

Public Accounts Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
6 June 2013

Meeting time:
14:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1 Introductions, apologies and substitutions

2 Update from the Welsh Government on the implementation of recommendations made in the Public Accounts Committee report 'Hospital Catering and Patient Nutrition' (14:05 – 15:00) (Pages 1 – 12)
PAC(4) 16–13 – Paper 1 – Update from Welsh Government on ‘Hospital Catering and Patient Nutrition’
Professor Jean White, Chief Nursing Officer, Welsh Government

3 Update from the Welsh Government on the implementation of recommendations made in the Public Accounts Committee report 'A Picture of Public Services' (15:00 – 16:00) (Pages 13 – 33)
PAC(4) 16–13 – Paper 2 – Update from Welsh Government on ‘A Picture of Public Services’
Dr June Milligan, Director General, Local Government and Communities, Welsh Government

4 Update from the Welsh Government on the implementation of recommendations made by the third Assembly PAC on 'Capital Investment in Schools' (16:00 – 17:00) (Pages 34 – 44)
PAC(4) 16–13 – Paper 3 – Update from Welsh Government on ‘Capital Investment in Schools’
Owen Evans, Director General, Education and Skills, Welsh Government

5 Papers to note (Pages 45 – 54)

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

Item 7.

7 Consideration of updates from the Welsh Government on the implementation of recommendations of Committee reports (17:00 – 17:30)

Update to the Report of the National Assembly for Wales Public Accounts Committee on Hospital Catering and Patient Nutrition

PAC Report Recommendations	Current Position
<p>1 We recommend that the Welsh Government issues supplementary guidance to all NHS bodies in Wales clearly stating that the protected meal times policy should not be used to exclude relatives and carers from providing assistance with eating to patients, and that where relatives and carers wish to assist at mealtime that they are actively encouraged to do so by ward staff.</p>	<p>A Chief Medical Officer/Chief Nursing Officer letter was issued in March 2012 reminding all NHS bodies in Wales that protected mealtimes are an integral part of the All Wales Nutrition Care Pathway 2009, and that all hospitals are required to comply.</p> <p>The letter clearly stated that protected meal times policies should not be used to exclude relatives and carers from providing assistance with eating to patients, and that where relatives and carers wish to assist at mealtime they should be actively encouraged to do so by ward staff.</p> <p>The letter also drew attention to examples of best practice from across Wales which are showcased on the Hospital Nutrition and Catering Framework website, based on the Health in Wales intranet site (formerly HOWIS).</p> <p>We are currently working with the Hospital Caterers Association, who will be launching a campaign focussed on the importance of protected mealtimes in the summer, to ensure that appropriate messages are communicated.</p> <p>The 2012 Fundamentals of Care Audit identified that all LHBs/Velindre NHS Trust have protected mealtimes policies and that 86.4% of wards have protected mealtimes with the remaining 13.6% in the process of introducing them.</p>

		<p>The LHBs/Velindre NHS Trust have all reported that their protected meal times policies do not exclude relatives and carers from providing assistance with eating to patients, and that where relatives and carers wish to assist at mealtime they are actively encouraged to do so.</p>
2	<p>We recommend that the Welsh Government ensures that local health boards provide the Wales Audit Office guidance note 'Eating Well in Hospital—What You Should Expect' to every hospital patient in Wales at the point of admission.</p>	<p>A number of LHBs were already including information similar to that contained in Wales Audit Office guidance note 'Eating Well in Hospital—What You Should Expect' in the packs that they issue to patients on admission.</p> <p>A Chief Medical Officer/Chief Nursing Officer letter was issued in March 2012 to all NHS bodies in Wales clearly stating where LHBs/Velindre Trust were not following this practice they were required to either incorporate this information on nutrition into their patient admission materials or to issue the Wales Audit Office guidance note '<i>Eating Well in Hospital—What You Should Expect</i>' to every hospital patient in Wales at the point of admission. A link has been provided to the PDF to those organisations utilising the Wales Audit Office publication, to enable them to print copies locally.</p>
3	<p>We recommend that the Welsh Government takes action to ensure that the progress of NHS organisations in delivering their own action plans is rigorously monitored and made publicly available.</p>	<p>NHS bodies are responsible for monitoring the delivery of their individual catering and nutrition action plans, and progress should be scrutinised by NHS Boards via their Audit Committees. The Welsh Government requires health bodies to include their action plans and updates on progress on their websites. Welsh Government officials monitor this commitment and there is 100% compliance.</p>
4	<p>We recommend that the Welsh Government monitors the progress of NHS bodies in delivering its</p>	<p>The auditing of compliance with the <i>All Wales Nutrition Care Pathway</i> and the <i>All Wales Nutrition and Catering Standards for Food and Fluid Provision</i> for Hospital Inpatients are carried out across all relevant NHS bodies via the Annual</p>

<p>guidance, including sourcing local food which contributes to a healthy balanced diet for patients where possible.</p>	<p>Fundamentals of Care Audit process. The Fundamentals of Care Standard 9 – Eating and Drinking has been mapped against the Doing Well Doing Better: Standards for Health Services in Wales: Standard 5 – Citizen Engagement and Feedback; Standard 8 – Care Planning and Provision; and Standard 14 – Nutrition. This ensures that the audit process covers the whole of the Pathway and the Nutrition and Catering Standards.</p> <p>Since 2009 NHS organisations are required to undertake a full audit of all their hospital wards/departments on an annual basis and submit the results to the Chief Nursing Officer/Nurse Director for Wales. The electronic system underpinning the audit tool can analyse and generate reports from the data entered at ward level. It also enables each ward to develop action plans to address any issues causing concern as well as building on areas of good practice. NHS bodies report a variety of mechanisms for sharing the results with relevant staff groups. The introduction of an independent validation mechanism for the Fundamentals of Care Audit process is currently being explored.</p> <p>Compliance in hospital wards across Wales with the Fundamentals of Care Audit Standard 9: Eating and Drinking, (<i>You will be offered a choice of food and drink that meets your nutritional and personal requirements and provided with any assistance that you need to eat and drink</i>) has increased from an average of 82% in 2009 to 92% in 2012 (see annex 1 for a detailed breakdown by LHB/Velindre NHS Trust).</p> <p>A summary of the 2011 Fundamentals of Care Audit results were published on the Welsh Government website, the Older Peoples Commissioner website and the Community Health Council Website. The 2012 results will be published by end of May 2013.</p> <p>Any issues which arise from the audit are addressed by the Chief Nursing Officer in her regular meetings with Directors of Nursing.</p>
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		<p>To support the implementation of the All Wales Hospital Menu Framework LHBs have jointly funded the appointment of a procurement dietitian post within NHS-Shared Services Partnership – Procurement Services. The dietitian, who took up the post in February, is supporting the establishment of all Wales procurement contracts for the dishes on the Framework, which will consider the issue of local sourcing.</p>
5	<p>We recommend that the Welsh Government provides us with details of how and when we can expect waste reduction targets to be met.</p>	<p>The Welsh Government required all NHS organisations to achieve an overall average of ten per cent or less waste in relation to untouched meals across their hospital sites by the end of 2012-13. Compliance is being monitored through their action plans and by the Estates & Facilities Performance Management System. The LHBs/Velindre NHS Trust have put measures in place to reach this target and evidence from the 2011-12 EFPMS returns demonstrate that progress is being made.</p> <p>In addition, the Welsh Government has worked with the Department for Environment, Food and Rural Affairs (Defra), Scottish Government, Northern Ireland and the Government sponsored body WRAP (Waste and Resources Action Programme) to develop a voluntary agreement for the Hospitality Sector. This includes a waste reduction target of five per cent for food and packaging waste by 2015. It also includes a target for an increase in the rate of food and packaging waste being recycled, composted or sent to anaerobic digestion by 2015 (a target is currently being agreed with industry). The agreement will cover hospital catering, both for patient and non patient services. The agreement was launched in May 2012 and all NHS organisations are encouraged to participate.</p>
6	<p>We recommend that the Welsh Government takes action to ensure food hygiene ratings are displayed</p>	<p>Since October 2010 the Food Hygiene Rating Scheme in Wales has operated on a voluntary basis in Wales. It is run by Local Authorities in partnership with the Food Standards Agency. Local Authorities undertake inspections of food businesses to</p>

