

Public Accounts Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
Tuesday, 5 May 2015

Meeting time:
09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Michael Kay
Committee Clerk
0300 200 6565
SeneddPAC@Assembly.Wales

Agenda

The Committee agreed on 28 April 2015, a motion under Standing Order 17.42 to resolve to exclude the public from this meeting.

1 Introductions, apologies and substitutions (09:00)

2 Papers to note (09:00–09:05) (Pages 1 – 3)

Inquiry into value for money of Motorway and Trunk Road Investment: Letter from the Auditor General for Wales (24 April 2015) (Pages 4 – 5)

Inquiry into value for money of Motorway and Trunk Road Investment: Additional information from the Chartered Institute of Highways and Transportation (Pages 6 – 7)

Scrutiny of Commissioners' Accounts 2013–14: Letter from PSOW, CCW, OPCW (28 April 2015) (Pages 8 – 9)

Inquiry into value for money of Motorway and Trunk Road Investment: Letter from James Price, Welsh Government (28 April 2015) (Pages 10 – 21)

3 Covering Teachers' Absence: Consideration of update from the Welsh Government (09:05–09:15) (Pages 22 – 30)

PAC(4)–12–15 Paper 1

4 Intra–Wales – Cardiff to Anglesey – Air Service (09:15–09:30) (Pages 31 – 112)

PAC(4)–12–15 Paper 2

5 NHS Wales Health Board's Governance: Auditor General for Wales Memorandum and evidence from Betsi Cadwaladr University Health Board (09:30–10:00) (Pages 113 – 248)

PAC(4)–12–15 Paper 3

PAC(4)–12–15 Paper 4

PAC(4)–12–15 Paper 5

6 Inquiry into value for money of Motorway and Trunk Road Investment: key issues (10:00–10:20) (Pages 249 – 263)

PAC(4)–12–15 Paper 6

7 Public Account Committee Annual Report 2014–2015 (10:20–10:40) (Pages 264 – 286)

PAC(4)–12–15 Paper 7

8 Financial Resilience of councils in Wales: Briefing from the Wales Audit Office (10:40–11:00)

Public Accounts Committee

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

Meeting date: **Tuesday, 28 April 2015**

Meeting time: **09.03 – 11.04**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



This meeting can be viewed on [Senedd TV](http://senedd.tv/en/2730) at:
<http://senedd.tv/en/2730>

Concise Minutes:

Assembly Members:

Darren Millar AM (Chair)
Jocelyn Davies AM
William Graham AM
Mike Hedges AM
Sandy Mewies AM
Julie Morgan AM
Jenny Rathbone AM
Aled Roberts AM

Witnesses:

Allison Williams, Cwm Taf Local Health Board
Mary Williams, Cwm Taf Community Health Council
Dr Paul Worthington, Cwm Taf Community Health Council
Ruth Treharne, Cwm Taf University Health Board

Committee Staff:

Michael Kay (Clerk)
Claire Griffiths (Deputy Clerk)
Joanest Varney-Jackson (Legal Adviser)
Mark Jeffs (Wales Audit Office)
Dave Thomas (Wales Audit Office)

View the [meeting transcript](#).

1 Introductions, apologies and substitutions

1.1 The Chair welcome the Members to the meeting.

1.2 There were no apologies.

2 Papers to note

2.1 The papers were noted.

2.1 Scrutiny of Commissioners' Accounts 2013–14: Letter from the Permanent Secretary, Welsh Government (20 April 2015)

3 NHS Waiting Times and Key Performance Targets

3.1 The Committee took evidence from Peter Meredith–Smith, Director of the Board of Community Health Councils in Wales, Mary Williams, Chair, Cwm Taf Community Health Council and Dr Paul Worthington, Chief Officer, Cwm Taf Community Health Council on its inquiry into NHS Waiting Times and Key Performance Targets.

2.1 Peter Meredith–Smith agreed to provide details of the number of complaints related to communication and patients coming to harm where their appointment have been rescheduled across Wales and a summary, by CHC, of the number of issues raised by information, concern and complaint

4 NHS Waiting Times and Key Performance Targets

4.1 The Committee took evidence from Allison Williams, Chief Executive, Cwm Taf University Health Board and Ruth Treharne, Director of Planning and Performance, Cwm Taf University Health Board on its inquiry into NHS Waiting Times and Key Performance Targets.

4.2 Allison Williams agreed to provide:

- The Health Board's latest report showing the trajectories month on month together with the percentage of patients who have missed targets
- A copy of the Health Board's current three-year plan
- Templates of all the appointment letters issued to patients
- A note on Ophthalmology services within the Health Board
- A note on how patients, currently waiting for treatment, who move into the Health Board's area from outside of Wales, are added to waiting lists so as not to be disadvantaged
- A note on the timescale for the audit work being undertaken on long-term follow up patients (follow ups not booked patients)

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

5.1 The motion was agreed.

6 NHS Waiting Times and Key Performance Targets: Consideration of evidence

6.1 The Committee considered the evidence received.

24 Heol y Gadeirlan / Cathedral Road
Caerdydd / Cardiff CF11 9LJ
Ffôn / Tel: 029 20 320500
Epost / Email: info@wao.gov.uk
www.wao.gov.uk

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

Date: 24 April 2015
Our ref: HVT/2316/fgb
Page: 1 of 2

Dear Darren

WELSH GOVERNMENT LAND ACQUISITIONS – M4 RELIEF ROAD

On 21 April, the Committee noted my letter of 26 March concerning Welsh Government land acquisitions and proposals for the M4 Relief Road. In addition to the details set out in that letter, you asked me to confirm the date of sale for the seven of 22 properties acquired by the Welsh Government that have since been sold on. Those dates are as follows:

Land at the Stud Farm	26 March 2004
Lower Lakes Farm, Nash	5 January 1997
Pye Corner House, Nash	16 January 2002
Ysgwbor Newydd, Coedkernew	31 January 2004
Moorbarn House, Nash	2 July 1997
The Maerdy, Coedkernew	4 November 2003
Rose Cottage, Undy	1 July 2011

You also asked me to confirm which of the 22 properties would be affected by which routes. In looking into this issue, I have referred to the black, red and purple routes that have been the subject of more recent consideration by the Welsh Government and the original 1995 preferred route that was the reason why most of the 22 properties were acquired as a consequence of statutory blight rules.

Wales Audit Office staff raised a query with Welsh Government officials previously about the extent to which the 22 properties listed in my previous letter were potentially affected by the various different route options. In response, Welsh Government officials confirmed that all 22 properties could be said to be potentially affected by any of the three routes under recent consideration. Officials emphasised that many of properties are not necessarily physically affected but would fall within the vicinity of the different route options.

The maps that the Welsh Government provided to Wales Audit Office staff vary in their detail. They include a detailed map showing each of the 22 properties compared with the current 'black' route. We also have a detailed map showing the 1995 route but without the properties marked, and a much less detailed map of the current black, red and purple route options, again without the properties marked.

Wales Audit Office staff have looked again at these maps. They do appear to confirm the feedback from Welsh Government officials and it appears that the points at which the different routes diverge noticeably, including the 1995 route, are in different locations to the 22 properties listed. Wales Audit Office staff would be happy to share with you the maps they have examined.

Finally, my previous letter noted that the date of acquisition for the land south of the former LG site was unknown. I am now able to confirm my understanding that the land was acquired on 30 September 2004, at the same time that the former LG site itself was acquired.

Yours sincerely



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

Public Accounts Committee

Inquiry into value for money of Motorway and Trunk Road Investment

Additional information from the Chartered Institute of Highways and Transportation

Colas/URS venture targets long term road maintenance

8 July, 2014 | By [Mark Hansford](#)

Colas and consultant URS have teamed up to offer local authorities whole life cost savings on roads in exchange for long term contracts.

The joint venture was formally launched last month and Colas URS is now in talks with local authorities interested in seven to 10 year term maintenance deals that are geared towards long-term asset improvement.

The two firms have worked together in highways maintenance for 20 years. They believe they can use expertise developed by working together on the UK's first highways maintenance PFI concession in Portsmouth.

That contract is now 10 years old and the city has all but eliminated potholes by employing an asset management strategy focused on whole-life cost reduction. The concession company also adopted innovative resurfacing techniques which were developed as a result of the long term certainty of workload the PFI contract gave them.

Seven to 10 year contracts

“You need seven to 10 year contracts to have the time to put the right investment in place and then to do the work,” said URS local authorities director Adrian Coy. “So we are talking to [local] authorities and urging them to look at their procurement processes so that they can make this kind of long-term investment. “That’s where we are coming from. We have got experience in PFI and DBFOs so we can give [local] authorities confidence to do this audibly and that their investment is safe.”

