operation and could not reasonably have been avoided.” This clause means that essential agricultural operations are permitted near Osprey nests, but there is still a legal responsibility to act with due care given the protected status of the species. It is particularly important to consider that there is individual variation in the tolerance of Ospreys to disturbance. Younger birds raising chicks for the first time may be more prone to disturbance than older, more experienced individuals in a well-established territory (Dennis 2008). As such agricultural work close to Osprey nests should only take place after consultation with a relevant expert. This approach is undertaken successfully in the Rutland Water area.

#### 5.4.2. Management zones around the nest

In view of the protected status of the Osprey and the sensitivity of breeding pairs to disturbance, it is recommended that land-use management zones are implemented while the birds are present (mid-March to mid-September). These zones, shown in Figure 13, and outlined below, are based on the published literature and evidence from other Osprey nests in the UK.

It is important to recognise that if an activity was found to be causing disturbance to the Ospreys, it would have to stop or be modified immediately. As such a precautionary approach is advised.

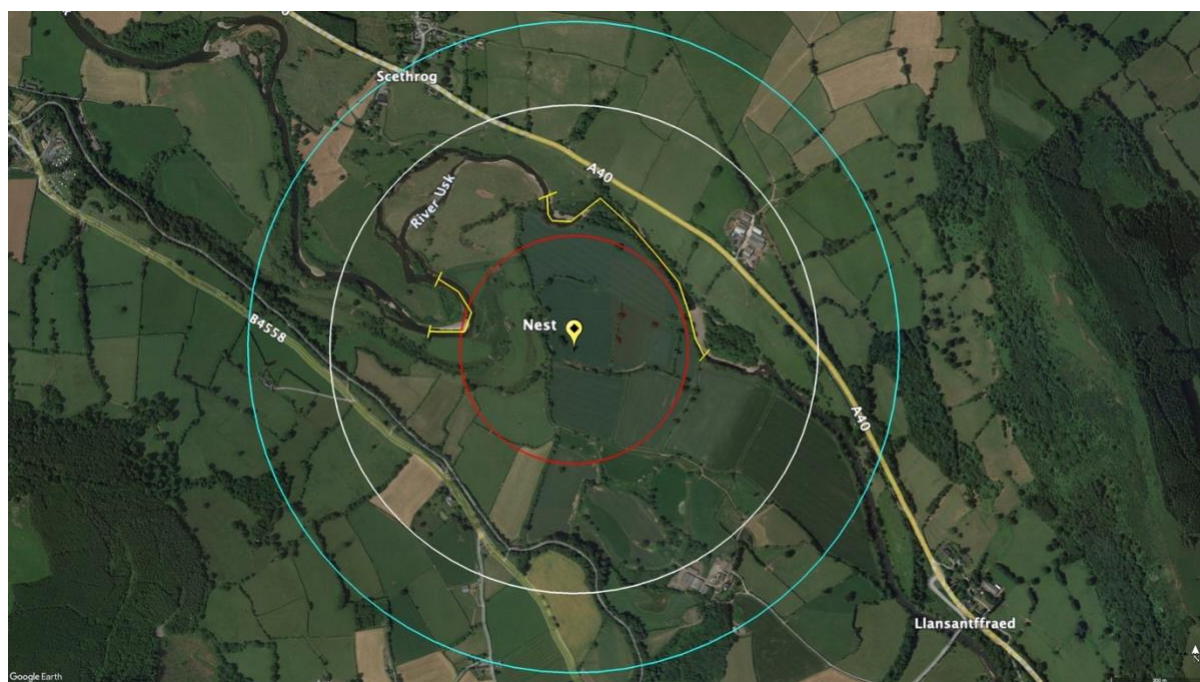


Figure 13. Zones around nest. Red = exclusion zone, white = restriction zone, blue = outer zone, yellow = no fishing zones.

#### Exclusion zone - 0-350m from nest

Disturbance can be caused by a range of sources, but, as described above, is most likely to be caused by people on foot. The work of Ruddock and Whitfield (2007) shows that this is particularly the case within 330m of the nest. It is recommended, therefore, that a 350m exclusion zone (to allow for some contingency) should be established around the nest, to which there is no access on foot (Figure 13). This zone extends to the riverbank in two locations, and, as such, no fishing should be undertaken along the section of the river indicated on Figure 13 because accessing these areas would necessitate entering the exclusion zone. Signage should be installed in the appropriate locations to identify these no fishing zones. Fishing can continue as normal elsewhere, but it is essential that anglers do not encroach into the 350m exclusion zone at any point in order to access these other areas. Likewise, any form of shooting should not take place within the 350m zone while the Ospreys are present.

The field in which the nest tree is located, as well as four others situated within the 350m exclusion zone, are currently cultivated. Ospreys can become habituated to arable farming activity if it is undertaken sensitively, and, as such, there is scope for essential agricultural activities to continue, as described above. It will be important, however, to avoid undertaking work in the vicinity of the nest during the most sensitive periods of the breeding season, including the incubation period, when small chicks are present in the nest, and at fledging time. As such, close liaison with those monitoring the



Osprey activity will be required when agricultural work is planned in the exclusion zone. It will also be very important that any person undertaking essential agricultural activity within the 350m exclusion zone remains in a vehicle whenever possible, because this greatly reduces the risk of disturbance to the Ospreys. This is particularly important when any work is being undertaken in the field in which the nest is located. In addition, agricultural machinery or vehicles should not be left in the exclusion zone while not in use, and bird scarers should not be used while Ospreys are present.

It is recommended that an Osprey Steering Group is set-up to oversee the implementation of this plan (Section 5.8). It would be advisable for any planned agricultural activities in the exclusion zone to be agreed in advance with this group.

In view of the fact that the field in which the nest is located, and others adjacent to it, regularly flood, making arable farming difficult, (Figure 8) consideration could be given to wetland habitat creation in this area. This would benefit a range of other species, including Curlew *Numenius arquata*, a red-listed species of conservation concern, and would greatly enhance the biodiversity value of Gilestone Farm, which is already known to be high. As such, there would be value in producing a whole-site conservation plan. In the short-term, it is recommended that a 50 metre uncultivated grass buffer zone is established around the nest for the 2024 season to reduce the risk of disturbance to the Ospreys by essential farming activities.

The 350m exclusion zone also extends to fields outside the Gilestone Farm landholding. These fields are grazed by sheep and cattle by neighbouring farmers. Like the arable farming, grazing can continue in these fields, but it will be important for those monitoring the Osprey nest to liaise closely with these farmers, particularly during sensitive periods of the breeding season. Livestock checks should be carried out from a vehicle, and any essential work should be undertaken as far as possible from the Osprey nest.

No other activities should take place within the 350m exclusion zone while the Ospreys are present.

#### [Restricted zone - 350-750 metres from nest](#)

Although disturbance is most likely to occur in the 350m exclusion zone, other activities may cause disturbance to Ospreys at significantly greater distances. This is particularly the case for any unusual or conspicuous activities that take place within line of sight of the nest. It is therefore essential that a 350-750 metre restricted zone is also established. A zone of this nature has been successfully

implemented around the Osprey nest at Llyn Brenig to prevent higher-risk activities from disturbing the nesting Ospreys (Mackrill 2022).

The risk of disturbance means that no unusual or conspicuous activities including, but not limited to, events and gatherings of any sort should be held within the restricted zone (i.e. within 750 metres of the nest).

No shooting of any sort should take place in the restricted zone. Likewise, no fireworks should be used.

In recent years the use of drones has become a common recreational activity, and picturesque locations such as the Usk valley are particularly popular. The presence of Ospreys will add further interest. Drones have the potential to cause significant disturbance at Osprey nests and, as such, should not be used within 750 metres of the nest. No fly signage should be installed at relevant locations and an airspace restriction should be applied for via the UK Civil Aviation Authority (CAA) (<https://www.caa.co.uk/drones/airspace-and-restrictions/airspace-restrictions-for-remotely-piloted-aircraft-and-drones/>).

Normal agricultural activities, such as drilling, spraying and harvesting arable crops, or tending to livestock, can be carried out in the restricted zone, however it is recommended that the use of bird scarers is avoided when Ospreys are present.

The A40 highway passes through the north-east of the zone, but is in excess of 500 metres from the nest at its closest point and well-shielded by trees and hedgerows. Similarly, the B4558 passes through the south-west of the zone, but is also in excess of 500 metres from the nest at the closest point and lined by trees and hedgerows. As such, any required roadworks could be undertaken as normal along either of these roads.

The canal tow path walking route runs through the south-west of the zone, but like the B4558 is sufficiently distant (>500m) and screened by trees and hedgerows for walkers not to create any disturbance. Similarly, there is no risk of disturbance from canal boats. There are no other recorded public rights of way within the restricted zone.

Fishing is acceptable in this zone, assuming that any anglers accessing the river do so without encroaching into the 350 metre exclusion zone, as detailed above.

### Outer zone - 750-1000m

Usual day-to-day activities can proceed as normal when they are >750 metres from the nest, but it is recommended that any unusual or larger scale events in an outer zone, 750-1000 metres from the nest, should be judged on a case-by-case basis in consultation with relevant experts and the Osprey Steering Group (Section 5.8). Monitoring may be required to ensure that any such events do not disturb the nesting Ospreys.

The three zones are summarised in Table 1 below.

Table 1. Recommended land-use zones around Gilestone Farm Osprey nest

<b>For the period mid-March to mid-September</b>		
Disturbance can reasonably be considered as: <ul style="list-style-type: none"> <li>Any activity that causes the Ospreys to repeatedly make alarm calls;</li> <li>Any activity that causes the Ospreys to leave the nest or nearby perches, particularly if they leave eggs or small dependent young unattended.</li> </ul>		
<b>Zone</b>	<b>Rule</b>	<b>Exceptions</b>
Exclusion zone 0-350m	<ul style="list-style-type: none"> <li>No access on foot or in vehicles.</li> <li>No shooting or fishing.</li> <li>No flying of drones.</li> <li>No fireworks.</li> </ul>	<ul style="list-style-type: none"> <li>Essential agricultural activity. Every effort should be made to remain in vehicles at all times.</li> <li>Planned management/monitoring of Osprey nest, carried out under licence.</li> </ul>
Restricted zone 350-750m	<ul style="list-style-type: none"> <li>No unusual or conspicuous activities including, but not limited to, events and gatherings.</li> <li>No shooting.</li> <li>No flying of drones.</li> <li>No fireworks.</li> </ul>	<ul style="list-style-type: none"> <li>Normal agricultural operations.</li> <li>Fishing where permission has been granted.</li> <li>Use of canal and canal tow path.</li> <li>Construction works on the highway.</li> </ul>
Outer zone 750-1,000m	<ul style="list-style-type: none"> <li>Most activities can proceed as usual, but any larger scale events or activities should be judged on a case-by-case basis.</li> <li>Permitted activities may need to be monitored.</li> </ul>	<ul style="list-style-type: none"> <li>Normal day-to-day activities can proceed.</li> </ul>

If monitoring showed any activity, in any of the zones, was causing disturbance it would need to stop or be modified as continuing would be a breach of the Wildlife and Countryside Act.

#### 5.4.3. Additional sources of disturbance

There are two other potential sources of aerial disturbance, in addition to drones. Military aircraft regularly fly low along the Usk Valley during summer, which has the potential to cause significant disturbance. It would therefore be advisable to request a Notice to Aviation (NOTAM) regarding the presence of the Osprey nest. In addition, aerial inspections of the power distribution network by very low flying helicopters occasionally takes place at Gilestone Farm, which could also create significant disturbance. As such it would be advisable to request that the utility company do not undertake routine inspections during the period when Ospreys are present.

#### 5.5. Public viewing of the Osprey nest

As described above the presence of Ospreys at Gilestone Farm is now public knowledge and, given the significant interest in the species, it would be advisable to provide the opportunity for visitors to view the nest from a safe distance where there is no risk of disturbance to the birds. This would help prevent any unauthorised access onto the land by people wishing to see the Ospreys, and it would also provide a valuable eco-tourism opportunity.

Dickie et al. (2006) estimated that 290,000 people visit Osprey watching sites in the UK each year, contributing approximately £3.5 million to local economies in the process. It seems likely that these figures are now considerably higher given the growing number of Osprey-watching sites around the country. A study by Natural Resources Wales showed that in 2011, when 40,000 people visited the Cors Dyfi nest in Mid Wales, £180,000 of visitor spend was directly attributable to visits to the site. Furthermore, the presence of Ospreys was a key factor in decisions to visit the area and the overall economic impact of these trips was estimated to be £2.15 million (Munday et al. 2015). This shows that while Ospreys are now becoming more common and widespread, the bird's popularity is showing no signs of waning and this has significant benefits for the communities in areas where they breed.

In the initial instance a temporary viewing facility could be established near the self-catering lodges at Gilestone Farm. The location, shown in Figure 14, is approximately 880 metres from the nest, but the elevated location gives outstanding views along the Usk valley, looking north-west towards the nest (Figure 15). This orientation would allow for good viewing conditions all day, and high-powered optics would provide views of the nest that are similar to some other Osprey viewing sites in the UK. The popular Glaslyn Osprey site near Porthmadog in North Wales is situated significantly further from a nest which has been in use since 2004, although a second pair now also breed in closer proximity.

High-definition CCTV images are shown in a small visitor centre which is run by Bywyd Gwylt Glaslyn Wildlife (BGGW), predominantly by volunteers. BGGW was initially set up as a Community Interest Company and gained charitable status in 2017.

Most Osprey viewing sites are open on a daily basis while Ospreys are present, but a more realistic option for Gilestone Farm, at least in 2024, would be to follow a model established by conservation charity Birds of Poole Harbour (BOPH) in Dorset. BOPH organised guided public watches of a nest on private land for small groups of ten, up to three times per day, during the peak of the breeding season (<https://www.birdsofpooleharbourbookings.co.uk/ospreys>). Viewing was from a specially built platform and had to be booked in advance at a price of £15 per person for a two-hour session. All sessions were fully booked, with a total of 750 attending the watches over the course of the summer (P Morton *pers. comm.* 2023).