	publicly in all hospitals in Wales.	<p>check they meet the requirements of food hygiene law. Based upon this inspection, the local authority calculates the rating and sends a sticker with the food hygiene rating to the food business. The food business is encouraged to display the sticker at the premises; all ratings are also published on the Food Standards Agency website.</p> <p>Following a consultation in 2012 the Welsh Government decided to introduce legislation to make it a mandatory requirement for all food businesses in Wales to display their food hygiene ratings in Wales. The Food Hygiene Rating (Wales) Act 2013 received Royal Assent on the 4 March 2013 and will come into force from November 2013. This will cover hospital catering.</p> <p>As an interim measure the former Minister for Health and Social Services wrote to all Chief Executives and Chairs of Health Boards and NHS Trusts in February 2012 about the FSA voluntary scheme. The letter asked all hospitals and other NHS Wales premises that had received a food hygiene rating from their Local Authority to display it where it could easily be seen by consumers.</p>
7	We ask that the Accounting Officer provides us with a plan of how and when the Welsh Government and Local Health Boards will have made the improvements recommended by the Auditor General.	<p>A plan was produced and sent to the Chair of the Public Accounts Committee in August 2012.</p> <p>The current position on the Auditor General's recommendations for the Welsh Government is detailed in the second part of this report.</p> <p>Progress regarding the implementation of the Auditor General's recommendations for the LHBs/Velindre NHS Trust in his national report <i>Hospital Catering and Nutrition</i> has been monitored by the Welsh Government through biannual reports from the LHBs/Velindre NHS Trust. In reports received in April 2013 all LHBs/Velindre NHS Trust report that they have implemented most of the recommendations and highlight ongoing work to ensure that they maintain</p>

		<p>compliance. This is reflected in the increased compliance with the Fundamentals of Care Audit Standard 9 as detailed in Annex 1. The Welsh Government will continue to monitor the NHS bodies' compliance and will raise any issues of concern with individual LHBs/NHS Trust.</p> <p>The outstanding actions from the Welsh Government and the LHBs/Velindre NHS Trust are connected to the full implementation of the National Catering IT solution by the NHS Wales Informatics Services (NWIS) and NHS-Shared Services Partnership – Facilities Services (NWSSP-FS) formerly Welsh Health Estates and also the development of the All Wales Menu Framework. See sections 2 and 3 below for further detail of ongoing progress on these agendas.</p>
	AGW Report Recommendations for the Welsh Government	Current Position
1	The Welsh Government develop and issue standard all-Wales nursing documentation to promote consistent nutritional screening and care planning, and to help ensure that important areas, such as oral health, are properly considered.	<p>The All Wales Nutrition Care Pathway, Food Record Chart and revised Daily and Weekly Intake Chart are being used as standard nursing documentation across Wales. The new mouth care bundle, launched in 2012 and is being rolled out across Wales, includes a standardised assessment tool and care planning guidance.</p> <p>A sub group of the Free to Lead, Free to Care Post Implementation Group was established to review all nursing documentation with a view to standardising it across Wales. A standardised nursing reporting dataset is now available on the NHS E-Governance manual website. NHS Wales Information Services are currently working with the Office of the Chief Nursing Officer to adapt the reporting dataset to a digital format.</p>

2	<p>The Welsh Government review the feasibility of introducing a national database of standard, nutritionally assessed menus as a means of avoiding duplication of effort across NHS organisations and making the best use of limited dietetic resources.</p>	<p>To support the implementation of the nutrition and catering standards, introduced in September 2011, caterers and dietitians across Wales have been working together to produce an <i>All Wales Hospital Menu Framework</i>. Phase one, consisting of dishes for a standard diet, was completed and launched at the end of January 2013. The Menu Framework consists of a range of specified dishes supported by a database of nutritionally analysed recipes. It allows some local flexibility to accommodate different requirements of hospitals and their patient groups. The aim is to provide modern menus to enhance the overall patient experience, whilst meeting the nutritional requirements of all patients.</p> <p>All Health Boards are in the process of revising their current menus and introducing the agreed menu items, using the standardised recipes. Work is also underway on the all Wales contract specifications, to ensure that they meet the nutrition standards and to enable all the ingredients required to be on the all Wales contract.</p> <p>The next phase, which will be completed by the end of December 2013, will include the following:</p> <ul style="list-style-type: none"> • identification of menu items suitable for therapeutic diets and paediatric menus; • development of an all Wales template for a menu guidance pack and core training for catering and ward staff; • development of guidance for patients on menu choice.
3	<p>The Welsh Government, through WHE, develop a clear model for costing patient and non-patient catering services that is consistently applied across all NHS</p>	<p>The implementation of the National Catering IT solution is being taken forward by the NHS Wales Informatics Services (NWIS) and NHS-Shared Services Partnership – Facilities Services (NWSSP-FS) formerly Welsh Health Estates.</p> <p>The introduction of a National Catering IT System could deliver substantial benefits</p>

	<p>organisations to allow meaningful comparisons of hospital catering costs across Wales to be made.</p>	<p>to the NHS in Wales:</p> <ul style="list-style-type: none"> • It will allow for better service and financial planning across all aspects of the catering service; • It will provide the information to allow NHS Wales to deliver a catering service from the methods that are currently used; • It will achieve short term benefits such as reducing administration and ingredient costs; • It will help to ensure non patient catering services do not operate at a loss; and • It will help support improvements in in-patient services to ensure national standards for nutritional services are met. <p>NWIS and NWSSP-FS are currently carrying out research to consider the best way forward. Visits and meetings have been held with companies looking at whether they are able to provide the necessary solutions and what benefits they can offer. More visits are planned. The proposal is for NWIS to submit an Outline Business Case (OBC) to the Welsh Government by 7 October. The OBC will be scrutinised when received and when all issues have been addressed will be submitted to the Minister for Health & Social Services for approval.</p>
4	<p>Local and national targets are set for food wastage; as a guide NHS organisations should aim to ensure that wastage from unserved meals does not exceed 10 per cent.</p>	<p>As above in section 5.</p>
5	<p>The Welsh Government bring together all the relevant policy</p>	<p>An intranet website has been developed that brings together all the policy guidance that covers hospital catering and patient nutrition. The 'Hospital Nutrition and</p>

	<p>guidance in respect of hospital catering and patient nutrition into an updated national framework; the production of an updated national framework should be developed by a multidisciplinary policy group for catering and nutrition, which brings together staff from the various branches of the Welsh Government that have responsibilities for these services.</p>	<p>Catering Framework' website, based on Health in Wales intranet site, is available on every ward in every hospital via the nursing portal.</p> <p>The content of the website is overseen by the All Wales Hospital Nutrition Co-ordinators Group which consists of senior lead nurses, dietitians, speech and language therapists, caterers and relevant Welsh Government officials.</p>
6	<p>The Welsh Government promote the importance of the EFPMS data as a tool for monitoring service delivery and ensure that sufficient guidance and training on data definitions are available to staff in NHS bodies who submit information.</p>	<p>The EFPMS data set in relation to catering has been reviewed and updated with NHS bodies. Meetings have been held to ensure that there is a detailed understanding of the data definitions and it is being consistently applied. The Welsh Government continues to monitor NHS bodies' compliance.</p> <p>As part of the EFPMS consultation with Health Boards/Trusts it was agreed that a performance target of 10% would be introduced in relation to food waste. There is also now a data field for the total cost of food waste.</p> <p>Changes to the EFPMS data definitions, including those for catering and nutrition have been completed in line with the recommendations from the Wales Audit Office and the Public Accounts Committee. NWSSP-FS, in discussion with Welsh Government, considers if there is any need for changes to data definitions on an annual basis.</p>
7	<p>Welsh Government staff involved in catering and nutrition should make</p>	<p>The need to make better and collective use of the EFPMS data has been reinforced in meetings with NHS bodies. The All Wales Catering Group continues to meet to</p>

	<p>more collective use of EFPMS data, alongside data collected from the annual Fundamentals of Care audits, as a mechanism for providing information on local implementation of national policy objectives.</p>	<p>ensure that data is discussed and compared on a national basis.</p>
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	Operational Score % compliance				User Experience % score			
	2009	2010	2011	2012	2009	2010	2011	2012
Abertawe Bro Morgannwg University LHB	75	89.6	90.8	90.7	80	93	92.3	93.1
Aneurin Bevan LHB	81	87	89	90	90	89	94	92.7
Betsi Cadwaladr University LHB	84.6	85.5	90.7	89.8	89.8	93.2	92	93.1
Cardiff And Vale University LHB	75	90.08	90.5	90.01	79.1	91.7	90.7	91.8
Cwm Taf LHB	75.5	85	87	89	90.05	88	95	93
Hywel Dda LHB	81.5	87.4	88.4	91	88.5	92.1	93.1	94
Powys Teaching Health Board	82	92.8	94	91.8	92	95.1	93	97.3
Velindre NHS Trust	74.7	81.7	88.7	95	74	87.3	91.9	87.5