“Local authorities are stuck with one year funding settlements, but they are still keen to talk,” added Colas executive director David Craik.

“Many local authorities are looking to develop and build a financial case to secure investment in their networks.” Reduction in long term spend is vital to them.”

“So the need to create and deliver intelligent asset management plans that provide maximum benefit for minimum investment are now more important than ever,” he stressed.

Coy added that the Colas URS joint venture is only interested in local authorities that genuinely want to embrace long-term contracts.

“We don’t want to work with a client that is going to invest in a jet patcher,” he said. “That’s a client assuming that potholes are always going to be there. We want to work with clients who don’t want potholes at all,” he said.

“A lot of councils are coming out with five year contracts that are extendable to seven, 10 years,” added Craik. “That’s of interest as there is a calculated level of risk that we will win an extension.

“But those that are sticking with five year deals that offer nothing more than five years of filling potholes are not really that viable,” he said.

The following link gives more details

<http://www.streets-ahead.uk.com/department-detail.asp?pageId=501>

I have also attached links to the Birmingham PFI scheme I referred to in evidence.

<http://www.birmingham.gov.uk/cs/Satellite?c=Page&childpagename=Lib-Sheldon%2FPageLayout&cid=1223092719706&packedargs=AlphabetValue%3DH%26website%3D1&pagename=BCC%2FCommon%2FWrapper%2FWrapper>

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee
PAC(4)-12-15 PTN3

Darren Millar AM
Chair Public Accounts Committee
National Assembly for Wales
Cardiff Bay

28 April 2015

Dear Chair

We are writing in response to the report of the National Assembly's Public Accounts Committee, published in March 2015.

We welcome the report and will be making reference to it within the Governance Statements that appear as part of our individual Annual Accounts for 2014-15, highlighting that we will take on board the relevant recommendations and that joint action is already in hand to work further towards meeting them during 2015-16.

We have already identified the following potential areas of potential collaboration for 2015-16:

- Review and update the existing Memorandum(s) of Understanding between the organisations and put in place one joint agreement.
- Accounting Officers will continue to meet regularly to share planned work programmes, identify opportunities for joint working and sharing of knowledge, skills and experience.
- To consolidate our staff learning and development programmes to achieve better value for money in securing externally delivered training and in sharing knowledge, skills and experience across the organisations for internally delivered training.
- To work together on the required review of our existing Strategic Equality plans as we all work towards revision and the requirement to have new plans ready for publication by April 2016.

- To explore the potential for the procurement of a common internal audit service provider to maximise potential for benchmarking across similar type organisations within Wales.

As the report acknowledged there is little to be saved financially from sharing 'back office' functions. Our finance, ICT and HR staff who enable the delivery of our objectives, do already work collaboratively, when appropriate, through a shared network with Welsh Government Sponsored Bodies and will continue to do so alongside Wales Audit Office, National Procurement Service and others. We will however look to identify opportunities to work towards any pooled arrangement for sharing knowledge, skills and experience, and there may be other smaller public bodies who would be interested in joining with us.

Independence is a defining feature of any rights based organisation and is viewed by others as a source of legitimacy and authority. It is therefore welcomed that the Committee noted the strong governance argument in favour of a more consistent approach to funding Commissioners that in our view could only strengthen existing accountability arrangements.

We are aware that Meri Huws has already provided you with a written response to the report but the Welsh Language Commissioner will be working with us on the joint action noted above. We trust that this initial response meets with your expectations and we will provide you with an update on progress during 2015-16.

Yours sincerely



Older People's Commissioner for Wales



Public Services Ombudsman for Wales



Children's Commissioner for Wales

cc Welsh Language Commissioner for Wales

Agenda Item 2.4

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport
Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee

28 April 2015

Dear Mr Millar

Further to the recent evidence session for the Public Accounts Committee's inquiry into Value for Money of Motorway and Trunk Road Investment, please find attached additional information.

The information provided covers the following:

- explore the suggestion that there are inaccuracies in information provided on the A55 on the Traffic Wales website;
- provide a note on numbers of road works in NMWTRA, including overnight works and the time involved in scheme delivery;
- provide a note on the number of complaints around road works, including the percentage of road works which are subject to complaints, and introduce more formal and regular reporting;
- confirm when preparation of the new Street Works Strategy began and the reasons why it has taken four years to develop; and
- investigate the recent difficulties resulting from road works in North East Wales and how this relates to cross border co-operation with English Highway Authorities, including the Highways Agency / Highways England.

Yours sincerely

James Price



Explore the suggestion that there are inaccuracies in information provided on the A55 on the Traffic Wales website

There are generally very few such inaccuracies. We would estimate less than 1% of the interventions we carry out have been subject to inaccurate information.

We had a specific issue with the 12 month long A55 Resilience works. Those works were of necessity very dynamic, moving to various sections of the A55 sometimes several times per week and with some works overnight only and some 24/7. The dynamic programming was required to drive down the overall duration of a very challenging project in terms of deliverability and to minimise traffic disruption.

To reflect that dynamic approach in roadside sign messages was very difficult because of the complexity of the messages and early in the scheme we simply tried to convey too much information and this caused some confusion. As such we simplified the number of messages e.g. on a given section if we were working on one site 24/7 and on another night time only we simply informed drivers of the 24/7 works (which would cause some disruption) and did not inform of the overnight works (no disruption).

It is interesting to note that Highways England has just made the following statement:

“From 8 December 2014 Highways England is trialling a change to the publication of both planned and current road works information. These changes are being introduced to improve the accuracy and reliability of the information. There are three key changes:

- 1. Information on road works will be limited to works that have the greatest impact on journeys for example; full carriageway closures, single lane running and long duration works. Long duration works are typically road works in place for longer than six weeks with three narrow lanes and a mandatory 50mph speed limit.*
- 2. Seven days advance notification of road works will only be provided for long duration works.*
- 3. With the exception of long duration works, information on road works will only be published after Highways England receives confirmation that work has actually commenced.*

We are continually looking to improve our information services. This trial is the first step in our change programme to improve the quality of information on road works.”

As an example of the general information we put out on Traffic Wales web-site, please see Annex 1, for the recent major scheme at Pen y Clip tunnel. These messages are updated in the event of any change, particularly to programme. For the above scheme there was no change as the scheme was successfully completed on time. For the A55 Resilience scheme we gave an initial detail on the proposed phases and then weekly updates to a) report successful completion of the previous week's programme and b) to inform of the coming week's exact programme and works locations.

Generally, information is also given to the media, live on Radio, e.g. Radio Wales, via text, Traffic Wales Apps, a telephone information line and a twitter feed. The Minister for Economy, Science and Transport also introduced a dedicated telephone line for Assembly Members in early 2015.

What could Welsh Government do to improve things?

For static schemes such as the tunnel closures it is very easy to get the information right. All public and media queries can then be directed to the Traffic Wales website where scheme details are available. For more complicated schemes such as the A55 Resilience scheme lessons learned processes are the norm. We have identified the issue of the complicated nature of the messages we deployed and in future we will keep information on works locations, timings and likely delays very simple.

Provide a note on numbers of roadworks in NMWTRA, including overnight works and the time involved in scheme delivery

In the time available and in its evidence NMWTRA gave the Committee details of road works for 2013/14 for the primary route, the A55/A494. These figures are:

- Total number of overnight(18.00 -07.00) work sites = 243
- Total number of daytime (off peak 09.00 -16.00) work sites 63

As an indication of the works for the whole of the NMWTRA area we have taken the week commencing 27th April 2015 as an example. This week is a typical week where we have no traffic management embargos, are in the midst of our cyclic maintenance programme and have what we would consider to be a 'normal' amount of collision repair and statutory undertaker works on the network. An example of the weekly road works is contained in Annex 2. To give the committee some idea of the works undertaken in the week shown in Annex 2, the road works are as follows:

- Upgrade scheme: 1
- Statutory Undertakers Works: 13
- Maintenance Works: 23
- 20mph Outside Schools: 5
- Abnormal Load Movement: 1
- Collision Damage Repair (Urgent): 4
- Road User Safety: 3
- Survey: 2

The committee has requested further information on the time involved in scheme delivery. Each planned scheme on the network requires an amount of road space to be booked for the scheme duration. As examples, the A55 resilience works and the Pen-y-Clip tunnels scheme durations were set at the outset and the schemes were delivered on time and within those durations. Much effort is expended by Welsh Government officials and Trunk Road Agent staff to ensure challenging programmes are set for contractors and that they meet those challenges.

What could Welsh Government do to improve things?