The proposed CCTV system would enable live images from the nest to be shown close to the viewpoint, using a large screen television that could be sited in one of the existing farm buildings nearby. Visitors could be given a short introductory talk at this location, before proceeding to the viewpoint. It would be advisable to provide a temporary shelter, such as a gazebo, so that those viewing the nest are protected from any inclement weather. A more permanent structure could follow in due course if public watches prove successful. Hard standing nearby would provide some limited all-weather parking (Figure 16).



Figure 14. Location of proposed public viewpoint site at Gilestone Farm.

Specialist guides would be required to lead public watches, and as such, it may be helpful to establish a voluntary group to support the delivery of this work (section 5.7). Alternatively, a partnership could be established with a local conservation or tourism organisation. As an example, North Wales Wildlife Trust run an Osprey viewpoint at Llyn Brenig, which is owned by Dŵr Cymru Welsh Water. A Friends of Usk Ospreys group is currently being set-up and this may provide a valuable source of highly-motivated volunteers. This would be an excellent way to engage the local community in activities at the farm and would replicate the situation at Glaslyn in North Wales, where the Osprey viewpoint is a community-led initiative run by Bywyd Gwylt Glaslyn Wildlife, as described above.



Figure 15. View towards the nest from the proposed viewpoint location.



Figure 16. The proposed viewpoint location.

An added, longer-term possibility, is that a large pond, close to the proposed viewpoint, could be stocked with fish (Figure 17). Ospreys readily fish in water bodies of this size, and in some locations, special hides have been constructed to give very close views of hunting Ospreys. In Rutland a photography hide at Horn Mill Trout Farm has proved hugely successful and has become a key element of the trout farm's business model, with photographers paying £87 for a dawn or evening session in the hide which can accommodate up to six people (<https://www.rivergwasht Trout Farm.co.uk/horn-mill-osprey-hide/>).



Figure 17. The large pond close to the proposed Osprey viewpoint at Gilestone Farm.

## 5.6. Monitoring of the Osprey nest

### 5.6.1. Data recording

A key element of the work at Gilestone Farm will be to closely monitor the Ospreys when they return from migration, particularly as their presence is now in the public domain. This will be greatly aided by the installation of the CCTV system described in section 5.3.

As with a public viewpoint, monitoring would be best achieved with assistance from a voluntary group (section 5.7). Nest watches could be undertaken at the viewpoint, or remotely using the live stream.

The most important periods for monitoring are during the incubation and chick-rearing stages. The threat of egg collecting, a major issue for Ospreys and other rare birds until custodial sentences were introduced in 2000, is now significantly reduced, but if capacity allows 24-hour monitoring of the nest could be undertaken remotely during the incubation period. The CCTV system will include continuous 24-hour recording of footage.

It is important to establish a clear protocol for reporting and responding to any any incidents that might occur in the vicinity of the nest, during the day or at night, as per the intrusion detection camera protocol. This should be agreed in advance with the Dyfed-Powys police.

It would be helpful to devise standardised data collection forms to facilitate consistent recording of Osprey activity. Key ecological data to collect includes:

- Time spent incubating by female and male;
- Instances of eggs being left uncovered, or young being unattended;
- Duration of foraging trips;
- Fish species brought to the nest;
- Time spent feeding chicks;
- Intrusions by other Ospreys.

It is particularly important to record any specific time periods when the Ospreys are away from the nest, and, where possible, to identify the cause. Any instances of disturbance observed on camera or at the site should be recorded. Disturbance to breeding Ospreys is an offence at any point during the breeding season.

Any disturbance incidents should be carefully recorded, including the total time the adult Ospreys remained off the nest. Efforts should also be made to identify the source of disturbance, whether natural (e.g. an intruding Osprey) or anthropogenic (e.g. a person walking near the nest). Audio from the nest should be used to ascertain whether the female or male (if appropriate) gave alarm calls prior to leaving the nest, or when in flight nearby. This will help to determine whether the bird left the nest in response to disturbance (the source of which may not be visible).



Additional monitoring may be required for certain activities, as described in section 4.4.2. It is recommended that this should be organised on a case-by-case basis in consultation with relevant experts and the Osprey Steering Group.

#### 5.6.2. Ringing of chicks

Ringing provides a valuable means to monitor the expanding population of Ospreys in Wales. Individual birds are fitted with a metal British Trust for Ornithology (BTO) ring on the left leg, and a colour ring, with an alpha-numeric inscription, on the right leg. This enables individual birds to be identified in the field and on nest cameras, and greatly facilitates post-release monitoring. It is important, therefore, that any young are ringed when they are approximately 5-6 weeks of age by an appropriately licensed ringer. Standard biometric measurements, including weight and wing length, should be recorded at the same time. The ringing process should be undertaken in good weather, and in a time-sensitive manner. It is recommended that ringing of the chicks is included on the Schedule 1 licence application that also covers remedial work on the nest and installation of CCTV cameras, as described in section 5.2.

#### 5.6.3. Evaluation of annual monitoring and publication of data

The results of monitoring outlined in section 5.6.1. will help to determine the effectiveness of the zoning described in section 4.4.2 as well as the other conservation measures outlined in this report. It is recommended that these findings should be published in an annual monitoring report.

#### 5.7. Establishment of voluntary group

Volunteers play a key role in monitoring Osprey activity and engaging with the public at different sites in Wales and across the UK. As described earlier it is recommended that a volunteer group is established to:

- Assist with monitoring of the nest in order to record Osprey behavioural data and to enhance security;
- Support the development of Osprey eco-tourism and to lead guided Osprey watches;
- Have input into the Osprey Steering Group (Section 5.8).

## 5.8. Establishment of an Osprey Steering Group

It is recommended that an Osprey Steering Group is established to oversee the implementation of this plan and to review its effectiveness. As a minimum it would be advisable for this group to include representatives from Welsh Government and tenants, along with representatives of any Osprey voluntary group that is set up (as per section 5.7), and any other organisation engaged in monitoring and/or public engagement work at the site, as well as Natural Resources Wales. An Osprey expert may also be valuable, particularly in year one. It is recommended that this group should meet on a monthly basis and to undertake a formal annual review of all work undertaken as part of the plan, including the effectiveness of zoning and other conservation measures.

## 6. Conclusion and summary of recommendations

The key recommendations of this plan are as follows:

- Undertaken remedial work on the nest to secure it in its present location, or to move it to a different part of the crown in the same tree. This work requires a licence from NRW, which should be applied for before Christmas 2023 [Edit – licence applied for on 21/12/23];
- Install a CCTV system with a camera on the nest tree looking directly into the nest and a second camera nearby to provide a wide-angle view of the nest tree and surrounding area. There should be remote access to both cameras to facilitate monitoring;
- Live stream images from the main nest camera for public viewing and have 24-hour recording of all footage;
- Continue to use intrusion detection cameras as additional security around the nest tree;
- Implement the zoning system outlined in this plan;
- Closely monitor Osprey breeding activity, using a team of volunteers or a relevant organisation. Monitoring could be carried out remotely via the live stream or from the watchpoint. This could include 24-hour monitoring of the nest during the incubation period, if capacity allows;
- Keep a record of any instances of disturbance at the nest;
- Establish an emergency protocol in case of any incidents at the nest, and agree this with the Dyfed-Powys police;
- Ring any chicks in the nest, when they are aged approximately 5-6 weeks;
- Trial an Osprey watchpoint in 2024 near the lodges at Gilestone Farm, supported by volunteers or a relevant organisation. This would include high-powered optics to view the nest and a live stream from the Osprey nest camera, shown in the one of nearby farm buildings;

- Establish a volunteer group to assist with Osprey monitoring and public viewings of the nest;
- Establish an Osprey Steering Group to oversee the implementation of this plan and to monitor its effectiveness in a formal annual review.
- Publish annual summary of the results of monitoring at the nest, including a review of the effectiveness of exclusion zones.

It is hoped that the recommendations laid out in this plan will facilitate the successful breeding of Ospreys at Gilestone Farm, which would be a significant development in terms of the recovery of the species in Wales. Furthermore, it will help to demonstrate Welsh Government's commitment to the Environment (Wales) Act, which states, in section 6(1), that a public authority must 'seek to maintain and enhance biodiversity'.

It is clear that the presence of Ospreys, one of Wales' most iconic and much-loved birds, provides an exciting eco-tourism opportunity. Evidence from other sites in Wales indicates that this has the potential to engage large numbers of people with nature and to make a valuable contribution to the rural economy.

Ongoing monitoring will be vital to the critical evaluation of the proposed exclusion zones and other conservation measures detailed in this plan. It will be important for the Osprey Steering Group to review progress on a monthly basis and to conduct a formal annual review. Publishing an annual monitoring report will provide an important summary of these findings.

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**Grwp yr Economi, y Trysorlys a'r Cyfansoddiad**  
**Economy, Treasury and Constitution Group**

**Cyfarwyddwr Cyffredinol - Director General**



**Llywodraeth Cymru**  
**Welsh Government**

Mark Isherwood AS/MS  
Chair  
Public Accounts and  
Public Administration Committee  
Senedd Cymru  
Cardiff Bay  
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CF10 3NQ

6 February 2024

Dear Chair

### **Amgueddfa Cymru**

Thank you for your letter of 8 December 2023 setting out the Committee's further questions following the evidence session I attended on 29 November 2023 in relation to Amgueddfa Cymru. Responses are set out below.

### **Calling-in arrangements and other lessons learned**

*Does the Welsh Government accept the recommendations the Auditor General makes in his Public Interest Report and, if so, what actions is it taking to implement them and ensure the issues at Amgueddfa Cymru are not repeated elsewhere in the public sector?*

The Auditor General makes two recommendations in his report which relate specifically to Welsh Government. We fully agree with them and had identified them as areas of priority. We have already produced draft guidance for managing concerns and complaints against senior leaders in the public sector. This has been presented to Chief Executives of our Arms' Length Bodies for comment. Once their feedback has been considered, and the guidance appropriately updated, it will be presented to our Devolved Sector Group for further consultation before being finalised.

In addition to this, we are considering how the recommendations might apply to other circumstances where Welsh Government might find itself a party to a proposal from an Arm's Length Body that has novel, contentious or repercussive financial outlay.

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## Tailored Review

*What do the findings of the Tailored Review Panel tell the Welsh Government about whether Amgueddfa Cymru remains fit for purpose and well-governed? Is it properly accountable and has it provided the required assurance to Ministers and the Principal Accounting Officer?*

The role of the Review Panel was to challenge and identify areas of improvement, which help us look to the future by learning lessons from recent events. We have confidence in the way Amgueddfa Cymru is governed, but we are also eager to work with colleagues at Amgueddfa Cymru, led by the new Chair and Chief Executive Officer, to respond to the Review Panel's recommendations. The Panel puts forward proposals for significant reforms to Amgueddfa Cymru's governance arrangements and processes that will help to mitigate the risk of similar issues arising in the future.

Amgueddfa Cymru has set up a Task and Finish Group to consider the Review Panel's recommendations, working with Welsh Government officials as members of this group. Project initiation documents are being prepared for each recommendation, or related set of recommendations, and the Group is meeting monthly. Senior managers will receive regular updates on progress from colleagues.

Our wider partnership and monitoring arrangements also continue. Amgueddfa Cymru and the Welsh Government Partnership Team meet once a quarter to discuss performance and progress towards meeting the key objectives set out in Amgueddfa Cymru's operational plan. The Deputy Minister for Arts, Sport and Tourism meets the Chair and Chief Executive Officer on a biannual basis and officials will conduct the Chair's annual performance review on behalf of the Deputy Minister. These arrangements are consistent with those for the other Arm's Length Bodies across ETC Group.

*Did the outcome of the Tailored Review tell the Welsh Government and its sponsorship team anything they didn't already know about Amgueddfa Cymru?*

We were aware of much of the context provided in the Tailored Review report. Its findings, however, challenge both us and Amgueddfa Cymru to consider how things can be done better, more efficiently and with the wider Welsh and international contexts in mind. It also provides us with an opportunity to reflect on our relationship with Amgueddfa Cymru and on the current processes we have in place. For example, it suggests our move from 'sponsorship' to 'partnership' teams in Welsh Government should be underpinned by new, formalised, partnership working arrangements which we are currently exploring.

*The Tailored Review Panel made 77 recommendations in its final report, noting it had been suggested it prioritise some of its more far-reaching ones. Is this something the Welsh Government requested and if so, why?*

Officials recall this was raised during discussions with the panel. We were mindful of the financial challenges we were all facing at the time the review was undertaken - challenges that have only increased since the Panel's report was published. As a result, officials suggested it may be helpful if the Panel were able to prioritise its recommendations. We understand why Panel members decided not to do so since they wanted all their proposals and recommendations to have equal value and be considered in the round.

*Which recommendations does the Welsh Government see as the most critical for Amgueddfa Cymru?*

We consider the recommendations on governance to be critical. The report puts forward several corporate governance reforms, designed, as the Panel describes, to ‘improve decision making and transparency, to comply more fully with good governance guidance and practice and to make fuller use of the skills, experience and talents of trustees and senior managers.’ These recommendations are key to help move forward from recent events. Strengthening Amgueddfa Cymru’s governance arrangements will also help ensure a more effective response to the other important recommendations outlined in the Tailored Review Panel’s report.

*The Tailored Review Panel recommended the Welsh Government provide funding to Amgueddfa Cymru on an invest-to-save basis to implement its recommendations. Has it done this and if so, are you able to provide details?*

Recommendation 75 of the Tailored Review Panel’s report suggests Welsh Government ‘should consider providing funding to implement the changes on an invest to save basis.’ Since receiving your letter of 8 December, you will be aware of the content of the draft budget announced on 19 December 2023 and the extreme financial challenges Welsh Government faces. Whilst recommendation 75 remains something for us to consider, it is very much dependent on the budget we will have available over the next few years.

As a starting point, officials are working with colleagues at Amgueddfa Cymru as members of the Task and Finish Group to understand the financial implications of the Tailored Review Panel’s recommendations, bearing in mind the current context.

