

# Agenda – Public Accounts and Public Administration Committee

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Meeting Venue:

Hybrid – Committee Room 1, Senedd  
and video conference via Zoom

Meeting date: 10 July 2025

Meeting time: 09.15

For further information contact:

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Committee Clerk

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**Private pre-meeting (09.00 – 09.15)**

**Public meeting (09.15 – 11.05)**

**1 Introductions, apologies, substitutions, and declarations of interest**

(09.15)

**2 Paper(s) to note**

(09.15 – 09.30)

**2.1 Letter from Chair, Climate Change, Environment and Infrastructure Committee to the Chair regarding Welsh Government staffing capacity and delivery of the Programme for Government**

(Pages 1 – 2)

**2.2 Welsh Government response to Audit Wales' report: The Wales Infrastructure Investment Strategy**

(Pages 3 – 10)

**Break (09.30 – 09.35)**

**3 Cancer services in Wales: evidence session with Public Health Wales**

(09.35 – 11.05)

(Pages 11 – 59)



**Senedd Cymru  
Welsh Parliament**

Dr Tracey Cooper OBE, Chief Executive

Louisa Nolan, Head of Data Science

Dr Sharon Hillier, Director Screening Division

Dr Ilona Johnson, Interim Director of Health Improvement

Research brief

Paper 1 – written evidence

**4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting**

(11.05)

**Private meeting (11.05 – 11.45)**

**5 Cancer Services in Wales: consideration of evidence**

(11.05 – 11.15)

**6 Private paper to note**

(11.15 – 11.30)

**6.1 Letter from the Llywydd, Chair, Business Committee to Chair, Scrutiny of the First Minister Committee regarding gaps Identified by the Wales COVID-19 Inquiry Special Purpose Committee**

(Pages 60 – 61)

**7 Audit Wales' report: The Wales Infrastructure Investment Strategy**

(11.30 – 11.45)

(Pages 62 – 109)

Mark Isherwood MS, Chair

Public Accounts and Public Administration Committee

3 July 2025

Dear Mark,

### Welsh Government staffing capacity and delivery of the Programme for Government

As we near the end of the current Senedd term, I am writing to draw your Committee's attention to ongoing concerns regarding the Welsh Government's staffing capacity and its ability to deliver on its Programme for Government commitments.

The Climate Change, Environment, and Infrastructure Committee has consistently raised questions about whether sufficient resourcing exists within Welsh Government departments to meet the scale and ambition of its policy agenda. We recently wrote to the Permanent Secretary with a series of questions relating to staffing and resources within the biodiversity and nature recovery portfolio.

I would urge the Public Accounts and Public Administration Committee to consider whether this matter requires further investigation before the end of this Senedd term. We suggest that the following issues require consideration:

- Workforce planning and its alignment with Programme for Government priorities;
- The nature and impact of staffing constraints on key policy areas, including biodiversity and marine policy; and
- Governance and oversight processes for the allocation of resources, particularly staffing, within Welsh Government.

I believe that such an inquiry would provide a valuable insight into the Welsh Government's organisational resilience and its ability to deliver for the people of Wales.

I would be happy to discuss these issues further if that would be helpful.

Yours sincerely,



**Llyr Gruffydd MS,**  
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

# Management response form



Audited body	Welsh Government
Audit name	The Wales Infrastructure Investment Strategy
Issue date	May 2025

Pack Page 3	Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	R1	The Welsh Government should urgently strengthen the overall approach to programme and project management, acting on internal audit recommendations, putting in place effective leadership arrangements, and prioritising capacity to support departments. This should include clarifying the role of, and resources dedicated to, the Office for Project Delivery.	<p>Accept.</p> <p>The Welsh Government is committed to acting on the internal audit recommendations. We have initiated work in the following areas:</p> <ul style="list-style-type: none"><li>Improved project delivery reporting</li><li>Implementation of the Government Online Skills Tool (GOST) for Senior Responsible Owners and delivery teams</li><li>Updating project delivery documentation and guidance</li><li>Strengthening the assurance framework</li></ul>	Spring 2026	Deputy Director, Infrastructure Strategy and Assurance

Agenda Item 2.2

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
		<p>GOST is critical for the ongoing development of the Project Delivery profession. Office for Project Delivery (OPD) will undertake a number of activities to this end including collecting details of senior responsible owners and project managers across the organisation and their respective project delivery capability. This will enable us to identify capacity and capability to undertake projects in the Welsh Government, and make decisions about deploying resources.</p> <p>Improving assurance and compliance is another important workstream. OPD will improve compliance with risk profile assessments and subsequent assurance activities.</p>		
R2	The Welsh Government should strengthen the role of its Infrastructure Strategy Group to provide robust strategic oversight of infrastructure plans and investments across departments to ensure alignment with the WIIS. This should include ensuring it gets better information on programme delivery, spend, and benefits.	<p>Accept.</p> <p>The Welsh Government has updated the Scheme of Delegation (SoD) to bolster Project Delivery requirements. The SoD requires programmes and projects to produce management information which will contribute to both strategic and operational oversight by various Welsh Government bodies, including Infrastructure Strategy Group (ISG).</p> <p>We commit to strengthening the role of ISG by improving the provision of management information on capital projects. This will include ensuring it gets better information on programme delivery, spend, and benefits, by means of sharing information that OPD prepares for its sponsor group, finance and corporate services sub-committee. However, ISG is not an executive board with decision making powers on spend.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R3	The Welsh Government should commit to carrying out zero-based reviews for any future multi-year IFPs under the WIIS.	<p>Accept.</p> <p>In the Wales Infrastructure Investment Strategy (WIIS) the Welsh Government commits to providing longer term certainty for capital planning, where feasible. The Welsh Government commits to undertake zero-base reviews for multi-year IFPs.</p> <p>Fiscal as well as political cycles, at both Wales and UK level, have recently required Welsh Government to be flexible and move away from the preference of three year IFPs. Specifically, the timing of the UK Government Comprehensive Spending Review meant Welsh Government published a one year IFP alongside the 2025/26 budget. In these cases, a zero-base review would be impractical.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R4	<p>The Welsh Government should strengthen its zero-based review and business case templates and processes to maximise the delivery of benefits by requiring departments to:</p> <p>a) set out in detail how investment areas, programmes and projects will contribute to each of the WIIS strategic outcomes or justify which outcomes they do not expect them to contribute to; and</p>	<p>4a) Accept.</p> <p>The Welsh Government aims to undertake a review of Better Business Case guidance with HM Treasury, who co-own the guidance and BBC standard.</p> <p>The Welsh Government aim to improve zero-base reviews through reviewing the existing processes in order to maximise the delivery of benefits including how investment areas, and through them the underlying projects and programmes, contribute to the outcomes.</p> <p>4b) Accept.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	b) make use of relevant national indicators to demonstrate progress, including alignment with the national well-being indicators, the procurement community benefits tool and carbon reduction measures.	The Welsh Government will consider to what extent the national indicators or relevant metrics are appropriate KPIs for delivering against recommendation 4a.		
R5	The Welsh Government should strengthen evaluation templates to require departments to use a consistent approach to demonstrating progress against the WIIS strategic outcomes and their application of the cross-cutting principles.	Accept.  Building on the response to recommendations 4a and 4b, the Welsh Government will review how evaluation templates could be strengthened, including providing further guidance to drive greater consistency across departments, and demonstrate better links to WIIS strategic outcomes and cross-cutting principles.	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R6	The Welsh Government should develop options for enabling long-term financial planning beyond the fixed three-year period of an IFP, recognising the current constraints of the fiscal and political cycle.	Accept in Principle.  Noting the significant constraints identified by Audit Wales the Welsh Government nevertheless produces the Wales Economic and Fiscal Report (WEFR) which provides insights into the factors influencing and shaping the economic landscape in Wales to 2030 and beyond. The WEFR contains capital budget projections which can be used to inform longer term programme planning by delivery departments. As noted, this is already taking place and is maximising the opportunity for long-term financial planning beyond the period of the IFP.		



Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R7	Building on a similar recommendation we made recently in relation to affordable housing, the Welsh Government should expand longer-term financial planning within programmes, especially those where there is a known long-term need. It should draw on learning from the rolling nine-year approach used in the programme for school and college buildings.	<p>Accept.</p> <p>The Welsh Government endeavours to provide as much certainty around financial planning within programmes as is practicable, within the constraints identified in recommendation 6. Welsh Government commits to sharing best practice and lessons learnt through forums such as ISG to allow for the adoption of better ways of working where appropriate.</p> <p>The Welsh Government will also consider the advantages of long-term financial planning that have been afforded through the Mutal Investment Model, and whether additional opportunities may exist.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R8	The Welsh Government should clearly set out the links between the WIIS strategic outcomes and national well-being goals, recognising that some outcomes may contribute to more than one goal. In doing so, it should check that there are no significant gaps in relation to delivery of each well-being goal.	<p>Accept.</p> <p>The Welsh Government recognises that our investments can deliver against multiple outcomes across the well-being goals, as evidenced in the IFP. The Welsh Government will consider how to better demonstrate the relationship between the WIIS strategic outcomes, well-being domains, and well-being goals including identifying any significant delivery gaps, and how those will be implemented. This will be undertaken in conjunction with the work identified under recommendation 4.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R9	The Welsh Government should review the alignment of the WIIS strategic outcomes and cross-cutting principles with a view to minimising duplication and making it easier for department to plan projects and programmes.	<p>Accept.</p> <p>Building on work identified for recommendation 5, the Welsh Government will endeavour to reduce any unintended duplication to reduce complexity and to make it easier for departments to align project and programmes to the WIIS.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R10	The Welsh Government should bring together public reporting on the progress of major programmes and projects, learning lessons from the approach to reporting used by the Infrastructure and Projects Authority in England which covers costs, financial benefits, and delivery confidence.	<p>Accept in Principle.</p> <p>The Welsh Government is currently compiling a Major Projects and Programmes portfolio (MPP), prioritised by risk exposure. As part of this approach, Office of Project Delivery has been engaging with the Infrastructure and Projects Authority, now the National Infrastructure and Service Transformation Authority, and adopting best practice.</p> <p>Further work is needed to strengthen data capture and reporting processes before identifying appropriate options for public reporting on the progress of major programmes and projects. The Welsh Government is content to learn from any examples of best practice to improve our approach.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance
R11	The Welsh Government should report publicly on overall progress in delivering the WIIS, in particular progress in achieving the strategic outcomes. It should do so following	<p>Accept.</p> <p>The Welsh Government commits to reporting publicly on progress. This is expected to be at the mid-term evaluation stage of the WIIS and at final evaluation of the WIIS.</p>	December 2026	Deputy Director, Infrastructure Strategy and Assurance

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	each interim evaluation stage and at the final evaluation stage.			

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# Briefing to Inform the Committee Inquiry – Cancer Services in Wales

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Submitted to the Public Accounts  
and Public Administration  
Committee

Public Health Wales

July 2025

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## Executive Summary

Cancer remains the leading cause of mortality in Wales, accounting for a quarter of all deaths in 2024. There were 9,123 new cancer deaths in 2024.

- ❖ Lung, bowel (colorectal), prostate and female breast cancers accounted for four in 10 cancer deaths in Wales in 2024, with lung cancer alone accounting for two in 10 (one fifth of) cancer deaths.
- ❖ Over half of all cancer deaths in Wales are in people aged 75 years and over
- ❖ Cancer mortality rates remain higher in the most deprived areas compared to the least deprived areas in Wales.
- ❖ Men continue to have more deaths from cancer than women in Wales (4,895 deaths vs. 4,228 deaths in 2024), although the gap in the mortality rate is narrowing.

Although there has been a long-term reduction in lung cancer mortality, with the rate declining in men by 38% between 2002 and 2024, the rates for women have remained relatively static. Lung cancer shows the widest socioeconomic inequalities in mortality of the four most common cancers, with mortality rates 2.5 times higher in the most deprived areas compared to the least deprived in 2024. This mirrors smoking rates, which are three times higher in the most deprived areas than in the least deprived.

### 1 The role of Public Health Wales

Public Health Wales is the national public health organisation for Wales, aiming to improve health outcomes and reduce inequalities. It plays a central role in disease prevention, health protection, and public health system leadership. It supports the Welsh Government, the NHS in Wales, and all other sectors, through data, screening, surveillance, support for healthcare systems and health improvement programmes.

### 2 Screening Services

Table 1 below, demonstrates the eligible populations, activity during 2022 – 2023 and key challenges for each cancer screening programme.

**Table 1: key data for Breast, Bowel and Cervical Screening**

	Eligibility	Data (2022-23)	Key Challenges
Breast Screening	Women aged 50-70	<ul style="list-style-type: none"><li>• 151,155 invited</li><li>• 122,190 screened</li><li>• 1,182 cancer diagnoses</li></ul>	Delays in assessment due to workforce shortages and technical issues, especially in North Wales.
Bowel Screening	People aged 50–74.	<ul style="list-style-type: none"><li>• 417,683 invited</li><li>• 269,240 tests returned</li><li>• 376 cancers detected</li></ul>	Colonoscopy waiting times by health boards exceed the 28-day standard, averaging over 11

		<ul style="list-style-type: none"> <li>• 2,733 polyps removed.</li> </ul>	weeks. Actions include monthly endoscopy team meetings, workforce expansion, and improved tracking tools.
Cervical Screening	Individuals aged 24 years and eight months to 64 years.	<ul style="list-style-type: none"> <li>• 284,226 invited</li> <li>• 170,892 screened</li> <li>• 1,314 high-grade cytology samples reported.</li> </ul>	Exploring self-sampling to improve uptake.