Arlwyo a Maeth Cleifion mewn Ysbytai

<http://abms/cy/documents/s5438/Arlwyo%20a%20Maeth%20Cleifion%20mewn%20Ysbytai%20-%20Adroddiad%20-%20Chwefror%202012.pdf>

Hospital catering and patient nutrition

<http://abms/documents/s5438/Hospital%20catering%20and%20patient%20nutrition%20Report%20-%20February%202012.pdf>

**Public Accounts Committee
PAC(4) 16-13 – Paper 2**

Update to the Report of the National Assembly for Wales Public Accounts Committee on a Picture of Public Services

PAC Report Recommendations	Current Position
<p>1 We recommend that the Welsh Government takes action to monitor, and make publicly available, its progress in driving up financial management across public services. We anticipate that this will incorporate good practice in financial management being shared across the public sector.</p>	<p>The Welsh Government's Finance Leadership Division (FLD) has been established in partnership with the Welsh Public Sector. The aims of the team are to improve financial management leadership skills for senior finance staff across the public sector in Wales and to build a public sector finance community of the highest quality, which will contribute to the transformation of public services in Wales. In taking this work forward, we are engaging regularly with the accountancy bodies in Wales.</p> <p>To achieve this, the Finance Leadership Division (FLD) is</p> <ul style="list-style-type: none"> • delivering an innovative and specialist Finance Leadership Programme (FLP) for senior finance leaders within the Welsh public sector. Within this Programme, good practice in leadership is instructed with support available to embed the learning in the workplace. We anticipate that more than 80 senior finance managers will attend the programme before it completes in June 2014. • improving networking within the finance community of the Welsh Public Sector via twice yearly National Conferences and Regional Meetings in addition to a range of other events which support the priorities of the network members e.g. a sustainability conference in February 2013 which was attended by a range of public service organisations.

		<ul style="list-style-type: none"> • exploring and delivering opportunities for collaborative working in this community to achieve better value for money and sharing best practice in financial management. This takes place via the regional meetings and through the leadership programme. • improving communication on topics of common interest between members of the network through a leadership network website. <p>As part of the ESF funding conditions, the Finance Leadership Division is required to monitor the effectiveness of all its activities. This is reviewed on a quarterly basis by WEFO and is recorded via WEFO Online. The key deliverables and progress achieved against all activities are available on the Finance Leadership Network website which is a secure resource accessible by all Network members.</p>
2	<p>We recommend that the Welsh Government takes further action to encourage local authorities to use reserves to support transformation, while ensuring that they maintain a prudent level of reserves to manage future risks and requirements.</p>	<p>As set out in the previous response, local authorities are required to manage their reserves in line with statutory requirements and guidance and are accountable for the decisions they make about their use. Authorities are also accountable for, and best placed to make, decisions about the prioritisation of their financial resources, taking account of local needs and circumstances.</p> <p>Nevertheless, the Welsh Government encourages authorities to invest in transformational activity. In March 2012, the Welsh Government commissioned the Wales Audit Office to undertake specific research into local authority reserves. The research was designed to improve the collective understanding of how local authorities manage reserves to support their financial strategies including transformation activities. The final report is published on the Welsh Government website (http://wales.gov.uk/topics/localgovernment/research/lareserve/?lang=en). It identifies scope for improved reporting on the management of reserves by local authorities. These findings have been circulated by Welsh Government to authorities and by the Wales Audit Office to their auditors. Local authorities have</p>

		<p>been encouraged to work with their auditors to improve their reporting on the management of reserves through such things as looking at examples of best practice.</p> <p>The Minister for Local Government and Government Business has signalled a close interest in this work and will be seeking to engage further with Local Authorities on this issue.</p>
3	<p>We recommend that, in line with the views of the National Assembly for Wales's Finance Committee, the Welsh Government holds senior management within Local Health Boards to account for their statutory financial management responsibilities, following the end of the 2011-2012 financial year. In subsequent years thereafter, we recommend that the Welsh Government set out a financial accountability framework for Local Health Boards, to promote effective financial planning and delivery of services in accordance with statutory responsibilities. This should include information on incentives and sanctions for senior managers as appropriate.</p>	<p>For the 2012/13 financial year arrangements to hold Local Health Boards and Trusts to account for their financial management responsibilities have been strengthened through individual Mid Year Reviews with all Chief Executives and further individual reviews throughout the period October 2012 to January 2013. Additionally the Delivery Framework and Performance Management arrangements have been updated to take a more integrated approach to cover quality, activity, performance targets and finance.</p> <p>Whilst Local Health Boards and Trusts have been encouraged to work collectively to make a positive contribution, the Welsh Government has continuously reminded individual Chief Executives of their accountability for their own financial performance. The NHS Wales Chief Executive has written to all Chief Executives, highlighting that failure to meet statutory financial management responsibilities will lead to accounts qualification and escalation.</p> <p>Furthermore the Welsh Government has been working on the introduction of a new financial regime for the NHS which sets out and strengthens accountability arrangements going forward. The work has focused on better medium and longer term planning with improved integration of financial, workforce and service elements.</p> <p>The first stage of this integrated medium term planning approach has been implemented as part of the 2013/14 planning round. This process entailed a</p>

		<p>planning framework and timetable to include planning guidelines, templates and draft submissions, supported by Executive Director meetings to review and challenge draft plans and to support Health Bodies to finalise balanced integrated plans.</p>
4	<p>We recommend that Local Health Boards are enabled to make more effective use of funding across financial years in line with Local Authorities. This would enable improved financial planning in the medium to long-term.</p>	<p>To support the integrated medium term planning approach (referred to in response to recommendation 3) work has focused on increasing financial flexibility to support sound financial management across financial years. While changes to address the current annual financial constraints imposed by existing legislation will take some time, options are being considered that may be executed within the current legislative framework. These involve both longer term solutions (Planned Financial Flexibility) and shorter term solutions (NHS Brokerage Fund).</p> <p>The Planned Finance Flexibility arrangement is being developed to support the longer term planning and financial cycle and will provide flexibility of resources linked to an approved balanced integrated medium term financial plan. It is envisaged that Planned Financial Flexibility would be sought by LHBs where LHBs forecast that they would experience financial peaks and troughs within a balanced 3 year financial plan. The Planned Financial Flexibility would be subject to robust evaluation and approval process, including consideration of available resource cover to support this flexibility.</p> <p>Where there may be specific in year financial issues and short term challenges that cannot necessarily be planned or easily forecast shorter term flexibility arrangements will be in place. Therefore a more formal in year brokerage arrangement is being developed, to address those situations where unforeseen circumstances may cause difficulties for health boards to achieve financial balance and meet their existing statutory Resource Limit.</p>

5	<p>We recommend that the Welsh Government ensures that individual NHS bodies make public the plans for service transformation and the analysis that underpins those plans, including the likely impact on patients and the wider community.</p>	<p>WG has already issued guidance setting out expectations for how NHS organisations engage and consult on plans for transforming services. Included within the guidance is:</p> <p>“When managing service changes, an NHS body should: set out a clear rationale for change, supported by a clinical case which demonstrates the benefits of change and the risks of remaining the same.”</p> <p>The National Director for Together for Health is working closely with the National Director of the Community Health Councils, and Health Board Directors of Governance to ensure all processes align with the national guidance issued by the Welsh Government. The National Clinical Forum provides assurance the plans provide a basis for the safe and sustainable delivery of services and combine to create a realistic and ambitious way forward for healthcare in Wales.</p> <p>Individual Health Boards will be responsible for implementation of local plans following extensive local engagement and once they are signed off through the appropriate Board governance processes. Progress will be closely monitored by the Welsh Government through existing performance management arrangements centrally.</p> <p>Community Health Councils are playing a vital role in scrutinising and supporting the implementation of the plans locally.</p>
6	<p>We recommend that the Welsh Government supports existing methods for disseminating good practice, such as promoting use of the Good Practice Exchange on the Wales Audit Office’s website, to</p>	<p>The Public Service Leadership Group¹, and its National Work Programmes, drive forward the promotion of good practice through a range of approaches. The Public Service Leadership Group is chaired by the Minister for Local Government and Government Business, Lesley Griffiths AM. It comprises senior leaders who represent public services and geographical areas across Wales (Annex 1 provides information on membership). To ensure political leadership and accountability, the</p>