*Following the pilot at the National Library for Wales, the Welsh Government said all Tailored Review reports would be published to “ensure action is taken in response to recommendations and to share good practice”. Given this, why was the Tailored Review Panel’s interim report about corporate governance at Amgueddfa Cymru not published or shared with this Committee?*

The interim report on corporate governance was shared with members of Amgueddfa Cymru’s senior executive team, its Board and relevant officials at Welsh Government in December 2022. The intention was always to get initial feedback on the Panel’s findings, up to that point, rather than to make the report available more widely.

The findings of the interim report were integrated into the [final report](#), taking account of the feedback received and the further evidence gathered between December 2022 and March 2023. We remain committed to publishing final copies of Tailored Review reports.

### **Follow-up points**

*Have all the recommendations from the Tailored Review of the National Library of Wales been implemented and when were they implemented, respectively?*

The National Library provides officials with updates on progress as part of our wider monitoring processes. The update received from Library colleagues last month outlines that 29 out of the 34 recommendations have been actioned, some of which are on an ongoing basis.

It was agreed that the recommendation on the development of a digital collections' strategy could be a consideration for the new Culture Strategy. Storage space remains an ongoing issue, as well as the Library's financial situation. Since the Tailored Review report was published, action has been taken to support the Library's financial sustainability, including providing additional funding to support pressures relating to pay, the cost of living and utilities. However, bearing in mind the current economic and fiscal climate, discussions regarding the Library's financial situation are ongoing.

Officials will also be working with colleagues at the Library to update its current framework document, taking into account the recommendation made by Amgueddfa Cymru's Tailored Review Panel regarding the introduction of a partnership agreement.

The implementation of the recommendations made by the National Library of Wales' Tailored Review Panel will continue to be discussed with officials at their quarterly monitoring meetings.

*How was the non-recurrent funding of £750,000 to the National Library of Wales determined as a sum, for what was it allocated for, specifically, and what specific outcomes did it deliver?*

Following the publication of its Tailored Review report in November 2020, the National Library of Wales began developing an action plan to implement its recommendations which allowed Welsh Government to develop the necessary implementation budget. On 3 February 2021, the then Deputy Minister for Culture, Sport and Tourism [announced](#) the £750,000 allocated to the Library to accelerate the implementation of the Tailored Review findings as part of a wider funding package for the National Library and Amgueddfa Cymru in 2020/21 and 2021/22.

The additional funding was used for a variety of purposes to help the Library to deliver the recommendations. This included the commissioning of reports on raising income, the Library's potential as a cultural visitor destination and a report to measure the organisation's impact on the local, regional and national economy. The additional funding also enabled the Library to embark on an ambitious digital transformation programme and corporate restructuring process. In addition, consideration was given to Library's role in relation to local libraries and archives in Wales.

*What concerns, if any, were identified at the performance review of the former President of Amgueddfa Cymru?*

As part of the former President's performance review process in May 2021, governance concerns were raised by some colleagues at Amgueddfa Cymru, mainly from its senior executive team. The nature of the feedback received regarding the President's performance was polarised and because of this, and the issues which were raised, the review process was paused and concerns were escalated within Welsh Government. As set out in the Auditor General's report, formal complaints were then received the following month which led to the independent investigation which reported in November 2021.

*When will the revised version of Welsh Public Money be published and how will it differ from the previous iteration?*

The revision of Managing Welsh Public Money is being led by colleagues in the Chief Operating Officer's Group (COOG). They are currently reviewing the calling in arrangements, and the outcome of this work will be reflected in the revised Managing Welsh Public Money.



*Has the Welsh Government assessed whether financial awards have been made at employment tribunals that match the amount of this relevant settlement, where the key element of the case didn't include allegations of sexual or racial discrimination?*

In terms of Welsh Government's exposure in the Employment Tribunal proceedings, we assessed against settled case law the likely range of awards the former Director General could receive in the event he was successful in his argument that Welsh Government was vicariously liable for the alleged actions of the former President. That assessment, together with a carefully considered cost benefit analysis of defending the matter all the way to a 12-day Employment Tribunal hearing, concluded the £10,000 injury to feelings and £10,000 loss of employment contributions paid by the Welsh Government were reasonable.

It was not possible to 'match' previous Employment Tribunal awards to the total amount under the settlement agreement as it covered much more than the remit of the Employment Tribunal in the two cases they were required to consider. There would as such be no immediately comparable Employment Tribunal cases to consider.

*What was the composition of the Challenge Panel and what outputs did they produce that fed into the Tailored Review?*

The Challenge Panel was made up of two senior Welsh Government officials and an independent member:

- Tim Moss – Chief Operating Officer, Welsh Government;
- Peter Kennedy – the then Director of People and Places, Welsh Government; and
- Elan Closs Stephens – Interim Chair of the BBC, Independent Member of the Permanent Secretary's Board and Chair of its Corporate Governance Committee, and senior academic in field linked to culture and broadcasting.

The Challenge Panel met the Tailored Review Panel on 11 May 2023 to consider the draft report, which had taken account of feedback from Amgueddfa Cymru and Welsh Government officials. Each Challenge Panel Member shared their thoughts and comments on the report and its recommendations. The Review Panel considered the feedback received and, where they agreed, made changes to the final report.

The changes made in light of Challenge Panel Members' comments related to prioritisation, structure and readability rather than the fundamental principles set out in the report and its recommendations, based on the evidence the Review Panel had amassed during the previous eight months.

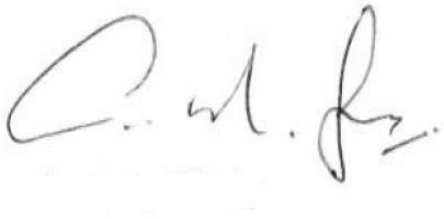
*Is it common practice for the Welsh Government to engage in mediation where the other party specifies a particular mediator? Did the former Director General of Amgueddfa Cymru specify that he would only engage in mediation if he was able to select the mediator?*

All interested parties agreed the terms of the mediation process. The settlement agreement includes appropriate and reasonable non-disclosure clauses agreed by all parties as an outcome of the mediation. This includes details on the mediation process which limits what can be shared publicly.

As I indicated during the evidence session in November, responsibility for Welsh Government policy as it relates to public appointments, public bodies and HR matters, does not sit with me or ETC Group – these are matters for my colleague Tim Moss and COOG. As COOG also has responsibility for Managing Welsh Public Money, this letter has been prepared with input from appropriate officials in COOG and is copied to Tim Moss.

With best wishes.

Yours sincerely

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

**Andrew Slade**  
Director General  
Economy, Treasury and Constitution

cc Tim Moss, Chief Operating Officer, Welsh Government

**Eluned Morgan AS/MS**

**Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol**

**Minister for Health and Social Services**



Llywodraeth Cymru  
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6 February 2024

Dear Russell and Mark,

I wrote to you last November and agreed to provide an update on the oversight and escalation framework. As you are aware I reissued the framework on the 22 January 2024 and this can be found at: [Oversight and Escalation Framework](#).

The previous escalation and intervention framework was introduced in 2014 following previous PAC recommendations. Since its introduction the tripartite partners - Welsh Government, Healthcare Inspectorate Wales and Audit Wales, together with health organisations, have learnt lessons through the delivery and operationalisation of the arrangements. Many things have changed because of this learning. There is some evidence that the current arrangements show some evidence of improvement amongst those health boards that have been escalated.

Considerable work has been undertaken on this Framework and the refreshed version builds upon the engagement and feedback that has been received over the last few years through workshops, questionnaires and discussions with NHS organisations. The review process included an assessment of the processes in operation in England and Scotland and has identified a number of areas that needed to be addressed including:

- The current escalation and intervention framework is in need of a refresh.
- The criteria for de-escalation is not always clearly defined. There needs to be a clear framework and financial indicators that determine where in the framework each organisation should be and what triggers de-escalation.
- Clearer levels of support and action need to be set for each level of the framework.
- The current system is too focused on acute health services – not ‘whole system’.
- Insufficient focus on diagnosing ‘root cause’ of difficulties (to ensure most appropriate/effective response is adopted).
- Can be interpreted as punitive rather than supportive (‘done to’ Boards rather than working with them).
- No option for Boards to proactively seek support.
- Quality of/availability of appropriate support packages (resourcing of relevant skills).

NHS organisations and tripartite participants have had opportunity to comment on draft versions of the revised framework and where appropriate their comments and suggestions have been incorporated into the final document.

The refreshed version builds heavily upon the learning and experiences of the health boards that have been in special measures. The oversight and escalation framework sets out the statutory environment within which the framework operates including the links to the planning and performance frameworks. It sets out the process through which the Welsh Government gains assurance on NHS bodies and how the escalation and de-escalation process works. The framework sets out the domains (based upon the quality standards) against which each organisation is assessed and challenged. The framework also includes a new escalation level – “level 2”. This is intended to allow Welsh Government and the NHS Executive to work with the health board in a proactive manner to prevent formal escalation.

I hope that this update is helpful and please let me know if you require any further information or briefing on these matters.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

**Eluned Morgan AS/MS**

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

**Dr Andrew Goodall**  
Ysgrifennydd Parhaol  
Permanent Secretary

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

12 February 2024

Dear Mr Isherwood

## **Public Accounts and Public Administration Committee – Welsh Government Annual Report and Accounts 2021-22**

Further to the publication of the Public Accounts and Public Administration Committee's report on the Scrutiny of the Accounts for the Welsh Government 2021-22 on 20 October 2023, and my subsequent letter of 7 November 2023, please find attached the Welsh Government responses to the recommendations made in the report.

To facilitate consideration of the responses, three documents are provided accompanying this letter:

- Annex 1 – Recommendation responses
- Annex 2 – Recommendation 7 response
- Annex 3 – Recommendation 9 response (Provided in-confidence as this relates to personal data)

*Yours,  
Andrew Goodall*

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



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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. Dilynwch y ddolen i gael arweiniad ar sut fyddwn yn trin a defnyddio'ch data, yn unol â'r Rheoliadau Diogelu Data Cyffredinol. <https://gov.wales/about/welsh-government-privacy-notice/?skip=1&lang=cy>

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. Please follow the link for guidance on how we will handle & use your data, in accordance with the General Data Protection Regulations. <https://gov.wales/about/welsh-government-privacy-notice/?lang=en>

**Annex 1:**  
**Scrutiny of Accounts - Welsh Government 2021-22**  
**Responses to Recommendations**

**Recommendation 1**

The Welsh Government reviews the content of its accounts to ensure it is properly telling the story about its expenditure and what it has delivered. The Welsh Government should, in particular, consider the information it includes about its grant funding, which accounts for a significant proportion of its expenditure but this is not reflected in the balance of information in the accounts.

**Accept**

The Welsh Government works each year to ensure the accounts provide the reader with an appropriate overview of the wide range of activities for which expenditure is incurred and delivery activity undertaken as a Government. This can be a challenging balance, however it is always the intent to provide an accessible and complete picture. We will as part of our continuous process review the content of the accounts in terms of scope, structure and flow to ensure it properly tells the story.

The accounts for 2022-23 contain in Part 1 nine pages in respect of Administering Grants, including WEFO funding, which also provides information on hypothecated and un-hypothecated grant funding. We will review this section to see where improvements can be made to make it perhaps more succinct or user-friendly.

**Reject**

Whilst Welsh Government will review the content of the accounts to reflect and make amendments to ensure they properly 'tell the story', we wish to note that the detailed analysis of expenditure outturn at Budget Expenditure Level (BEL) annually will continue to be reported in the Outturn report, the accounts will not duplicate this information. The primary mechanism for reporting delivery of Programme for Government policy objectives and outcomes as agreed with the First Minister remains the Welsh Government Annual Report, the accounts will not duplicate this information.

## **Recommendation 2**

The Committee recommends that the Welsh Government considers how it can present its accounts in a more accessible manner. This could be achieved through summary documents or interactive tools for presenting the information more clearly, as opposed to including only the PDF copy of the full account, as it does currently.

### **Accept**

The Welsh Government works each year to improve the presentation of the accounts including the balance of narrative, tabular and infographic content and will continue to do so. These improvements have been recognised by HMT in their ' Best Practice Financial Reporting Review' citing Welsh Government use of infographics over the last few years in its Best Practice examples.

We are currently exploring with Corporate Digital colleagues the processes and resources required to provide an HTML version of the accounts in the future.

## **Recommendation 3**

The Welsh Government should provide links to the publications and reports to which it refers in its accounts, as the Committee believes it is difficult to locate key documents on the Welsh Government's website. The Welsh Government should also review its website to ensure it is easier for people to navigate and locate the information required.

### **Accept**

For the 2022-23 Accounts we have sought to ensure that links to the publications and reports referred to in the document are embedded in the document and will continue to do so in future accounts publications. Further we will update the web-pages hosting the accounts to include links to the following key reports for ease of reference:

- Welsh Government Budgets
- The Outturn report
- The Welsh Government Annual Report
- Wellbeing of Wales Report
- Future Trends Report

Work is underway to improve the website topic structure and search function. This should improve users ability to locate the information they need. Initial improvements should be in place by the second quarter of 2024. Further iterations will then follow.

#### **Recommendation 4**

The Committee reiterates its predecessor Committee's recommendation on the publication of the Outturn Report. While acknowledging practical barriers to publishing all financial reports concurrently, the Committee recommends that the Welsh Government aims to publish these documents either concurrently or as closely together as possible. Specifically, we recommend that the Welsh Government publishes its Outturn report as soon as possible following the laying of its accounts each year and in sufficient time to enable the Committee to consider its contents in its preparation for its accounts scrutiny sessions.

#### **Accept**

Publication of the Report on Outturn concurrently with the accounts would place an unnecessary burden on resources at a time when the (small) team are involved in preparations for the Second Supplementary budget as well as reporting to stakeholders in the current financial year. Waiting until the accounts are published reduces the burden on the team, particularly in terms of editing and translation.

The primary purpose of the report has always been for the Minister responsible for finance to update the Finance Committee. Publication within three weeks of the accounts is a recent commitment and it is proving a challenging one. Nevertheless, we will continue on that basis.