Screening uptake is lower in deprived communities and among younger age groups. Public Health Wales has developed a Screening Equity Strategy focusing on communication, community engagement, service delivery, and data monitoring.

### 3 Lung Cancer Screening

Following a successful pilot and UK-wide recommendations, the Welsh Government approved a national lung cancer screening programme on the 28 June 2025. Public Health Wales will lead its implementation, using low-dose CT scans for high-risk individuals and integrating smoking cessation support.

### 4 Prevention and Health Improvement

Public Health Wales has over 20 preventive programmes, five of which are directly linked to cancer prevention. These are:

1. A major programme on tobacco control and smoking cessation which has multiple workstreams from direct support to people through Help Me Quit programme, hospital-based interventions and targeted campaigns to supporting legislation and regulation development.
2. Promoting early childhood nutrition, healthier food environments and physical activity. For example, this includes supporting the Welsh Government in the development of regulations like the Food (Promotion and Presentation) (Wales) Regulations 2025, to reduce unhealthy food marketing. The rate of cancers caused by overweight and obesity has risen. Twenty nine per cent of four to five year olds, and over 60% of adults in Wales are overweight or obese.
3. Working on alcohol early intervention and policy support (for example, Minimum Unit Pricing).
4. Delivering a national programme to train healthcare staff to promote healthy behaviours during routine interactions, focusing on smoking, alcohol, diet and physical activity.
5. Our Prevention Based Health and Care Framework seeks to ensure primary care takes action to prevent cancer and other serious diseases.

Public Health Wales is currently reviewing its programmes to identify what further gains we can make in preventing cancer. We would be happy to provide the



Committee with a further detailed briefing on our tobacco and smoking programme.

## **5 Welsh Cancer Intelligence and Surveillance Unit (WCISU)**

The Welsh Cancer Intelligence and Surveillance Unit (WCISU) maintains a population-based cancer registry aligned with World Health Organization (WHO) standards. It supports surveillance, research and policy development.

WCISU recently published updated cancer mortality data for 2023 and 2024, released a first analysis of cancer incidence by ethnicity in Wales and linked cancer registry data with the SAIL database (in Swansea University) to explore socio-demographic inequalities.

Public Health Wales plans to publish a strategy later in 2025 to improve data timeliness and registry efficiency.

## 1. Introduction

This briefing seeks to inform the Public Accounts and Public Administration Inquiry into Cancer Services in Wales and addresses:

- ❖ Our background and role within the public health system in Wales.
- ❖ Our cancer screening programmes in Wales including our role in the provision of lung cancer screening in Wales.
- ❖ Our role in the prevention of ill health in Wales.
- ❖ The Welsh Cancer Intelligence and Surveillance Unit.

## 2. Public Health Wales and the Public Health System

We are the National Public Health Organisation for Wales. Our purpose is working together for a healthier Wales. We help all people in Wales live longer, healthier lives. With our partners, we aim to increase healthy life expectancy, improve health and well-being and reduce inequalities for everyone in Wales, now and for future generations.

Together, our teams work to prevent disease, protect health and provide system leadership, specialist services and public health expertise. We are the primary source of public health information, research and innovation, and work in collaboration with our partners across all sectors including the NHS, local authorities, education, housing, policing, employers and the third sector to drive improvements in health and wellbeing.

We are working towards a Wales where people live longer, healthier lives and where all people in Wales have fair and equal access to the things that lead to good health and well-being. This is at the heart of our Long-Term Strategy which takes us to 2035.

### 2.1. System roles and responsibilities

Public Health Wales was established in 2009, by the then Minister for Health and Social Services, following a review of the public health functions of national health organisations and units in Wales, which was undertaken in 2006. The formation of a unified public health organisation was announced on the 30 September 2008. This set out the establishment of an independent NHS body that incorporated the functions from a number of pre-existing entities which were:

- ❖ Screening Services
- ❖ National Public Health Service for Wales (NPHS)
- ❖ Wales Centre for Health (WCfH)
- ❖ Welsh Cancer Intelligence and Surveillance Unit (WCISU)
- ❖ Congenital Anomaly Register and Information Service (CARIS).

This meant that, for the first time, an independent NHS body was created in Wales with a clear and specific public health remit to provide professionally independent public health advice and services.

Public Health Wales has four statutory functions, two of which are directly relevant to the scope of this Inquiry. These functions are to:

- ❖ provide to or in relation to the health service in Wales, and manage a range of public health, health protection, healthcare improvement, health advisory, child protection and microbiological laboratory services and services relating to the surveillance, prevention and control of communicable diseases
- ❖ develop and maintain arrangements for making information about matters related to the protection and improvement of health in Wales available to the public in Wales, to undertake the provision and commission research into such matters and to contribute to the provision and development of training in such matters
- ❖ undertake the systemic collection, analysis and dissemination of information about the health of the people of Wales in particular including cancer incidence, mortality and survival, and the prevalence of congenital anomalies
- ❖ provide, manage, monitor, evaluate and conduct research into screening of health conditions and screening of health related matters.

Public Health Wales delivers seven national screening programmes and manages the Antenatal Screening Wales Clinical Network, to assist the early detection, prevention and treatment of disease.

It also runs, or co-ordinates with partners across Wales, over 20 strategic health improvement programmes examples of which are smoking cessation, physical activity uptake and the All Wales Diabetes Prevention Programme. Working with primary care, we also run programmes on improving the preventive impact of health services such as early identification of people at high risk of disease

In addition, Public Health Wales runs the Welsh Cancer Intelligence and Surveillance Unit (WCISU).

Further information on current cancer data and demographics is provided in section 6.

## **2.2. Health Boards**

Health board public health responsibilities for their population include:

- ❖ improving physical and mental health outcomes
- ❖ promoting well-being
- ❖ reducing health inequalities across their population
- ❖ commissioning services from other organisations to meet the needs of their residents.

Each health board includes an Executive Director of Public Health, who has responsibility for protecting and improving the health of their population. In October 2022, specialist Local Public Health Teams transferred from Public Health Wales to health boards to strengthen the delivery of public health at a local level.

## 3. Screening Services

Our Screening Division is responsible for the delivery of three population cancer screening programmes for the eligible population in Wales: Breast Test Wales, Bowel Screening Wales and Cervical Screening Wales.

### 3.1. Breast Screening Programme

Women aged 50-70 years who are resident in Wales, and registered with a GP, are offered breast screening every three years at either a mobile unit in their locality or at one of the centres in Llandudno, Wrexham, Swansea or Cardiff. Table 2 demonstrates the eligible population, activity and cancer diagnosis for our breast screening programme in 2022 - 2023.

**Table 2: Breast Screening Wales key figures April 2022 – March 2023**

Number of individuals aged 50 – 70 years invited for screening	151,155
Number of individuals screened	122,190
Number of individuals diagnosed with breast cancer	1,182

### 3.2. Bowel Screening Programme

People aged 50 to 74 years resident in Wales and registered with a GP are invited for bowel screening every two years. The invitation letter, information pack and test are sent by post for completion at home and returned to the central screening laboratory in the prepaid envelope provided. Participants with positive results require further investigations and are invited for an assessment of their fitness for colonoscopy with a Screening Practitioner in a health board. If considered medically fit, colonoscopy is offered to the participant and, if accepted, this is undertaken by the health board at a hospital local to the participant. If a participant is not fit for colonoscopy, a Computed Tomography Colonography (CTC) scan is usually offered.

Depending on the findings after colonoscopy, participants are either:

- ❖ returned to routine recall
- ❖ put onto a surveillance programme according to the number and size of polyps identified
- ❖ referred to the multi-disciplinary team following a diagnosis of cancer.

Table 3 demonstrates the eligible population, activity and diagnosis for our bowel screening programme in 2022 - 2023.

**Table 3: Bowel Screening Wales key figures April 2022 – March 2023**

Number of individuals aged 50 – 74 years invited for screening	417,683
Number of tests returned	269,240

Number of individuals diagnosed with bowel cancer	376
Number of individuals with polyps detected and removed	2,733

### 3.3. Cervical Screening Programme

Eligible individuals in Wales are invited for cervical screening from age 24 years and eight months, up to 64 years of age. Eligible individuals resident in Wales and registered with a GP as female are sent a letter inviting them to make an appointment for cervical screening. People with a cervix within the screening age range can be offered cervical screening and will be sent invitations if they let the programme know.

Table 4 demonstrates the eligible population, activity and abnormal cell detection for our cervical screening programme in 2022 - 2023.

**Table 4: Cervical Screening Wales key figures April 2022 – March 2023**

Number of individuals aged 25 – 64 years invited for screening	284,226
Number of individuals who took up screening offer	170,892
Number high grade cytology samples reported	1,314

### 3.4. Current Performance, Challenges and Risks

#### 3.4.1 Uptake of the Screening Offer

Taking up the screening offer is lowest in the most deprived communities compared to people who live in the least deprived communities. Uptake is also lower in the younger age groups which aligns to uptake being lower in those who are invited to screening for the first time. [Screening Division Inequity Report 2023 - Public Health Wales](#)

To address inequities in the uptake of the screening programmes, the Screening Division has developed a Screening Equity Strategy across five themes of Communication, Community and Engagement, Collaboration, Service Delivery and Data and Monitoring.

Key actions within the Strategy include the following:

- ❖ A video has been published demonstrating what to expect when attending their Breast Screening appointment to alleviate concerns. This is a result of feedback from women eligible for screening.
- ❖ Bowel Screening Wales brought together partners from health boards, primary care, the third sector and representation from prison healthcare to understand challenges of inequities in bowel screening and collaboratively developing approaches to address barriers.
- ❖ Cervical Screening Wales are exploring options for implementing self-sampling to try and address barriers of taking up screening through traditional healthcare services.
- ❖ The collection and sharing of good quality data on inequities in all adult screening programmes to inform the development of targeted interventions.

### **3.4.2 Colonoscopy Timeliness**

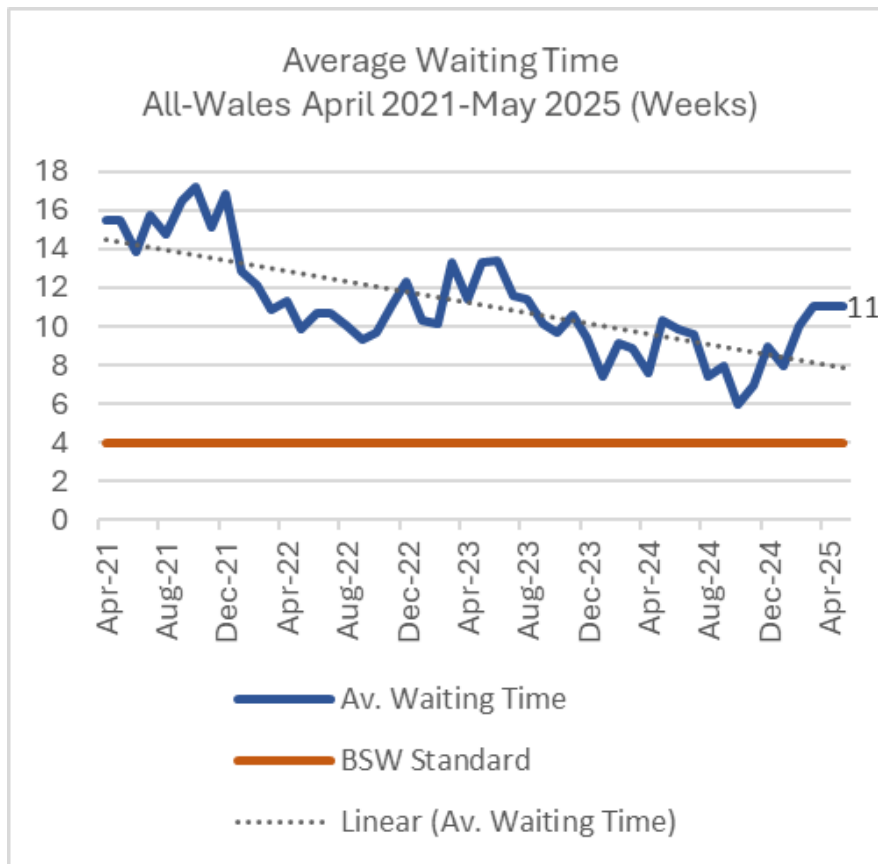
Bowel Screening Wales has gradually optimised (increased) the eligible screening population from inviting people aged 60-74 years, to now including those aged 50-74 years. This is in line with the Welsh Government's policy which followed a recommendation from the UK National Screening Committee.

Optimisation has been implemented in a staged way which commenced in October 2021 and is on schedule to complete by July 2025. The programme has improved the sensitivity of the screening faecal immunochemical (FIT) test which, alongside the age expansion, has resulted in a planned and predicted increase in demand for screening colonoscopy procedures and associated diagnostics. This has been regularly communicated to health boards since 2019, with modelled demand regularly updated and funding through our Long Term Agreements with health boards (who we commission for this service) has increased annually based on the expected screening demand.