	<p>systematically draw together the characteristics of good practice from all areas of the public sector, and to ensure that such practice can be effectively transferred to services at a local level.</p>	<p>Public Service Leadership Group works with the reformed, statutory Partnership Council for Wales, and its subgroup, the Reform Deliver Group. There are 4 national programmes of work led by the Public Service Leadership Group².</p> <p>Promoting good practice is one of the key elements of our programme of public service reform. This starts with a strong leadership drive; members are committed to promote the dissemination of good practice, using their regional and local leadership positions, including promoting and reinforce the ethos of continuous improvement methodologies such as Lean, Six-Sigma, Kaftka, Systems Thinking. This remains a critical and continued feature of our collective leadership approach to identify and share good practice across the public sector, and in particular where delivery requires the involvement of more than one sector or organisation.</p> <p>More specifically, the Organisational Development and Simpson Implementation work programme supports the work of the Continuous Improvement Community of Practice. Established in June 2012, this group is building a network across the public sector in Wales to develop collaboratively the capability to take forward continuous improvement activities, including Lean. They are currently developing a website including continuous improvement case studies from across the public service in Wales as well as providing links to relevant existing information from Wales such as the WAO's Good Practice Exchange and the Good Practice Wales website.</p> <p>The Effective Services for Vulnerable Groups (ESVG) work programme used the Local Service Board network to share learning on the '10,000 Safer Lives' work in reducing domestic violence. Local Service Boards took the opportunity to consider and discuss the work of this important project and consider how the learning could be considered in their own area.</p> <p>The ESGV work programme has also used the Knowledge Hub to support</p>
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7	<p>We recommend that the Public Services Leadership Group identify, learn from and promote examples of good practice implemented by the police and fire and rescue services to deliver services within budget, make good use of collaboration, and deliver transformational change.</p>	<p>The Police and Fire & Rescue Services continue to play a leading role in the national work programmes and the regional leadership networks of the Public Service Leadership Group. As part of the Effective Services for Vulnerable Group work programme, we are developing an approach to share the experiences of the Fire Service in capturing the service benefits resulting from their preventative activities.</p> <p>A representative for the recently appointed Police and Crime Commissioners has also joined the Reform Delivery Group. This addition will further strengthen the engagement of that political leadership with the work undertaken within the emergency services, since the emergency services co-ordinate their own collaboration through a Joint Emergency Service Group chaired by a Chief Constable.</p> <p>The emergency services are also using their experiences to inform the development of good practice in the application of continuous improvement, playing an active role</p>

		<p>in the Community of Practice established under the Organisational Development and Simpson Implementation Work programme.</p> <p>The recently established Regional Collaboration Fund has received a number of proposals involving the emergency services which involve collaboration across the wider public service. For example, North Wales has submitted an Anti Human Trafficking bid which involves the police, fire and rescue service, health board and local authorities. These projects will allow good practice models to be developed and shared more widely in order to redesign and integrate services to better meet people's needs. This work, alongside that of the Effective Services for Vulnerable Groups programme, will highlight new approaches to other parts of Wales and to other areas of Safeguarding and Public Protection.</p> <p>One specific example of where the emergency services have taken the lead is in Gwent where the Police have led a multi-agency project, launched in March 2013, to deliver a better way of responding to children and young people who repeatedly go missing. Not only does this project offer real benefits for service users, but there are financial benefits to this type of good practice - responding to one child repeatedly going missing can cost public services hundreds of thousands of pounds. The analysis undertaken in Gwent estimates an annual cost of over £2 million a year to public service organisations in Gwent, as it relates to missing persons.</p>
8	<p>We recommend that the Welsh Government promotes the Wales Audit Office model for cost reduction to all public services to help mitigate the impacts of cuts and work collaboratively to take account of local and national priorities.</p>	<p>Welsh Government is supportive of the WAO in their promotion of its cost reduction model. We have ensured links to the WAO's Cost Reduction Guide, are available on relevant parts of the Welsh Government's website, for example on the Improving Public Services webpage.</p> <p>In addition the Finance Leadership Network, established by the Welsh Government, was set up to improve financial leadership across the public sector by working as a community to collectively learn and develop financial leadership techniques to</p>

		<p>transform public services in Wales, promote the WAO's model sign posting it on their website. The Finance Leadership Network's bi-annual national conference (taking place in October 2013) is being co-hosted with the WAO and provides another good opportunity to reinforce the use of this model.</p>
9	<p>We recommend that the Public Services Leadership Group build on the progress of the Efficiency and Innovation Programme by ensuring that the good practice identified through the Lean/Systems thinking and the Kafka Brigade method is actively promoted across the public sector.</p>	<p>Promoting continuous improvement methodologies is a key principle of the Public Service Leadership Group and its national work programmes.</p> <p>The Kafka Brigade method directly informed the "10,000 Safer Lives" project, which built on the learning from the Kafka Brigade-led projects in RCT, Merthyr and Newport to identify best practice in the way public service organisations respond to potential victims of domestic abuse. The project identified a set of 'minimum standards' and key questions that front line staff should ask.</p> <p>More broadly the principles of Kafka, improving services by looking at them from the service user perspective, are at the heart of the PSLG's Effective Services for Vulnerable Groups work programme. Under this work programme there is a project specifically looking at encouraging the adoption of a 'citizen directed support' approach to delivery of services. Another project looking to improve the response to children that go missing undertook extensive engagement with service users (young people and their carers) to build a picture of current practice. The new approach has been strongly shaped by the young people's perspectives including commissioning a new independent debrief service.</p> <p>As set out in response to recommendation 6, the Organisational Development and Simpson Implementation work programme has encouraged the creation of a national community of practice for continuous improvement practitioners. This work, supported by Welsh Government's Academi Wales programmes of learning involving expert practitioners from across the Welsh Public Service. The group are building a library of system interventions undertaken and developing case studies to</p>

		<p>clearly set out the outcomes and lessons learned from these interventions in order to promote learning and good practice. One such example of best practice already shared amongst the group is that from the Fire and Rescue Service. In conjunction with local authority partners, they redesigned their process for building regulations consultation. In doing so they managed to improve the service they offered, whilst reducing the cost of each intervention by around 75%.</p> <p>Academi Wales are supporting the development of an accredited learning and development programme to support practitioners in developing their continuous improvement skills and competencies to deliver systems improvements. The Community of Practice are holding a national conference in September to further promote these methodologies.</p>
10	<p>We recommend that the Welsh Government robustly monitor the performance of its model for regional collaboration. We believe that any model must ensure that councillors and citizens are central to discussions on the way that local services are delivered and that there is appropriate governance and accountability.</p>	<p>The Regional Collaborative footprint is well established, and is reinforced through representative membership of Public Service Leadership Group and Partnership Council being on that basis.</p> <p>Direct feedback has indicated that public service leaders, executives and officers alike have recognised the need to collaborate and are increasingly acting on this basis, actively seeking out opportunities to work together.</p> <p>The Regional Collaboration Fund, announced in October 2012 reinforced collaboration on the footprint, by asking bids to be brought forward on the footprint map by the regional leads. Bids have come forward to deliver a range of genuinely collaborative projects across the public service, including health, police and the fire and rescue service along side Local Authorities. These projects are predominantly oriented on the footprint basis. Projects will be evaluated on an individual basis, and their impact as a whole will also be assessed to consider the effectiveness of the fund in driving a more collaborative agenda. The Regional Collaboration Fund has considered projects to improve services and resilience, as well as delivering</p>

		<p>financial benefits. For example, the Cardiff and the Vale project to remodel Adult Social Care Services and integrate them with health has identified indicative savings of around £2.5million in the first three years. This will allow the region to better meet the expected 4-8% increase in demand.</p> <p>The work under the PSLG Organisational Development and Simpson Implementation programme has encouraged areas to consider the appropriateness of moving services to regional or national footprints. The Welsh Government continues to work with Local Government to ensure that appropriate governance models are put in place to support effective local, regional and national collaboration. Regulations that will allow the establishment of joint overview and scrutiny committees under the Local Government (Wales) Measure 2011 are being put before the National Assembly in early May 2013, and, subject to Assembly clearance, will come into force in late May 2013. These Regulations will be supported by statutory guidance.</p> <p>The Programme for Government includes a series of reforms and reviews to strengthen the delivery of efficient, effective and accessible public services. The Commission on Public Service Governance and Delivery has been established to provide external authoritative advice on how to move forward on governance and delivery of public services to respond to people's expectations and needs. It will provide an opportunity for those who are involved in delivering services, those who are politically accountable for them and users of them to examine how public services are governed: that is, held accountable for their performance and delivered most effectively to the public.</p>
11	We recommend that the Accounting Officer provides us with an update within 12 months on the progress in delivering the recommendations	This current response meets this recommendation.

