

# Public Accounts Committee

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Meeting Venue:

**Committee Room 3 – Senedd**

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Meeting date:

**Tuesday, 20 May 2014**

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Meeting time:

**09.00**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

**Fay Buckle**

Committee Clerk

029 2089 8041

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## Agenda

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- 1 Introductions, apologies and substitutions**
- 2 Papers to note** (Pages 1 – 2)
- 3 Hospital Catering and Patient Nutrition: Update from Welsh Government (09:05–09:15)** (Pages 3 – 8)  
PAC(4)–14–14(paper 1)
- 4 Meeting the Financial Challenges Facing Local Government in Wales (09:15–09:30)** (Pages 9 – 14)  
PAC(4)–14–14(paper 2)  
PAC(4)–14–14(paper 3)
- 5 Senior Management Pay: Evidence Session 7 (09:30–10:30)** (Pages 15 – 49)  
Registered Social Landlords  
Research Brief

Nick Bennett – Chief Executive, Community Housing Cymru Group

Elaine Ballard – Chief Executive, Taff Housing Association

Norma Barry – Chair of Tai Calon

**6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: (10:30)**

Item 7 and the meeting on 3 June 2014.

**7 Senior Management Pay: Consideration of evidence received (10:30–11:00)**

## Public Accounts Committee

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

Meeting date: **Tuesday, 13 May 2014**

Meeting time: **09.00 – 10.54**

Cynulliad  
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Cymru

National  
Assembly for  
Wales

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### Concise Minutes:

#### Assembly Members:

**Darren Millar AM (Chair)**  
**William Graham AM**  
**Julie Morgan AM**  
**Alun Ffred Jones AM**  
**Jenny Rathbone AM**  
**Aled Roberts AM**  
**Sandy Mewies AM**  
**Gwyn R Price AM (In place of Mike Hedges AM)**

#### Witnesses:

**John Dwight, Wales Audit Office**  
**Delyth Jones, Conwy County Borough Council**  
**Marie Rosenthal, Cardiff Council**  
**Huw Vaughan Thomas, Auditor General for Wales, Wales Audit Office**

#### Committee Staff:

**Meriel Singleton (Second Clerk)**  
**Kath Thomas (Deputy Clerk)**  
**Gareth David Thomas (Researcher)**

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### TRANSCRIPT

View the [meeting transcript](#).

## **1 Introductions, apologies and substitutions**

1.1 The Chair welcomed the Members to Committee.

1.2 Apologies were received from Mike Hedges. Gwyn Price substituted.

## **2 Papers to note**

2.1 The papers were noted.

## **3 Senior Management Pay: Evidence Session 6**

3.1 The Committee took evidence from Marie Rosenthal, County Clerk and Monitoring Officer, Cardiff Council and Delyth Jones, Head of Law & Governance and Monitoring Officer, Conwy County Borough Council on Senior Management Pay.

3.2 The Committee requested that the Clerks seek clarity on the proposed new Welsh Government regulations for elected members.

3.3 Delyth Jones agreed to send further information on the cross party make up of the Employment sub-committee at Conwy County Borough Council.

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

4.1 The motion was agreed.

## **5 Senior Management Pay: Consideration of evidence received**

5.1 Members considered the evidence received.

## **6 Management of Chronic Conditions: Consideration of the Welsh Governments response to the Wales Audit Office Report**

6.1 The Committee considered the response from the Welsh Government and agreed to refer it to the Health and Social Services Committee.

## **7 The Welsh Government's location strategy: Consideration of the Welsh Government's response to the Wales Audit Office Report**

7.1 The Committee considered the response from the Welsh Government and agreed to reply seeking further responses to the recommendations contained in the Wales Audit Office report.