We will continue to do what we have been doing over the last couple of years and that is to continue to drive efficiency, working off-peak hours, using the best possible resource to continue to deliver challenging programmes of work. The last financial year's programme of works on the A55 was the biggest delivery challenge we have faced for many years. There was indeed disruption but we attempted to minimise that and although we could have run the works through to July this year we completed all major works before Easter and the beginning of the tourist season. Thus as traffic levels rise between Easter and the summer we have no planned daytime works on the A55.

Provide a note on the number of complaints around roadworks, including the percentage of roadworks which are subject to complaints, and introduce more formal and regular reporting

We have investigated correspondence to the Department for the whole of the NMWTRA area for the calendar year 2014. During that year we carried out much of the A55 Resilience scheme, closures of several weeks at the A55 tunnels for upgrade works and significant emergency works to deal with a collapsed culvert on the A483 just north of Newtown. We also had a privately owned wall collapse immediately adjacent the A40 in the centre of Crickhowell –this required 24/7 traffic signals for several weeks whilst we dealt with the owner.

A review of 488 pieces of correspondence sent in direct to the Minister or forwarded on from the NMWTRA shows that 26 complained about roadworks, 50% of those about the A55 Resilience scheme, 4 about the collapsed culvert at Newtown and 6 about the wall in Crickhowell. Therefore, the complaints are approximately 5% of all correspondence received in that period. Interestingly, there were also 224 pieces of correspondence requesting interventions that would have required roadworks on the network to carry out the request.

Complaints about roadworks tend to be about the major or longer term schemes. Of all the interventions carried out on the network last year there were complaints on less than 10 of them, and that number of complaints, whilst still of concern, is not large.

What could Welsh Government do to improve things?

Welsh Government is constantly looking to both minimise the need for and time taken when we intervene on the network. We also continuously look for ways to improve our communications with the road user, this will continue.

Confirm when preparation of the new Street Works Strategy began and the reasons why it has taken four years to develop

The preparation of a new Street Works Strategy for Wales began in 2012 and has taken approximately 2¹/₂ years to develop into its current draft form.

Preliminary work in this area was initiated by the Wales Audit Office's report on Major Transport Projects in 2011. This recommended (recommendation 5) that that the then Welsh Assembly Government engage "with local government and the utility companies to develop some clearly agreed principles in terms of how they should work together throughout the lifecycle of major transport projects".

In its response dated 23 March 2011 the Welsh Assembly Government accepted the need to work more closely with other parties such as utilities and discuss with them a protocol for communication and development of Memorandums of Understanding.

Work commenced in 2011 with meetings with the Welsh Highway Authorities and Utilities Committees (WHAUC). However, it became apparent that rather than focussing solely on addressing the impact of Street Works on major projects there was benefit in adopting a more holistic approach. A comprehensive strategy has therefore been developed rather than individual protocols, in order to achieve wider objectives such as reduced congestion and improved journey time reliability.

Pending the outcome of a formal consultation process the Strategy will be published in 2015.

What could Welsh Government do to improve things?

Potentially, investigate the possibility to introduce some performance measures, e.g. the percentage of network availability at different time periods and traffic flows.

Investigate the recent difficulties resulting from road works in North East Wales and how this relates to cross border co-operation with English Highway Authorities, including the Highways Agency / Highways England

The table in Annex 3 details all the co-ordination that took place for the cross border A55 Posthouse schemes since February 2014. Even though the planning was in place the impact to the road user is always monitored and WG deferred some significant drainage maintenance works on the A483 because of the Highway Agency's scheme. Even though Welsh Government works were several miles away, the delays to the road user were too severe and works were postponed.

In terms of the A55, there were issues caused by the cumulative impact of the works on both sides of the border. These issues, however, were not ignored and processes were put in place to minimise the impacts wherever possible. At the committee we discussed the option of postponing the work for later in the year and the fact that this was discounted due to higher forecast traffic flows in the spring and summer months.

The work on the English side of the border had been booked in for an earlier period and then was not delivered to schedule which led to the two projects over lapping. This is a fairly unusual occurrence but one that we should learn lessons from.

Annex 1

As an example of the general information we put out on Traffic Wales during schemes, see below for the message available on the website for the very recent major scheme at Pen y Clip tunnel:

What?

The Pen y Clip tunnel lighting works forms part of the A55 tunnel refurbishment programme. The proposals are to complete, amongst other things, the works for the Pen y Clip tunnel which will include new fire resilient electrical cabling and completion of the new LED lighting system.

Why?

To improve the overall level of safety and resilience of the Pen y Clip tunnel in accordance with EU legislation, the UK road tunnel safety regulations and current tunnels standards.

When?

The works will be undertaken within a six week 24/7 closure commencing on 14 February 2015. The works have been planned during the winter months when traffic flows are much lower than in summertime. Contractors will be working throughout the day and night for the entire closure period to ensure overall disruption to the travelling public and local residents is kept to a minimum.

Consideration for disruption during the day has been fully explored. The safety of the travelling public and site workforce were the driving force to determine the safest implementation method for the Pen y Clip tunnel improvement works. It was concluded that the risk on traffic management operatives and members of the public to close and re-open the tunnel each night for up to 12 weeks was not acceptable.

How?

There will be up to six weeks of 24/7 closures of the Pen y Clip tunnel to accommodate the improvement works. Traffic will run in contraflow via the Pen y Clip Headland. Throughout the works J15a at Bangor Road will be closed and access to the A55 for Penmaenmawr residents will be via J16 at Puffin roundabout.

Features

Lighting works:

Completion of the lighting system that includes:

- The installation of a substantial number of LED luminaires at high level along the centre line of the tunnel
- Over 1km of steelwork to be fixed to the ceiling of the tunnel to support the LED luminaires
- Installation of cabling associated with the lighting system
- Lighting controllers, photometers, LED drivers and associated interfaces

The lighting system has been designed to have minimal maintenance which may subsequently minimise the requirement for future tunnel closures. All in-tunnel equipment associated with the lighting will have a minimum design life of 25 years.

Incident Detection:

A number of cameras are to be installed throughout the tunnel that will be used by the video incident detection system to improve safety. Furthermore, a heat detection system will also be installed to provide additional improvements. The incident detection system will warn the control room operators of stopped vehicles, pedestrians and smoke/fire.

Resilience for the Existing Control System:

Communications cabling and associated network equipment will provide improvements to the tunnel network communications system that safety critical tunnel systems are reliant upon.

Benefits

The successful completion of this phase of works will ensure that the tunnel is compliant to both the EU Directive and the UK road tunnel safety regulations.

The installation of new tunnel lighting systems will have the following benefits:

- Fully compliant lighting installation for 70mph traffic
- Lower power usage per luminaire as a result of LED technology being utilised
- Reduced carbon footprint for the tunnel
- Lighting that is suitable for all operational regimes
- Reduced maintenance burden and costs - better future spares availability

Incident detection benefits are:

- Improved detection of incidents within the tunnel, allowing incidents to be managed more quickly and effectively improving driver safety
- Reduce the negative social, economic and environmental impacts of traffic incidents in the tunnel
- Improve the reliability and resilience of the A55 tunnel incident detection system.

Resilience of the existing control system:

- New fibre communication network will ensure that a new more resilient communications network is available and can be utilised by both existing and new safety critical tunnel assets.

Wide Loads

With a number of wide/abnormal loads expected to travel along the A55 in February/March 2015, consultation with the Road Hauliers Association and North Wales Police will ensure that relevant parties are fully informed of the works. Additional provisions will be put into place for wide abnormal loads to ensure that the numbers travelling via the A470 and A5 are kept to a minimum. Wide loads will thus be escorted round the Pen y Clip Headland whilst general traffic is held for a short period.

Public Transport

A shuttle bus will be provided for affected westbound services that will ensure disruption to passengers is kept to a minimum. Further information will be provided in due course.

Why use Average Speed Enforcement?

To ensure the safety of the workforce, average speed enforcement will be used. The maximum speed limit during the works will be 40mph. The Welsh Government encourages all motorists to travel safely and responsibly through the site and obey the speed limit.

Emergency Services

Planning for the works will include consultation with the emergency services.

Vehicle Recovery

During the works, free recovery of vehicles will be provided to ensure disruption is kept to a minimum.

Further Detail

Updates on the works programme will be displayed on this website or call 0300 123 1213 for further information.