	made by the Auditor General and our own.	
AGW Report Recommendations		Current Position
1	<p>The Welsh Government is replacing the pan-public-sector Efficiency and Innovation Programme, with a new Public Service Leadership Group. The Efficiency and Innovation Programme had succeeded in bringing together public-sector leaders to identify and take ownership of various approaches to cutting costs and improving services. In developing the work of the Public Services Leadership Group, the Welsh Government should build on this commitment to ensure that it continues to fully involve all parts of the Welsh public service and key stakeholders.</p>	<p>The Public Service Leadership Group and its associated work programmes and subgroups continue to drive forward the public service reform work. Representatives from across the public service play an active role in promoting service improvement, improved resilience and delivering cost efficiencies.</p> <p>Stakeholders from across breadth of the public sector are involved in the work of the Reform Delivery Group and the Public Service Leadership Group and its work programmes and subgroups. This includes senior representation from Local Government; Health Boards; the Fire and Rescue Service; and the Police. In addition, the third sector are also partners in much of this work.</p>
2	<p>Transformation is the sustainable response to funding cuts. All public services need to continue to find ways of changing the way services</p>	<p>As referenced in the Welsh Government's response to recommendations 6 and 9; the Continuous Improvement Community of practice, established under the Organisational Development and Simpson Implementation workstream, is driving this work forward. For example, they have established a Welsh network of</p>

<p>are provided so that they can improve quality and outcomes at lower cost. To this end, public services should look to the work that had been done by the Efficiency and Innovation Programme, particularly work on new service models and business transformation, as a source of practical methods for improving services. In particular:</p> <ul style="list-style-type: none"> • The Efficiency and Innovation Programme has developed a national programme of work on business improvement techniques like lean/systems thinking. These approaches are being increasingly adopted across public services. Currently, many public services depend on support from external consultancies. In developing the work of the Public Services Leadership Group, the Welsh Government should examine options to develop the capacity and skills within the public sector in business improvement techniques, building on the work done to 	<p>continuous improvement practitioners, which has over 150 members from all areas of the public service. They are developing a Welsh library of system interventions to share lessons learned and develop skills from each other. This is supported by 'Best Practice in Action' programme visits where practitioners are able to visit and learn from work undertaken in other areas. The Community of Practice also offer a network of peer support where organisations can pair up to offer mentoring and support as organisations go through similar experiences.</p> <p>In addition, Academi Wales are supporting the Community of Practice and are establishing an accredited learning and development programme to develop the skills of in-house practitioners therefore reducing unnecessary dependence on external consultants.</p>
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date, including the findings of the Lean Enterprise Research Centre (LERC) review jointly commissioned by the Wales Audit Office and the Efficiency and Innovation Programme.

- Public services need to get better at learning from each other, and actually changing as a result. Such transfer of knowledge and practice would enable more widespread benefits to be secured from the work on New Models of Service Delivery. **The Welsh Government should work with other public services to develop a clear national framework for identifying and exchanging good practice. There also needs to be a commitment from public services to actually change, through adopting or adapting new ways of working, and a framework for supporting organisations as they go through the process of change and experimentation.**

3	<p>Public services also need to take up opportunities to make transactional savings, particularly through better procurement and better management of land and buildings.</p> <p>All public services in Wales should support and engage with the promising approaches developed through the Efficiency and Innovation Programme, that now fall within the new Public Services Leadership Group.</p>	<p>Two work programmes under the Public Service Leadership Group have been established to consider and address these areas specifically.</p> <p>The Asset Management work programme, chaired by Helen Paterson (CE Wrexham), aims to identify, promote and support the development of collaborative approaches by adopting more effective and efficient management practices to release the savings potential from within the wider public sector estates. For example, the Group has developed the e-PIMS lite project – a central database of Government Central Civil Estate properties and land. Users are able to locate/view individual properties on an electronic map, access and amend their core property details online, and interrogate the system to identify vacant space. E-PIMS was used in the recent transfer of Y Lanfa in Aberystwyth. It resulted in the disposal of property surplus to the Welsh Government’s requirements, removing their financial liability of £1.6m over 6 years, whilst securing the Ministry of Justice a space to enable them to deliver a Justice Centre at an affordable cost.</p> <p>The Land Transfer Protocol, developed by the Asset Management work programme, is a good practice guide for the transfer or disposal of land between public bodies. Over 30 instructions have been issued to date under the portal, with direct savings in fees estimated at £100,000.</p> <p>The Group has also developed ‘Find Me Some Government Space’, which is a database of public sector meeting rooms. Its aim is to enable the sharing and booking of meeting and conference rooms across the Welsh public sector, making better and more efficient use of public sector buildings and facilities across Wales and helping to reduce costs. The Group is also looking at fleet management as a further area for efficiency savings. There is evidence that improved fleet management can offer significant financial savings with no detrimental impact on services. Initial work being undertaken in North Wales indicates savings of around £3m in the region alone.</p>
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		<p>The Public Service Leadership Group has championed collaborative procurement in Wales under its Procurement work-stream, led by Jon House (CE Cardiff). They developed a compelling business case for the creation of a National Procurement Service to buy common and repetitive spend 'once for Wales'. The newly established National Procurement Service will be operational in November 2013. Over seventy public sector organisations will use the service, including Local Authorities, Local Health Boards, Universities, Colleges, Fire Authorities, Police Forces and the Welsh Government itself. It will set up and manage contracts to cover some 20-30% of total Welsh public sector expenditure, making best use of scarce skills and saving up to £25m per year. This will be achieved through leveraging the scale and combined buying power of the Welsh public sector and standardising specifications across users. As well as securing efficiencies it will identify opportunities to develop local supply chains.</p>
4	<p>The short-term financial challenges are such that some public services may need to consider reducing the level or quality of some services. Public services across Wales should work together in planning cuts, and in monitoring and mitigating the impacts on service users, wider outcomes and other public services.</p>	<p>The Public Service Leadership Group and the Reform Delivery Group bring together experienced leaders from across the public service to meet the financial challenge ahead. This approach is helping to make important progress, particularly in relation to Health and Social Care where financial pressures are exacerbated by the growing demands from demographic pressures.</p> <p>Organisations are already working together in order to manage the financial challenge ahead. The Welsh Government is supporting their efforts through the Invest to Save Fund and Regional Collaboration Fund. These have supported proposals for innovative projects to mitigate the impact of financial pressures by transforming service delivery; achieving efficiency savings and/ or improving service resilience in areas such as health and social care and education.</p> <p>In the past 12 months, Local Service Boards have strengthened their strategic role as the forum for cross-sectoral leadership on integration at the local level, providing</p>

		<p>a clear link to local democratic processes. All areas bar one have now adopted Single Integrated Plans, incorporating statutory health social care and well-being outcomes, premised on integrated strategic needs assessments commissioned across a number of public service organisations to inform their planning of service delivery together. The Local Service Boards provide a vital role in conferring local legitimacy on models of regional commissioning, ensuring they are informed by a robust analysis of local need, are placed in a wider context of integration through Single Integrated Plans (for instance with issues of community safety, and access to services) and that delivery is subject to scrutiny by elected members.</p>
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Annex 1

Public Service Leadership Group Membership Welsh Government	
Minister for Local Government and Government Business (Chair)	Lesley Griffiths AM
Director General, Local Government and Communities	June Milligan
Director General, Education and Skills	Owen Evans
Director General, Health, Social Services and Children	David Sissling
Director General, Strategic Planning, Finance and Performance	Michael Hearty
National Programme Chairs	
Organisational Development and Simpson Implementation	Jack Straw (Swansea)
Asset Management	Helen Paterson (Wrexham)
Procurement	Jon House (Cardiff)
Effective Services for Vulnerable Groups	Andrew Goodall (Aneurin Bevan Health Board)
Regional Collaboration Chairs	
North Wales Region	Mohammed Mehmet (Denbighshire)
Mid and West Wales Region	Mark James (Carmarthenshire)
Swansea Bay Region	Steve Phillips (Neath Port Talbot)
Gwent Region	Paul Matthews (Monmouthshire)
Cardiff and Vale Region	Sian DAives (Vale of Glamorgan)
Cwm Taf Region	Peter Vaughan (South Wales Police)
Public Service Reform Partners	
General Secretary Wales TUC (Observer)	Martin Mansfield
Auditor General for Wales (Observer)	Huw Vaughan Thomas
WLGA	Steve Thomas
SOLACE Wales	Jeremy Patterson
WCVA	Graham Benfield

¹ <http://wales.gov.uk/topics/improvingservices/pslg/?lang=en>

² There are 4 national programmes of work led by the Public Service Leadership Group:

- **National Asset Management Working Group** (Chaired by Helen Paterson, CE Wrexham)- Making more effective and efficient use of the multi-billion pound public service estate.
- **Procurement** (Chaired by Jon House, CE Cardiff) - Transforming the way public services procure and commission goods and services, currently worth £4.3 billion annually.
- **Organisational Development and Simpson Implementation** (Chaired by Jack Straw, CE Swansea) - Taking forward the recommendations from the Simpson Review and developing approaches to support change and broader organisational development across the Welsh public service.
- **Effective Services for Vulnerable Groups** (Chaired by Dr Andrew Goodall, CE Aneurin Bevan Health Board) - Promoting the mainstreaming of successful innovation and good practice.