The waiting time standard for a screening colonoscopy delivered by the health boards is 28 days from the date the FIT-positive screening participant contacts Bowel Screening Wales to arrange a pre-colonoscopy assessment with the Screening Practitioner. This standard is divided into two components: 14 days from contact with Bowel Screening Wales to the date of the screening practitioner assessment (to ensure the participant is medically fit to undergo the colonoscopy and provide the participant with information about the procedure). Then, a further 14 days from the assessment to the date of colonoscopy. Combined, these component waits make up the screening colonoscopy waiting time of 28 days.

Figure 1 shows the average waiting times for a screening colonoscopy from April 2020 to May 2025.

### **Figure 1: Average Waiting Times for a screening colonoscopy**



**Data source - Bowel Screening Programme monitoring data received from health boards**

The current average wait, as of the 27 June 2025, is 11 weeks and six days across the seven health boards (ranging from six weeks and five days to 16 weeks and six days).

Action being taken to work with health boards to improve this includes the following:

- ❖ Bowel Screening Wales meets monthly with all the endoscopy teams to discuss screening waiting times and screening capacity and to agree recovery plans.
- ❖ The delays have been escalated, with meetings scheduled between our Chief Executive and the health board's Chief Executive.
- ❖ The screening programme is expanding the pool of accredited Screening Colonoscopists and has increased health board Screening Practitioner resource to meet screening demand.
- ❖ Bowel screening specific dashboard and planning tool has recently been released to health board cancer tracking teams which will improve visibility of the screening route to diagnosis of bowel cancer for patients.

### 3.4.3 Breast Screening Assessment Timeliness

The breast screening programme standard is that 90% of participants requiring assessment have their first offered assessment date within three weeks of their initial screening appointment. The programme last met this standard in March 2020 prior to it being paused due to the Coronavirus pandemic.

All regions have shown a marked reduction in timeliness of interpreting the mammogram and issuing a result (known as image reading) since March 2025, which was partly due to the implementation of new Picture Archiving and Communication (PAC) system. The PAC system is an IT system used in hospitals and clinics to store, view, and share medical images like X-rays, MRIs, CT scans, and mammograms, enabling medical staff to make faster and more accurate decisions.

Timeliness has recovered in West Wales and improved in South Wales. Shortages in the medical workforce in the Breast Test Wales North region has meant that there is more limited capacity for image reading, result reporting and clinic assessments. Reduced surgical workforce availability in the Breast Test Wales North region, has led to delays in the assessment pathway. An action plan is in place and we are working closely with Betsi Cadwaladr University Health Board to recover the timeliness of the assessments.

Actions that are being taken forward to improve this include:

- ❖ Clinic bookings are optimised to ensure that all slots are booked and short notice appointments are offered.
- ❖ Participants requiring an assessment in Wrexham are currently being booked into Llandudno clinics.
- ❖ The South and West regions are supporting the North region to improve the timeliness of reading. The new PACs has enabled this ability given that images can be viewed regardless of location.
- ❖ A Radiologist in the South region is providing virtual support to the North region for assessment clinics.
- ❖ The assessment clinic capacity has increased in the South region with radiologist run clinics.
- ❖ Discussions are taking place with Betsi Cadwaladr University Health Board about surgical capacity in North Wales.

### **3.5. Future Service Developments and Opportunities**

#### **3.5.1 National Lung Cancer Screening Programme**

Lung Cancer survival is significantly impacted by the stage of diagnosis, with around three-quarters of patients in Wales currently diagnosed at stage 3 and 4.

Low-dose CT screening of people at high risk of lung cancer detects three-quarters of lung cancers at stage 1-2, compared to one-quarter currently in Wales, and reduces lung cancer mortality by around 25%. In 2022, the UK National Screening Committee recommended that targeted lung cancer screening, with integrated smoking cessation service provision, should be implemented in the four UK nations. This recommendation has since been endorsed by the Wales Screening Committee.

Public Health Wales was commissioned by the Welsh Government to undertake a scoping project to make recommendations as to how lung cancer screening could be delivered in Wales, including the estimated costs and challenges of implementation. This project commenced in April 2024 and incorporated learning



from the pilot of lung cancer screening that was delivered in the North Rhondda area (in partnership between the Cancer Network and Cwm Taf Morgannwg University Health Board), as well as evidence from a wide range of other sources including the NHS England Lung Cancer Screening Programme and other trials and studies. A report was submitted to the Welsh Government in March 2025 and, on the 28 June 2025, the Cabinet Secretary for Health and Social Care announced the decision to introduce the screening programme in Wales.

Public Health Wales will lead the planning, implementation and delivery of this new lung cancer screening programme in Wales. This includes the identification of the eligible cohort of 'ever' smokers aged 55 to 74 years, a telephone risk assessment to identify those that are at high risk of lung cancer and a low dose CT scan delivered via mobile screening units to make them as accessible as possible for people to attend. There will be a three phased approach to implementation based on age, starting with the upper age range first and decreasing over time. Public Health Wales will deliver all elements of the screening pathway up to clinical suspicion of lung cancer, at which point there will be a transfer to health boards and secondary care services.

## **4. Prevention**

The Health and Wellbeing Directorate of Public Health Wales provides a significant contribution to the primary prevention of cancer. A range of activities address the leading cancer risk factors of smoking, diet and weight, physical inactivity and alcohol.

### **4.1. A strategic shift to prevention**

The Directorate is working with a range of partners to create a strategic shift to prevention across Wales so that public services and settings from schools to supermarkets promote better health by default. While outside the scope of this briefing, elements of this strategic shift relevant to cancer are already being developed or, in some cases, launched. This includes a prevention framework for healthcare, a national diabetes prevention programme and a national framework for preventive action in primary care.

### **4.2. Smoking prevention and cessation support**

Smoking remains the single greatest preventable cause of disease and mortality in Wales. It is a major driver of health inequalities, with those living in the most deprived fifth of areas in Wales almost three times as likely to smoke as those in the least deprived areas. This contributes directly to cancer rates being highest in our poorest populations. In relation to smoking in Wales:

- ❖ The current adult smoking prevalence of 12.8% means that there were an estimated 330,000 adult smokers in Wales in 2023. An average of 3,845 deaths (10% of all deaths) and over 17,000 hospital admissions annually amongst adults over 35 in Wales were attributable to smoking in 2020-22
- ❖ Smoking prevalence has declined in the last decade. If it had not, there would be more than 170,000 additional smokers aged 18+ in Wales. 2.7% of 11–

16-year-olds reported smoking in 2023. Smoking amongst children and young people has also fallen steeply in recent decades, but the rate of decline has slowed in the last 5-10 years

- ❖ Achieving the Welsh Government's smokefree target (<5% of adults smoking by 2030) requires a focus on prevention and 'stopping the start' as well as smoking cessation activities. Wales has implemented several smoke-free policies including bans on smoking in enclosed public places and workplaces (since 2007), and more recently, smoke-free hospital grounds, school grounds, and public playgrounds (since 2021).
- ❖ Help Me Quit is promoted via integrated social marketing activities which are targeted at both specific audience segments as well as to the wider population in line with our strategic approach. Our Help Me Quit website has a conversion rate of clicks to referrals of 20% as of April 2025, from 16% achieved over the previous three years.
- ❖ Our 'Feel The Difference' campaign has been the primary promotional device since December 2022 and features key themes which the evidence tells us motivates smokers to seek cessation support (health, family/social, and finance). The evaluation of the campaign showed that it has helped to drive three consecutive years of growth in website self-referrals, with a 58% increase since 2022.

#### **4.2.1 Smoking prevention activities**

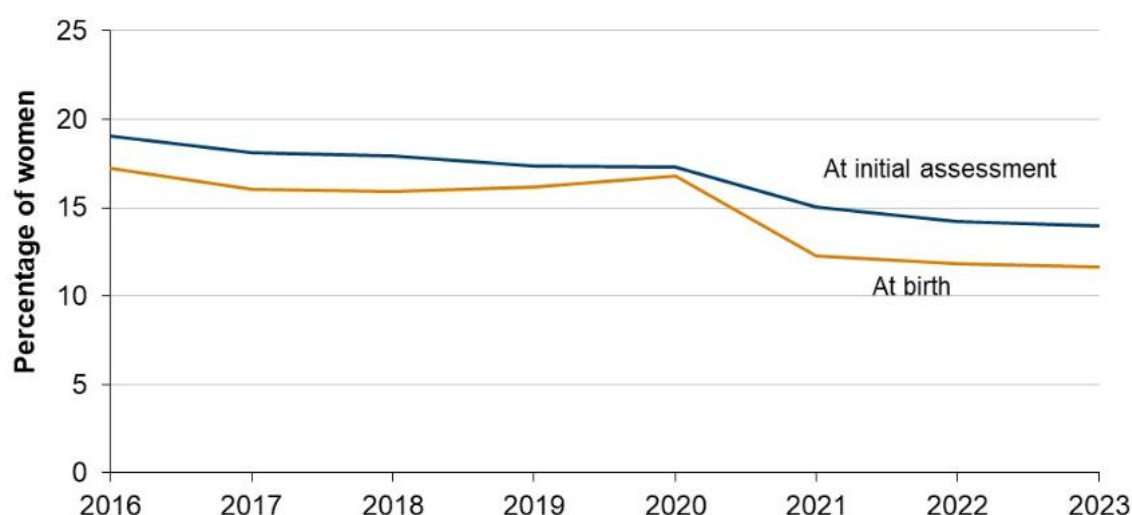
We continue to work closely with the health board Help Me Quit (HMQ) teams and pharmacies to enhance smoking cessation support and deliver impactful social marketing campaigns to drive service uptake. We have recently completed a service review with partners to identify actions we can take to improve access and outcomes.

Hospital admission offers a unique chance to offer smokers smoking cessation support as smoking not permitted on hospital sites in Wales. Public Health Wales leads implementation of a joint approach with health boards based on an end-to-end smoking cessation pathway (pre-admission, on admission, as inpatients and at discharge). The Help Me Quit in Hospital programme, jointly delivered with hospitals through all seven health boards, seeks to ensure people in hospital are supported to quit smoking. We will be extending approaches to include patient pre-admission and discharge elements of hospital pathways. Wales has led the way in the UK by prioritising action in acute mental health settings to address high smoking rates among patients. This includes a staff e-learning package to challenge misconceptions, highlight benefits of smoking cessation, develop skills to deliver brief advice on quitting, and increase awareness of available support/referral pathways. Training is supported by infographics, posters and leaflets. After two years, evaluation shows increased referrals to cessation services. In 2023-24 HMQ supported 2,433 smokers referred from secondary care.

The Reducing Smoking in Pregnancy programme provides specialized support to enable support pregnant smokers to become smokefree. This includes midwife and doctor support and tailored advice. Twelve per cent of women giving birth in Wales in 2023 were recorded as smokers (around 3,000 babies). Figure 2 below shows the decline in smoking rates, but more work remains to be done, for example smoking rates vary from 1% of pregnant woman in black ethnic groups to 14% in white ethnic groups. And while smoking rates at birth have fallen over

all age groups, 17% of pregnant women under 20 were recorded as smoking at birth. Figures for 2023 are due for release in July 2025.

**Figure 2: Percentage of women recorded as a smoker at assessment and birth 2016-2023** (source: [Welsh maternity and birth statistics 2023](#))



#### 4.2.2 Just B Smoke Free

JustB is a long-established school-based prevention programme which seeks to prevent young people in year 8 (12-13 year olds) from starting smoking. While it targets this age group (those most at risk of starting smoking), it also asks schools to develop whole school policies and approaches on tobacco control. JustB targets schools in schools and areas with higher smoking prevalence rates. The programme is being expanded to cover vaping.

#### 4.2.3 Vaping in Wales

Public Health Wales continues to work on the impact of vaping. While switching to vapes from smoking has a range of health benefits for smokers there is no benefit of vaping for non-smokers, particularly children and young people. For this reason, it is already illegal to sell vapes to people under 18 years of age.

We have supported the development of the UK Tobacco and Vapes Bill and welcome the introduction of the ban on single use vapes in force from 1 June. The Environmental Protection (Single Use Vapes) (Wales) Regulations 2024 will address both environmental and health concerns around the proliferation of disposable vapes.

Patterns of vaping continue to change rapidly. Eight per cent of adults reported vaping in 2022-23, an increase from 6% in 2021-22. Seventeen per cent of 11-16-year-olds reported vaping at least weekly in 2023, an increase from 5.4% in 2012. Amongst 16-year-olds the proportion was 11.9%. More than a quarter of all learners aged 11-16 had tried a vape. Data from 2024 suggested that 23.3% of all 16-24-year-olds in the UK were using a vape, with around three in five vapers using a disposable vape. There is a clear consensus among health experts

that the availability and marketing of disposable vape products has driven a significant rise in vaping among children and young people.

The number of vapers in the UK appears to have plateaued in the population and fallen amongst 11-24 year olds since the start of 2025. Whilst a substantial proportion of 11-16-year-olds who vape also smoke, rises in recent years appear to have been driven by an increase in only-vapers.

In July 2023, Public Health Wales took an innovative approach by convening an Incident Response Group (IRG), based on an outbreak control model, to provide a rapid response to increased vaping amongst children and young people in Wales.