The Report on Outturn 2022-23 was published within the three-week commitment: [Report on outturn 2022 to 2023 | GOV.WALES](#)

#### **Recommendation 5**

To enable the reader to see the value of the range of different assets included in the category of assets and to facilitate scrutiny, the Welsh Government should include a breakdown of the 'Other Financial Assets' for its Core position in its accounts.

#### **Accept**

Additional breakdown of 'Other Financial Assets' will be incorporated into the Statement of Financial Position commentary in Part 1 for 2023-24.



### **Recommendation 6**

The Welsh Government should include information, in its accounts, about the impact of changes to the composition of its Group on its reported financial transactions and balances.

#### **Accept**

In future when new bodies are brought within the Welsh Government Consolidated Accounts additional information will be provided about the impact on key balances such as income, overall expenditure and net asset impacts.

### **Recommendation 7**

The Welsh Government should provide to the Committee, at the time the Permanent Secretary approves and signs the 2022-23 Accounts if not before, an update about the recommendations it and its predecessor Committee made following accounts scrutiny which it has yet to action. This update should include an explanation of why the Welsh Government has not yet acted on the Committee recommendation, as well as the proposed timeframe for implementation.

#### **Accept**

For clarity, the response to this recommendation is contained in Annex 2.

### **Recommendation 8**

The Committee reiterates its predecessor Committee's recommendation on FReM requirements. The Welsh Government should notify the Committee of the FReM requirements it aims to comply with when preparing its accounts. It should also notify the Committee of any changes in its decisions, or in light of new FReM requirements, when the accounts are published. This information should be provided at the earliest possible opportunity ahead of the 2023-24 Accounts.

#### **Accept**

The Welsh Government has been unable to provide the detail of the FReM requirements it aims to comply with when preparing its accounts previously to the Committee due to the impact of Covid-19 and subsequent impact on the accounting timetables across the Welsh Public Sector. Resource has been prioritised to the accounts production process and the implementation of new accounting standards to the Welsh Public Sector.

The Welsh Government follows the FReM for the preparation of its accounts for most aspects of the FReM other than when requirements are specifically applicable to UK Government Departments only, or where there are exemptions for the Welsh Government from compliance - in recognition that Wales' as a Devolved Administration has a different policy context and stakeholders. Principally this relates to performance analysis and sustainability reporting requirements.

The Welsh Government will provide this to the Committee in advance of the 2023-24 accounts, now the FReM for 2023-24 has been finalised in December 2023.

### **Recommendation 9**

The Committee requests that the Welsh Government provides information about who approved the Director of Propriety and Ethics' request for partial retirement and assurance that the issues identified by the Committee in relation to the former Permanent Secretary's working arrangements from 1 April 2018 do not apply in this instance. We request further information about this role and note that it is now being delivered on a part-time basis.

### **Accept**

A confidential response for this information is provided at Annex 3 as it relates to personal data.

### **Recommendation 10**

The Welsh Government should ensure it publishes the Pay Policy Statement for the year to March by the time the Permanent Secretary approves and signs the Accounts for the same financial year. This should start with the Pay Policy Statement for 2023 and the Accounts for 2022-23. This will ensure the Committee is able to scrutinise each year the Pay Policy Statement, alongside the accounts.

### **Accept**

It is always our intention to publish the Pay Policy Statement at the same time as or shortly after the annual Accounts, but always in time to enable the Committee to scrutinise both documents at the same time.

The 2023 Pay Policy Statement is now complete and has been agreed internally and is going through the translation and design process. It will be published on the Welsh Government website before the end of February 2024.

### **Recommendation 11**

The Committee recommends the Welsh Government provides information about how soon after each Board meeting it intends to make the agenda and papers publicly available within a timely manner.

#### **Accept**

Welsh Government aims to publish the approved and translated minutes and papers from Board meetings on the Welsh Government website as soon as possible and no later than 6 weeks after being approved by the Board (which takes place at the subsequent Board meeting).

### **Recommendation 12**

The Committee reiterates its predecessor Committee's recommendation on the publication of Audit and Risk Assurance records. We recommend the Welsh Government publishes, as a minimum, the agenda for its Audit and Risk Assurance Committee together with an appropriate summary of issues arising from those meetings. As such, the Welsh Government should ensure that this information is published retrospectively and promptly in the future.

#### **Accept**

The Welsh Government is aware of the recommendation accepted previously to publish ARAC Agendas and a summary of issues covered. The work of the ARAC Secretariat has been affected in recent years by the impact of Covid, changes in working practices and reorganisation within the Welsh Government which has led to publication not being prioritised. The Head of the ARAC Secretariat will take steps to action the recommendation.

### **Recommendation 13**

The Welsh Government should provide an explanation why it did not appoint a Non-Executive Director until March 2022 following the resignation of Jeff Farrar in August 2021.

#### **Accept**

Jeff Farrar stepped down unexpectedly from his role as Non-Executive Director to the Welsh Government Board in August 2021.

The remaining three Non-Executive Directors continued to be active in providing advice, challenge and assurance to the Board and the Permanent Secretary.

The campaign to recruit a new Non-Executive Director following Jeff Farrar's resignation was designed to allow Dame Shan Morgan's successor as Permanent Secretary to be involved in the process from the outset; Dr Andrew Goodall took up the post in November 2021.

## **Recommendation 14**

The Welsh Government should share with the Committee the conclusions of its review of its conflicts of interest policy as soon as it is available, with a full explanation of any planned revisions and the extent to which they address the review and conclusions of its Internal Audit Services.

### **Accept**

The Welsh Government has recently agreed the final draft of the revised Conflict of Interest (now called Declaration of Interest) policy with the trade unions, staff networks and other interested stakeholders. The revised policy meets all recommendations of the Internal Audit Services review. The policy, once translated will be launched early in the new year with a new electronic system developed in-house to record and monitor declarations for all staff, including nil returns.

The conclusions of the review have led to revisions to policy encompassing:

- **Relevant interests of close family/friend/associates** – policy confirms that to support only necessary data holding only the nature of the relationship between the third party and our employee will be recorded (e.g. spouse, sibling, business partner).
- **Outside occupations / employment** – we have provided more information on what falls into this category including what constitutes 'employment' and 'otherwise remunerated' both based on TU feedback and additional guidance from UK Government Cabinet Office. The policy is also now clear that 'passive income' e.g. receiving rental payments would not usually need to be declared under this category.
- **Declaration process** – the plan is to launch our electronic system, named Datgan at the same time as the revised policy.
- **Record keeping/privacy** – a separate Privacy Notice is in development which will cover outside interest declarations as well as other 'Conduct' matters. This information will be available on the intranet and a link will be included in the policy when published.

- **Publication requirement for SCS ‘paid or otherwise remunerated outside employment’** – with the publication of revised Cabinet Office guidance, we are assured this is a mandatory requirement for the WG. It should be noted (based on a previous Fol request) that we anticipate very few SCS staff within the WG will be in scope of this requirement.
- **Additional examples of conflict scenarios/mitigation (non-financial if possible)** – two further examples have been added to Annex B (including one on nil returns) and title of this Annex has been changed to reflect this
- **Clarity that the policy applies to all staff regardless of grade**
- **Clarity on how this policy relates to the WG policy on volunteering**
- **Advance notice of external publication requirements** - this is now highlighted in the policy summary and the Datgan system will also remind staff of the interest categories that will be published to Gov.Wales

## Recommendation 15

We recommend that the Welsh Government includes in its accounts additional information where the Head of Internal Audit provides limited or no assurance, as well as where Internal Audit Services identified fundamental weaknesses. This additional information should include a commentary about the management’s response to findings and how the Welsh Government plans to address the issues identified.

## Reject

The Head of Internal Audit (HIA) has reviewed other Devolved Administrations’ and also a sample of UK Government Departments’ accounts, to benchmark the position across UK central government. There is a mixed picture with most leaning towards not disclosing any more detail than the Welsh Government already discloses. Indeed, the Welsh Government already discloses comparably more information about internal audit outcomes.

The level of disclosure has been reviewed and developed since 2017-18. Prior to this, the Governance Statement contained only the Head of Internal Audit’s one-word assurance opinion (level). The Governance Statement now includes the HIAs annual opinion and a table showing the number of assignments analysed by level of assurance given for each (from “substantial” assurance to “no assurance”). A brief commentary is also provided on the common themes or key elements of “limited” and “no assurance” assignments. In addition, controls issues have been included in Governance Statements on occasion, prompted by Internal Audit Service work, even if specific references to internal audit findings have not been included in the commentaries on those issues.

However, internal audit is not intended, or designed, to be an outward-facing reported activity but one which informs, advises, assures and reports internally to the Accounting Officer. This is why global professional and UK Public Sector Internal Audit Standards include in their Ethical Code the requirement for internal auditors to “respect the value and ownership of information they receive and... not disclose information without appropriate authority unless there is a legal or professional obligation to do so”. In the view of the HIA, there is no legal or professional obligation to disclose information in the Governance Statement over and above what the FReM, Managing Welsh Public Money and Public Sector Internal Audit Standards require.

The reason for this limited disclosure is the risk to the effectiveness of internal audit work if additional information is published about audit outcomes. The HIA is dependent on the cooperation and transparency of officials to provide an effective audit and needs a safe space within which to have open and honest conversations with Officials. The HIA is concerned this ‘safe space’ may be lost if internal audit outcomes are reported upon in detail in the Governance Statement. Internal auditors do not have the powers or protections external auditors like AW have to conduct their work effectively but rely on the trust and confidence between themselves and the officials within their organisation. The HIA is uneasy about the potential unintended harm to this relationship which more detailed commentary might cause.

It may also be the case, on occasion, that reported findings might put the WG at risk where they relate to weaknesses in IT or cyber controls or weaknesses in processes intended to prevent fraud and where the WG would not want those weaknesses to be exploited.

Therefore, the wider value of including more detailed commentary would need to be very carefully measured against the potential negative impact on the effectiveness of the Internal Audit Service as a consequence. The better outcome is sufficient openness and transparency in the Governance Statement about critical controls issues or risks which have not been managed effectively as part of the risk mitigation commentary, rather than increased information about internal audit activity. It might, perhaps, provide greater assurance to a reader that such control issues have been disclosed if this were to be confirmed by the Head of Internal Audit for inclusion in the commentary on their annual assurance opinion.

## **Recommendation 16**

The Committee reiterates its predecessor Committee's recommendation on risk reporting. We recommend that the Welsh Government includes a summary of the principal risks and any changes to them during the period covered by the accounts. This should set out information about the potential impact of the risks and how these are being mitigated. Consistent with our predecessor Committee's recommendation, we are not calling for the inclusion of the Welsh Government's entire risk register in its accounts.

### **Accept**

The reporting of corporate risks has been expanded in the 2022-23 Accounts including a new risk infographic giving a summary of the principal risks and changes to them during the reporting period of the accounts. The mitigations that have been put in place to manage significant risks are also included in Part 2, the Annual Governance Statement. Any further feedback the Committee may have on the reporting of Corporate Risks would be considered for the 2023-24 accounts.

## **Recommendation 17**

The Welsh Government should review the information it includes in the accounts about its Performance Framework, since without any targets for, and commentary about, specific measures, it is not possible to understand how the Welsh Government is performing.

### **Accept**

The Welsh Government Performance Framework is currently under review in order to ensure that we are making best use of the data we have to support and improve Welsh Government's organisational performance, across the diverse range of activities carried out by the organisation. As part of this review, we are considering a range of different factors, including maximising opportunities for performance information to inform relevant action; optimising the frequency of performance reporting to ExCo and the Board; consideration of the indicators that are scrutinised and improving efficiency and effectiveness of reporting outputs.

We are also considering the best way to approach publishing our data externally, to ensure that the range and complexity of the performance information that is contained in our reports can be clearly conveyed in an accessible and easy to understand format.

We are currently measuring our organisational performance against a number of targets and will consider where further use of targets may be beneficial. Examples of previously published indicators which have associated targets are:

- FOI – the ICO has set a target for 90% of requests to be completed within the statutory deadline.
- Internal Finance – We have a target for 80% of correctly presented invoices to be paid within 5 days.
- Equality and Inclusion – There is a target within Anti-Racist Wales Action Plan for 6% of our staff to be from an ethnic minority.

### **Recommendation 18**

The Welsh Government should review the way it reports losses to the Senedd and provide an explanation of what it considers a “serious” loss, as per paragraph A4.9.6 of Managing Welsh Public Money.

#### **Accept**

We will review the way in which all losses have been reported over the last 5 years to the Senedd, consider good practice elsewhere and report back to this Committee by 30 June 2024 on our findings, including if we consider there is a need to update our current guidance on how we report losses or define a serious loss.

### **Recommendation 19**

We recommend the Welsh Government provides an update to the Committee following the completion of its impairment review to ascertain the retained value of data and other preparatory work for the Road Schemes.

#### **Accept**

As a result of the Roads Review the decision was taken not to proceed with the A55 3rd Menai Crossing, Flintshire Corridor Improvements and A483 Junction 3-6 Improvement schemes in their current form.

The total historic expenditure relating to the A55 3rd Menai Crossing, Flintshire Corridor Improvements and A483 Junction 3-6 Improvement projects is £5.9m, of which £5.7m was assessed as obsolete and therefore written off during 2022-23 Financial Year.



To assess any retained value, cost associated with physical outputs from activities e.g. outline design, survey data and traffic modelling outputs, are still of potential future value.

Even though these costs will no longer be held on the balance sheet as assets that does not mean that studies and data sets will be disregarded. The data created through the expenditure will remain in Welsh Government and referred to as necessary in future studies including the alternative schemes identified in the National Transport Delivery Plan to maximise value to the public purse.

### **Recommendation 20**

The Welsh Government should provide information to the Committee about the timetable for updating Managing Welsh Public Money, along with an indication of when it is expected to be published.

#### **Accept**

Welsh Government is aware of the importance of Managing Welsh Public Money and the need for it to be updated. However, it is a lengthy and complex document where much of the underlying guidance has changed significantly over the last few years. We are currently considering the resourcing implications and will provide the Committee with a further update before the summer recess.