³ <http://wales.gov.uk/topics/improvingservices/external-links/?lang=en>

Darlun o Wasanaethau Cyhoeddus

<http://abms/cy/documents/s7337/Darlun%20o%20Wasanaethau%20Cyhoeddus%20-%20Ebrill%202012.pdf>

A Picture of Public Services

<http://abms/documents/s7337/A%20Picture%20of%20Public%20Services%20-%20April%202012.pdf>

**Public Accounts Committee
PAC(4) 16-13 – Paper 3**

Update to the Report of the National Assembly for Wales Public Accounts Committee on Capital Investment in Schools

Page 32

PAC Report Recommendations	Current Position
<p>1 We recommend that the Welsh Assembly Government provide assurance that the post-occupancy evaluation will relate to the objectives set at the initiation of each capital investment project</p>	<p>The transitional capital programme that was put in place ahead of the 21st Century Schools Programme will come to an end in 2014-15 paving the way for the new school investment programme. This new programme will provide a more strategic and focussed approach to capital investment in schools.</p> <p>Lessons learnt from the transitional programme, regarding the impact that capital investment can potentially make, has shaped the Post-Occupancy Assessment Framework that has been established in readiness for the start of the programme.</p> <p>This framework includes a Post Occupancy Evaluation (POE) assessment which will provide a “customer evaluation” of the investments made. This is currently being piloted against a number of capital projects that have either been completed or are due to be completed by 2014-15, through the current transition programme. This assessment will then be rolled out as part of the 21st Century Schools Programme POE framework.</p> <p>Applications for Welsh Government funding to support the schools programme are now being made through business case submissions by applying the HM Treasury’s Five Case Model. In making their cases for investment, on a project basis, local authorities are required to detail the Investment Objectives, including benefits anticipated, as a consequence of the investment along with clear measures and targets.</p> <p>A key strand of this work is to measure and monitor those benefits for the</p>

		<p>community, in particular benefits that: support building stronger communities; reduce social exclusion and poverty; and encourage the development of the economy along the creation of training and employment opportunities. In this vein the programme requires the inclusion of social clauses that deliver:</p> <ul style="list-style-type: none"> • training and employment opportunities; • supply chain opportunities for SME's; and • contributions to the both community and education. <p>The post-occupancy evaluation framework will incorporate the reporting on these measured benefits in the short, medium and long term following completion of each investment. Submission of post-occupancy evaluation reports is a condition of grant funding of the programme and will in summary require the submission of the following:</p> <ul style="list-style-type: none"> • Review of performance against objectives; • Analysis of actual outputs against target outputs; • Analysis of actual benefits against intended benefits; • Actual start and end dates (including explanation for any variances from those anticipated); • Strengths and weaknesses of the methodologies and processes employed; • Future potential development opportunities; and • Overall evaluation of the Project including customer evaluation. <p>These post-occupancy reports will be used to inform future investment decisions ensuring that there is continuous drive to improve the programme in terms of its efficiency, economy and effectiveness.</p>
2	We recommend that the Welsh Government provide us with a date by which the tools, guidance and	All local authorities have submitted their Strategic Outline Programmes which is the first stage of the business case submission process. The schools programme is seen to be more than a build programme and on this basis the strategic

<p>strategies underpinning the high-level definition of fitness for purpose will be in place. We seek assurances that the Strategic Outline Programmes will be tested against the detailed standards which underpin the Welsh Assembly Government's high level definition of fitness for purpose.</p>	<p>programmes were assessed against the following high level criteria summarised below:</p> <ul style="list-style-type: none"> • School Improvement Strategy; • Transformation of approaches to teaching and learning (including the use of ICT); • Organisation strategy across 3-19 age range; • Sustainability and CO2 reduction; and • Integration of public services, co-location of services and community benefits. <p>The Minister for Education and Skills, in July 2011, in response to the capital cuts (which will amount to reduction of 40 per cent in capital funding across the current funding period) announced that local authorities would be given the opportunity to review the timing and content of their planned investments in their programme submissions. All local authorities were then required to review and resubmit their programmes against sharper criteria of prioritisation which included; cost effectiveness of delivery; rationalisation of the school estate (including the reduction of surplus places); the building condition of schools; and alignment to all-age transformation.</p> <p>A further assessment of these programmes was then undertaken which led to the Minister for Education and Skills announcing a deliverable programme amounting to some £1.4 billion of investment in schools which resulted in all 22 local authorities receiving approval of their first wave of investment.</p> <p>In their business case submissions local authorities are required to submit continued evidence that the investments support the overarching aims of the programme; including the five high level criteria which will ensure delivery of new schools to a fit for purpose standard.</p>
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3	We recommend that the Welsh Assembly Government establish the cost of bringing schools in each authority up to the agreed “fit for purpose standard”.	The Strategic Outline Programmes submitted by the local authorities set out the scale of ambition of the overall programme which was estimated to be £4.9 billion in July 2011. The first wave of investment is estimated to be £1.4 billion and will seek to address those schools primarily prioritised by local authorities to be in the worst condition and with the greatest surplus capacity as well as enabling Welsh Medium and Faith Based education provision. This investment will bring those schools up to a standard that will enable delivery of education in the 21 st Century.
4	We recommend that the Welsh Government provides indication of expected timescales for bringing schools in each authority up to the agreed “fit for purpose standard; and the expected Welsh Assembly Government contribution to meeting the cost of this standard.	<p>The 21st Century Schools programme is to be delivered in a series of four phases. The original plan was to deliver each phase over a period of three years. In response to the significant cuts to the capital budget this expectation of three year cycles has had to be revised to assure delivery.</p> <p>The first wave of £1.4 billion investment, announced in December 2011, was based on a timetable of seven years. In light of the work being undertaken by the Local Government Borrowing Initiative we will seek to now reduce this timetable down by 2 years, to 5 years. The Welsh Government will meet 50% of the costs in delivering this first wave of investment.</p> <p>The Department of Education and Skills in working in collaboration with local authorities is bringing forward and supporting projects earlier than the revised programme start date of 2014-15. The Department will continue to seek to accelerate delivery on a project basis where budget capacity is available. Work will continue with the Finance Minister on the issue of securing additional capital funds; including the development of alternative sources of funding as outlined in the Welsh Infrastructure Investment Plan.</p>
5	We recommend that the Welsh Assembly Government provide clear policy guidance on the issue of	In 2009 the then Welsh Assembly Government issued circular 021/2009 School Organisation Proposals, this set out the policy context and general principles for reviewing the provision of school places.

	<p>surplus places to ensure that local authorities act coherently across Wales to address the issue.</p>	<p>One of the key criteria for the reprioritisation of the local authorities' Strategic Outline Programmes, in 2011, was the reduction of surplus places. The programme will continue to challenge and oversee this reduction in surplus capacity through the assessment and challenge of local authority business case submissions. In addition to the work of the capital programme the Minister for Education and Skills has also set targets to all local authorities where there is surplus capacity. These targets are monitored annually with the exception of 10 local authorities who are monitored quarterly.</p> <p>The School Standards and Organisation (Wales) Act 2013 has also reformed the statutory process for school organisation so that decisions are taken at the local level, wherever possible. This will come in to effect from October 2013. This piece of legislation will enable decisions that were previously required to be referred to the Minister for Education and Skills around school organisation which sometimes caused significant delay will be determined by local authorities. The Act requires the introduction of a new statutory Code to deal with consultation and other procedures and is modelled on best practice.</p>
6	<p>We recommend that the Welsh Assembly Government, in association with the WLGA, encourage collaboration between local authorities to develop their ability to deliver the programme on a long-term basis with a reduced need for central support.</p>	<p>The Central Programme Team support initially provided at the WLGA has now been withdrawn. Local authorities have also worked collaboratively to establish regional frameworks to enable delivery of projects in their programmes. Three of the four frameworks are already in place with the fourth framework timetabled to be in place by October this year, prior to the start of the new schools investment programme. Continued collaboration at this level across the Welsh public sector is key to the success of this programme and is essential to ensure we deliver the strategic projects and programmes that will have the greatest impact on the Welsh economy.</p> <p>Furthermore, one of the key aspects under Programme and Project Management Best Practice that is being applied to the programme are Gateway Reviews and</p>

		Health Checks. Part of this review and checking process is to assess that that the appropriate capacity and capability is in place in local authorities to ensure they are able to deliver their schools programme. These reviews will form a mandatory element to securing investment from Welsh Government and will be applied through the life of the programme.
7	We recommend that the Welsh Assembly Government makes adequate consideration of whole lifecycle maintenance a precondition so that no application can be approved without it.	As referenced in the response to recommendation 1, local authorities are required to submit business cases in line with HM Treasury 5 Case format. As set out in the previous response local authorities are required to detail their proposals for whole lifecycle maintenance in their business case submissions. Lifecycle costing and maintenance is now a key criterion for assessing the business cases.