The IRG had representatives from public health, health boards, clinicians, Directors of Education, Trading Standards Wales, youth services and the third sector. It used rapid cycles of meetings (two to four weeks apart) to identify and define key issues, address evidence gaps, discuss policy and support options, and agree recommendations at all levels of the system, including education, support for young people and national policy, with Welsh Government receiving and responding to the report. IRG recommendations have informed support for children and young people at a local and national level, with recommendations including those in relation to disposable vapes and vape marketing reflected in subsequent devolved and UK legislation.

Public Health Wales has published guidance and support tools for schools and for parents.

Our Help Me Quit website has support for people who want to quit vaping.

#### **4.2.4 New tobacco initiatives in development**

There are a range of new tobacco initiatives that are currently in development. These are:

- ❖ A new jointly agreed ambition between Public Health Wales and Health Education and Improvement Wales seeks to improve the health of the NHS workforce in Wales, including reducing the risk of cancer. Given the size of the workforce, a successful programme will not only reduce deaths from cancer but will also have a positive impact on NHS performance.
- ❖ The forthcoming Tobacco and Vapes Bill will make it an offence for anyone born on or after the 1 January 2009 to be sold tobacco products, and includes new measures on the availability and promotion of tobacco and vapes. We will be working with the Welsh Government and key stakeholders to maximise the opportunities created by the Bill.
- ❖ Building on our Just B programme, we will work with education settings and workplaces to develop approaches and tools targeted at 16-24 year olds and to prepare young people for being a smokefree generation.
- ❖ As part of the Lung Cancer Screening Service, a targeted smoking cessation support offer will be rolled out.
- ❖ As part of our strategy to increase digital solutions to help people quit smoking more easily, Public Health Wales will shortly make available online, interactive

quit planning tools to increase quit commitment, with personalised quit plans and focused encouragement. These have been developed with support from evidence-based services in Scotland and the USA.

### **4.3. Promoting Healthy Weights and Active Lifestyles**

Having a poor diet, being overweight and being obese contribute to a range of cancers, with further evidence of links between ultra-processed food and cancer. We take a life-course and whole system approach to promoting healthy weights, with action on early childhood nutrition, healthier food environments, active daily living and adult weight management pathways.

Good nutrition from conception is critical to healthy growth and development. The 2023/2024 Child Measurement Programme shows that 29% of four to five year olds in Wales are overweight or obese at school entry, highlighting the need to act before age four. It is far more effective to support children to maintain a healthy weight early than to reverse unhealthy patterns later. Over 60% of the adult population in Wales are above a healthy weight. The percentage of adults aged 16 years or older in Wales living with obesity has increased by 44% in the last 20 years, from 18% in 2003/04 to 26% in 2022/23. Actions that we are taking in this area include:

- ❖ We are working with the Welsh Government to strengthen policy and system-level frameworks optimal infant and young child nutrition, including working with the Welsh Government to develop and implement the Infant Feeding Action Plan.
- ❖ We have developed a Children and Families (PIPN) pilot programme in three areas of Wales – Anglesey, South Cardiff and Merthyr Tydfil. PIPN aims to develop an approach that supports young children and their families to live healthier and build healthier family habits in areas such as healthy eating, budgeting, sleeping, managing screen time and playing.
- ❖ Our whole systems approach to healthy weight funds and supports health boards across Wales to work with local stakeholders to address key drivers of overweight and obesity, working systemically to ensure access to healthier food, healthier advertising and healthier food in publicly owned settings.
- ❖ Twenty five per cent of our food energy intake is purchased and eaten out of home. Food purchasing decisions have a significant impact on food consumption in terms of calories, nutritional quality and ultra processed food content. As well as our work on local food systems we supported Welsh Government in developing the Food (Promotion and Presentation) (Wales) Regulations 2025 and will support implementation.
- ❖ Education settings provide an important setting to embed healthy habits. We are working with Welsh Government on the implementation of the Healthy Eating in Schools (Wales) Regulations and developing a whole-school approach to healthy eating and physical activity.

### **4.4. Reducing Alcohol Related Harms**

Hospital admissions for alcohol show a significant socio-economic gradient. Alcohol-specific admissions from the most deprived areas are 2.8 times higher compared to the least deprived areas.

Our drug and alcohol team is working across Wales to:

- ❖ ensure a focus on primary prevention, focussing on those most at risk, through promoting early intervention, developing pathways for people before they develop serious problems, improving the health of people who use drugs and alcohol through access to general health services and reducing stigma
- ❖ facilitate population approaches to alcohol use, such as strengthening Minimum Unit Pricing and working within the licensing and planning system.

We will shortly publish our population needs assessment on drugs and alcohol which will identify further actions for preventing alcohol related harm and alcohol related cancer risk.

#### **4.5. Making Every Contract Count**

Making Every Contract Count (MECC) is a national programme which enables people such as healthcare professions to use conversations they have with others to motivate and encourage them to make changes to improve their health. Training modules have been recently updated and focus on building the skills and confidence of health and care staff to build health promotion activities into patient interactions, with a focus on health lifestyle changes including smoking cessation, weight management, alcohol consumption and physical activity.

#### **4.6. Prevention Based Health and Care**

This is a national framework, co-produced with practitioners, which identify components needed to shift the health and care system towards prevention. It supports clinicians, GP practices and others to identify populations who can benefit most from specific prevention interventions, identify the action needed and provides tools and resources to help them do this. The programme was launched in early summer 2025 and is currently being rolled out. More information can be found at [Prevention Based Health and Care - Public Health Wales](#)

### **5. Welsh Cancer Intelligence and Surveillance Unit (WCISU)**

The Welsh Cancer Intelligence and Surveillance Unit (WCISU) is the National Cancer Registry for Wales. The register records information on every single case of cancer amongst Wales residents, wherever they are treated.

Cancer registries globally uniquely collect data according to the same World Health Organization (WHO) international rules, and so their data can be reliably compared across countries. WCISU aligns with these standards to produce a high quality gold standard whole population-based cancer incidence register (PBCR) for Wales, according to the statutory functions of Public Health Wales. The register records information on every single case of cancer amongst Wales residents.

The Cancer Registry is created through a combination of automation and expert cancer registration officers applying the international rules and validation to a



number of sources of NHS and other demographic data to form one complete and accurate annual dataset of cancer incidence in Wales. The cancer registry supports a wide range of functions including epidemiological cancer surveillance, screening, research, and cancer public health policy

We have completed registrations for 2022 with publication due in October this year and are now working through the 2023 data. There are a number of reasons for the time lags:

- ❖ the number of new cases is increasing year-on-year. There is a time and resource cost to each validated case of cancer registered amongst Welsh residents
- ❖ there were - and still are - increasing data quality issues with one of PBCR's former (and ongoing for now) major source data flows, namely CANISC (the former cancer informatics system) as it reached 'end of life' and lack of software support and updates
- ❖ Clinical coding of Patient Episode Database for Wales (PEDW) data backlogs in health boards and trusts.

The CANISC replacement came in during 2023 and we will soon be able to assess the impact of this. There are expected benefits from data standards and, as with all new data sources, there are usually some teething problems. Once we begin processing the data we will be able to fully assess the benefits and any data quality issues from the change in systems. It is also important we optimise the cancer information system given that new data types, such as genomics, will increase the amount of data to be processed.

Public Health Wales recognises the need to improve the timeliness of the cancer incidence data and registration process. Later in 2025, once the impact of the CANISC replacement is clearer, we will publish a plan for how we aim to improve the timeliness of these important data.

## 6. Appendix 1: Data requests from the Committee

### Cancer data request submission

On the 2 April 2025 the Committee asked Public Health Wales to provide information on the following:

- ❖ What data is available comparing cancer mortality and survival outcomes in Wales to other UK nations and internationally.
- ❖ What data is available on cancer stage at diagnosis to understand variation at lower super output level and below in Wales
- ❖ An update on the Unit's work with the SAIL database to link cancer registry data to other relevant datasets to understand the impact of social and demographic factors on cancer incidence.

Our response was submitted on the 22 April 2025 and is available to view here:

<https://business.senedd.wales/documents/s160876/PTN%206%20-%20Response%20from%20Dr%20Tracey%20Cooper%20Public%20Health%20Wales%20to%20the%20Chair%20regarding%20Cancer%20Services%20i.pdf>

### New data publications

We undertook to ensure the Committee was informed when our latest information was published.

There are two new publications in June this year. We have improved the timeliness of our cancer mortality statistics and brought these up to date by publishing both 2023 and 2024 data. In addition, we have linked data in SAIL to enable our first analysis of cancer inequalities by social characteristics. This includes the first publication of cancer incidence by ethnicity in Wales. Links to the publications are below:

[Cancer mortality in Wales 2002-2024](#) (published on the 18 June 2025)

[Inequalities in cancer incidence in Wales by socio-demographic characteristics, 2011-2020](#) (published Thursday 5 June 2025)



# Agenda Item 6.1

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

Document is Restricted

Agenda Item 7



# The Wales Infrastructure Investment Strategy

May 2025



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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# Key facts

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**10 years** – the Wales Infrastructure Investment Strategy for 2022-23 to 2031-32



**3 years** – the Infrastructure Finance Plan for 2022-23 to 2024-25



**£8.1 billion** – anticipated Welsh Government capital spending through the life of its Infrastructure Finance Plan for 2022-23 to 2024-25



**£3.4 billion** – Welsh Government general capital budget for 2025-26



**16** – the number of 'strategic outcomes' set out in the Wales Infrastructure Investment Strategy



**53** – the number of 'investment areas' set out in the Infrastructure Finance Plan

Note: The budget figure for 2025-26 is not directly comparable to the figure for anticipated spend of the Infrastructure Finance Plan. This is due to funding to cover accounting changes being included in the 2025-26 budget figure but not earlier years (see **Appendix 2**).



# Key messages

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## Context

- 1 Investment in infrastructure – such as schools, hospitals, and flood defences – supports economic, social, environmental, and cultural well-being. Over recent years, the Welsh Government has sought to reshape its overall approach to planning and delivering its investment programmes.
- 2 In December 2021, the Welsh Government published the ten-year Wales Infrastructure Investment Strategy (WIIS), following an earlier Programme for Government commitment to such a strategy. It also published the supporting three-year Infrastructure Finance Plan (IFP) for 2022-23 to 2024-25. These documents set out the ambition of focusing infrastructure investment on securing 16 strategic outcomes, underpinned by six cross-cutting principles.
- 3 This report looks at whether the Welsh Government has a sound strategic approach to supporting the delivery of its infrastructure investment ambitions. It focuses on the strategic direction set through the WIIS and arrangements that support its delivery. As part of this, it considers whether the Welsh Government has established a clear ‘golden thread’ to ensure programmes and projects maximise their contribution to the strategic outcomes from capital spending.
- 4 The report also considers financial planning for capital and infrastructure investment. We recognise that the Welsh Government’s ability to set longer-term budgets is impacted by two key constraints:
  - the UK Government’s budget cycle, which determines the Welsh Government’s funding over time; and
  - the Senedd electoral cycle, with each new government setting its own investment priorities.
- 5 This report does not look at the value for money of individual infrastructure programmes and projects. **Appendix 1** provides more detail about our work. **Appendix 2** provides further information on funding and accounting for infrastructure.



## Overall conclusion

- 6 Overall, the WIIS is a step forwards in trying to ensure infrastructure investment delivers a broad range of strategic outcomes. However, we were not able to establish a clear 'golden thread' between the WIIS outcomes and the Welsh Government's wider framework for programme and project management which has various other weaknesses. The evidence we have examined suggests that the Welsh Government is not giving enough thought to maximising departments' contributions to the desired outcomes and reporting on them.
- 7 The Welsh Government initially underpinned the WIIS with a three-year finance plan for 2022-23 to 2024-25, informed by a zero-based review. This approach was an improvement but did not give longer-term certainty. The Welsh Government has decided to issue a one-year IFP for 2025-26. It is considering how to develop future IFPs in light of the UK Government spending review in summer 2025 and Senedd elections in 2026.

## Key issues

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### The Welsh Government's strategic approach

- Overall, the WIIS is a step forwards and provides a longer-term, outcome-focused direction for infrastructure investment rooted in the well-being of future generations.
  - The Welsh Government's Integrated Impact Assessment was late and does not fully articulate the impacts of the WIIS.
- 

### Budget and expenditure to support delivery

- The initial approach of a three-year IFP built from a zero-base was an improvement but did not provide longer-term certainty.
  - The Welsh Government intends to secure value for money by using the cheapest forms of investment first and understands the benefits and risks of different funding models.
  - After a period of growth, inflation and other cost pressures squeezed capital spending in the three years of the 2022-23 to 2024-25 IFP.
  - The Welsh Government has set a one-year IFP for 2025-26 and is considering how to develop future IFPs in light of the forthcoming UK spending review and 2026 Senedd elections.
-

## Implementation

- The 2021 zero-based review did not establish a robust alignment to the WIIS strategic outcomes and many investment areas' intended contributions seem unambitious.
  - There are weaknesses across the Welsh Government's framework for planning and managing programmes and projects and it does not align sufficiently with the WIIS.
  - The WIIS evaluation framework uses good practice principles but inconsistent adoption across investment areas and data gaps mean overall outcomes are unclear.
- 



The £3 billion plus a year that the Welsh Government spends on infrastructure is significant. It is good to see the WIIS focus on getting more impact from public infrastructure – not least following a period where inflation and cost pressures have squeezed capital budgets.