Annex 2

As an indication of the works for the whole of the NMWTRA area we have taken the week commencing 27 April 2015 as an example. This week is a typical week where we have no traffic management embargos, are in the midst of our cyclic maintenance programme and have what we would consider to be a 'normal' amount of collision repair and statutory undertaker works on the network. An example of the weekly road works is contained in the table below:

A55/A494 from Holyhead to the English borders at Broughton and Deeside:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
5	1	0	0	0

A5 from Holyhead to the English border at Chirk:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	3	3	0

A44 from Aberystwyth to Llangurig:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	4	1	1

A458 from Mallwyd to Welshpool:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	1	2	0

A470 from Glan Conwy Corner to Nant Ddu:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	3	5	0

Welsh sections of A483 between Rossett and Llandoverly:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	0	2	0

A487 from Menai Bridge and Cardigan:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
0	0	4	7	1

A494 from Ewloe to Dolgellau:

Overnight	Daytime off-peak	Daytime	24/7	Road closure
2	4	0	3	0

ANNEX 3

Date	Purpose of meeting / action	Attendees	Comments
6 February 2014	First contact meeting with NMWTRA and HA/BBMMJV	Route Manager	Held in St Asaph to discuss TTRO
20 February 2014	NMWTRA TTRO	Route Manager	
1 May 2014	Design liaison	NMWTRA / WG / HA / BBMMJV	
20 August 2014	Mobile CCTV	Route Manager	WG agreed to fund and install mobile CCTV
1 September 2014	Advanced signs	Route Manager	Advanced signs erected in A483 lay-bys with Wales
2 September	Design liaison	Route Manager	
12 September 2014	HA information email update		Start of public liaison
17 October 2014	Progress meeting on site	Route Manager	
21 November	Progress meeting on site	Route Manager	
11 December 2014	Public Event	Route Manager	Drop in session at Post House hotel
26 January 2015		Route Manager Assistant Route Manager	This meeting was called by West Cheshire CC
4 March 2015	HA/BBMMJV Progress meeting	Route Manager	
26 March 2015	HA/BBMMJV Progress meeting	Route Manager	
16 April 2015	HA/BBMMJV Progress meeting		Meeting cancelled by BBMM

Operational Interactions

9 meeting/public events all attended by NMWTRA

WG / NMWTRA Installation of a mobile CCTV camera on the A483 Broadoak overbridge north of Junction 7 to assist with traffic information

NMWTRA Site Audit of TM within Wales – 10 times

NMWTRA Use of HA road closure to carry out road defects

Planning events:

Works cancelled on A483 J6-J5-J4 filter drainage work because of the impact the HA's works were having on the A483 in Wales.

Agenda Item 3

Owen Evans

Cyfarwyddwr Cyffredinol • Director General

Yr Adran Addysg a Sgiliau
Department for Education and Skills



Llywodraeth Cymru
Welsh Government

13 April 2015

Mr Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales

Dear Darren,

In response to your letter dated 16 March 2015 please see below further information on the implementation of the Welsh Government's commitments/actions following the publication of the Public Accounts Committee report *Covering Teachers' Absence*.

I would like to reiterate that the quality of supply teachers and how they are effectively utilised in supporting the education of our young people is important to the department. As such, we have set stretching but realistic targets to address the Committee's concerns and recommendations that align with our reform programme under Qualified for Life, including: the New Deal; Professor Donaldson's recommendations on Curriculum and Assessment Arrangements in *Successful Futures*; and Professor Furlong's report on the Future of Initial Teacher Education and Training in Wales – *Teaching Tomorrow's Teachers*.

In raising standards in education in Wales it is vital that our expectations for improvement extend to the entire teaching workforce. We will expect those who provide cover to be able to deliver against our priorities and ambitions for our young children and to be able to access development opportunities. There is a responsibility on the part of the employer and the employee themselves to ensure that they keep up to speed with good classroom practice.

Recommendation 1

The Committee recommends that the Welsh Government captures and disseminates relevant and reliable data on teachers' absence from the classroom to enable a more robust monitoring of occurrences of, and the reasons for, absence.

The responsibility for monitoring and evaluating the reasons for absence, and associated costs, rests with the schools and employers.

The Welsh Government does, however, collect and publish data at an all Wales level on teacher absence annually and from June 2016, to help enable any potential issues or trends to be identified, we will publish this data at local authority level. This data will be available to form part of the people management monitoring, reviewing and challenge process within local authorities and consortia.



The *National Model for Regional Working – Revitalising People Management in Schools* published in April 2015 provides a people management framework for the delivery of specialist HR functions. This document builds on the requirements set out in the *National Model for Regional Working (Guidance document 126/2014)* and underlines the responsibilities on schools, local authorities and consortia to collect, analyse and report on data to improve school performance.

To further support this and as recommended by the Committee, guidance will be published (*Effective Management of School Workforce Attendance*) in July 2015 for September 2015 implementation (see recommendation 7 for detailed timescales for delivery). The guidance will set out the responsibilities of local authorities and consortia in relation to school data collection, dissemination and analysis as well as the responsibilities for head teachers and governors in providing data and responding to issues.

Additionally from September 2015 all schools are legally required to have a School Development Plan (SDP)¹ in place. The Guidance on School Development Plans (Guidance document 155/2014) refers to the importance of performance and contextual data to inform the plan and to set targets for the school. School workforce absence information is an example of the ‘quantitative data’ to be utilised for schools to identify and address their strengths and needs. The guidance also refers to schools accessing benchmarking data so that they can compare themselves against both the best performing schools and those within their family of schools. This will be reiterated in the guidance document *Effective Management of School Workforce Attendance*. The SDP will provide a focus for engagement within schools and challenge advisers will advise and support schools in identifying and implementing the actions necessary to bring about improvements on a range of data, including teacher absence data.

Welsh Government will regularly review this data with the HR Directors Network and the WLGA.

Target date: Stakeholder engagement underway; guidance to be published in July 2015 and implemented in schools in September 2015.

Recommendation 2

The Committee recommends that the Welsh Government conducts an evaluation of the effectiveness of training delivery and reports back to the Committee by January 2015. This evaluation should include the impact of different forms of training delivery on teacher absences from the classroom.

A review of training and professional learning instigated by the Welsh Government during the period January to July 2014 has been carried out (a copy of the report was provided in our correspondence dated 23 February 2015). In addition, an analysis of the evaluation forms collated at these training events show that the majority have been rated good or excellent.

Guidance on the best practice approaches that should be considered when organising training events for teachers will be included in the *Effective Management of School Workforce Attendance* document to be published for all key stakeholders in July 2015 (being developed as part of recommendation 7). This will include ensuring the Welsh Government and its partners considers the range of delivery options when providing learning opportunities to the school workforce to ensure that the impact of teacher absence from the classroom forms part of the decision making process.

¹ Education (School Development Plans) (Wales) Regulations 2014

On the 18th March 2014 the Minister for Education Skills announced a ‘New Deal for the Education Workforce’ which offers all education practitioners, including supply teachers, in Wales an entitlement to access world class professional learning opportunities to develop their practice through their career. Underpinning *New Deal* is embedding professional learning activities within schools but also providing access to learning opportunities through online professional learning materials and resources. This provides a more flexible and effective approach for all teachers to develop and will contribute to improving teacher standards whilst reducing teacher absence from the classroom for training purposes.

Target date: Initial analysis complete; guidance to be published in July 2015 and implemented in schools in September 2015.

Recommendation 3

The Committee recommends that the Welsh Government amend regulations to make it a requirement for at least one member of each governing body to be designated to lead on HR matters and that such members are suitably trained to fulfil this role.

This recommendation was rejected in the Welsh Government’s response to the Committee (June 2014) as the regulations (The Government of Maintained Schools (Wales) Regulations 2005) specify that an individual governor cannot be required to be a designated lead for a specific issue.

Additionally, as the Minister explained in his follow up response (August 2014), governors are volunteers and HR and staffing matters are a significant responsibility, often of a statutory nature and as such are normally delegated to committees rather than an individual governor. Given the complexity often involved in HR and staffing matters a single governor, in our view, would be unlikely to want to be responsible for dealing with such sensitive matters as they would not have the confidence, knowledge and experience. There are also risks in attaching such responsibilities to a single person.

However, there is already existing provision within the regulations for governing bodies to delegate functions to a committee or to decide by choice to delegate certain functions to an individual.

Target date: Not applicable.

Recommendation 4

The Committee recommends that the Welsh Government reviews the training (eg: through the National Professional Qualification for Headship/ first year mentoring) provided to head teachers to ensure that there is a greater emphasis on managing classroom absences. This focus on managing absence should also be incorporated into the Continuing Professional Development for head teachers.

It may be helpful to note that the National Professional Qualification for Headship (NPQH), which is provided as an example in the Committee’s recommendation, is not a training course – it is an assessment process to judge whether or not a practitioner is able to demonstrate that they meet the Leadership Standards in full. It is therefore the Leadership Standards that form the basis of the assessment and I can confirm they already include standards related to managing the school, which include managing staffing issues.