Auditor General for Wales Recommendations		Current Position
1	We recommend that the Assembly Government should: <ol style="list-style-type: none"> a. develop a framework for evaluating the impact of major school building projects that includes a prescribed core set of evaluation questions; b. require local authorities to apply the evaluation framework and to report to the Assembly Government the impact of each major 	<p>(a) The assessment of the Strategic Outline Programmes were assessed against a core set of prescribed evaluation questions; including five high-level criteria. All business case submissions are also assessed against an evaluation framework as outlined by the HM Treasury 5 Case Model.</p> <p>(b) Welsh Government requires local authorities to evidence the need for investment and the benefits to be achieved as a consequence of the investment. This framework has been developed as part of the transitional programme and will be implemented in the 21st Century Schools Programme. It is a condition of funding that local authorities submit a final project report detailing the impact the investment has made in terms of benefits. The closing report is required to include:</p> <ul style="list-style-type: none"> • Review of performance against objectives;

	<p>school building project funded wholly or partly by grant; and</p> <p>c. analyse the evaluation data received from local authorities to assess the overall impact of grant funding at a national level and to plan future grant allocations.</p>	<ul style="list-style-type: none"> • Analysis of actual outputs against target outputs; • Analysis of actual benefits against intended benefits; • Actual start and end dates (including explanation for any variances from those anticipated); • Strengths and weaknesses of the methodologies and processes employed; • Future potential development opportunities; and • Overall evaluation of the Project including customer evaluation where appropriate. <p>(c) Lessons learnt from this transitional programme regarding the impact that capital investment can make has shaped the Post-Occupancy Assessment Framework that has been established in readiness for the start of this new schools investment programme, as outlined in the response the first PAC recommendation. These closing reports will be used to monitor the success of the programme both at local authority and national level and will be used to inform future investment decisions ensuring that there is a continuous drive to improve the programme in terms of its efficiency, economy and effectiveness.</p>
2	<p>We recommend that the Assembly Government and the WLGA should:</p> <p>a. establish clearer suitability criteria for school buildings and facilities, drawing, where applicable, on existing advice and guidance; and</p> <p>b. develop proposals to review the criteria in the light of changing legislation or major changes to the curriculum.</p>	<p>(a) A 21st Century Schools Information document published in May 2010 outlined the development of the long-term investment programme approach and provided the guidance and assessment criteria to assist local authorities in submitting their Strategic Outline Programmes (SOPs).</p> <p>The document provided the definitions of criteria for prioritisation and the high level investment of;</p> <ul style="list-style-type: none"> • School Improvement Strategy; • Transformation of approaches to teaching and learning, incl. use of ICT; • Organisation strategy across 3-19 age range; • Sustainability and CO2 reduction; and

		<ul style="list-style-type: none"> • Integrated public services, co-location of services and community benefits. <p>All local authorities submitted their Strategic Outline Programmes. These were assessed against the high level criteria, as set out. The standards, along with guidance notes and case studies of best practice, which draws on existing advice, is provided on the 21st Century Schools website. These standards and best practice guidance are sufficiently flexible to enable local needs and circumstances to be addressed as investments are made.</p> <p>(b) Local authorities will be required to review their Strategic Outline Programme and tailor their business case submissions on a project basis to accommodate any changes in legislation and/or major changes to the curriculum. The most recent example of this is the new School Standards and Organisation (Wales) Act 2013 which has reformed the statutory process for school organisation. This new legislation will be required to be reflected in business case submissions alongside any enhancement to delivery timescales and school organisation as a result.</p>
3	<p>We recommend that, having set clear standards for the quality of school buildings, the Assembly Government should establish the cost of reaching those standards in each local authority, determine its contribution to meeting those costs and set a clear timetable for the delivery of the resulting programme of capital investment.</p>	<p>As outlined in the response above to the fourth PAC recommendation through the submission of the local authorities Strategic Outline Programmes in December 2010, the scale of aspiration was significant with programmes of investment totalling some £4.9bn; historically this information was not been available on this scale.</p> <p>Following the local authorities' revised submissions in November 2011, the Minister for Education and Skills announced in December 2011 the approval of all 22 local authority outline programmes. These proposals total £1.4 billion of investment and are based on a 50 per cent intervention rate by Welsh Government, on a timetable of seven years. In light of the work being undertaken by the Local Government Borrowing Initiative we will seek to now reduce this timetable down by 2 years, to 5 years</p>

4	<p>We recommend that, in targeting its funding under the 21st Century Schools programme, the Assembly Government should ensure the appropriate weighting is given to local authorities proposals for school building projects that take full account of opportunities to rationalise the schools estate in the light of current or projected imbalances between the number of pupils on the roll and the number of school places.</p>	<p>One of the key criteria for the reprioritisation of the local authorities' Strategic Outline Programmes in 2011 was the reduction of surplus places. Local authorities were asked to prioritise those projects in their programmes that had significant surplus capacity alongside other priorities such as poor condition of buildings and the need of all-age transformation of education, welsh medium and faith based provision The programme will continue to challenge each local authority on the issue of capacity through the submission process requiring evidence of the strategic planning of school places on a sector basis at each iteration in the business case lifecycle. As outlined above in response to the fifth PAC recommendation the Minister for Education and Skills has also set targets to all local authorities regarding surplus capacity. These targets are monitored annually with the exception of 10 local authorities who are monitored quarterly.</p>
5	<p>We recommend that, in allocating capital funds for school building projects , the Assembly Government should not disadvantage any authority solely on the grounds that it lacks the capacity or skills to manage its proposed programme of capital investment. Where capacity or skills is identified as an issue, the Assembly Government and WLGA should support the authorities concerned to collaborate with other local authorities, or to develop partnerships with other</p>	<p>Local authorities have worked collaboratively to establish regional frameworks to enable delivery of projects in their programmes. Three of the four frameworks are already in place with the fourth framework timetabled to be in place by October this year prior to the official start date of the programme. Collaboration across the Welsh public sector is essential to ensure we deliver the strategic projects and programmes that will have the greatest impact on the Welsh economy.</p> <p>Furthermore, one of the key aspects under Programme and Project Management Best Practice that is being applied to the programme is Gateway Reviews and Health Checks. Part of this process seeks assurance that the appropriate capacity and capability will be in place in local authorities and that they are able to deliver their schools programme. Through the programme, gateway reviews will form a mandatory element to securing investment. Where gaps are identified in these gateway reviews Welsh Government will seek to support the local authorities in</p>

organisations that have the capacity or relevant skills.	putting in place the appropriate level of resources and expertise to ensure delivery of their programmes. Best practice is also shared between local authorities and partnerships are being formed to develop and provide cross boundary solutions to the provision of education through the 21 st Century Schools Programme.
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Buddsoddi Cyfalaf mewn ysgolion

http://www.assemblywales.org/cy/pac_report_-_capital_investment_in_schools_-_formatted_english.pdf

Capital Investment in Schools

http://www.assemblywales.org/pac_report_-_capital_investment_in_schools_-_formatted_english.pdf

Public Accounts Committee

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

Meeting date: **Tuesday, 21 May 2013**

Meeting time: **09:00 – 10:50**

Cynulliad
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National
Assembly for
Wales



This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_21_05_2013&t=0&l=en

Concise Minutes:

Assembly Members:

Darren Millar (Chair)
Mohammad Asghar
Mike Hedges
Julie Morgan
Jenny Rathbone
Aled Roberts
Jocelyn Davies
Sandy Mewies

Witnesses:

Committee Staff:

Tom Jackson (Clerk)
Daniel Collier (Deputy Clerk)
Joanest Jackson (Legal Advisor)
Matthew Richards (Legal Advisor)

1 Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

2 Advice from the Auditor General for Wales on Welsh Government responses to Public Accounts Committee reports 'Health Finances' and 'Maternity Services in Wales'

2.1 The Chair invited to Auditor General for Wales to advise the Committee on Welsh Government responses to Public Accounts Committee reports 'Health Finances' and 'Maternity Services in Wales'.