However, these benefits will not magically materialise. It needs a concerted effort to line up the machinery of government – baking these benefits into plans from the outset and ensuring they are delivered over the longer-term. These issues are within the Welsh Government's gift to put right, but rely on a sustained improvement in programme and project management that has not been achieved to date.

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**Adrian Crompton**  
Auditor General for Wales







# Recommendations

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## Recommendations

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### Urgent improvements to programme and project management

- R1 The Welsh Government should urgently strengthen the overall approach to programme and project management, acting on internal audit recommendations, putting in place effective leadership arrangements, and prioritising capacity to support departments. This should include clarifying the role of, and resources dedicated to, the Office for Project Delivery. (See **paragraphs 3.10 to 3.23**)
- R2 The Welsh Government should strengthen the role of its Infrastructure Strategy Group to provide robust strategic oversight of infrastructure plans and investments across departments to ensure alignment with the WIIS. This should include ensuring it gets better information on programme delivery, spend, and benefits. (See **paragraphs 3.22 and 3.23**)

### Zero-based reviews

- R3 The Welsh Government should commit to carrying out zero-based reviews for any future multi-year IFPs under the WIIS. (See **paragraphs 2.2 and 2.3**)

## Recommendations

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### Updating templates and guidance

- R4 The Welsh Government should strengthen its zero-based review and business case templates and processes to maximise the delivery of benefits by requiring departments to:
- a. set out in detail how investment areas, programmes and projects will contribute to each of the WIIS strategic outcomes or justify which outcomes they do not expect them to contribute to (see **paragraphs 3.3 to 3.5 and Exhibit 8**); and
  - b. make use of relevant national indicators to demonstrate progress, including alignment with the national well-being indicators, the procurement community benefits tool and carbon reduction measures. (See **paragraphs 3.13 to 3.14 and Exhibit 10**)
- R5 The Welsh Government should strengthen evaluation templates to require departments to use a consistent approach to demonstrating progress against the WIIS strategic outcomes and their application of the cross-cutting principles. (See **paragraphs 3.25 to 3.27 and Exhibit 12**)

### Long-term funding certainty

- R6 The Welsh Government should develop options for enabling long-term financial planning beyond the fixed three-year period of an IFP, recognising the current constraints of the fiscal and political cycle. (See **paragraphs 2.2 to 2.7**)
- R7 Building on a similar recommendation we made recently in relation to affordable housing, the Welsh Government should expand longer-term financial planning within programmes, especially those where there is a known long-term need. It should draw on learning from the rolling nine-year approach used in the programme for school and college buildings. (See **paragraphs 2.2 to 2.7 and Exhibit 3**)

## Recommendations

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### Updating the strategic approach

- R8 The Welsh Government should clearly set out the links between the WIIS strategic outcomes and national well-being goals, recognising that some outcomes may contribute to more than one goal. In doing so, it should check that there are no significant gaps in relation to delivery of each well-being goal. (See **paragraphs 1.5 to 1.9**)
- R9 The Welsh Government should review the alignment of the WIIS strategic outcomes and cross-cutting principles with a view to minimising duplication and making it easier for department to plan projects and programmes. (See **paragraphs 1.5 to 1.9**)

### Strengthening public reporting of progress and to support scrutiny

- R10 The Welsh Government should bring together public reporting on the progress of major programmes and projects, learning lessons from the approach to reporting used by the Infrastructure and Projects Authority in England which covers costs, financial benefits, and delivery confidence. (See **paragraphs 3.22 to 3.23**)
- R11 The Welsh Government should report publicly on overall progress in delivering the WIIS, in particular progress in achieving the strategic outcomes. It should do so following each interim evaluation stage and at the final evaluation stage. (See **paragraph 3.30**)



# **The Welsh Government's strategic approach**

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- 1.1 This part of the report looks at whether the Welsh Government has set a clear strategic direction for its capital and infrastructure investment.

### What we looked for

We looked at whether the WIIS sets a clear strategic direction, including having clear priorities and measurable outcomes. We looked at whether it supports other policy ambitions and cross-cutting duties, including in relation to equality, climate change, and the well-being of future generations.

**Overall, the WIIS is a step forwards and provides a longer-term, outcome-focused direction for infrastructure investment rooted in the well-being of future generations**

### The Welsh Government learnt lessons from the previous Wales Infrastructure Investment Plan

- 1.2 The 2012 Wales Infrastructure Investment Plan<sup>1</sup> was part of the Welsh Government's response to austerity. The plan brought together programmes and projects from across the Welsh Government in a single plan. However, it was essentially a list rather than a strategic approach.
- 1.3 In 2020, the Welsh Government reviewed the plan to inform the development of the WIIS. It identified key lessons to develop a longer-term strategic approach through the WIIS (see **Exhibit 1**).

### Exhibit 1: lessons from the Welsh Government's review of the 2012 Wales Infrastructure Investment Plan

The review concluded that to ensure the success of any future strategic approach, the Welsh Government would need to:

- undertake strategic planning of investment across government and ensure transparency of programme delivery;
- develop sectoral priority outcomes;
- develop cross-government thematic priorities;
- identify its strategic approach to achieving outcomes over the long-term; and
- support the long-term approach with shorter-term finance plans.

Source: Audit Wales analysis of Welsh Government documents

1 Welsh Government, Wales Infrastructure Investment Plan for growth and jobs 2012, May 2012

**The WIIS provides a longer-term direction through strategic outcomes and cross-cutting principles but would benefit from clearer alignment to the national well-being goals**

- 1.4 The WIIS sets a vision for infrastructure investment over a ten-year period. Setting a longer-term approach to infrastructure investment reflects good practice and builds on the previous ten-year plan. The Welsh Government intends to underpin the WIIS with a series of finance plans. We consider how the funding has worked in practice in **Part 2**.
- 1.5 Positively, the Welsh Government has sought to make the Well-being of Future Generations (Wales) Act 2015 the key driver of its approach to infrastructure investment. The WIIS seeks to do so by directing projects and programmes to deliver multiple strategic outcomes that go beyond the core benefits of creating or maintaining an asset. We consider the extent to which projects and programmes have aligned to the WIIS in practice in **Part 3**.
- 1.6 **Exhibit 2** shows how the 16 strategic outcomes fit within four well-being domains: environmental, social, economic, and cultural. These four domains reflect the Act's definition of sustainable development. This approach of squeezing the maximum benefits from investment using strategic outcomes to shape plans and delivery reflects long-standing good practice and the aims of the Act.

## Exhibit 2: WISS well-being domains framework

### National Well-being Goals



A prosperous  
Wales



A resilient  
Wales



A healthier  
Wales



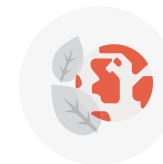
A more equal  
Wales



A Wales of  
cohesive  
communities



A Wales of vibrant  
culture and thriving  
Welsh language



A globally  
responsible  
Wales

### Four domains of well-being and strategic investment outcomes

Pack  
Page 75

#### Environmental Well-being

- 1 Decarbonisation and greenhouse gas reduction
- 2 Investment in biodiversity and natural capital
- 3 Improvements in air and water quality
- 4 Reduction in unsustainable consumption of natural resources

#### Social Well-being

- 5 Improving and protecting the physical health, safety and well-being of the people of Wales
- 6 Improving and protecting the mental health and well-being of the people of Wales
- 7 Reducing social inequalities
- 8 Improving access to key public services

#### Economic Well-being

- 9 Help to increase employment levels across Wales
- 10 Help to improve business productivity
- 11 Increase real household incomes
- 12 Improve educational outcomes

#### Cultural Well-being

- 13 Improve access to and increase use of the Welsh language
- 14 Encourage access to and participation in cultural activities, including the arts and heritage
- 15 Improve participation level in sport and recreation
- 16 Improve investment in communities across all parts of Wales

- 1.7 The WIIS also sets out six cross-cutting principles. It states that departments need to embed the principles, along with the strategic outcomes, within infrastructure proposals to receive funding. The cross-cutting principles reflect wider Welsh Government priorities. They are:
- Overarching commitment to tackling the climate and nature emergency
  - Embedding social justice, including maximising fairness for all and eliminating inequality
  - Placemaking, for example, through co-locating services
  - Balancing investment in new infrastructure with maintenance of existing infrastructure
  - Resilience to future trends, such as environmental change
  - Sustainable procurement which contributes to wider policy objectives
- 1.8 While the WIIS broadly reflects good practice, it could more clearly set out how the strategic outcomes align to the seven national well-being goals in the Act. The well-being goals represent the overarching objectives that should drive strategic decision making across public services.
- 1.9 In our view, having a clear ‘golden thread’ linking the WIIS strategic outcomes to the national well-being goals would help provide a more coherent direction to those responsible for planning and managing programmes and projects. This would also support compliance with new rules<sup>2</sup> requiring public bodies to align procurement strategies and activity with the well-being goals.
- 1.10 Also, there is duplication between some strategic outcomes and the cross-cutting principles relating to the climate and nature emergency and social justice. There is a risk that this duplication adds complexity for those trying to align their programmes and projects to the WIIS.

### **The Welsh Government’s Integrated Impact Assessment was late and does not fully articulate the impacts of the WIIS**

- 1.11 The Welsh Government completed an Integrated Impact Assessment (IIA) in September 2023, two years after publication of the WIIS. Impact assessments should be available to those making decisions at the time. It is a significant omission that the Welsh Government developed and rolled out the WIIS in the absence of an impact assessment.
- 1.12 The full unpublished assessment combines complete impact assessments for equality, Welsh language, and biodiversity. It also sets out how, in developing the WIIS, the Welsh Government considers it applied the five ways of working set out in the Well-being of Future Generations Act<sup>3</sup>.

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2 Set out in the [Social Partnership and Public Procurement \(Wales\) Act 2023](#)

3 The five ways of working are: long-term, prevention, integration, collaboration, and involvement.



- 1.13 Public bodies should publish their impact assessments. The Welsh Government published a document entitled integrated impact assessment to its website in October 2023<sup>4</sup>. However, this document only contains some general context about the WIIS alongside the aspects of the IIA that relate to how it applied the five ways of working.
- 1.14 The impact assessment states that: 'The WIIS will not deliver any impacts on its own.' The Welsh Government argues that the WIIS provides a framework for prioritising investments, but the impacts will come through individual programmes and projects.
- 1.15 However, the core aim of the WIIS is to increase the range of impacts from infrastructure investment. In our view, the Welsh Government could have articulated in the assessment how the WIIS itself will drive greater impacts across the four well-being domains, as well as recognising some of the trade-offs that inevitably come with prioritising limited resource.
- 1.16 The Welsh Government told us that the content of the IIA for the WIIS and the approach to publishing a summary were consistent with internal guidance as well as IIAs produced for other strategies. We understand the Welsh Government is reviewing its approach to IIAs. This work is relevant to a previous recommendation made in our 2022 report on equality impact assessments<sup>5</sup>.

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4 Welsh Government, [Wales infrastructure investment strategy: integrated impact assessment](#), October 2023

5 Auditor General for Wales, [Equality Impact Assessments: more than a tick box exercise?](#), September 2022



## **Budget and expenditure to support delivery**

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- 2.1 This part of the report looks at whether the Welsh Government has a sound approach to funding its capital and infrastructure investment.

### What we looked for

We looked at whether the Welsh Government's approach to allocating investment expenditure reflects good practice. Including whether the approach:

- supports longer-term planning and management of infrastructure investment;
- enables the Welsh Government to align funding with its stated priorities; and
- is sufficiently flexible to enable it to adapt to funding pressures and allocate additional funding.

## The initial approach of a three-year IFP built from a zero-base was an improvement but did not provide longer-term certainty

- 2.2 In 2021, the Welsh Government published its first IFP under the WIIS. It followed the UK Government's 2021 Spending Review and set out capital budgets for the three years 2022-23 to 2024-25<sup>6</sup>.
- 2.3 The IFP built on the Welsh Government's first zero-based review. Zero-based reviews are good practice. They provide an opportunity to test the value for money of proposed and existing schemes and to prioritise resources. We consider lessons from how the zero-based review worked in practice in **Part 3**. The WIIS does not commit the Welsh Government to carry out a zero-based review in preparing future IFPs.
- 2.4 The WIIS commits the Welsh Government to providing longer-term certainty where possible. Setting out capital spending plans over multiple years offers greater certainty than annual budgets. It enables departments to work with partners to plan more strategically for long-term needs and to develop pipelines of potential projects to bring forward over time.
- 2.5 Nevertheless, the three-year period of the IFP only provides a limited degree of certainty. The IFP has a fixed three-year period. Therefore, the level of certainty reduces as the end of the period approaches. We highlighted the challenges around a lack of long-term funding commitments in several reports, including our 2024 report on affordable housing<sup>7</sup>.

<sup>6</sup> The Welsh Government had previously set a four-year capital budget for 2017-18 to 2020-21 and then a one-year budget for 2021-22.