### **Recommendation 21**

The Committee requests further information about the ex-gratia payments made to Hardshell UK Limited and Surviva Limited, in addition to that provided by the Permanent Secretary in his letter of 6 April 2023. This should set out information about the governance arrangement around these payments, including the process adopted for considering the cases made and who approved the payments. The Welsh Government should also provide information about any other assurance work undertaken and the lesson it learned from this process.

#### **Accept**

Governance Arrangements:

Consideration of special payments such as the ones made to Hardshell and Surviva is subject to scrutiny by senior management and the corporate governance team in the Division concerned and, as these types of payment are unusual, clearance by the Corporate Governance Centre of Excellence before approval at Director, Director General and Ministerial Level.

The rules on the subject of losses, write offs and special payments are contained in Managing Welsh Public Money and detailed guidance to staff provided through a Policy Document and Scheme of Delegation available on the Intranet. It should be noted that this document specifies the need that, before agreeing to a special payment, the responsible accounting officer should feel able to justify the proposed payment to the Senedd if challenged.

#### Process Adopted:

The companies in question contacted Welsh Government and advised they were experiencing hardship as a consequence of responding to the call to action for Personal Protection Equipment (PPE), but not securing any business as a result. Due diligence work verified firstly that the financial predicament of both businesses had worsened over the course of the pandemic and secondly that there was a reasonable assumption that this was connected to their investment in developing PPE supply capability.

Officials undertook a joint assessment of the current position as well as future business plans from both companies, prior to seeking appropriate Director General approval to request Ministerial agreement to make special payments.

In relation to calculation of the value of the special payments - Hardshell advised officials that the business would fail unless it was able to access financial support up to £447,000. To avoid receivership, Surviva Wear advised that it needed £330,000 to pay down its loans, arrears and unpaid business rates and replace the R&D required to return the business back to a supplier of survival products. The maximum amount of financial support which could be considered for either company was £330,000, in accordance with de-minimis state aid/subsidy control. The Minister therefore approved payments of up to £330,000 per company. Surviva received the full £330,000. The payment to Hardshell was reduced to £325,000 in order to comply with de minimis due to previous SMART Innovation M&D consultancy support received.

Prior to seeking Ministerial approval for making the payments to both businesses, a detailed review of the process by which the companies engaged in the exercise to develop local capability to produce and supply critical items of PPE was undertaken.

The proposal to seek Ministerial Approval for the payments was approved by the Director General of the then ESNR (Economy Skills and Natural Resources) on 17<sup>th</sup> March 2022. The final approval regarding the payments was made by the Minister for Economy on 21<sup>st</sup> March 2022.

### Lesson Learned from the Process:

The circumstances which had given rise to these payments and the process by which the decision to approve them was taken were subject to an Internal Audit Review for which the report was issued in February 2023. The report contained three main observations, two of which were given “Significant” status. However, Internal Audit was able to confirm there was sufficient evidence and an audit trail supporting the decision-making process for the special payments themselves. The management action plan agreed with Internal Audit following the Review contains four clear actions, of which two are in progress and two have been implemented.

### **Recommendation 22**

The Welsh Government should provide details of the number of companies to whom it made ex-gratia payments for COVID-19 Personal Protective Equipment from budgets other than that for the Economy Main Expenditure Group, as well as the aggregate value of them. This should be provided by financial year.

### **Accept**

Welsh Government Losses and Special Payments Registers have been interrogated for all special payments and all items noted as COVID-19 related for the following financial periods:

2019-20  
2020-21  
2021-22  
2022-23  
2023-24

No ex-gratia payments for COVID-19 Personal Protective Equipment were made to companies from any budgets other than from the Economy MEG.

### **Recommendation 23**

We recommend that work to implement a new Welsh Government workforce plan should continue apace, with a focus on the areas suggested by the Auditor General for Wales. The Welsh Government’s progress in this area should be shared with the Committee on a six-monthly basis until the plan is finalised. The finalised workforce plan should be shared with the Committee once it is concluded.

## **Accept**

The workforce action plan for year one was developed and published in January 2023 with key 'chapters' of the strategy now in place including a new Values and Behaviours Framework, Health, Safety and Well-being Strategy, Capability and Skills Plan and Promotion and Progression approach. Priorities for 2024 are currently being discussed as part of the over-arching WG2025 priorities. Our year one action plan will be shared with the Committee.

## **Reject**

Welsh Government does not see the need to provide 6 monthly progress updates and as this relates to the operational running of the organisation.

## **Recommendation 24**

The Committee requests that six-monthly updates are provided on the implementation of the Delegation and Accountability Framework, given our concerns about the slow pace of implementation. We would also welcome confirmation that the Welsh Government intends to undertake a formal review of its impact, at the end of 2023-24. If so, a copy of this review should be shared with the Committee.

## **Accept**

Through the introduction of the Workforce Delegation and Accountability Framework Director Generals received delegated authority and responsibility for resourcing decisions from the Permanent Secretary. The implementation and operationalisation of the framework remains ongoing using the flexibilities available to reflect the changing budget context and support workforce planning and resourcing.

A commitment was made to a review of the framework and a review is currently scheduled to take place formally by April 25.

In the meantime, the Welsh Government's Priority Resourcing Panel will continue to monitor the arrangements until the formal review is due. An overview of the findings of the review when it is undertaken will be shared with the Committee.

## **Reject**

As this framework is an operational matter for the organisation, the Permanent Secretary does not feel it is appropriate to update the Committee on a six-monthly basis.

## **Recommendation 25**

The Welsh Government should update the Committee on the implementation of the new HR management information system. If there are any further delays in implementation, the Committee should be informed about this and provided with reasons for the delay.

## **Accept**

Pobl, the Welsh Government's new HR information system, was launched in July 2023. Work to fully embed the system, further develop reporting capability and enable longer term business improvements continues.

**Annex 2:  
Scrutiny of Accounts - Welsh Government 2021-22  
Response to Recommendation 7**

**Recommendation 7**

The Welsh Government should provide to the Committee, at the time the Permanent Secretary approves and signs the 2022-23 Accounts if not before, an update about the recommendations it and its predecessor Committee made following accounts scrutiny which it has yet to action. This update should include an explanation of why the Welsh Government has not yet acted on the Committee recommendation, as well as the proposed timeframe for implementation.

**Accept**

I wrote to the Committee on 7 November 2023 to explain why the responses to this reports' recommendations would not be available at the time of signing the 2022-23 Accounts.

Welsh Government accounts scrutiny recommendations made by the Committee and its predecessor Committee from the 2017-18 report to the 2020-21 report have been considered, including the recommendations for the Welsh Government included in the 5<sup>th</sup> Senedd Legacy report. In total 59 recommendations relating to Welsh Government have been assessed.

Of these 59 recommendations, 9 are outstanding or partially outstanding:

**2017-18**

Recommendation 14, inclusion of detailed (within MEG) financial information and programme delivery against outcomes linked to performance.

- Further to this recommendation, subsequent recommendations and discussions throughout scrutiny have taken place between Welsh Government and the Committee on the level of detail for inclusion regarding expenditure, delivery and outcomes. This is addressed at Recommendation 1 in the 2021-22 Report and response in Annex 1.

Recommendation 20, Whole of Government of Wales Account

- Welsh Government has continued liaison with the Scottish Government on its progress towards a Whole of Scottish Government Account and has noted the challenges encountered to date whereby such an account, agreed with auditors, has not yet been able to be published. Based on this work Welsh Government has yet to identify persuasive evidence of the benefits of the production of a Whole of Government of Wales Account. Therefore, the Welsh Government believes that at this point in time the priority should be to

work with Audit Wales on returning cross-Welsh public sector accounts to an earlier timeline, after the impact of Covid-19 delays, and on the Alignment process between Budgets and the Consolidated Accounts.

### **2018-19**

Recommendation 2, Welsh Government to work with sponsored bodies to review Board and Audit Committee meeting information to develop a consistent minimum.

- This was raised with the Public Leaders Forum who agreed to establish a Group to take this work forward, however subsequently Covid-19 events overtook the work of the Public Leaders Forum and the Group did not progress.
- This will be raised at the next Public Leaders Forum to discuss how it should be taken forwards.

Recommendation 3, Whole of Government of Wales Account

- See response for 2017-18 Recommendation 20 above.

### **2019-20**

Recommendation 2, Compliance with the Financial Reporting Manual

- This is addressed at Recommendation 8 in the 2021-22 Report and response in Annex 1.

Recommendation 11, Publication of ARAC Agendas

- This is addressed at Recommendation 12 in the 2021-22 Report and response in Annex 1.

### **2020-21**

Recommendation 8, Action to improve record keeping processes – partially complete:

- The Quick Guide to Information and Records Management was updated and launched to all staff.
- Updates have been made to connected guidance and intranet pages to reflect the changes to the Guide.
- Record keeping training is also integrated into iShare (Corporate Records Management System) training.
- Our 2024 Year of Knowledge and Information Management (KIM) campaign has been launched which is a year-long campaign to improve knowledge and help manage, share and retrieve information.
- A bespoke training course on record keeping for Welsh Government has not yet been implemented, training resources particularly to develop bespoke courses are assessed and prioritised as part of wider Welsh Government training requirements, and as noted above the Year of Knowledge Management will provide articles, guidance and events to raise understanding of the importance of good information management and apply best practice.

Recommendation 10, Cabinet Office work on relationship between Cabinet Office and Permanent Secretaries of Welsh and Scottish Government

- This is awaiting further engagement by the Cabinet Office, as and when such engagement takes place the Committee will be provided with updates.

Recommendation 15, Six-monthly updates on the progress being made on Covid-19 Business Grants Post Completion Monitoring to be provided to the Committee.

- Completed for April 2023, October 2023 update has been delayed and an update as at November 2023 will shortly be provided to the Committee.



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**Reference:** AC388/caf  
**Date issued:** 19 October 2023

Dear Mark

## Covering teachers' absence: follow-up 2023

I am writing to share findings from my follow-up work on covering teachers' absence. I published my previous report in November 2020, which was itself a follow-up to a 2013 report by my predecessor.

In 2020, I concluded that: 'The Welsh Government has taken action to support supply staff, tackle the root causes of teacher absence from the classroom, improve the management of absence and address some key concerns about agency contracts. However, gaps in data mean that it is still difficult to say whether some of these actions are having the intended effects.'

The previous Public Accounts Committee did not undertake detailed inquiry work on this topic. In May 2021, the Welsh Government provided a response to my two recommendations and accepted both in part.

- The first recommendation was on 'ensuring the quality and sufficiency of supply teachers for schools'. This included reinforcing the importance of effective management of staff absence, having long-term measures of success, and collaboration with other agencies on training and resources. It also included understanding whether schools were able to arrange enough cover in the context of emerging demands at the time and, for Welsh-medium schools and certain subjects, existing supply shortages.
- The second recommendation addressed the national procurement framework for agency staff in education. The framework in place at the time addressed many concerns that had been expressed about previous contracting

arrangements. However, its minimum rate of pay for supply teachers was likely to put pressure on school budgets. The recommendation related to the promotion and take-up of the framework and monitoring arrangements to ensure work is done within role descriptions.

I consider that now is a good time to assess progress because:

- In March 2021, the Petitions Committee published a report from its inquiry into a 'Fair Deal for Supply Teachers' petition. It made four recommendations, some of which echoed my own. Favouring a public sector solution, the Committee recommended the Welsh Government should further consider alternative arrangements for supporting schools to find and employ supply teachers. The alternatives suggested included direct employment and the introduction of centralised or regional supply arrangements.
- In its Programme for Government for 2021-2026, the Welsh Government committed to developing a sustainable employment model for supply teachers with fair work at its heart. A contract has been let to support the new National Supply Pool for Wales which will be rolled out from Autumn 2023.
- The Welsh Government has asked the Independent Welsh Pay Review Body (IWPRB) to review the terms and conditions of supply teachers. Previously, the IWPRB said that there would be significant implications from including individual contractors and agencies within the remit of the School Teachers' Pay and Conditions (Wales) Document. The IWPRB's report, expected in December 2023, will look at supply teachers directly employed by schools and local authorities. It will not include the majority of supply teachers who are mainly employed by agencies.
- During our work, the Welsh Government had been procuring a new national framework contract for supply teachers and other temporary staff in readiness for the 2023/24 academic year.

Our audit approach has involved interviews with officials from the Welsh Government, the Education Workforce Council, and representatives of supply teachers. We reviewed a range of Welsh Government policy documents along with its response to the Auditor General's recommendations and those of the Petitions Committee. We analysed relevant expenditure data and considered the scope of the new national framework contract, although we have not examined the detail of the procurement arrangements. We also issued a short survey inviting views from local authority directors of education, receiving seven responses.

While this letter sets out key findings from our high-level follow up work, we have not intended it to be an exhaustive account of overall developments in this area since my previous report.

Based on the work undertaken, I have concluded that the Welsh Government has taken a range of relevant actions in response to my 2020 recommendations which it mostly accepted. However, reflecting similar issues to those raised in my previous report, gaps in data, for example on take-up of professional learning opportunities, a lack of evaluation to date and the absence of a clear picture of what constitutes good quality and sufficient supply across the education system, mean it is not clear if all actions have been effective. The bullet points below summarise my findings.

- On ensuring the quality and sufficiency of supply teachers for schools:
  - The Welsh Government has publicised its guidance on managing attendance of the school workforce and improved the methodology for collecting data on teachers' sickness absence but there remains no data on the extent of absence for other reasons.
  - Schools are ultimately responsible for ensuring cover is available in the classroom and the quality of teaching, but the Welsh Government has not set out how it will know if its own supporting actions are effective.
  - The Welsh Government has taken steps to provide access to professional learning opportunities for supply teachers and cover staff but there is no data on their take-up or its impact.
  - There continue to be reports of shortages of suitable cover in some areas, subjects, and Welsh-medium, while the overall number of registered supply teachers has fallen.