However this is an area where further policy development is underway. The professional standards frameworks for education practitioners in schools and further education institutions are currently being reviewed to reflect the findings of a number of independent

reports commissioned by the Welsh Government, including the Donaldson Report and the Furlong Review. A timetable for delivery is set out below:

Revised standards developed, supported by programme of engagement with stakeholders	March – August 2015
Formal 12 week public consultation commences	September 2015
Revised standards published	January 2016
Schools and colleges build familiarity with new standards	February – August 2016
Standards become mandatory for existing practitioners	September 2016
ITET Centres re-validate courses based on new standards	February 2016 – August 2017
New standards become mandatory for entrants to ITET courses	September 2017

These new standards will therefore influence training provision for all levels of teachers and managing school staffing will need to be effectively captured in the revised standards.

Target date: To be complete by September 2017 (as per above timetable)

Recommendation 5

The Committee recommends that the Welsh Government, in collaboration with local authorities, ensures that when HR services are procured by schools from local authorities, service level agreements are strengthened to ensure that head teachers and governors receive sufficient HR support as well as appropriate training and guidance, to enable HR matters related to supply staff to be managed appropriately.

The *National Model for Regional Working – Revitalising People Management in Schools* published in April 2015 provides a people management framework for the delivery of specialist HR functions. This document builds on the requirements set out in the *National Model for Regional Working (Guidance document 126/2014)*. The document sets out the requirement for consortia business plans to detail how local authority HR support will be provided to schools. It also outlines the responsibilities of local authorities and consortia in delivering HR support and services. The document explicitly references the requirement for local authorities to deliver HR support and advisory services to schools under a Service Level Agreement. The guidance sets out the requirement for schools, and governing bodies, to take part in training and development programmes to assist them to meet their people management responsibilities.

Business plans in relation to HR provision for schools will be monitored through the annual Ministerial review and challenge events with each consortium. Where HR issues have an adverse effect on school improvement we will collectively analyse causes and identify suitable interventions.

Target date: First round of consortia review and challenge events autumn 2015

Recommendation 6

The Committee recommends that the Welsh Government:

- a) Outlines how it expects Estyn to inspect and report on cover arrangements**
- b) Alters the guidance for Estyn inspections by September 2014 to explicitly require inspectors to examine cover arrangements**
- c) Provides the Committee with clear evidence that this approach is working and any actions they intend to take to address and shortcomings in this approach by September 2015**

We request that an update on the details of the changes to guidance and early indications of how the revised approach is working be provided to the Committee by January 2015.

As outlined in the Minister's letter a proposal to conduct a thematic review into cover arrangements and how the guidance (in recommendation 7) was being adopted went forward for consideration by an evaluation panel in October 2014. A number of competitive bids were submitted and it was determined that the guidance would not have had time to bed in sufficiently for a review to be valuable on this timescale (2015/16). This is not, however, to say that we do not agree with the need to investigate the impact. It was concluded that to defer this thematic review by at least one year would provide opportunity for the new guidance to be fully developed and embedded (for a whole academic year) before the study takes place. It was further suggested that the study should have a focus and that it may specifically consider the effect of long term absence on primary schools.

As for altering the guidance for school inspections this would be a function for Estyn, an independent body, to undertake. However, their process of risk based school inspections would lead them to follow such lines of enquiry if their pre-inspection preparation identified this as an issue.

Target date: October 2015 for a thematic review bid to be considered for 2016/17

Recommendation 7

The Committee recommends that the Welsh Government publishes a timetable for disseminating guidance on the effective management of cover and a plan for evaluating this guidance. The Committee would expect an update on this work by January 2015

The draft guidance for effective management of workforce absence, which is being developed with local authority partners and school practitioners, has been discussed at the School Practitioners Panel and further discussions are due to take place with trade union partners and employers this month. The timetable for its development, consultation (informal) and publication is:

March 2015	Commenced drafting guidance document
March/April 2015	Key Stakeholder Consultation e.g. School Practitioners Panel (23/3 and 8/6) Union Partners (14/4) HR Directors Network (21/4) ADEW (date tbc)
June/July 2015	Document agreed and published
July 2015	Communication campaign to publicise new guidance
September 2015	Implemented in schools

The plan for evaluating the guidance has been set out above in recommendation 6. A thematic review to evaluate the guidance will be considered for the Estyn remit in 2016/17. If, however, absence is identified as an issue by Estyn within their pre inspection

preparation for a school they will, as stated above, follow up this issue in their inspection visit.

We will also work with the WLGA and the HR Directors' network and the ADEW HR Officers network to informally monitor its effectiveness on an ongoing basis.

Target date: Guidance published in July 2015, implemented in schools in September 2015 and evaluated in 2016/17.

Recommendation 8

The Committee recommends that the Welsh Government evaluates its policies such as the development of different forms of training and Continuing Professional Development that rely less on teachers being absent from the classroom and the demands of the regional consortia on schools, and considers the impact these have had on cover requirements. We request that the outcome of the evaluation be reported to the Committee by January 2015.

The Welsh Government accepts and supports the principle that teachers need to be present in the classroom more often, even when undertaking professional development. It cannot however, guarantee that all such development can be delivered in this way. The move towards a self improving system, which started with the refocussing of the Regional Consortia just over a year ago, advocates sharing best practice within the classroom and teachers learning and developing 'on the job' supported by each other. Additionally Estyn supports this process of peer to peer support, review and learning from each other and looks favourably upon this practice in its inspections.

Guidance on the best practice approaches that should be considered when organising training events for teachers will be included in the *Effective Management of School Workforce Attendance* document to be published for all key stakeholders in July 2015 (being developed as part of recommendation 7). This will include ensuring that the Welsh Government and its partners considers the range of delivery options when providing learning opportunities to the school workforce, to ensure that the impact of teacher absence from the classroom forms part of the decision making process.

As previously mentioned *New Deal* aims to embed professional learning activities within all schools, providing a more flexible and effective approach for all teachers to develop. It will contribute to improving teacher standards whilst reducing teacher absence from the classroom for training purposes.

Target date: Guidance to be published in July 2015, implemented in schools in September 2015.

Recommendation 9

The Committee recommends that the Welsh Government takes steps to ensure that school and local authority Continuing Professional Development be available to supply teachers, and ensures it develops an effective mechanism for communication these opportunities to supply teachers.

New regulations for School Development Plans, introduced in September 2014, specify that schools set out in their development plans how they intend to develop their staff including those temporarily placed at the school. These plans were voluntary for the first year but will be compulsory from September 2015.

The *Effective Management of School Workforce Attendance* document (recommendation 7) will set out the requirements on schools, local authorities and consortia to ensure that, where possible, their training sessions will involve supply teachers working in their school.

The guidance document will also include exemplar material on information to be provided to supply teachers working in a school, this will recommend providing information on *Dysg* and the *New Deal* to improve dissemination of information on training opportunities to supply teachers. Currently, we have been able to identify over 1,400 supply teachers who now as a result of our contact with them receive the *Dysg* newsletter. It includes a range of information regarding Welsh Government policies, training and development events and other relevant information for the education workforce and is distributed fortnightly.

We want to ensure that the Professional Learning Model which is being developed as part of the *New Deal* takes account of how all teachers, including supply teachers, can access the model and benefit from CPD in the same way.

Target date: Regulations introduced September 2014, compulsory from September 2015 with ongoing monitoring

Recommendation 10

The Committee recommends that the Welsh Government works with representatives from WLGA, Supply Agencies and schools in developing the specification for retendering of the Framework contract for school supply staff, to include a requirement for supply staff to have access to Continuing Professional Development and to determine arrangements to recover from the supply agencies any additional costs for Continuing Professional Development for supply staff.

The National Procurement Service recently retendered for the Framework contract for school supply staff. The specification included a requirement for bidders to provide an explanation on how they would ensure 'training and Continuous Professional Development is provided to their temporary workforce'. The successful supplier, New Directions, was announced on 8 April. Within their tender documentation New Directions outlined how they would ensure all temporary workers receive relevant training and CPD, and how they will monitor this. The successful tenderer provided specific evidence in their bid on training it provides for its members on safeguarding, classroom management and conflict and behaviour management, through the Team Teach programmes.

Target date: Tender process complete and the new contract will come in to effect from 1st August 2015.

Recommendation 11 and 12

11 - The Committee recommends that the Welsh government includes the costs and take up of the Masters in Educational Practice in its evaluation of the programmes
12 – We also recommend that an evaluation of the mentor element of the Masters in Education Practice programme is undertaken before the end of 2014 to address concerns that it may not be delivering value for money. The evaluation should include consideration of the utilisation of retired teachers as mentors and the impact of the extraction of experienced teachers from the classrooms to be engaged as mentors.