2.2 The Committee agreed to consider an update on Health Finances after June 2013.

2.3 The Committee noted the cross-reference between the Welsh Government's response to 'Maternity Services in Wales' and its inquiry into 'Consultant Contract in Wales: Progress with Securing the Intended Benefits' and agreed to invite the Welsh Government to provide evidence at a meeting in the autumn.

3 Papers to note

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

5 Briefing on legal issues associated with the Public Accounts Committee inquiry into the Welsh Government's acquisition and action to dispose of the former River Lodge Hotel, Llangollen

5.1 The Committee discussed legal issues associated with the Public Accounts Committee inquiry into the Welsh Government's acquisition and action to dispose of the former River Lodge Hotel, Llangollen.

6 Consideration of support for the Committee

6.1 The Committee considered correspondence from the Auditor General for Wales regarding support for the Committee.

7 Civil Emergencies in Wales – Consideration of draft report

7.1 The Committee commented on its draft report 'Civil Emergencies in Wales' and agreed to consider an amended version at a future meeting.

Draft Public Accounts Committee Forward Work
Programme: Summer term 2013¹

Thursday 18 April (9:30–12:30)

- 1. Introductions**
- 2. Consideration of advice from the Auditor General for Wales on issues arising from the Committee's report 'Progress in delivering the Welsh Housing Quality Standard'**
 - a. Members' consideration of advice
- 3. Procurement and Management of Consultancy Services**
 - a. Welsh Government– Michael Hearty and Value Wales
 - b. NHS Shared Services partnership
- 4. Motion to go into private session**
- 5. Procurement and Management of Consultancy Services**
 - a. Members' consideration of evidence

Tuesday 23 April (9:00–11:00)

- 1. Introductions**
- 2. The Consultant Contract in Wales**
 - a. Adam Cairns, Chief Executive, Cardiff and Vale University Health Board and Janet Wilkinson, Director of Workforce, Hywel Dda
- 3. Motion to go into private session**
- 4. The Consultant Contract in Wales**
 - a. Members' consideration of evidence
- 5. Grants Management**
 - a. Members' consideration of draft report

¹ Explanatory note from Clerk- in line with the PAC's discussions on the use of Thursdays, a meeting has generally been scheduled on approximately the third Thursday of each calendar month. Where possible, Thursday meetings have been scheduled to:

- enable the Committee to make effective progress with work;
- avoid clashes with the Finance Committee;
- minimise potential membership clashes with the Smoking Regulations committee; and
- minimise the impact of membership clashes with the Health and Social Care Committee.

Tuesday 30 April (9:00–11:00)

- 1. Introductions**
- 2. Correspondence from Business Committee**
- 3. Procurement and Management of Consultancy Services**
 - a. John House, Chief Executive Cardiff County Council
- 4. Motion to go into private session (including meeting of 7 May)**
- 5. Procurement and Management of Consultancy Services**
 - a. Members' consideration of evidence
- 6. Grants Management**
 - a. Members' consideration of final report

Tuesday 7 May (9:00–11:00)

PRIVATE MEETING

- 1. Consideration of correspondence from Wales Audit Office on the Welsh Government's subsidy of the North/South Wales Air link**
- 2. Consideration of support for Committee**
- 3. Consideration of potential work to seek updates on implementation of recommendations of previous Committee reports**
- 4. Forward Work Programme**
 - a. Members' consideration of Forward Work Programme
- 5. Grants Management– Final Report**
 - a. Members' consideration of draft report

Thursday 16 May (9:00–13:00)

- 1. Introductions**
- 2. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report**
 - a. Welsh Government (9:00–10:00)
 - b. Natural Resources Wales (10:00–10:50)

- c. General Manager of Caldicot and Wentlooge Levels Internal Drainage Board and Association of Drainage Boards (10:55–11:45)
- d. Former Clerk and Engineer of Caldicot and Wentlooge Levels Internal Drainage Board (11:45–12:35)

3. Motion to go into private session

4. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report

- a. Members' consideration of evidence (12:35–13:00)

Tuesday 21 May (9:00–11:00)

1. Introductions

2. Advice from the AGW on WG responses to PAC reports 'Health Finances' and 'Maternity Services in Wales' (9:05 – 9:10)

3. Papers to note

4. Motion to go into private session

5. Potential opportunity for briefing on legal issues associated with River Lodge Hotel report, prior to report's publication (9:10–9:25)

6. Civil Emergencies

- a. Members' consideration of draft report (9:30–11:00)

Thursday 6 June²

1. Introductions

2. Update from Welsh Government on implementation of recommendations in Public Accounts Committee report: Hospital Catering (14:00–15:00)

3. Update from Welsh Government on implementation of recommendations in Public Accounts Committee report: A Picture of Public Services 2011 (15:00–16:00)

4. Update from Welsh Government on implementation of recommendations in 3rd Assembly Public Accounts

² Obviously, this is not the third Thursday of June. However, use of this date (rather than 20 June) is likely to minimise impact of a membership clash with the Health and Social Care Committee.

Committee report: Capital Investment in Schools (16:00–17:00)

- 5. Motion to go into private session**
- 6. Members' consideration of updates from Welsh Government on implementation of recommendations from previous Committee reports (17:00–17:30)**

Tuesday 11 June

- 1. Introductions**
- 2. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report**
 - a. Wales Audit Office tbc (9:00–9:30)
 - b. Audit Commission tbc (9:30– 10:00)
- 3. Motion to go into private session**
- 4. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report**
 - a. Members' consideration of evidence (10:00–10:20)
- 5. Civil Emergencies**
 - a. Members' consideration of final report (10:20–11:00)

Tuesday 18 June

- 1. Introductions**
- 2. Briefing from Wales Audit Office on forthcoming report (9:00–10:00)**
- 3. Motion to go into private session**
- 4. Members consideration of potential action arising from briefing (10:00–10:20)**
- 5. The consultant contract in Wales**
 - a. Members' consideration of draft report (10:20–11:00)

Tuesday 25 June

- 1. Introductions**
- 2. Progress in delivering the WHQS**
 - a. Update from Welsh Government (9:00–10:00)

- 3. Motion to go into private session**
- 4. Progress in delivering the WHQS**
 - a. Members' consideration of evidence (10:00–10:20)
- 5. The consultant contract in Wales**
 - a. Members' consideration of final report (10:20–11:00)

Tuesday 2 July

- 1. Introductions**
- 2. Briefing from Wales Audit Office on forthcoming report (9:00–10:00)**
- 3. Motion to go into private session**
- 4. Members consideration of potential action arising from briefing (10:00–10:20)**
- 5. The procurement and management of consultancy services**
 - a. Members' consideration of draft report (10:20–11:00)

Tuesday 9 July

- 1. Introductions**
- 2. Motion to go into private session**
- 3. The procurement and management of consultancy services**
 - a. Members' consideration of final report (9:00–10:00)
- 4. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report**
 - a. Members' consideration of draft report (10:00–11:00)

Tuesday 16 July³

- 1. Introductions**
- 2. Motion to go into private session**
- 3. Issues arising from findings of WAO report on Caldicot & Wentlooge Internal Levels Drainage report**

³ We haven't scheduled a Thursday meeting in July, as scheduling a Thursday meeting on either 4 July or 18 July would have a significant impact in terms of membership clash with the health and social care committee. It is also plausible that 4 July could be required by Finance Committee, as the Welsh Government has historically tended to lay its first supplementary budget of the financial year in late June/early July.

a. Members' consideration of final report

Other anticipated work in second half of term:

- Visit to House of Commons' Public Accounts Committee (date to be confirmed, but very likely to be a Monday- possibly 8 July or 15 July)

Anticipated Publication of Committee reports:

Inquiry	Evidence Sessions	Committee's consideration of draft report	Approximate publication
River Lodge Hotel	Completed	Completed	Late May (delayed due to legal concerns)
Grants Management	Completed	23 April-7 May	Early June
Civil Emergencies	Completed	Late May- Early June	Late June
The Consultant Contract in Wales	23 April	Late June	Early July
Procurement and Management of Consultancy Services	18 April -30 April	Early July	Summer recess
Issues arising from findings of WAO report on Caldicot and Wentlooge Internal Levels Drainage Board	16 May-11 June	Early July	Summer recess/Autumn term