- On the national framework contract for agency staff in education and relevant wider developments:
  - While it has not put in place any systematic monitoring since October 2020, the Welsh Government has not been informed of any instances of supply teachers or other cover staff being asked to work outside their advertised role and has reinforced its expectations.
  - Use of the national framework contract has increased slightly from an already high rate, so more supply cover arrangements are benefiting from its safeguarding and employment requirements.
  - Schools and local authorities spent £101 million on agency staff in education through the framework contract in 2022-23. This was just over 10% more in real terms than in 2021-22 and over three times more than in 2018-19 under the previous contract.
  - Pay for agency supply teachers has increased, with the minimum daily rate for supply teachers employed through the contract rising to £152 in May 2023.
  - The Welsh Government has established a new national framework contract, building on the 2019/20 – 2022/23 arrangements but with further enhancements in the professional learning offer and employment safeguards.
  - Supply teachers’ representatives are cautiously optimistic about the Welsh Government’s new option for schools and local authorities to directly employ supply teachers through the National Supply Pool for Wales which offers access to the teachers’ pension fund, but likely uptake is unknown, and costs will be higher than currently.

**Annexes 1 and 2** provide more detail and **Annex 3** contains some supporting financial analysis. I am not making further specific recommendations to the Welsh Government. I would however expect that the Welsh Government will continue to monitor the use and effectiveness of its framework contract as well as evaluating the new option to employ supply teachers directly to ensure it is effective for schools and supply teachers. Likewise, I would expect the Welsh Government to review the effectiveness of its professional learning offer and the National Professional Learning Entitlement in respect of supply teachers and other cover staff. Also, I continue to believe that there is merit in the Welsh Government setting out what high quality cover and capacity would look like in the education system.

I am copying this letter to the Chair of the Children, Young People and Education Committee.

Yours sincerely



**ADRIAN CROMPTON**  
**Auditor General for Wales**

cc. Jayne Bryant MS, Chair – Children, Young People and Education Committee

## Annex 1: Ensuring the quality and sufficiency of supply teachers for schools

- 1 This annex provides our assessment of progress against the first of the recommendations in the Auditor General's 2020<sup>1</sup> report.

In 2020, we recommended that the Welsh Government:

- reinforces in its policy development and implementation that effective management of staff absence is fundamental to ensure positive learner outcomes.
- sets out some clear longer-term measures of success against which progress in improving the quality and sufficiency of supply teachers can be judged.
- works with the Education Workforce Council, regional education consortia and agencies to promote the availability of training and resources to supply teachers and learning support workers, particularly as part of its work to prepare the teaching profession for the curriculum reform roll-out from September 2022.
- clarifies if schools can arrange enough cover to release staff to prepare for the roll-out of the new curriculum from September 2022 as well as responding to demands resulting from the coronavirus pandemic. This is particularly important for Welsh-medium schools and subjects where supply shortages already exist.

- 2 The Welsh Government accepted points one, three and four of our recommendations. It did not fully accept point 2. It stated that overall achievement of this recommendation would be delivered through ongoing and future policy development on professional learning and Initial Teacher Education (ITE), the School Workforce Annual Census (SWAC), and Education Workforce Council (EWC) workforce survey. It also noted the provision of additional school funding to recruit additional staff to manage the COVID-19 response.

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<sup>1</sup> Auditor General for Wales, [Covering Teachers' Absence: Follow-up](#), November 2020

**The Welsh Government has publicised its guidance on managing attendance of the school workforce and improved the methodology for collecting data on teachers' sickness absence but there remains no data on the extent of absence for other reasons**

- 3 The Welsh Government told us it intended to reinforce in its policy development and implementation that effective management of staff absence is fundamental to ensure positive learner outcomes. To this end, it has publicised its non-statutory guidance on the effective management of school workforce attendance<sup>2</sup> in 'Dysg', its newsletter for the education community. The Welsh Government had updated the guidance in February 2020 partly to reflect changes stemming from the national framework contract for agency staff in education introduced in September 2019. It will need to consider if the guidance needs to be updated to reflect the new framework contract from September 2023 and other changes (see **paragraphs 38-47**). Information for supply teachers on its digital platform for schools and education professionals (Hwb) was updated in July 2023 to include information on the new National Supply Pool for Wales and the 2023/24 – 2025/26 framework.
- 4 The Welsh Government has encouraged local authorities and schools to use the framework contract for agency staff, highlighting its safeguarding and quality requirements and employment benefits, including minimum pay for supply teachers (see **paragraph 34**). All local authorities make use of it to some extent although two areas – Isle of Anglesey and Gwynedd – make very little use of it (see **Annex 3, Exhibit 2**). Schools in these two areas have continued to employ cover directly from a pool of staff administered by the local authority.
- 5 Our previous reports have highlighted the lack of information on the extent of teachers' absence from the classroom other than for reasons of sickness. This continues to be the case.

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<sup>2</sup> Welsh Government, [Effective management of school workforce attendance](#), Guidance document no: 258/2020, February 2020



6 From 2020/21, the Welsh Government improved the methodology for collecting data on sickness absence, providing for greater coverage<sup>3</sup>. Reporting is also now on an academic year rather than calendar year basis. These changes mean that we cannot directly compare teachers' sickness absence data from 2020/21 onwards with earlier years. Data for 2021/22<sup>4</sup> shows that sickness absence was higher in 2021/22 than 2020/21 on several indicators. For example:

- In 2021/22, 39,000 periods of sickness absence were either opened or closed. This is more than twice as many as in 2020/21 (17,475).
- In 2021/22, 65.2% of teachers took at least one period of sickness absence. Again, this is higher than 2020/21 (40%).
- In 2021/22, 8.3% of teachers lost more than 20 working days to sickness absence, up from 5.5% in 2020/21.
- In 2021/22, an average of 12.8 working days were lost per teacher who took absence, up from 11.9 in 2020/21.

7 However, care has to be taken interpreting any trend as the 2020/21 academic year was atypical due to the impact of the COVID-19 pandemic. For example, the Welsh Government has noted that before the pandemic, and under the previous data collection arrangements, the figure for the proportion of teachers taking at least one period of sickness absence per year ranged between 61.1% and 62.1% in the three calendar years 2017-2019.

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<sup>3</sup> Previously figures were based on an aggregated data collection from local authorities. More recent figures are from the School Workforce Annual Census. They draw on data maintained throughout the year in HR/payroll systems. They also now include data from schools that have opted-out of payroll and/or HR service level agreements with their local authority. See Welsh Government, [School Workforce Annual Census data: background, quality and methodology information](#), July 2023.

<sup>4</sup> See Welsh Government, [School Workforce Census results: as at November 2022](#), July 2023, and StatsWales, [Teacher sickness absence \(SWAC\)](#), last updated July 2023.

**Schools are ultimately responsible for ensuring cover is available in the classroom and the quality of teaching, but the Welsh Government has not set out how it will know if its own supporting actions are effective**

- 8 The Welsh Government did not fully accept our recommendation about setting out some clear longer-term measures of success against which progress in improving the quality and sufficiency of supply teachers can be judged. Its reasoning was that measuring the quality or capability of school staff (both permanent and temporary) is a matter for individual school leaders<sup>5</sup>. However, the Welsh Government's response described how it planned to address shortages, build capacity, and promote quality. It has supported schools and local authorities, for example by issuing guidance, managing, and developing the framework contract, and providing access to professional learning for cover staff.
- 9 We understand the differing responsibilities for delivering cover and ensuring quality, but still believe there is merit in the Welsh Government setting out what good quality and capacity would look like across the education system. This would enable scrutiny and evaluation of the effectiveness of its actions in achieving its desired outcomes.

**The Welsh Government has taken steps to provide access to professional learning opportunities for supply teachers and cover staff but there is no data on their take-up or its impact**

- 10 Our 2013<sup>6</sup> and 2020 reports highlighted the need for professional learning for supply teachers and other cover staff and described barriers that they face. Our 2022 report on the new Curriculum for Wales<sup>7</sup> found that supply teachers

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<sup>5</sup> The Welsh Government distinguishes education responsibilities across three tiers. Welsh Government, Education in Wales: Our national mission, Action Plan 2017-21, September 2017.

<sup>6</sup> Auditor General for Wales, Covering Teachers' Absence, September 2013

<sup>7</sup> Auditor General for Wales, The new Curriculum for Wales, May 2022

and teaching assistants face more difficulties than other teachers in accessing resources.

- 11 Since our 2020 report, the Welsh Government has continued to make professional learning materials available to supply teachers and others on Hwb which supply teachers can access. In addition, it provided funding totalling £915,000 in 2019-20 and 2020-21 to the Education Workforce Council to develop the Educators Wales website, which signposts registered users to professional learning materials on Hwb and elsewhere. However, uptake of these materials by supply teachers is unknown and their effectiveness has not been evaluated.
- 12 The Welsh Government has continued to promote the Education Workforce Council's professional learning passport as a tool for supply teachers to record and reflect on their professional learning. Any newly qualified teacher working towards registration is required to use the passport to provide evidence of learning. However, it is not known how many other supply teachers or teaching assistants use it.
- 13 The national framework contract states that agencies should provide 'regular and relevant professional learning opportunities and support, free of charge... recognising the changing education landscape in Wales'. It specifies a minimum level of compulsory training (safeguarding level one, manual handling, first aid and behavioural management). Information returned to the Welsh Government covering 2021/22 suggests agencies on the framework offered a wide range of learning and development. The nature of activities offered varied and, for all, exceeded the minimum requirement. However, the data does not make clear how many agency supply staff engage with the activities on offer, nor if the agencies evaluated their impact.
- 14 In February 2022, the Welsh Government proposed a new National Professional Learning Entitlement (the Entitlement)<sup>8</sup>. It is a national approach to career-long professional learning for the school workforce, including supply teachers and learning support workers. Details of the Entitlement, published in September 2022, show it includes both access to professional learning and an

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<sup>8</sup> Welsh Government, [National Professional Learning Entitlement](#), September 2022

expectation that teachers and others will actively engage with and pursue professional development.

- 15 Supply agencies were included in the Welsh Government's meetings to co-construct the Entitlement between April and June 2022. The new national framework contract from September 2023 includes a requirement for agencies to include access to the Entitlement in their terms of employment. As the framework is not yet operational, it is unclear how access to the Entitlement will be realised in practice.

**There continue to be reports of shortages of suitable cover in some areas, subjects, and Welsh-medium, while the overall number of registered supply teachers has fallen**

- 16 During the COVID-19 pandemic, the Welsh Government became aware that some schools were struggling to find adequate cover. It has told us that, while most agencies had supply teachers available, staff were reluctant to move between schools. The Welsh Government issued guidance to councils and schools to consider how they employed supply cover during the pandemic. It encouraged schools to issue long-term contracts if there was a continuing need for cover. The Welsh Government told us that agencies also tried to increase the workforce, for example by contacting people who previously did cover work. Some offered incentives where sourcing cover was particularly difficult.
- 17 All seven directors of education responding to our survey mentioned current difficulties identifying suitable cover. In particular, and consistent with issues identified in our previous report, they highlighted examples affecting rural areas, secondary schools, Welsh medium, and some subjects. These gaps also mirror areas where there have been shortfalls in recruiting to initial teacher education, for example for secondary education and Welsh<sup>9</sup>.

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<sup>9</sup> The Education Workforce Council sets allocations for initial teacher education (ITE) each year. The number starting secondary ITE was only 66% of allocation in 2021/22. The number training in Welsh fell slightly in 2021/22 compared to the previous year but otherwise was the highest since 2010/11. The number of trainees

- 18 The Welsh Government has been providing incentives to train in shortage areas for several years. In April 2023, it announced additional incentives for Welsh-medium teachers, including a £5,000 retention payment for secondary teachers who have completed three years of teaching after achieving qualified teacher status. Supply teachers who can demonstrate that they have undertaken the equivalent of three years secondary teaching and remain working in Welsh-medium secondary schools will be able to apply for the bursary.
- 19 The number of registered supply teachers has reduced from 4,635 in 2020 to 3,867 in 2023, a fall of 16.6%<sup>10</sup>. Some supply teachers took work in other sectors during the COVID-19 pandemic in 2019/20 and 2020/21<sup>11</sup>. From July 2020, some supply teachers and learning support workers were recruited to new roles created by schools using funding from the Welsh Government's 'Recruit, Recover, Raise Standards' programme to support pupils most affected by the pandemic<sup>12</sup>. By March 2023, £165.5 million had been distributed through the programme to schools and early years settings, creating an estimated 2,452 roles, mainly in learning support. This investment is continuing but at a reduced level for 2023-24 (£37.5 million) and 2024-25 (£28.5 million).

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for primary education has been above allocation in 2020/21 and 2021/22 following several years when it was less than required. Statistics for Wales, Initial Teacher Education Wales, 2021/22, SB 19/23, May 2023.

<sup>10</sup> Education Workforce Council, Annual Education Workforce Statistics for Wales, 2023

<sup>11</sup> Work for supply teachers and other staff was limited by school closures and by a reluctance on the part of schools and/or teachers to move between schools or classes. Supply staff working for agencies may have qualified for some financial support under the UK Government's furlough scheme. Self-employed supply staff did not qualify for furlough support and those on fixed-term contracts in schools were paid until the contract ended.

<sup>12</sup> Andrews, G., Bajjada, T., Howells, J., KilBride, K., Morgan, N., Richardson, M., Wise, C., Bebb, H., Bryer, N. and Roberts, M., Evaluation of Recruit, Recover, and Raise Standards & Early Years Programmes, Welsh Government, GSR report number 50/2023, May 2023

- 20 Our 2020 report said that supply cover would be needed to allow teachers to prepare for the roll-out of the new curriculum. The Welsh Government estimated the cost of this cover at £10.8 million in 2020/21 (estimates ranged from £5.4 million to £16.1 million). We were unclear if there were sufficient supply teachers available. To allow more time for necessary preparations, the Welsh Government legislated for an additional in-service training day in 2019/20, 2020/21 and 2021/22. This has been continued for a further three academic years from 2022/23. The lack of information on reasons for cover (see **paragraph 5**) means that we do not know how many of these expected days were covered in 2020/21 and 2021/22.