The discontinuation of the existing Masters in Educational Practice (MEP) means that undertaking the form of evaluation originally envisaged in recommendation 11 and 12 of your report is no longer appropriate.

A new MEP is currently in development. Having taken into consideration a range of comments from the cohort of trainees on the initial programme and from senior practitioners, including those who were supporting the trainees, the new MEP will be available to a wider audience and over a less restrictive timescale. The final specification and model of delivery is being finalised and will be implemented in September 2016. The new MEP will be open to any practitioner who is registered with the Education Workforce Council.

Target date: Not applicable.

Recommendation 13

The Committee recommends that the Welsh Government collects further information on the extent and cost of covering teachers' absence. We recommend that the Welsh Government publishes a timetable and plan for gathering this information and provides detail on how value for money will be monitored and evaluated.

In response to recommendations 1, 8 and 10 we have outlined activity that the Welsh Government will undertake to monitor when and why teachers are absent from the classroom. To fully monitor the cost and value for money of the use of supply teachers to cover teacher absence across all schools in Wales (approx. 1580) would be an onerous burden requiring significant resource. However, the Welsh Government is exploring proportionate mechanisms and processes to be able to evaluate and monitor value for money and to explore potential efficiencies with Regional Consortia and local authorities.

Target date; Collect and publish sickness absence data by local authority by June 2016

Recommendation 14

The Committee recommends that the Welsh Government's proposed guidance clearly addresses the identified safeguarding issues for temporary staff and that the Welsh Government develops an effective mechanism to check that the guidance is being followed. The Commission should be provided with an update on this by January 2015.

New statutory guidance on arrangements for keeping children safe in education, *Keeping learners safe*, was published in January 2015. This guidance sets out the requirements for the local authority and the governing body of a school to operate safe recruitment procedures and make sure that appropriate checks are carried out on new staff working with children.

The Welsh Government expects all local authorities and schools in Wales to comply with statutory arrangements, including those put in place through the Disclosure and Barring Service.

Effective Management of School Workforce Attendance (recommendation 7) will refer to *Keeping Learners Safe* and set out the safeguarding requirements for schools, local authorities and supply agencies, re-enforcing the messages to supply teachers. Schools will be advised to provide information to supply teachers before they enter the school which will include details on the schools safeguarding policy and individual contacts for these issues.

The Welsh Government will continue to support all education providers to ensure that they have effective systems in place to promote safe practice. Central monitoring arrangements covering individual aspects of the guidance, would be prohibitive.

Target date: Complete January 2015

I hope the above information provides the Committee with the clarification required and we again thank you for your consideration of this significant area of education.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Owen', followed by a period.

Owen Evans

Agenda Item 4



Llywodraeth Cymru
Welsh Government

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport

Cyfarwyddwr Cyffredinol • Director General

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

24 April 2015

Dear Mr Millar

I am writing regarding one of the actions captured at the 20 January PAC evidence session on the Intra Wales Air Service.

I have enclosed a copy of the ARUP report on the Intra Wales Air Service. This has also been published on the Welsh Government website at the following link:

<http://gov.wales/topics/transport/aviation-home/intrawalesair/intraair/?lang=en>

Please let me know if you require any further information.

Yours sincerely

James Price

Welsh Government

**Review of the Intra Wales Air
Service**

Main Review

2014 9297

Issue Rev H | 20 March 2015

This report takes into account the particular instructions and requirements of our client

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party

Job number 237259

Ove Arup & Partners Ltd
4 Pierhead Street
Capital Waterside
Cardiff CF10 4QP
United Kingdom
www.arup.com

Contents

	Page
Executive Summary	1
1 Introduction	3
1.1 Purpose	3
1.2 Background	3
2 PSO Regulations Review	4
2.1 EU Regulations	4
2.2 UK Guidance	5
2.3 Air Passenger Duty (APD)	6
2.4 Rationale and Objectives	6
2.5 Implications	7
3 The Current (2007-2014) Air Service	8
3.1 PSO Contract Conditions	8
3.2 The Market for Travel	10
3.3 The Role of the Air Service	14
3.4 Current Air Service SWOT Analysis	19
4 User Profile and Needs	20
4.1 User Survey	20
4.2 Frequency of Travel	23
4.3 Reason for use of the Air Service and alternatives	23
4.4 User Satisfaction	24
4.5 Organisations Using the Air Service	24
4.6 Comparison with Previous Survey Data	26
4.7 Wider Economic Benefits	26
4.8 Summary	27
5 Operator Consultation	28
5.1 Identified Operators	28
5.2 Summary of Interviews	29
6 Future PSO Contract (2015-2019)	31
6.1 Airports	31
6.2 Key Locations	35
6.3 Aircraft Base Location	38
6.4 Service Options and Appraisal	38
6.5 Identification of Preferred Option(s)	40
6.6 Assessment of Preferred Options	43

7	Summary and Recommendations	54
7.1	Preferred Option	54
7.2	Service Limitations	54
7.3	Variation of Contract Conditions	55
7.4	Next Steps	57
7.5	Complementary Measures	58

Figures

4.1	Survey Origin/Destination Postcodes North Wales
4.2	Survey Origin/Destination Postcodes South Wales

Appendices

Appendix A

Survey Form

Appendix B

Carrier Surveys (Redacted)

Appendix C

Alternative Airport Information Table and Journey Time Comparison

Appendix D

Anglesey Airport Site Visit Observations

Appendix E

Anglesey Airport Meeting Notes (Redacted)

Appendix F

Comparison of Load Factors on Regional UK Routes

Appendix G

Operating Cost Details (Redacted)

Executive Summary

The Intra Wales Air Service provides twice daily weekday flights between north and south Wales. The Air Service has been designated by the UK Government as a PSO (Public Service Obligation) which allows the Welsh Government to provide financial support to sustain the service.

The current contract expires at the end of 2014. The Welsh Government commissioned Arup, assisted by York Aviation and Aviation Analysis, to undertake a review of the value of the service and potential for alternative options should the Welsh Government decide to continue supporting an Air Service beyond the period of the current contract. This review follows a preliminary report completed by Arup in March 2014 and addresses a number of the areas raised in the Public Accounts Committee Report on the Intra Wales Air Service.¹

Subsidised air services between Cardiff and Anglesey commenced in May 2007. The original service was operated by Highland Airways under a three year contract. That contract was terminated after Highland Airways ceased trading in 2010. Following the resulting two month service interruption, a four year contract was awarded to Manx/FLM in 2010 to operate the service with a three month break clause. The Air Service is currently operated via a contract between Welsh Government and two companies who are joint signatories; Citywing (formerly Manx2) undertake the ticketing and marketing, and Links Air, who were novated to the contract in 2012, operate the flights.

Several other parties are involved in the delivery of the Air Service including the Ministry of Defence, which owns RAF Valley (within which Anglesey Airport is located), Europa Belfinger (a contractor operating the Anglesey Airport terminal facilities), The Isle of Anglesey County Council and Cardiff Airport.

In the first year of the service operating (May 2007 – May 2008) over 14,000 passengers (one way trips) used the service which exceeded initial forecasts. A similar level of demand was achieved in the second year of operation, although demand had begun to fall during 2008 as the UK economy entered recession. Following the 2010 service interruption demand continued to decline until the start of 2011 when passenger numbers recovered slightly. Passenger numbers fell slightly in the first half of 2012 but have since remained relatively stable at around 9,000 passengers per year.

As part of this review existing passengers were surveyed and there was consultation with a range of aircraft carriers. The passenger surveys indicated that the majority of passengers (78%) were travelling on business and using the Air Service to make trips of a short duration to north and south Wales (as opposed to connecting to onward flights at Cardiff or travelling to further destinations outside the local areas). Around 60% of business travellers were employed in the public sector with the remaining 40% in the private sector. The primary reason passengers gave for using the Air Service is the time saving it offers in comparison to alternatives and in particular the ability to make a return trip in a day between north and south Wales. It is notable that a number of passengers suggested should the Air Service not be available they may not have made their

¹ National Assembly for Wales, Public Accounts Committee, *Intra Wales – Cardiff to Anglesey – Air Service – Interim Report*, July 2014.

journey. Whilst a number of suggestions on service alterations were received (in particular timing of journeys) there was generally a good degree of stated satisfaction from existing passengers.

The operator consultation undertaken indicated that the limit on aircraft size means that renewal of the contract would not be attractive to some operators who do not have access to smaller aircraft. Aircraft operators also made a number of suggestions in relation to the current contract conditions; these primarily related to conditions increasing the flexibility and scope to vary the service offered.