Yr Adran Iechyd a Gwasanaethau Cymdeithasol  
Department for Health and Social Services  
*Prif Swyddog Nyrsio - Cyfarwyddwr Nyrs GIG Cymru*  
*Chief Nursing Officer - Nurse Director NHS Wales*

## Agenda Item 3



Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair Public Accounts Committee  
National Assembly Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Our ref: JW/PAC/052014

1 May 2014

Dear Mr Millar

### **Follow up to Public Account Committee on 4 February 2014 on Hospital Catering and Patient Nutrition**

Following my appearance at the Public Accounts Committee meeting on 4 February you asked that I provide you with

#### **1. An evaluation of the pilot project being undertaken on food waste at Llandough Hospital.**

The objectives of the pilot study at Llandough Hospital were to look how patient food waste could be monitored more effectively and to identify aspects of the patient food service process that could reduce levels of food waste. The report of the pilot study was received on 16 April 2014, the recommendations are still being considered. The attached Annex provides further details of the study and lists the recommendations.

#### **2. An update on the discussions health boards are having with local authorities on the collection of food waste**

Information was requested from Local Health Boards and Velindre Trust asking how they dispose of and treat their food waste. The information provided indicates that there are opportunities for organisations in NHS Wales to improve their food waste disposal practices. More details are also included in the attached Annex.

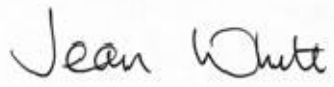


BUDDSODDWR | INVESTORS  
MEWN POBL | IN PEOPLE

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Gwefan • website: [www.wales.gov.uk](http://www.wales.gov.uk)

Yours sincerely

A handwritten signature in black ink that reads "Jean White". The signature is written in a cursive style with a light grey background behind it.

Professor Jean White  
Chief Nursing Officer  
Nurse Director NHS Wales

## **1. FOOD WASTE PILOT STUDY AT UNIVERSITY HOSPITAL LLANDOUGH, CARDIFF**

NHS organisations have been set a target to ensure that wastage from untouched meals does not exceed 10%. Main meals only are monitored and currently only unused protein portions are measured. Plate waste is currently not measured. LHBs and the Trust carry out a 1 day annual assessment based on 6 wards at each hospital. These data are included in the annual Estates Facilities Performance Management System (EFPMS) Report produced by NHS Shared Services Partnership – Facilities Services (NWSSP-FS).

The two key objectives of the pilot study at Llandough Hospital were:-

- To identify the scope for monitoring patient food waste more effectively;
- To identify aspects of the patient food service process that provided scope for reducing levels of food waste.

On the 3 March 2014, NWSSP-FS and colleagues from Cardiff and Vale University Health Board (CVUHB) carried out a Food Waste Pilot Study on Ward East 4 of the University Hospital Llandough (UHL). It was agreed that the pilot would be undertaken in a single day and would be limited to one of the wards in UHL.

Early soundings with a number of Health Boards clearly pointed to the fact that hospital wards and food trolleys were the key areas the pilot should focus on. This was because modern ways of food production mean that insignificant levels of waste are generated within Central Production Units and hospital kitchens. For the purpose of the pilot all trolley waste was measured.

Closely associated with this is the meal ordering process which requires fit for purpose tools capable of responding in a timely way to the nutritional requirements of patients. The pilot demonstrated that it is possible to capture all trolley waste and not just protein waste as is currently the case.

It was felt that the amount of plate waste would be impossible to control given the infinite reasons why patients may not eat the whole portion served. It was seen as more important for nurses to continue to record plate waste in the patients' notes for nutritional purposes. The amount of plate waste was also viewed as generally insignificant.

The pilot team spoke to a number of patients and staff regarding the quality of food, the delivery service and any suggestions to improve the catering system. It was recognised that interaction with patients is a fundamental feature and should help to ensure that the correct number of patients' meals are ordered and meals are appropriately matched to patients' dietary requirements.

The pilot study showed that trolley waste, measured in terms of unused portions was approximately 10%. It was considered that this level of wastage

was not unreasonable. Since ordering, some patients had lost their appetite, some were too ill to eat and one patient had to leave the ward for diagnostic tests. The relatively small amount of waste was due to the implementation of the Health Board's Patient Nutrition & Hydration Bed Plan which is designed to ensure that the number and type of meals ordered meet patients' therapeutic needs

Food waste could be monitored either at lunch or supper as the patients' menu is very similar. Measuring breakfast waste, however, was seen as impractical given the variation in breakfast menus.