## Annex 2: The national framework contract for agency staff in education and relevant wider developments

- 21 This annex provides our assessment of progress against the second of the recommendations in the Auditor General's 2020 report. It also includes some updated analysis on spending on cover through the national framework contract and commentary on other wider developments relevant to the framework.
- 22 Initially covering the period from September 2019 to July 2022, the Welsh Government took up the opportunity to extend that framework by a year while it went through a procurement process for new arrangements from September 2023<sup>13</sup>.
- 23 When considering trends in expenditure under the framework, it is important to recognise the potential effects of the COVID-19 pandemic and their impact on like-for-like comparison. This includes school closures during 2019/20 and 20/21. An evaluation<sup>14</sup> found that schools did not typically spend money available through the Recruit, Recover, Raise Standards programme on supply cover. Nevertheless, there may have been some additional expenditure associated with recovery efforts.

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<sup>13</sup> The Welsh Government's National Procurement Service (NPS) established the framework. Since 2019, the Welsh Government has made changes to the way in which it manages procurement, including national contracts that cover other bodies. The NPS no longer exists as an entity. The arrangements for the national framework contract for agency staff are now managed as part of the wider programme of the Welsh Government's Commercial and Procurement Directorate. It is developed and let in partnership with local government.

<sup>14</sup> See **footnote 12**.

In 2020, we recommended that the Welsh Government:

- puts in place monitoring arrangements for the contract's operation to ensure that supply teachers, cover supervisors and learning support workers are working within their role description;
- encourages schools to use its national contract for agency staff to benefit from its quality standards and safeguarding arrangements; and
- monitors the rate of take-up of its national contract for agency staff to check if schools are switching to using agencies outside of the contract's requirements.

- 24 The Welsh Government accepted points two and three of this recommendation. It indicated that it did not accept point 1, although it has taken certain action (see below).

**While it has not put in place any systematic monitoring, since October 2020 the Welsh Government has not been informed of any instances of supply teachers or other cover staff being asked to work outside their advertised role and has reinforced its expectations**

- 25 The Welsh Government's response to our recommendation stressed the responsibilities of schools and their governing bodies for determining the types of cover roles required and ensuring staff members are working in the role appointed to. The Welsh Government indicated that it did not intend to put in place any systematic monitoring itself. However, it noted that it already collated data on spend against different roles to help monitor trends and fluctuations. The Welsh Government also noted that it had issued advice to agencies to request that adverts for cover clearly stated the role, requirements, and pay.
- 26 The 2019/20 – 2022/23 framework contract requires adverts to state the category of cover required. The Welsh Government has encouraged schools, individuals and agencies to report instances where cover staff have been asked to work outside of their specified role. The Welsh Government's Commercial Directorate told us that it has not had any such report since October 2020.



**Use of the national framework contract has increased slightly from an already high rate, so more supply cover arrangements are benefiting from its safeguarding and employment requirements**

- 27 Schools are responsible for staffing decisions, including how they will cover absence. They are not required to use the national framework contract to secure agency staff. However, the Welsh Government has promoted it to schools and local authorities so that they benefit from its requirements to support safeguarding, higher quality, and better employment conditions for cover staff. The improved conditions include a minimum rate of pay for supply teachers (see **paragraph 34**).
- 28 In our 2020 report, we highlighted a risk that schools could look to cut costs by switching to agencies outside the framework that are not required to pay a minimum rate to supply teachers. The National Procurement Service estimated that the education recruitment agencies initially on the 2019/20 to 2022/23 framework<sup>15</sup> had previously accounted for around 90% of overall agency expenditure. The Welsh Government estimates that the proportion of overall expenditure with agencies through the framework has increased from 89.6% in 2019-20 to 92% in 2021-22. This suggests that this risk has not materialised. **Annex 3** provides further analysis of expenditure.
- 29 Our previous report also highlighted a risk that schools could use more unqualified staff for cover, rather than teachers, as the cost differential grew. Our analysis of expenditure through the framework found that supply teachers accounted for a slightly lesser proportion of cover days booked through the contract in 2021-22 (37%) compared to 2019-20 (40%). Without doing more detailed work, we cannot know the extent to which schools have been using unqualified staff to reduce costs or other reasons.

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<sup>15</sup> Two of the 27 agencies initially on the 2019/20 – 2022/23 framework had left it at the time of our 2020 report. The previous two frameworks for 2012/13 – 2014/15 and 2015/16 – 2018/19 involved only one company, New Directions Education Ltd, which still attracts around one third of framework expenditure.

**Schools and local authorities spent £101 million on agency staff in education through the framework contract in 2022-23. This was just over 10% more in real terms than in 2021-22 and over three times more than in 2018-19 under the previous contract**

- 30 Without obtaining information from individual schools and councils, we cannot calculate total spending on cover, which would include spending through agencies outside of the national framework contract and direct employment by schools. The Welsh Government monitors spending through the framework contract.
- 31 In 2022-23, schools and local authorities spent £101 million on cover through the framework. This was 10.7% more in real terms (allowing for inflation) than the previous year (see **Annex 3, Exhibit 1**). It was over three times more than in 2018-19, the last full financial year of the previous contract when spend was £28.8 million in real terms. These figures include spending on non-classroom staff such as caretakers, administrative and catering staff (see **paragraph 50**).
- 32 Several factors will have contributed to the increase in spending through the framework, including:
- an increased number of days of cover – in 2022-23, schools and local authorities purchased 647,125 days of cover through the contract, 9% more than in 2021-22 (593,368);
  - an increase in daily charge to schools for supply teachers and teaching assistants (see **Annex 3, Exhibit 3**), reflecting an increase in the minimum pay for supply teachers above the rate of inflation (see **paragraph 34**); and
  - an increase in the proportion of total agency expenditure through the framework (see **paragraph 28**).
- 33 The framework contract requires agencies to state a maximum agency fee and provide invoices for schools that break down charges clearly. We have not checked whether those requirements are being met. Our 2020 report stated that, according to the Welsh Government, maximum fees ranged between £15 and £50 a day under the 2015/16 – 2018/19 framework contract. The Welsh Government told us that maximum fees ranged between £20 and £50 in the 2019/20 – 2022/23 contract. The Welsh Government estimates that the average agency fee for supply teachers was £20.49 in 2021-22, 11% of the total daily

charge (see **Annex 3, Exhibit 4**). The Welsh Government told us that in 2023/24, maximum fees range between £20 and £70.

### **Pay for agency supply teachers has increased, with the minimum daily rate for supply teachers employed through the contract rising to £152 in May 2023**

- 34 The 2019/20 – 2022/23 framework contract sets minimum pay for supply teachers equivalent to the bottom point of the main scale for teachers in Wales. This was £128 a day in 2019/20 (see **Annex 3, Exhibit 5**). It rose to £150 a day from 1 September 2022 – 11 May 2023 and £152 from 12 May 2023<sup>16</sup>, partly because supply teachers employed through the framework have benefitted from the Welsh Government’s decision to at least match pay in England. In September 2019, the UK Government committed to raise starting pay for newly qualified teachers to £30,000 by 2022/23. This was later delayed to 2025 but, as a result, the lowest point of the pay scale has risen at a higher rate than average teachers’ pay. The daily rate is also affected by the number of working days in the year so additional public holidays in 2021/22 (one) and 2022/23 (two) have slightly increased the daily rate in those years. It is not known how often schools pay supply teachers above the minimum.
- 35 The Welsh Government did not include a minimum pay rate for other cover staff in its 2019/20 – 2022/23 framework contract and does not include this in its new contract from September 2023. There is no national pay scale for school staff other than teachers. Some local authorities have committed to being national living wage employers which has led to increased pay for teaching assistants, and which may have benefitted supply staff too<sup>17</sup>.

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<sup>16</sup> The Welsh Government agreed a revised pay award for 2022/23 in April 2023. The School Teachers’ Pay and Conditions (Wales) Order 2022 came into force on 12 May 2023. The revised award raised the minimum point of the teachers’ pay scale from £28,866 to £29,278 and was backdated to 1 September 2022. As a result, the daily pay of supply teachers employed through the framework contract increased to £152. The increase in daily pay through the framework was implemented from 12 May 2023 and did not apply retrospectively.

<sup>17</sup> From April 2023, the national minimum living wage for people aged 23 and over is £10.42 per hour. Some employers voluntarily pay a minimum ‘real living wage’

**The Welsh Government has established a new national framework contract, building on the 2019/20 – 2022/23 arrangements but with further enhancements in the professional learning offer and employment safeguards**

- 36 During our follow up work, the Welsh Government has been through the procurement process for a replacement framework contract for 2023/24 – 2025/26. Working with local government, it awarded the contract in July 2023. Agencies will continue to pay a 0.5% fee for each day purchased through the national framework to the Welsh Government to cover the cost of managing the framework. The Welsh Government has not confirmed how much it received under this arrangement.
- 37 The 2023/24 – 2025/26 framework includes 41 agencies overall, with between 14 and 34 agencies in each local authority area. Its terms are broadly similar to the 2019/20 – 2022/23 contract but with some additional elements:
- Agencies will incorporate the National Professional Learning Entitlement (see **paragraph 14**) into their employment terms.
  - The Employment Agency Standards Inspectorate will consider some elements of the framework’s requirements in its inspection of agencies in Wales and share its reports with the Welsh Government. Agencies will also be required to partner with Jobs Aware, an organisation providing free advice to non-permanent workers. They must display the Jobs Aware logo on payslips.

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calculated on a different basis to the statutory minimum wage. In July 2023, this is £10.90 for people aged 18 and over outside of London.

**Supply teachers’ representatives are cautiously optimistic about the Welsh Government’s new option for schools and local authorities to directly employ supply teachers through the National Supply Pool for Wales which provides access to the teachers’ pension fund, but likely uptake is unknown, and costs will be higher than currently**

- 38 In March 2021, the Petitions Committee published a report of its inquiry ‘Fair Pay for Supply Teachers’ about supply teachers’ pay and conditions<sup>18</sup>. It made four recommendations, some of which covered issues similar to those addressed by our 2020 recommendations. The Committee recommended that the Welsh Government should consider alternative arrangements for supply teachers, stating that it considered that a public sector solution would have significant advantages compared to recruitment agencies.
- 39 In its response to the Committee’s recommendations, the Welsh Government highlighted that a Ministerial Supply Model Taskforce had considered the future delivery options for supply teaching in 2017 but did not find a single delivery model that it considered workable in Wales<sup>19</sup>. However, the Welsh Government said it would consider another independent review into the employment of supply teachers to inform any proposals for possible alternative models.
- 40 Meanwhile, the Welsh Government asked the Independent Wales Pay Review Body (IWPRB) to consider if the IWPRB’s remit should include the pay and conditions of supply teachers. In May 2021, the IWPRB reported that there would be significant implications from including individual contractors and agencies within the School Teachers Pay and Conditions (Wales) Document (STPC(W)D)<sup>20</sup>. The Welsh Government subsequently asked the IWPRB to consider the terms and conditions of supply teachers alongside a more general

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<sup>18</sup> Welsh Parliament Petitions Committee, [Petition P-05-805 Fair Deal for Supply Teachers](#), March 2021

<sup>19</sup> Ministerial Supply Model Taskforce, [Report to the Cabinet Secretary for Education](#), February 2017

<sup>20</sup> Independent Welsh Pay Review Body, [Independent Welsh Pay Review Body: third report 2021](#), May 2021

review of teachers' pay and conditions<sup>21</sup>. The wider review has been delayed and a report on terms and conditions for supply teachers directly employed by schools is expected in December 2023. It will not consider the terms and conditions of agency supply staff<sup>22</sup>.

- 41 In June 2021, in its Programme for Government 2021-26, the Welsh Government included a commitment to 'develop a sustainable model for supply teaching that has fair work at its heart'<sup>23</sup>. In December 2022, the Welsh Government announced that it intended to deliver the commitment by procuring an e-booking platform to support an employment model in which local authorities and schools directly employ supply teachers and teaching assistants<sup>24</sup>. This procurement was conducted alongside the new framework contract and the Welsh Government intends that the platform is rolled out from September 2023.
- 42 The National Supply Pool for Wales will allow local authorities and schools to access a talent pool or database of individuals to approach when they need temporary staff. Supply teachers will register with the supply pool rather than with each local authority. They will have access to the teachers' pension scheme. The Welsh Government has said that terms and conditions will reflect any changes to supply teachers' terms and conditions it makes in response to the IWPRB report (see **paragraph 40**). The National Supply Pool for Wales will start in one local authority and be rolled out gradually. Supply teachers' representatives are cautiously optimistic about the National Supply Pool for

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<sup>21</sup> Minister for Education and Welsh Language, [School teachers' pay and conditions year 4 remit: matters for report](#), December 2021

<sup>22</sup> In March 2022, 81% of supply teachers said that most of their employment was through an agency compared to 77% in 2021 and 58% in March 2018. See Education Workforce Council, [Data insights, Supply school teacher data](#), 2022.

<sup>23</sup> Welsh Government, [Programme for Government, 2021-26](#), June 2021 (updated December 2021)

<sup>24</sup> A third party will undertake employment checks before supply teachers and teaching assistants can register with the e-platform.

Wales, although its impact will depend on uptake by local authorities and schools.