<sup>7</sup> Auditor General for Wales, [Affordable housing](#), September 2024

- 2.6 In practice, the Welsh Government faces constraints in setting longer-term financial plans, as its own funding is determined through UK budget cycles. It is also constrained by Senedd election cycles, with each new government having its own priorities.
- 2.7 Within some programmes there is a degree of rolling planning, with project pipelines that run over a longer period. An example of a longer-term approach is the Sustainable Communities for Learning programme (see **Exhibit 3**).

### **Exhibit 3: nine-year rolling planning in the Sustainable Communities for Learning programme**

Sustainable Communities for Learning is a major programme for new buildings or remodelling of the school and further education estate. The Welsh Government has asked local authorities to prepare nine-year rolling programmes. It makes a firm commitment for the first three years of the agreed programme, with in principle commitments for years four to six. Years seven to nine represent the longer-term pipeline.

The Welsh Government intends that the longer-term approach will mean projects will progress at the pace of and to the priorities of delivery partners, removing the environment of 'over-optimism' or the need for delivery partners to put forward overly ambitious proposals during a narrow bidding window.

Source: Audit Wales summary

### **The Welsh Government intends to secure value for money by using the cheapest forms of investment first and understands the benefits and risks of different funding models**

- 2.8 The WIIS sets out the core principle of using the cheapest form of investment first. The Welsh Government has a 'hierarchy' of funding sources (see **Exhibit 4**). It prioritises capital from the block grant, including financial transaction capital.

#### Exhibit 4: sources of funding the Welsh Government draws on for infrastructure

Funding source	Commentary
<b>Capital funding</b>	
General capital	The main source of investment in infrastructure. It includes direct funding from the UK Government and funding raised through Welsh taxes.
Financial transaction capital	A ring-fenced part of the funding from the UK Government. It funds investment in private assets and the Welsh Government must repay 60% to 80% to HM Treasury.
<b>Revenue funding</b>	
Borrowing	The Welsh Government can borrow a total of £1 billion with an annual limit of £150 million. The Welsh Government also relies on local authorities using their borrowing powers to support key infrastructure programmes.
Mutual Investment Model	A Welsh Government initiative where private sector partners build and maintain public assets. Once operational, the relevant public body will pay a regular fee from their revenue budget to the private partner. The fee will cover the cost of construction, maintenance, and financing of the project.

Source: Audit Wales summary

Note: The Welsh Government also has the option of using bonds but has not done so.

**Appendix 2** provides further detail on the sources above and about bonds.

- 2.9 The WIIS explains that the Welsh Government will use revenue funded investment, through borrowing or other schemes, for low-risk projects and where necessary<sup>8</sup>. It recognises that these approaches potentially cost more over the longer term and reduce funding available for day-to-day purposes. Overall, the WIIS shows the Welsh Government has a good understanding of the benefits and risks of different funding models.
- 2.10 Before 2024, the Welsh Government was able to make use of European Union Structural Funds to invest in infrastructure. The UK Government set up the UK Shared Prosperity Fund to replace this source of funding. Unlike EU funding, the UK Government manages and allocates the Shared Prosperity Fund directly to local authorities.

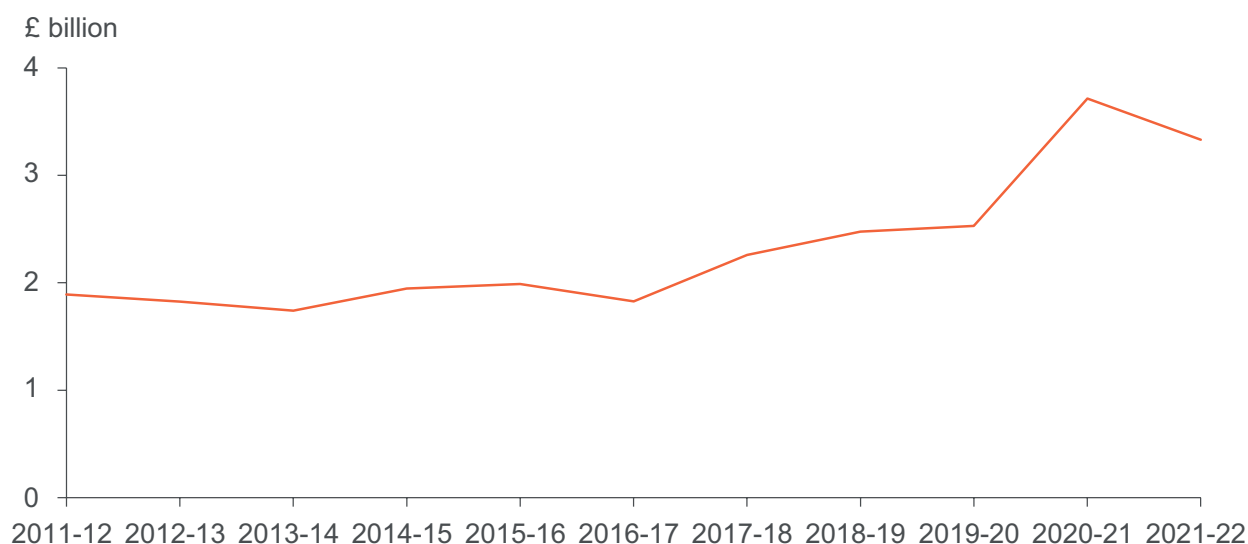
<sup>8</sup> We did not examine the extent to which the Welsh Government has in practice applied the low-risk principle to revenue funded projects.

## After a period of growth, inflation and other cost pressures squeezed capital spending in the three years of the 2022-23 to 2024-25 IFP

### The decade to 2021-22 saw real terms growth in capital spending

2.11 Real terms capital expenditure increased by 76% from £1.9 billion in 2011-12 to £3.3 billion in 2021-22 (see **Exhibit 5**). Capital spending was broadly flat from 2011-12 to 2016-17 but increased from £1.8 billion in 2016-17 to £2.5 billion in 2019-20. Spend in 2020-21 and 2021-22 was higher than would otherwise have been the case due to the COVID-19 response.

### Exhibit 5: real terms Welsh Government capital outturn, 2011-12 to 2021-22 (2023-24 prices)



Source: UK Government, [Public Expenditure Statistical Analysis](#), editions from 2012-13 to 2021-22

#### Notes:

- 1 This chart includes all capital expenditure funded from the block grant and Welsh taxes, including financial transaction capital. It includes a small amount of capital spent by the Senedd Commission, Public Services Ombudsman and Wales Audit Office that is not allocated by the Welsh Government.
- 2 We have used inflation as set out in the HM Treasury GDP deflators as at March 2025.

## The three years of the IFP saw capital expenditure squeezed by inflationary pressures

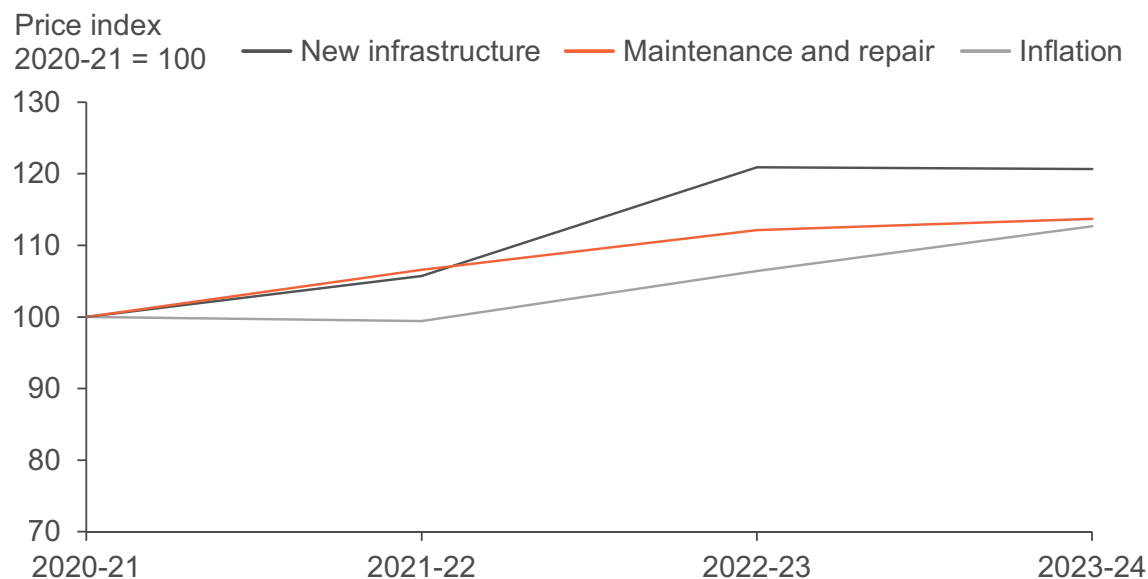
- 2.12 Comparing capital spend over time is complicated by recent accounting changes. From 2022-23 onwards, organisations must account for certain lease scheme payments as capital rather than revenue<sup>9</sup>. In this section we have adjusted spending and budget data to take out the reclassified capital. Doing so allows us to compare over time and to be able to compare actual spend to the original plans set out in the IFP<sup>10</sup>.
- 2.13 The IFP committed to £8.1 billion expenditure over the three years 2022-23 to 2024-25 (not adjusting for inflation). Overall expenditure has broadly matched the IFP allocation. Including the 2024-25 budget, the total spent or allocated over the period of the IFP is £8.1 billion.
- 2.14 The £8.1 billion includes capital funded through Welsh Government borrowing. As part of the IFP, the Welsh Government intended to borrow £450,000 over the three years, at £150 million a year. Over the first two years it borrowed £275 million, having borrowed £25 million less than planned in 2023-24 due to an underspend on its capital budget. It intends to borrow £150 million in 2024-25.
- 2.15 The Welsh Government ‘over-programmed’ the IFP by committing £330 million more than the funding available under the UK Government spending plans in place at the time. It did so in part because, based on historic trends, it expected further funding from the UK Government during the three years.
- 2.16 It also did so because over-programming is good practice in financial management for infrastructure investment. It helps to manage underspends on individual programmes and projects. It also helps to mitigate against the Welsh Government having to rapidly develop projects if new funding becomes available late in the financial year. The Welsh Government maintains and publishes a pipeline of projects which it can bring forward if more funding than anticipated becomes available.
- 2.17 In real terms, capital spending and budget have been broadly flat over the period of the IFP at around £2.7 billion a year. This is slightly higher than the pre-COVID peak in 2019-20 of around £2.5 billion.

<sup>9</sup> **Appendix 2** provides more detail on the changes.

<sup>10</sup> We have excluded capital expenditure of £209 million in 2022-23 and £362 million in 2023-24, and £339 million from the 2024-25 budget.

2.18 However, the costs of building new infrastructure have risen ahead of inflation in recent years with a sharp rise in 2022-23 (see **Exhibit 6**). Between 2020-21 and 2023-24, the cost of new infrastructure rose by 21 percentage points compared to a 13 percentage point increase in inflation<sup>11</sup>. Overall increases in maintenance have been slightly higher than inflation.

#### Exhibit 6: changes in construction costs and inflation, 2020-21 to 2023-24



Source: Office for National Statistics, [Construction Output Price Indices](#), February 2025 update

Notes:

- 1 This Exhibit compares how each measure has increased in percentage terms since 2020-21 (2020-21 = 100).
- 2 We have used inflation as set out in the HM Treasury GDP deflators as at March 2025.

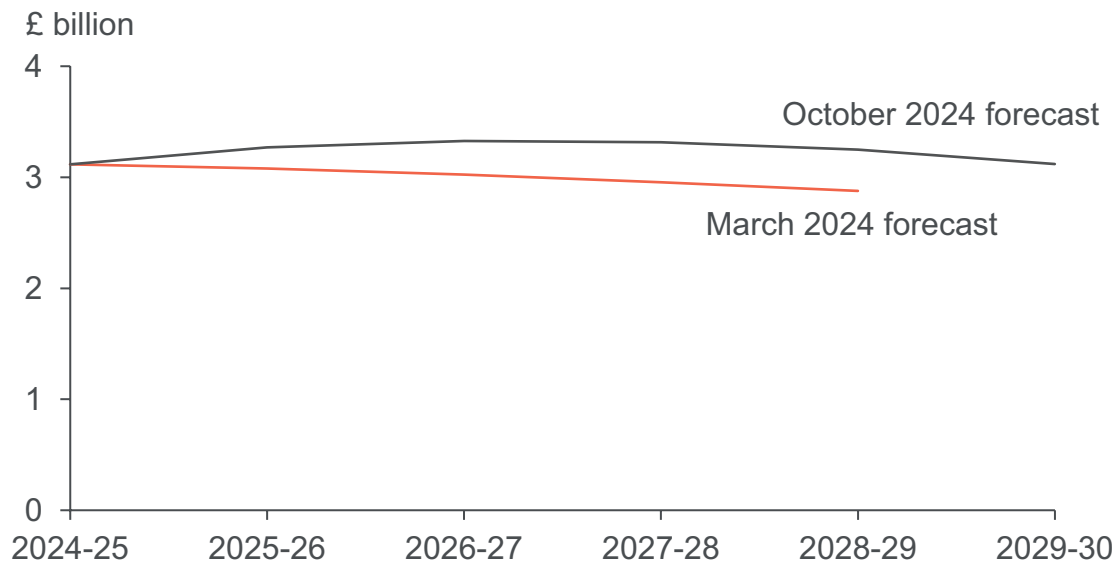
<sup>11</sup> Our recent report on affordable housing (see **footnote 7**) showed there had been sharp rises in the costs of building materials. It showed how the cost pressures meant available funding would deliver far fewer homes than expected when the three-year budget was set as part of the IFP.