The pilot reinforced the important role played by the food hostess. It was recognised that it is important that the hostess is trained in all aspects of food hygiene, portion control, therapeutic, cultural and religious diets and the presentation of food.

### **Recommendations following the pilot**

Welsh Government received the report on the food waste pilot study at Llandough Hospital on 16 April 2014. The recommendations detailed below are still being considered.

- NHS organisations to introduce an All Wales Standardised Patient Nutrition & Hydration Bed Plan linked to a robust meal ordering system to help reduce food waste;

- NHS organisations to introduce a standardised tool capturing food journey and ward environment data such as the Mealtime Observation Audit Tool 1 & 2 used in UHL;

- To review the EFPMS food waste data definitions as part of the current review being undertaken on the EFPMS process;

- To set up a task and finish group to review meal service documentation used in the pilot to assess its potential use across the NHS in Wales; and
- NHS organisations should ensure their staff are appropriately trained in the discharge of their food service duties.



## **2. FOOD WASTE DISPOSAL IN NHS WALES AND LINKS WITH LOCAL AUTHORITIES**

On 11 March 2014 information was requested from Local Health Boards (LHBs) and Velindre Trust on the means of disposal and treatment of food waste from their hospitals. This included details of the different disposal methods used such as macerators, separate segregated collections, disposal to general landfill waste and on-site bio-digester treatments.

The information requested was limited to hospitals which had over 30 beds to make it more manageable and practical. The Welsh Ambulance Services NHS Trust and Public Health Wales NHS Trust were not asked to provide the information as neither organisation has any hospitals within its estate.

The information requested showed:-

- Macerators are currently in use at most hospitals (48 out of 59 hospitals surveyed);
- Food waste is segregated out for separate collection and disposed of by the local council at 11 hospitals of the 59 surveyed;
- At 39 hospitals food waste is still disposed of in the general waste stream to landfill; and
- 2 hospitals have bio-digester units installed in their central kitchens.

Discussions have also been held with the Welsh Local Government Association (WLGA) about the food collection activities undertaken by local authorities in Wales and how the NHS could become involved. The position of local authorities in Wales is that large anaerobic digestion plants and in-vessel composting (IVC) is seen as the way forward. They are collecting large quantities of food waste and these two methods are well suited to meet the demand.

WLGA has explained that in many cases local authorities have joined together to form a number of regional consortia to invest in new facilities. Many of these facilities are still at a planning or construction stage and interim arrangements are being used for treatment and disposal.

It is understood through discussions between NWSSP-FS and the WLGA that local councils will look into the possibility of working together with NHS Wales bodies to increase the uptake of food waste segregation and collection. NWSSP-FS together with the WLGA will facilitate this process. This will happen once the new facilities are operational.

### **Summary**

Opportunities have been identified for NHS Wales to improve food waste disposal practices. The proposal to ban the disposal of food waste to sewer (i.e. macerator) included in the Environment Bill White Paper if it became law would also have a significant effect on current food waste practices.

Through closer engagement with the WLGA and closer links between LHBs/Trust and their respective local council's levels of food waste segregation and collection will increase. We will have a better understanding of progress once the new facilities referred to above are operational.

Information is being shared between organisations and more hospitals will be encouraged to install bio-digester units in their kitchens. Both organisations with these units currently report high levels of satisfaction in terms of factors such as the running costs, reliability, noise and odour etc.

**Our Ref/Ein Cyf:**  
**Your Ref/Eich Cyf:**  
**Date/Dyddiad:**  
**Please ask for/Gofynnwch am:**  
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17 April 2014  
Jon Rae  
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# Agenda Item 4



WLGA • CLILC

Darren Miller AM  
Chair of the Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

Dear Darren,

## **WAO Report: Meeting the financial challenges facing local government in Wales.**

Thank you for letter of 19 February and I am grateful to the Clerk's team for allowing us a generous amount of time to respond. It was important that local government had time to consider how it could respond constructively to this important study. In terms of meeting the financial challenges of the future, the WLGA has thought of little else since the onset of the financial crisis in 2008.