- 43 The Welsh Government developed its approach following discussions with the Welsh Local Government Association and the Association of Directors of Education Wales. The Welsh Government is meeting the core cost of providing the service up to £231,750 + VAT per year. The final cost will depend on take-up of the platform by schools and local authorities.
- 44 For schools, however, the new arrangements will be more expensive than the framework arrangements, due to higher employers' contributions to the teachers' pension scheme<sup>25</sup> and the statutory requirement to pay any directly employed teacher 'to scale' so that their pay reflects their years of work. We have calculated that if all supply teachers employed under the framework in 2022-23 had been employed under the new arrangements, the total cost would have increased by at least £2.3 million<sup>26</sup>. This assumes that supply teachers employed in this way are paid at the minimum point of the main teachers' pay scale. In reality, the additional cost is likely to be higher as supply teachers will be 'paid to scale'.
- 45 The new model has similarities to 'supply pools' currently provided by at least two local authorities (see **paragraph 4**). Those local authorities support a register of supply teachers and teaching assistants which schools approach directly. Our 2013 report found that many councils had stopped providing supply pools, citing high administration costs and/or lack of use.
- 46 The rate at which schools will make use of the new employment option is unknown. Directors of education responding to our survey said the new arrangements might improve quality if schools build relationships with specific teachers by regularly employing them as supply teachers. Some directors said the new process could be more streamlined than the current arrangements for

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<sup>25</sup> The employers' contribution to the teachers' pension scheme is 23.68% of pay as opposed to an average of 3% employers' contributions for agency staff.

<sup>26</sup> This assumes current agencies employers' contribution at 3% and an average agency fee of £20.49 (see **Annex 3, Exhibit 4**). The estimate does not include the cost of developing the software or licence fees.

hiring supply teachers and others directly. However, others were uncertain if schools will choose to use the new option; they said its success will depend in part on having enough teachers and teaching assistants signed up to it and ensuring administration is not onerous for schools.

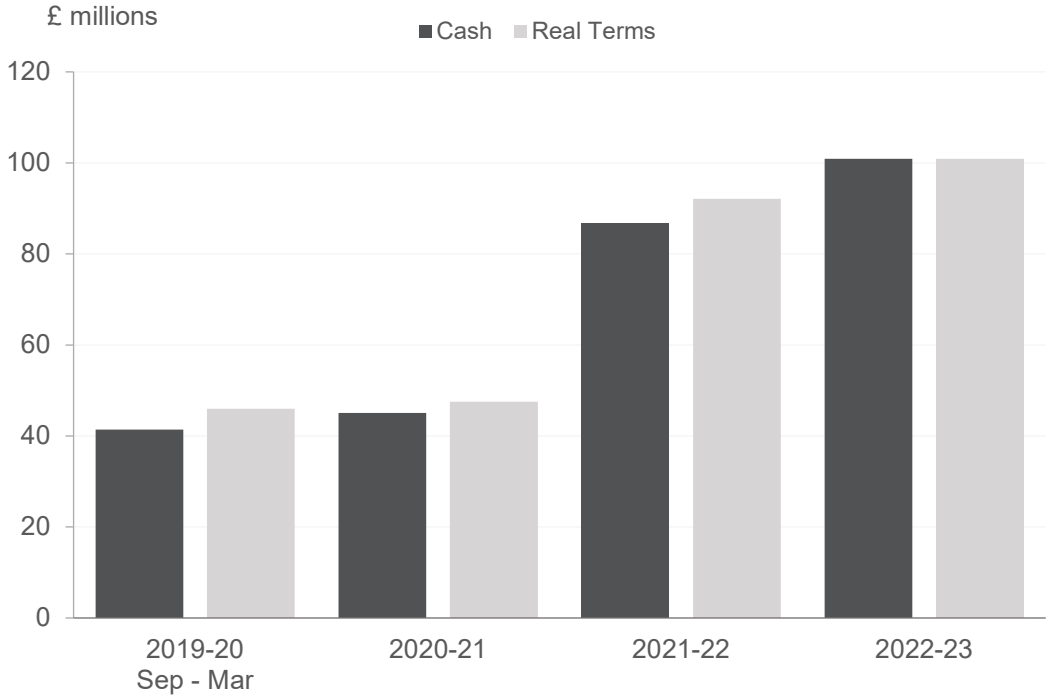
- 47 Isle of Anglesey Council currently maintains a supply pool for its schools but told us that it plans to move its in-house arrangements to the new platform from Autumn 2023. It has informed unions and existing supply staff of this and asked supply staff for permission to transfer their information to the new system. Once it is ready, the council will provide demonstrations and training for schools. Council officials think it will free-up significant administrative capacity. Powys County Council, which already has an arrangement with a recruitment company to provide a 'supply pool' for its schools, told us that this is a popular option for supply teachers. Powys schools also use the framework contract (see **Annex 3, Exhibit 2**) as the pool does not meet all their requirements.



### **Annex 3: Financial analysis relevant to the national framework contract for agency staff in education**

- 48 This annex includes the exhibits referenced in **Annex 2**. It draws on the most recent available data. The Welsh Government was able to provide total expenditure for 2022-23. However, it did not provide more detailed breakdown of expenditure, for example by category of staff.
- 49 Some analysis refers to financial years (e.g., 2022-23 format). Data related to pay is shown in academic years (e.g., 2022/23 format) as teachers' pay is set from 1 September.
- 50 Totals include expenditure on non-classroom staff, for example caretakers, administrative staff or catering agency workers. In our previous report, we noted that between October 2019 and March 2020, 11% of total spending through the framework was on non-classroom agency staff.

**Exhibit 1: expenditure by schools and local authorities through the Welsh Government’s framework contract for temporary staff in education, 2019-20 to 2022-23 (cash and real terms at 2022-23 prices) <sup>1, 2, 3</sup>**



**Notes:**

- 1 The figure for 2019-20 covers the period from September 2019 to March 2020 because the new framework contract commenced at the start of the academic year.
- 2 2019-20 and, in particular, 2020-21, include periods when schools were mainly closed due to the COVID-19 pandemic. All pupils returned to school from the beginning of the summer term on 12 April 2021.
- 3 Real terms analysis applies HM Treasury GDP deflators, June 2023.

Source: Audit Wales analysis of Welsh Government data

**Exhibit 2: school and local authority spending through the framework contract for temporary staff in education, by local authority, 2021-22** <sup>1, 2, 3</sup>

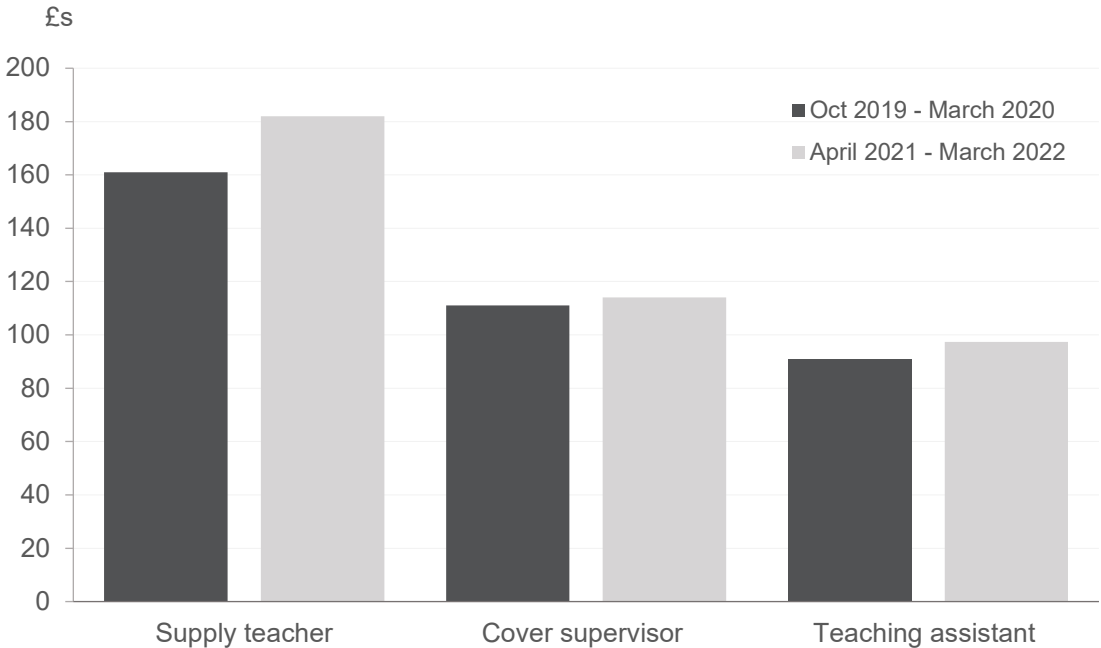
<b>Local Authority</b>	<b>2021-22 (£s)</b>	<b>Spend per pupil (£s)<sup>3</sup></b>
Blaenau Gwent	3,023,291	323
Bridgend	7,498,907	324
Caerphilly	7,664,095	276
Cardiff	7,825,671	138
Carmarthenshire	6,265,882	228
Ceredigion	1,138,528	119
Swansea	4,926,405	137
Conwy	2,262,149	144
Denbighshire	3,637,211	227
Flintshire	4,123,159	177
Gwynedd	109,405	6
Isle of Anglesey	16,431	2
Merthyr Tydfil	2,624,976	288
Monmouthshire	1,775,074	154
Neath Port Talbot	5,501,844	259
Newport	2,967,069	109
Pembrokeshire	2,385,872	139
Powys	2,724,655	159
Rhondda Cynon Taf	9,714,548	250
Torfaen	1,867,424	131
Vale of Glamorgan	2,922,850	125
Wrexham	3,852,686	200
<b>Wales</b>	<b>84,828,130</b>	<b>180</b>

Notes:

- 1 The Welsh Government told us that the total spending figure is slightly lower than represented in **Exhibit 1** due to data errors in supplier submissions which prevent payments being allocated to local authorities, for example spelling errors or incorrect data entry. This affects 2.2% of total expenditure.
- 2 The Welsh Government had not provided data for 2022-23 at the time of writing.
- 3 Pupil numbers from StatsWales, Pupils by local authority and age group 2021/22, August 2022 update

Source: Audit Wales analysis of Welsh Government data

**Exhibit 3: average daily charge to schools by category of staff, October 2019-March 2020<sup>1</sup> and April 2021-March 2022 (cash terms) <sup>1, 2</sup>**



**Notes:**

- 1 Data is not available by category for September 2019.
- 2 The Welsh Government was unable to provide data for 2022-23 at the time of writing.

Source: Audit Wales analysis of Welsh Government data

**Exhibit 4: estimated breakdown of agencies' daily charge for supply teachers (2021-22)** <sup>1, 2</sup>

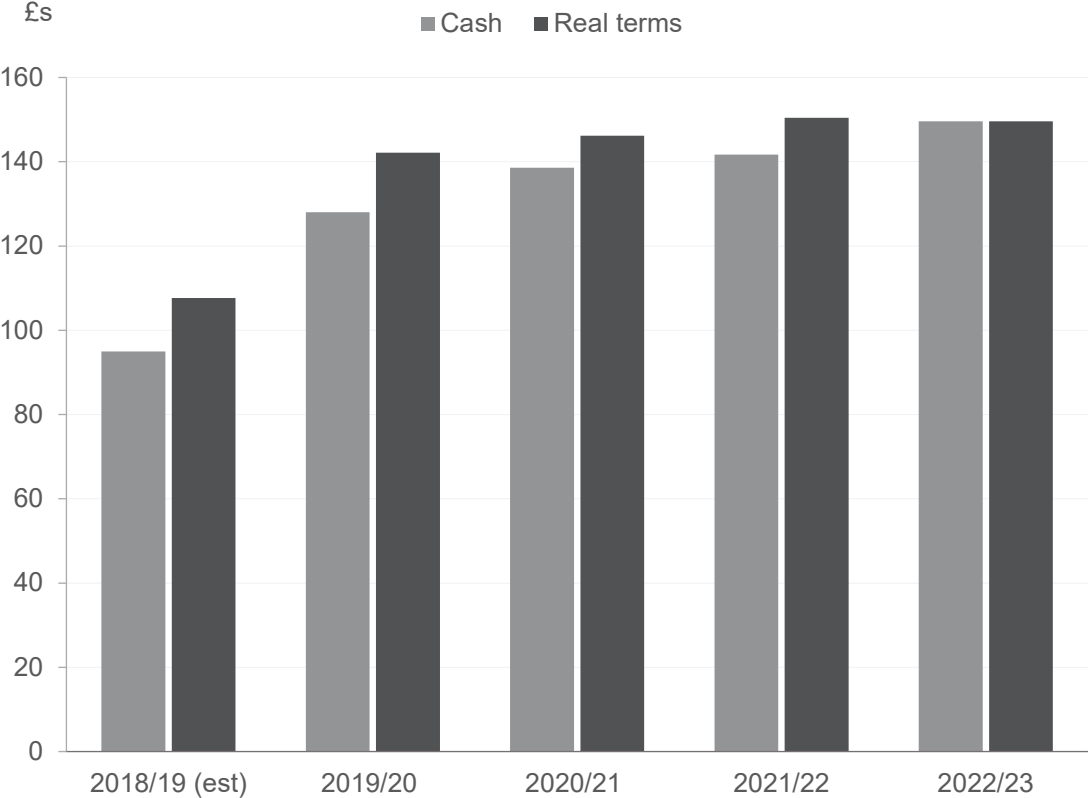
<b>Breakdown of payments (estimates)</b>	<b>£s</b>	<b>% of total</b>
Pay to teacher (pay + holiday pay) <sup>2</sup>	140.14	77.0
National Insurance (including tax free threshold)	15.73	8.6
Pension (3%)	4.20	2.3
Apprenticeship levy (0.5%)	0.70	0.4
Welsh Government commercial levy (0.5%)	0.70	0.4
Agency fee	20.49	11.3
<b>Total</b>	<b>181.96</b>	<b>100</b>

Notes:

- 1 The Welsh Government was unable to provide data for 2022-23 at the time of writing.
- 2 Assumes average pay of £140.14. Minimum pay was £138.56 in March-August 2021, rising to £141.72 in September 2021-March 2022.

Source: Welsh Government data

**Exhibit 5: minimum daily pay for supply teachers under the framework contract for temporary staff in education, 2019/20 to 2022/23, and estimated average pay for 2018/19 (cash and real terms at 2022/23 prices)**



Note: The Welsh Government estimated average pay for supply teachers in 2018/19 as £95 (2018/19 being the last academic year before the 2019/20 – 2022/23 framework contract). Pay for 2022/23 is based on the initial pay award from 1 September 2022 (see **paragraph 34** and **footnote 16**).

Source: Audit Wales analysis of Welsh Government data

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