## **The Welsh Government has set a one-year IFP for 2025-26 and is considering how to develop future IFPs in light of the forthcoming UK spending review and 2026 Senedd elections**

- 2.19 In December 2024, the Welsh Government published a one-year IFP for 2025-26 rather than produce a new three-year IFP as it originally intended<sup>12</sup>. It did so to allow it to undertake a spending review based on the UK Government's five-year spending plan due in Spring 2025. In producing the one-year IFP, the Welsh Government did not conduct a zero-based review.
- 2.20 Following the UK Government's October 2024 budget, the Welsh Government has more capital funding for 2025-26 than under the previous March 2024 budget. Welsh Government Final Budget documents show the general capital budget for 2025-26 of £3.4 billion will be £609 million higher than the 2024-25 Final Budget; a 19% real terms rise. However, this does not reflect the effect of accounting changes on the 2024-25 baseline (see **paragraph 2.12**). The UK Government's October 2024 budget documents, which present the figures on a consistent basis, show a more modest real terms increase in Welsh Government general capital funding of 2.4%.
- 2.21 The Welsh Government is considering how to develop its IFP from 2026-27 onwards in light of the UK Spending Review and Senedd elections in May 2026. The detail on funding levels will not be known until the UK spending review is complete in June 2025. Welsh Government forecasts based on the UK Government's October 2024 budget suggest the amount of capital available may start to fall in real terms after 2026-27 (see **Exhibit 7**).

### Exhibit 7: Welsh Government forecasts for real terms capital funding 2024-25 to 2029-30 (2023-24 prices)



Source: data provided by the Welsh Government that underpins analysis in the [Wales Economic and Fiscal Report 2024](#), December 2024.

Note: This chart includes both financial transaction capital and funding to cover the reclassification of leases (see **paragraph 2.12 and Appendix 2**). The Welsh Government calculated the real terms forecasts using HM Treasury GDP deflators as at March 2024.



# Implementation

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03

- 3.1 This part of the report looks at the lessons for the Welsh Government from the first three years' implementation of the WIIS.

### What we looked for

We looked at whether there is a clear golden thread between the WIIS and the underpinning arrangements for infrastructure programme and project planning, appraisal, approval, and oversight to drive change. We also looked for clear and consistent arrangements to monitor progress towards the delivery of the WIIS objectives and intended outcomes.

### The 2021 zero-based review did not establish a robust alignment to the WIIS strategic outcomes and many investment areas' intended contributions seem unambitious

- 3.2 The Welsh Government's 2021 zero-based review required departments to show how investment areas support the delivery of the, then draft, WIIS along with other key government ambitions. The submissions we saw in our five case studies were of mixed quality, with one not explicitly articulating how it supports delivery of the WIIS. Some set out in general terms how they would support the strategy, but none clearly articulated specific actions with intended measures of progress against the strategic outcomes.
- 3.3 To inform the 2022-23 to 2024-25 IFP, Welsh Government departments identified which of the strategic outcomes each investment area would contribute to. **Exhibit 8** provides examples. The IFP is organised into 16 sectors, under which sit 53 investment areas<sup>13</sup>. An investment area could be a single programme or project or could cover several.

<sup>13</sup> Guidance from the Welsh Government's Treasury Department initially required departments to identify three 'primary' outcomes for each sector and allowed departments to identify other outcomes that their sectors may contribute to. Departments subsequently identified strategic outcomes for each investment area.

Exhibit 8: examples of how Welsh Government investment areas link to the WIIS strategic outcomes and well-being domains

Sector	Investment area	Environmental Well-being				Social Well-being				Economic Well-being				Cultural Well-being			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Housing	Social housing	●			●			●									●
	Decarbonisation of welsh homes	●						●									
	Building safety					●	●	●									
	Integrated care fund & adaptations					●		●									●
	Homebuy							●									●
	Market housing							●									●
	Private rented sector supply	●						●									●
Active and sustainable travel	Active travel	●				●		●	●								
	Electric vehicle infrastructure	●		●													
	Local transport fund	●							●	●							
Public transport	Rail	●								●	●			●			
	Bus	●							●	●	●						

Sector	Investment area	Environmental Well-being				Social Well-being			Economic Well-being				Cultural Well-being				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Roads	Strategic road network		●			●				●							
	Road safety fund					●											
Regeneration	Transforming towns		●						●	●							●
	Coal tip safety			●		●											
Health and social care	NHS infrastructure	●				●	●					●					
	Primary and community care	●				●	●										
	Digital infrastructure	●				●	●										
	NHS equipment	●				●	●										
	Social care					●	●		●								
Decarbonisation	Fuel poverty warm homes	●						●				●					
	Welsh Government energy service and smart living	●										●					
	Marine energy	●										●					

Source: Welsh Government, IFP 2022-23 to 2024-25, December 2021

Note: Each number under the domain represents one of the four strategic outcomes listed for that domain (see **Exhibit 2**).

- 3.4 The outcomes departments identified in 2021 seem unambitious given the core goal of the WIIS to expand the impact of infrastructure investment. On average, each investment area identified expected contributions to just three of the 16 strategic outcomes with some as few as one. In practice, they may have made wider contributions than identified at the time. However, the core aim of the WIIS is to provide a strategic framework in which departments actively plan for, manage, and evaluate those contributions.
- 3.5 Of note, only around half of investment areas (27 of 53) explicitly identified that they contribute to any of the economic well-being outcomes. The entire sectors of housing, local government (including City Deals), and community identified no contribution to economic well-being. Collectively, these three sectors account for £1.1 billion of capital allocated in the 2025-26 budget. It is implausible that this investment will not make a measurable contribution to economic well-being.
- 3.6 In August 2023, two years after introducing the WIIS and the IFP, the Welsh Government's Treasury Department issued a 'logic model' for departments to complete for their investment areas. The logic model is part of the framework to support evaluation (see **paragraphs 3.24 to 3.30**).
- 3.7 The model follows an established inputs-outputs-outcomes planning model. It involves collating budget allocations, outputs, performance indicators, and outcomes of multiple projects and programmes that sit within an investment area. While the Welsh Government pre-populated the logic model with the strategic outcomes that investment areas initially identified in 2021, departments could add additional ones.
- 3.8 The Welsh Government's Treasury Department told us that while there is a collective commitment to the logic model approach, it did not mandate its use by departments. At the time of drafting this report, Welsh Government departments had completed logic models for just 11 of the 53 investment areas (21%). There is no central challenge process or quality monitoring of logic models, and we found variation in the quality of content in the completed forms.
- 3.9 If integrated with a robust approach to programme and project management, the logic model could potentially provide the 'golden thread' between the WIIS strategic outcomes and delivery. However, it is not part of the Welsh Government's broader programme and project planning and management framework, which we consider below.

## **There are weaknesses across the Welsh Government's framework for planning and managing programmes and projects and it does not align sufficiently with the WIIS**

**The Welsh Government has not updated its core programme and project planning guidance and templates to align with the WIIS and make consistent use of relevant national performance indicators**

- 3.10 The success of the WIIS depends on Welsh Government departments ensuring that infrastructure programmes and projects contribute to the strategic outcomes. The WIIS states that 'delivering this transformation requires change at all levels in terms of how investments are planned, approved, delivered and managed.'
- 3.11 The Welsh Government's Better Business Cases guidance<sup>14</sup> sets out how departments should plan programmes and projects. The Welsh Government bases its framework on generic UK wide HM Treasury guidance and its five-case model (see **Exhibit 9**). These reflect long-standing good practice.

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<sup>14</sup> Welsh Government, Better business cases: investment decision-making framework, first published July 2018



### Exhibit 9: UK good practice framework used by the Welsh Government to plan infrastructure investment

Guidance	Commentary
UK Government Green Book	<p>Guidance for all proposals that involve public spending on appraising policies, programmes, and projects; and on designing and using monitoring and evaluation.</p> <p>Although use of the Green Book is mandatory, the Welsh Government expects departments to use it proportionately with consideration to the cost, benefits, and risks of the proposal.</p>
Five-case model	<p>The approach for developing business cases under the Green Book requires the strategic, economic, commercial, financial, and management cases to be set out.</p> <p>The model requires users to identify relevant organisational visions, priorities and strategies and demonstrate how they intend to support them.</p>
Gateway assurance	<p>Process of obtaining independent assurance at various stages, including planning. The Welsh Government intends that departments use the gateway reviews in conjunction with internal audit and other assurance processes.</p>

Source: Audit Wales summary

3.12 The Welsh Government has not updated its programme and project planning framework to reflect the WIIS. The guidance includes a set of templates, based on the five-case model, but these templates are not mandatory. While the guidance and templates refer to the need to align proposals to broader policies and strategies, they do not drive departments to specifically align their plans to the WIIS strategic outcomes.

3.13 While the 16 strategic outcomes in the WIIS are measurable, the Welsh Government has not said what qualitative and quantitative indicators it will use to demonstrate progress. Programme and project planning guidance and templates identify the need for business cases to set out measurable benefits. They do not specify what they should include. Individual projects and programmes need some bespoke indicators to reflect their different objectives. However, they also need common indicators to ensure consistency and alignment to the strategic outcomes.

3.14 The Welsh Government already has some relevant national indicators (see **Exhibit 10**). In our view, there is scope to embed these into the guidance and templates to ensure a more consistent approach.

**Exhibit 10: examples of existing national indicators relevant to the WIIS strategic outcomes**

Indicators	Commentary
National well-being indicators	<p>These are the overall indicators of national well-being. While many are national statistics that may be too general to use for specific projects and programmes, they can inform choices about indicators.</p> <p>For example, overall employment levels may not be an appropriate measure for a project, but the number of jobs created would be a good measure of its contribution to that well-being indicator and the relevant WIIS strategic outcome.</p>
Procurement community benefits indicators	<p>The Welsh Government has published a set of community benefit indicators to support sustainable procurement.</p> <p>These cover many areas relevant to the strategic outcomes and well-being indicators including environmental benefits, employment and training, and supporting local businesses.</p>
Net zero indicators	<p>The Welsh Government has a net-zero carbon reporting guide setting out how to measure carbon emissions consistently using defined activity data and metrics. A spreadsheet for capturing this information supports the guide.</p>

Source: Audit Wales summary

3.15 Across our five case studies, we found an inconsistent approach to business cases. Although each set out, at a programme level, their strategic and financial cases through the zero-based review, only one had a full business case in line with the five-case model. Four of the case studies require those applying for funding under the programmes to submit business cases using the five-case format.

### **There are other significant weaknesses in how the Welsh Government applies its approach to programme and project management**

3.16 The Welsh Government recognised in the WIIS that it needed to strengthen programme and project management to achieve the strategic outcomes. However, over the past 18 months Welsh Government internal audit reviews have identified significant weaknesses (see **Exhibit 11**).

#### **Exhibit 11: recent Welsh Government internal audit findings about programme and project management**

Internal audit reported on alignment with best practice frameworks for programme and project management in June 2023 and issued a rare 'no assurance' report. The Welsh Government sought to respond through its 'Get to Green' programme to improve its assurance rating in relation to programme and project management. Internal audit reviewed progress in a June 2024 report but again issued a 'no assurance' rating.

Internal audit's key findings, from its initial report, included:

- the lack of an overarching project delivery strategy;
- insufficient resources to support delivery, including a vacancy in the Head of Programme and Project Management Profession role;
- no central governance framework for delivery, and governance at a programme and project level spread across multiple documents;
- out of date guidance;
- the lack of a strategic approach to assurance processes and an inconsistent approach in financial management and reporting; and
- failure to act on and disseminate lessons learned.

Source: Audit Wales summary

3.17 At the time of drafting this report, the Welsh Government's internal auditors were also finalising reports on business cases and benefits management. Both of those internal audit reports identified weaknesses consistent with our assessment (see **paragraphs 3.10 to 3.15**) and other detailed areas for improvement.

3.18 We note that, looking back a decade, the Welsh Government set out plans to improve programme and project management in its 2013-14 and 2014-15 annual accounts. It said at the time that it had established a centre of expertise, re-established a community of practice, and launched training for staff.

- 3.19 The recent internal audit findings suggest that the Welsh Government has not sustained previous improvements. During our own fieldwork, we found that the Welsh Government did not have a clear understanding of infrastructure programme and project management skills across the organisation.
- 3.20 In January 2020, the Welsh Government established an Office for Project Delivery, bringing together some existing functions. It provides business case guidance and other project and programme delivery support, such as gateway review assurance and training.
- 3.21 At the time of our fieldwork, the Welsh Government told us that it intended to strengthen the Office for Project Delivery to address capacity constraints. We understand that it has since done so by adding staff resource to various programme and project management activities. However, it continues to have vacancies in some areas.
- 3.22 We also found weaknesses in oversight of the overall delivery of infrastructure. The Welsh Government has a cross-cutting Infrastructure Strategy Group. Its terms of reference, updated in July 2023, state: ‘The purpose of the Committee is to provide strategic oversight of infrastructure investments and plans across departments to support a whole-government approach to the planning and allocation of resources in line with the WIIS.’ However, it does not have the necessary data on progress to provide robust strategic oversight, in line with its terms of reference.
- 3.23 While there are differences in scale and remit, the position contrasts with England where, at the time of our fieldwork, the Infrastructure and Projects Authority<sup>15</sup> had oversight on key infrastructure programmes and projects. It published annual reports on progress, including on costs, financial benefits, and delivery confidence using a traffic light rating system<sup>16</sup>.