In considering the potential renewal of the contract a review has been undertaken of a range of airports against the likely market for travel (population and employment catchment), the journey time benefits and the fit with the EU regulations on PSO services (in particular the alternative public transport options between locations). The review identified Cardiff, Anglesey and Hawarden airports as having the greatest potential to form part of a future Intra Wales Air Service. From these three airports it is judged that Cardiff Airport is best suited to be retained as the base for the aircraft in light of the facilities available for use by the operator. Two daily service patterns have been assessed in terms of their potential patronage and economic performance:

Option 1: Cardiff – Anglesey – Cardiff – Anglesey – Cardiff

Option 2: Cardiff – Anglesey – Cardiff – Hawarden - Cardiff – Anglesey–Cardiff

Whilst Option 2 was assessed to have a higher overall patronage potential the associated increase in operational costs would be likely to require an increase in the Welsh Government subsidy to support the service. It is also recognised that an air service between Cardiff and Hawarden may be considered marginal against the PSO regulations given the existing rail alternatives. For these reasons it is considered that maintaining the existing service pattern, Option 1, offers the best prospects for a future Intra-Wales Air Service.

The economic benefits of the service are particularly sensitive to the value attributed to passengers' time. By applying alternative values of time (for aviation passengers) to patronage forecasts for Option 1, it is considered that for a four-year contract to 2018 the Benefit to Cost Ratio of the service could be up to 1.10. This Benefit to Cost Ratio does not include a number of Wider Economic Benefits associated with the air service such as greater levels of business interaction between north and south Wales, additional costs borne by business of alternative travel modes (such as accommodation and effects of travel fatigue), improved access to new business markets and retention of businesses in north west Wales.

In relation to the procurement of a future contract a number of recommendations are made. These are targeted at increasing the flexibility and attractiveness of the service (to both passengers and the contracted operator) and to driving growth in patronage, and therefore lower subsidy, through a more comprehensive marketing strategy and by establishing a linkage between patronage and level of subsidy.

Following the findings of the review it is also recommended that the Welsh Government pursue a number of complementary measures. These notably include the investigation of measures at Anglesey Airport that would enable the airport to be compliant with the National Aviation Security Programme (NASP) regulations and in doing so obviate the current limit on the size of passenger aircraft that can be accommodated at the airport.

1 Introduction

1.1 Purpose

The Intra Wales Air Service provides twice daily weekday flights between north and south Wales. The Air Service has been designated by the UK Government as a PSO (Public Service Obligation) which allows the Welsh Government to provide financial support to sustain the service.

The current contract expires at the end of 2014. The Welsh Government is undertaking a review of the value of the service and potential for alternative options should the Welsh Government decide to continue to support the service beyond the period of the current contract.

Arup, assisted by York Aviation and Aviation Analysis have been commissioned to build on the finding of the preliminary assessment and interim report completed by Arup which reviewed passenger and financial data for the service since 2007. This report outlines findings of the review including potential airports, service options and conditions of the current contract which may influence the procurement of any new service.

York Aviation have provided industry expertise, completed carrier interviews and prepared demand forecasts for the preferred service options.

Aviation Analysis have provided industry expertise, experience of the local aviation market, journey time and operating costs of the preferred service options. Martin Evans of Aviation Analysis has previously provided evidence to the Public Accounts Committee in relation to the Air Service.

1.2 Background

Subsidised air services between Cardiff and Anglesey commenced in May 2007, there are two return flights daily. The original service was operated by Highland Airways under a three year contract. The initial contract was terminated after Highland Airways ceased trading in 2010. In 2010, a four year contract was awarded to Manx/FLM to operate the service with a three month break clause. The Air Service is currently operated via a contract between Welsh Government and two companies who are joint signatories; Citywing (formerly Manx2) undertakes the ticketing and marketing, and Links Air who were novated to the contract in 2012, operates the flights.

Several other parties are involved in delivery of the Air Service including the Ministry of Defence which owns RAF Valley (within which Anglesey Airport is located), Europa Belfinger (a contractor operating the Anglesey Airport terminal facilities), The Isle of Anglesey County Council and Cardiff Airport.

2 PSO Regulations Review

2.1 EU Regulations

The concept of a Public Service Obligation (PSO) in relation to air services within Europe was established alongside the broader liberalisation of the air transport market within the EU, as set out in EU Regulation 2408/92. This followed the model of intervention through the Essential Air Services Programme developed in the USA following the deregulation of airlines from the late 1970s. The European provisions have now been updated and incorporated in a consolidated air transport regulation No. 1008/2008². The provisions governing PSOs are set out in Articles 16 and 17. There are also provisions covering the ‘ring-fencing’ of slots at congested airports within the Slot Allocation Regulations but these provisions are not relevant to the circumstances in Wales.

In the context of regulations which were aimed at freeing up access for all airlines to intra-Community air routes, a PSO was defined as “*any obligation imposed upon an air carrier to take, in respect of any route which it is licensed to operate by a Member State, all necessary measures to ensure the provision of a service satisfying fixed standards of continuity, regularity, capacity and pricing, which standards the air carrier would not assume if it were solely considering its commercial interest.*” Within the liberalised air transport market, Member States are no longer allowed to control capacity, frequency or fare levels on individual routes. Hence, in an open liberalised market, where airlines are free to choose which routes they operate and the conditions, there is a risk that some communities could be left without adequate air service connections. The PSO rules set out the strict circumstances under which Member States can intervene in the market.

A PSO can only be imposed “*in respect of scheduled air services between an airport in the Community and an airport serving a peripheral or development region in its territory or on a thin route to any airport on its territory any such route being considered vital for the economic and social development of the region which the airport serves. That obligation shall be imposed only to the extent necessary to ensure on that route the minimum provision of scheduled air services satisfying fixed standards of continuity, regularity, pricing or minimum capacity, which air carriers would not assume if they were solely considering their commercial interest.*” Peripheral or development regions are not defined in the Regulation but are commonly taken to be those which are out-lying, located on islands or otherwise sparsely populated. Development regions are taken to be those in receipt of EU regional aid. A ‘thin route’ is not expressly defined in the Regulation. Further guidance on the interpretation of these definitions is given in Guidance on the Protection of Regional Air Access to London, published by the UK Department for Transport (DfT) in late 2013 (This is discussed further below).

² <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32008R1008>

A PSO may only be imposed on a route to the extent necessary having regard to:

- “(a) *the proportionality between the envisaged obligation and the economic development needs of the region concerned;*
- (b) *the possibility of having recourse to other modes of transport and the ability of such modes to meet the transport needs under consideration, in particular when existing rail services serve the envisaged route with a travel time of less than three hours and with sufficient frequencies, connections and suitable timings;*
- (c) *the air fares and conditions which can be quoted to users;*
- (d) *the combined effect of all air carriers operating or intending to operate on the route.”*

The designation of a route as a PSO route enables fixed standards of service to be imposed, so long as these are set in a transparent and non-discriminatory way. Additional guarantees relating to continuity of service may also be imposed under certain circumstances, particularly where other modes of transport cannot guarantee continuity of service with at least two frequencies a day.

There are detailed provisions for the advertisement of the proposed PSO and, if required, any subsequent tender for the operation of the PSO.

The designation of a route as being covered by a PSO does not automatically convey the need for subsidy to the service. Where a PSO has been designated, airlines may choose to operate the service in accordance with the requirement of the PSO and case law dictates that, once one or more carriers choose to provide services on a PSO route, they should be allowed to compete and the PSO should not unduly restrict the service they can provide. Given the small scale of the Intra Wales market, these provisions are unlikely to be relevant.

Where no carrier has commenced service on a route designated as covered by a PSO, then the operation of the route may be offered to a single carrier subject to a tender process, with selection of the carrier taking into account the adequacy of the service proposed, the prices and conditions which will be offered to users and the cost of compensation, if any, to the carrier for adhering to the requirements of the PSO. The compensation may cover the “*net costs incurred in discharging each public service obligation, taking account of revenue relating thereto kept by the carrier and a reasonable profit.*” The right to provide the service can be offered for a period of up to four years, with access to the route limited to the selected carrier for that period.

It is on this basis that the operation of the Intra Wales PSO has previously been tendered and operated since 2007.

2.2 UK Guidance

The DfT has issued no formal guidance on the operation of PSOs, although a number of PSOs have been operated within Scotland for some years, as well as the existing Intra Wales service. Recently, however, guidance was set out on how the PSO provisions would be interpreted in relation to securing regional access to London. Whilst these Guidelines are not strictly relevant to the Intra Wales PSO, they do provide useful interpretations of some of the provisions of Regulation

1008/2008 that are of relevance. In particular, the DfT provide more precise definitions in respect of those routes which are eligible to be considered for PSO designation:

- a) **Peripheral Region** – if the total journey time [to London Zone 1] by public surface transport from the main urban centre is more than 3 hours;
- b) **Development Region** – if an airport’s 1 hour catchment area contains areas in receipt of UK regional aid as set out on the Assisted Areas map;
- c) **Thin Route** – a thin route is defined as one carrying less than 50,000 passengers per annum.