In setting out how the WLGA is itself responding I think that it is important to highlight a number of steps we have taken in recent years. The May 2012 local elections coincided with a period when we became concerned that there was little economic growth to support the UK Government's target to complete the fiscal repair job by 2014-15. As it became apparent that we were heading for a longer period of austerity than originally envisaged, one of the first reports commissioned by the WLGA was a study by the Institute of Fiscal Studies into the future prospects for local government expenditure in Wales<sup>1</sup>.

The aims of the study broadly align to first two summary findings of the WAO Report: to give councils sound and clear funding projections upon which to plan and give them clear and appropriate financial information. The report was launched at the WLGA's Finance Seminar in October 2012 which also heard from a number of influential speakers on how to secure better outcomes in tougher times though collaboration and greater efficiency.

As the national economic situation did not improve between the period of the Autumn Statement in December 2012 and Budget Announcement of March 2013, the WLGA became increasingly concerned about the stability of the 2014-15 funding allocations. These had been announced as part of the 2010 Spending Review and the frustrations of my fellow Leaders and senior finance practitioners

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Chief Executive  
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<sup>1</sup> [Local Government Expenditure in Wales: recent trends and future pressures](#), IFS, 2012

is matter of public record and set out in evidence to the Finance Committee last autumn<sup>2</sup>. In essence, local government was highlighting that effective planning could not be achieved in isolation without reference to the Welsh Government's own budget setting framework.

Around that time we were focussing our 2013 Finance Seminar on the experiences of local authorities in England and from Wales. Key note speakers focussed on public engagement, political leadership and various approaches to budget setting. Later breakout sessions focussed on economic development, demand management and medium-term financial planning.

Along with other work on improvement, especially sector-led improvement and peer reviews, I believe the WLGA was beginning to address the third summary finding of the WAO report and some, but not all, of the last summary finding.

## **Responding to the WAO Report**

However we are aware that we must engage and respond to the report in question with our future work and we must do that in tandem with senior finance practitioners. Since the end of 2013 WLGA officials have been working closely with the Society of Welsh Treasurers (SWT). With their help we have set up a working party to consider in some detail the conclusions of the report.

SWT discussed the focus of the group at their meeting 28 February and it was considered that the Medium Term Financial Planning (MTFP) Working Group should identify the key pieces of work that can be delivered in a timely fashion and provide the greatest benefit to members.

The group have considered this steer and whilst recognising that medium term financial planning is an ongoing process, have concluded that work should be finalised ready for the start of the next formal budget setting cycle.

## **Proposed Work Programme for the Group**

The future activity of the group is set below:

1. Evaluate the English LGA budget modelling tool and its suitability for use by Welsh councils. This will be done by testing at the site of the three SWT members on the group – Flintshire, RCT and Swansea. Testing would need to be preceded by the Data Unit amending the tool to suite the Welsh local government environment e.g removing rates retention and adding in schools protection features.
2. Forecasting WG grants medium – long term. Whilst the product is likely to be caveated the aim is to produce a range of funding assumptions that may apply to future years. The work of the Institute of Fiscal Studies cited earlier will form a useful base for this.
3. Demand management and other savings initiatives. The aim of this work stream is to highlight the approaches that have found the greatest traction in England and any emerging novel approaches from Wales that may prove of interest to members. It is intended to identify suggested best practice sites from sources such as WAO, LGA, NAO. Initial research reveals a lot of information on theoretical approaches but we

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<sup>2</sup> [FIN\(4\)-WG15-12 Welsh Local Government Association](#) 

intend to focus on a small number of actual case studies that seem most likely to add value.

4. Template/Checklist. Whilst it is likely that all councils will have considered this, it would seem remiss of the workgroup not to identify a relevant publication that lays out the main steps and principles that councils should check their internal arrangements against.