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15 The [Infrastructure and Projects Authority](#) was the UK Government’s centre of expertise for infrastructure and major projects and worked with the Cabinet Office and HM Treasury. In April 2025, the UK Government created the National Infrastructure and Service Transformation Authority, bringing together the former Infrastructure and Projects Authority and National Infrastructure Commission.

16 The Infrastructure and Project Authority’s [Annual Report 2023-24](#), published in January 2025, sets out the expected costs and financial benefits of each project and rates delivery confidence across different categories using a red, amber, green, or exempt rating.

## **The WIIS evaluation framework uses good practice principles but inconsistent adoption across investment areas and data gaps mean overall outcomes are unclear**

- 3.24 Two years after its launch, the Welsh Government introduced an evaluation framework for the WIIS. It has two parts; the logic model (see **paragraphs 3.6 to 3.9**) and the evaluation template. The Welsh Government developed the framework using UK-wide good practice guidance, including the UK Government Green Book (see **Exhibit 10**) and the Magenta Book<sup>17</sup>. The evaluation framework is a positive step towards enabling the Welsh Government to demonstrate the impact of the WIIS and the significant investments made in infrastructure.
- 3.25 The Welsh Government introduced interim and final evaluation templates for investment areas to complete (see **Exhibit 12**). The Welsh Government intends to use interim evaluations to assess progress for each IFP period. It will then consider the interim evaluations alongside a final evaluation to assess the overall success of an investment area, and collectively the success of the WIIS overall. The key difference between the templates is that the final evaluation requires detail on progress against each of the strategic outcomes, whereas the interim requires early indication of progress against the outcomes in the round.

## Exhibit 12: the scope of the Welsh Government's interim and final evaluation templates for the WIIS

Stage	Aims
Interim evaluation	<ul style="list-style-type: none"> <li>• Undertaken towards the end of an IFP period to inform capital allocation for the following one.</li> <li>• Examine how departments are delivering the investment areas.</li> <li>• Set out the main outputs.</li> <li>• Consider any changes which may be needed to support the investment area's delivery against the strategic outcomes and whether those outcomes remain valid.</li> <li>• Set out delivery challenges, how these were managed, and lessons learned.</li> <li>• Will feed into the overall evaluation of success for the investment area, and for the WIIS at the end of its ten-year life.</li> </ul>
Final evaluation	<ul style="list-style-type: none"> <li>• Undertaken on investment areas where delivery of its activities has ceased.</li> <li>• Set out the main outputs.</li> <li>• To assess overall performance and net impact of the investment area against the strategic outcomes.</li> <li>• Set out delivery challenges, how these were managed, and lessons learned.</li> <li>• Will feed into the overall evaluation of the WIIS at the end of its ten-year life.</li> </ul>

Source: Audit Wales summary

3.26 The evaluation templates are inconsistent in how they treat the cross-cutting principles of the WIIS. The evaluation forms contain a specific question relating to the impacts on carbon emissions but not the nature emergency element of the cross-cutting principle. The remaining five cross-cutting principles do not feature as individual questions. Instead, they are part of a catch-all question about progress in delivering against the cross-cutting principles.

- 3.27 The Welsh Government's Treasury Department produced guidance to support the evaluation templates (and the logic models). The guidance does not set clear expectations on the nature and coverage of the content departments should provide. The Treasury Department told us that it provides additional verbal guidance, where departments request it.
- 3.28 The Welsh Government set a deadline of June 2024 for investment areas to complete their first interim evaluation forms. We found that in December 2024, departments had produced interim evaluations for just 34 of the 53 (64%) investment areas.
- 3.29 Our review of a sample of four evaluations related to our case studies shows a mixed bag in terms of quality and detail. None explicitly align their reporting to the WIIS' strategic outcomes. Some provide high-level narrative detail on progress in relevant areas like economic impacts, while others primarily focus on the direct benefits from the investment. There is no central review or quality check on the content of the investment area evaluation forms.
- 3.30 The Welsh Government has no plans to report publicly on results from recent interim evaluations of individual investment areas. It also currently has no firm plans around public reporting on the final evaluation once the WIIS ends in 2031. In our view, there is merit in publicly reporting on the overall impacts against the strategic outcomes to date to support scrutiny and learning lessons for future IFP periods.



# Appendices

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- 1 About our work
- 2 Funding and accounting for infrastructure investment
- 3 Acronyms used frequently in this report



# 1 About our work

## Audit question, scope and criteria

We considered whether the Welsh Government has a sound strategic approach to supporting the delivery of its infrastructure investment ambitions.

We focused on the overall strategic approach through the WIIS and arrangements that support its delivery. We did not assess the effectiveness of every aspect of capital and infrastructure investment. Nor did we look at the value for money of individual infrastructure programmes and projects.

We did not expect to see identical arrangements across Welsh Government departments, but we looked at the overall coherence of the Welsh Government's approach. We considered the strategic direction set through the WIIS and whether underpinning arrangements establish a clear 'golden thread', integrating the WIIS across different policy areas and down to programmes and projects to align with its broad ambitions and intended benefits.

We have set out our areas of focus at the start of each part of the report. In developing our audit criteria, we considered the following resources:

- the WIIS itself and the supporting IFP for 2022-23 to 2024-25.
- HM Treasury's guidance on appraisal and evaluation in central government ('the Green Book') and associated guidance.
- Audit Wales internal guidance, including our 'positive indicators' which are an illustrative set of characteristics that describe how bodies could apply the sustainable development principle effectively. We have used these indicators to inform previous sustainable development principle examinations under the Well-being of Future Generations (Wales) Act 2015. We developed the positive indicators through engagement with public bodies and informed by advice and guidance from the Future Generations Commissioner for Wales.

## Audit methods

### Document review

We reviewed a range of documentation including:

- The WISS, the IFP for 2022-23 to 2024-25 and the IFP for 2025-26
- Meeting papers and minutes for the Welsh Government's Infrastructure Strategy Group
- Welsh Government internal audit reports
- Welsh Government risk registers
- Welsh Government guidance, including planning templates

### Case studies

We looked at five case studies. We sought to identify whether there are lessons to learn regarding how the programmes or projects align to the WIIS.

We selected four areas ourselves aligned to recent or planned Audit Wales reviews. These were:

- Flood risk management
- Affordable housing
- Sustainable communities for learning (investment in school and college buildings)
- Active travel

The Welsh Government did not provide us with additional information relating to active travel for this audit. However, we drew on knowledge from our previous work.

The Welsh Government suggested one other area to us: the Health and Social Care Integration and Rebalancing Capital Fund. This fund is also relevant potentially to other work in our audit programme.

### Semi-structured interviews

We interviewed Welsh Government officials from the Welsh Government's Treasury Department, central finance, and the funding areas covered by our case studies.

## Financial analysis

We used the UK Government's Public Expenditure Statistical Analysis series to set out capital spending between 2011-12 and 2021-22. This data source covers all capital expenditure funded from the block grant and Welsh taxes, including financial transaction capital. It includes a small amount of capital spent by the Senedd Commission, Public Services Ombudsman for Wales, and Wales Audit Office that is not allocated by the Welsh Government.

To analyse spending trends from 2022-23 to 2024-25, we used a mix of sources. We drew on Welsh Government outturn data for 2021-22, 2022-23, and 2023-24. We used the budget for 2024-25. We adjusted outturn data to reflect funding for reclassified leases (see **Appendix 2**), using the Welsh Government's supplementary budgets for 2022-23 and 2023-24.

We have based our real terms calculations on HM Treasury's GDP deflator. We used the deflators issued in March 2025.

Our analysis of cost pressures draws from the Office for National Statistics Construction Output Indices. The dataset contains various cost indices. To reflect the broad cost pressures, we used the indices for new infrastructure and maintenance and repair.

Data for spending forecasts comes from the Welsh Government's own analysis set out in its Wales Economic and Fiscal Report 2024.

## 2 Funding and accounting for infrastructure investment

### Defining infrastructure investment

There is no agreed definition of infrastructure in either the UK National Accounts or international accounting guidance. Expenditure on new infrastructure assets and to repair and maintain existing infrastructure assets is categorised as 'investment' in the national accounts.

In the WIIS, the Welsh Government sets out its intention to take the 'broadest possible' definition of infrastructure. This includes investment in physical infrastructure such as schools, hospital buildings and equipment, roads, and flood defences. It also includes digital infrastructure and support for private business infrastructure to improve productivity.

### Potential funding sources for investment

Infrastructure investment is typically associated with capital expenditure. The Welsh Government also funds infrastructure through revenue, for example, through borrowing and through lease schemes where the private sector creates the asset and recoups its investment through service payments.

**Exhibit 13** sets out the key sources of infrastructure investment available to the Welsh Government. It builds on **Exhibit 4** in the main body of this report. The available sources listed below include bonds, which it has not used and do not feature in our earlier summary.

## Exhibit 13: sources of funding available to the Welsh Government for infrastructure

Potential funding source	Commentary
<b>Capital funding</b>	
General capital	<p>The main source of investment in infrastructure. It includes direct funding from the UK Government which the Welsh Government is free to make decisions over for use in devolved areas. It also includes funding raised through Welsh taxes and funding drawn from the Welsh reserve which holds up to £50 million capital from underspends in previous years.</p> <p>The Welsh Government's general capital allocation in its budget also includes funding raised by borrowing (see below).</p> <p>General capital allocations for 2024-25 total £2.8 billion.</p>
Financial transaction capital	<p>A ring-fenced part of the funding from the UK Government. It funds investment in private assets and the Welsh Government must repay 60% to 80% to HM Treasury. The financial transaction capital budget was £167 million in 2024-25. However, spend varies from year to year, and depends on the amount available to reallocate from repayments.</p>
<b>Revenue funding</b>	
Borrowing	<p>The Welsh Government can borrow a total of £1 billion with an annual limit of £150 million. It borrows from the National Loans Fund, through which the UK government provides loans to nationalised industries and the devolved administrations.</p> <p>The Welsh Government recognises that borrowing impacts have a revenue cost. The Welsh Government has borrowed £275 million in the first two years of the IFP. The Welsh Government's latest forecasts suggest it expects to use up its full borrowing capacity by 2028-29.</p> <p>The Welsh Government also relies on local authorities using their borrowing powers to deliver key infrastructure programmes. Local authorities generally borrow from the Public Works Board. Welsh Government funding commitments support some local government borrowing while other borrowing is 'unsupported'.</p> <p>In 2023-24, local authorities spent £114 million in paying back supported borrowing and £449 million unsupported.</p>

Potential funding source	Commentary
Mutual Investment Model	<p>A Welsh Government initiative where private sector partners build and maintain public assets. In return, the public sector body will make an annual service payment, which will cover the cost of construction, maintenance, and financing of the project.</p> <p>As at the end of 2024, the Welsh Government had used the model for sections 5 and 6 of the A465 road improvement, the new Velindre Cancer Centre, and two projects under the Sustainable Communities for Learning Programme (a primary school in Flintshire and a cluster of three primary schools in Rhondda Cynon Taf).</p> <p>In February 2024, the Welsh Government estimated the total capital value of these projects at around £1 billion. The annual service payments across these projects will total around £84 million (excluding VAT and inflationary uplifts). Each project spans 25 or 30 years, ending between 2049-50 and 2055-56.</p> <p>The decision to use the model in the cases above pre-dates the WIIS. Following an internal review of the use of the model under the education programme, the Welsh Government intends to limit any future use of the model within that programme to larger further education projects. Contractual arrangements for a further project for Cardiff and Vale College were confirmed in March 2025.</p>
Bonds	<p>The Welsh Government can issue bonds but needs to repay them with interest from revenue. Bonds are more expensive than borrowing from the National Loans Fund but contribute to the borrowing limit. To date, the Welsh Government has not made use of bonds but welcomes having the option to do so if it chooses.</p>

Sources: Audit Wales summary and drawing on other published information including: Welsh Government [2021-22 to 2024-25 budgets](#); Welsh Government, [Capital Outturn Financing](#), October 2024; Welsh Government, [Annual Mutual Investment Model report: July 2022 to March 2024](#), May 2024

## International Financial Reporting Standard (IFRS) 16

Comparing capital spend over time is complicated by recent accounting changes. Changes to the accounting arrangements for most leases from 2022-23 onwards under IFRS 16 have resulted in an increase in capital expenditure in the Welsh Government's budget and subsequent annual accounts. Overall total expenditure has not increased but the way leases are now accounted for results in an increase in the presentation of capital expenditure.

Simply put, for every lease with a term of more than 12 months, IFRS 16 requires an asset and a corresponding liability to be recognised on an organisation's balance sheet (unless the underlying asset is of low value). By requiring leases to be 'on balance sheet', they are treated as capital, thereby increasing capital expenditure.

### **3 Acronyms used frequently in this report**

In this report, we frequently use two acronyms:

- WIIS – the Wales Infrastructure Investment Strategy
- IFP – Infrastructure Finance Plan





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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.