## **Engagement with the Wales Audit Office**

The WLGA's Director of Resources and the SWT's Policy Officer have met with the principal author of the report and he is supportive of group's terms of reference and approach. He advised us that WAO are currently undertaking work at councils, testing for example - how budget plans are put together, gearing, reserves and links to strategic plans. This work is expected to conclude by end of June. We will maintain an ongoing dialogue with the Auditor General's team as both the WAO work and SWT work will conclude at the same time.

A common aim for the WAO, WLGA and SWT is to share good practice. This will be achieved through an event that brings together all senior practitioners. We will aim to organise a shared learning event on 4 July which potentially could include some of the experience of English local authorities and speakers on topics of particular interest.

The group hopes that these activities (along with those implemented individually at councils) help demonstrate a robust response to issues raised in the WAO report. I have asked WLGA officers to feedback further information to the Public Accounts Committee.

## **A whole system approach**

For effective medium- to long-term planning to take place at local level, there needs to be a similar approach at national level and a move away from the annual incremental budget setting by Welsh Government. The English LGA are lobbying for similar arrangements England. Under their *Rewiring Public Services* campaign<sup>3</sup> one of their key propositions is a five-year funding agreement tied to the life of the Parliament for any services that remain funded by central government. They argue that this allows greater innovation and pursuit of longer term objectives and the WLGA support this.

Indeed the problems caused by short-term annual budget setting are recognised to cascade down through local government to delegated budgets such as schools. The recent OECD Report into improving schools in Wales<sup>4</sup> recognises that "a wide range of grant programmes can create confusion, be unsustainable in the long term and burden schools." The OECD goes on to say that "yearly grants importantly also don't provide the schools with the financial stability that would allow them to build up their internal capacity by recruiting quality support staff on a long-term basis".

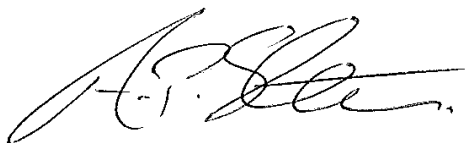
In short this is a whole system problem and needs to be addressed at a strategic national level as well as the local level.

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<sup>3</sup> [Rewiring Public Services: Financial Sustainability, LGA, 2013.](#)

<sup>4</sup> [Improving Schools in Wales: an OECD Perspective, OECD, 2014.](#) Pages 52 and 53.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Shotton', with a stylized flourish at the end.

**Councillor Aaron Shotton**

WLGA Spokesperson for Finance and Resources

Pwyllgor Cymunedau, Cydraddoldeb a  
Llywodraeth Leol

Communities, Equality and Local Government  
Committee

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**Darren Millar AM**  
**Chair**  
**Public Accounts Committee**

8 May 2014

Dear Darren

### **Meeting the financial challenges facing Local Government in Wales**

Thank you for your letter of 8 April 2014, with regards to the report of the Wales Audit Office on the financial challenges facing Local Government in Wales. As I mentioned in my previous letter to you, this is an area of considerable interest to members of the Communities, Equality and Local Government Committee.

When I wrote to you previously, I informed you of our intention to consider the matters raised by the WAO in its report, as well as the issues identified in our own report on local government collaboration, in the context of our consideration of the report of the Commission on Public Service Governance and Delivery.

We have now held a public meeting with Sir Paul Williams and some of his fellow commissioners to discuss the Commission's report. I have attached a copy of the [transcript](#) of that meeting for your information.

I note from your recent letter that you have written to the WLGA requesting their response to the WAO's report and asking for details of how the WLGA intends to take forward the wider recommendations it has made, and that the Public Accounts Committee will return to this issue on receipt of their response.

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg / We welcome correspondence in both English and Welsh  
Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol / Communities, Equality and Local Government Committee  
Gwasanaeth y Pwyllgorau / Committee Service  
Ffôn / Tel : 029 2089 8032  
Ebost / Email : CELG.Committee@wales.gov.uk

As this matter is currently under consideration by your committee, perhaps you would let me know the outcome of your considerations before we decide how to proceed.

Yours sincerely

A handwritten signature in black ink that reads "Christine Chapman". The signature is written in a cursive style with a large initial 'C'.

**Christine Chapman AC / AM**

**Cadeirydd / Chair**



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