In terms of other UK PSOs, it is reasonable to conclude that they should comply with the same conditions.

The DfT Guidance also sets out how the Department will assess the value for money of any proposal which requires compensatory funding, based on the standard transport appraisal techniques and cost benefit analysis.

2.3 Air Passenger Duty (APD)

Air Passenger Duty (APD) is an excise duty which is typically charged on the carriage of passengers flying from United Kingdom airports. Regardless of aircraft size this charge does not apply to any PSO route within the UK, as specified by HMRC in Notice 550³ (March 2014), Para 3.2.1.

This is an important clarification as historically APD has applied to all flights in excess of 10 tonne or 20 seat limits. Exceeding these limits would have historically resulted in higher fares and subsequent patronage suppression.

2.4 Rationale and Objectives

The Intra Wales Air Service must meet the key conditions set out in the Council Regulation on support for intra-Community air routes:

- The service must be to a ‘peripheral region’, or a ‘development region’, or on a ‘thin route to any regional airport’. One of these three requirements must be met;
- The service must be ‘vital to the economic development of the region’; and
- The imposition of a PSO must be necessary to ensure the ‘adequate’ provision of scheduled air services.

The rationale for the service is laid down in the PSO application made by the Welsh Government. The two primary objectives for the current service are stated as follows:

1. To encourage closer economic, social, and political cohesiveness between north and south Wales – north west Wales is a peripheral region of the UK and Europe and physically remote from population and administrative centres of Wales to the south. Moreover there is a perception of a north-south divide in

³http://customs.hmrc.gov.uk/channelsPortalWebApp/downloadFile?contentID=HMCE_CL_000505

Wales. Physical and psychological peripherality and isolation are reinforced by poor transport links between north and south. Reducing travel times between north and south Wales is intended to remove these barriers to economic, social and political integration in Wales.

2. To generate positive economic development outcomes for north west Wales – north west Wales forms part of the west Wales and the Valleys Convergence area and under-performs the rest of the economy of Wales in terms of GVA and prosperity. The economic performance of north west Wales is inextricably linked to its position as a peripheral and inaccessible area with poor communications with economic centres in Wales and the UK. The economic benefits of the north-south Air Service are intended to be two-fold: improved accessibility enabling the opening up of new markets and encouraging greater investment in north west Wales; and, supporting the tourism sector by improving access to the region.

2.5 Implications

The Regulations and Guidance have not altered since the last PSO contract was let. Airports situated in Wales comply, for the most part, with the Development Region criteria. And routes between these airports are all likely to be considered ‘thin routes’.

In terms of the consideration of alternative options, however, the main relevant criteria is that PSOs should not normally be imposed where alternative surface transport access, particularly by rail offers a journey time of less than three hours. The current route complies with this guidance as must any alternative or additional route which will prevent PSO services being considered between a number of airports; for example Cardiff to Welshpool.

The implication is therefore that the current route is still judged to comply with the regulations and any alternatives must also comply both in terms of economic grounds and in relation to journey time of greater than three hours by rail.

3 The Current (2007-2014) Air Service

3.1 PSO Contract Conditions

The current PSO contract includes a number of key conditions that define the service provision. These are considered to be as follows:

Service requirement

- A minimum of two daily return flights on each day from Monday to Friday. No services are required to operate on Saturday and Sunday.
- Total capacity per one-way flight of at least 18 passenger seats;
- Flights must be non-stop
- Rotations/Timings:
 - Timings must be scheduled within RAF Valley's opening hours of 08:00 to 18:00 on Monday to Thursday, 08:00 to 17:00 on Friday. Note that early closure on Friday restricts the ability to offer later services.
 - First departure from Cardiff no later than 08:00.
 - First departure from RAF Valley no later than 09:00.
 - Last departure from RAF Valley no earlier than 17:00 Monday to Thursday and no earlier than 16:00 on Friday.

Fares

- A maximum one-way ticket price of £59.45 (inclusive of passenger service charge and security charge). The maximum ticket price does not include any baggage charges.
- The maximum fare on the route may be increased once every year with the prior written consent of the Welsh Ministers in line with the United Kingdom's Retail Price Index (all items) or any successor index to this.
- No changes may be made to the maximum fare levels without the prior written consent of the Welsh Ministers.
- The new maximum fares must be notified to the Civil Aviation Authority and to the European Commission, which may publish them in the Official Journal of the European Union.

Miscellaneous

- Ability to start operations by a specified start date as communicated by the Welsh Ministers
- The flight crew used in the operation of the Designated Service must be fully trained and licensed on the type of aircraft employed.
- The aircraft type must be compatible with the level of fire cover provided at RAF Valley.
- The operator must comply with the Department for Transport's Access to Air Travel for Disabled Persons and Persons with Reduced Mobility – Code of

Practice, save that, in respect of the carriage of disabled persons and persons with reduced mobility on the aircraft, such compliance will, where applicable, be subject to the Service Provider being provided with appropriate handling equipment by the relevant third parties.

- Check-in must remain open until at least 30 minutes before scheduled departure times.
- Both (i) sales and promotional literature and (ii) a website; must be provided in the medium of Welsh as a mandatory requirement.

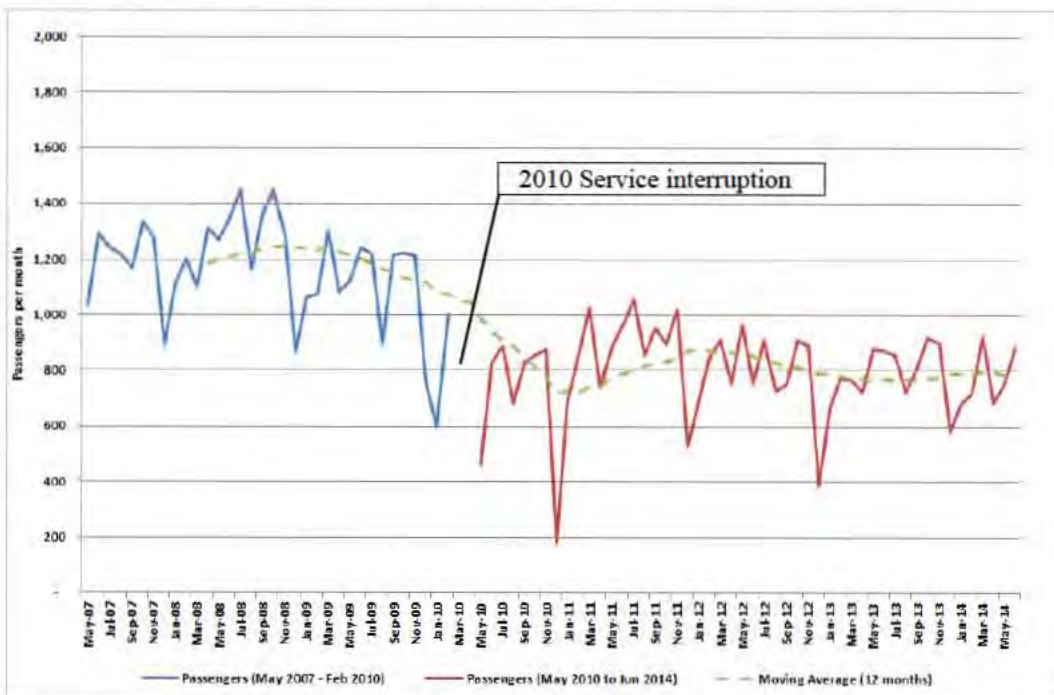
3.2 The Market for Travel

3.2.1 Historic Demand for the Air Service

Figures 1 and 2 shows the trend in passenger numbers using the Intra Wales Air Service.

In the first year of the service operating (May 2007 – May 2008) over 14,000 passengers (one way trips) used the service which exceeded initial forecasts⁴. A similar level of demand was achieved in the second year of operation, although demand had begun to fall during 2008 as the UK economy entered recession. The service was interrupted for a period of two months in the spring of 2010. Demand continued to decline until the start of 2011 when passenger numbers recovered slightly. Passenger numbers fell slightly in the first half of 2012 but have remained relatively stable since at around 9,000 passengers per year.

Figure 1 – Intra Wales Air Service Passenger Demand (Includes 'no-shows')



⁴ The service was forecast to attract 14,000 passengers in the first year, rising to 15,000 in year 2 and 16,600 thereafter.

Figure 2 – Change in patronage in comparison to same month in previous year

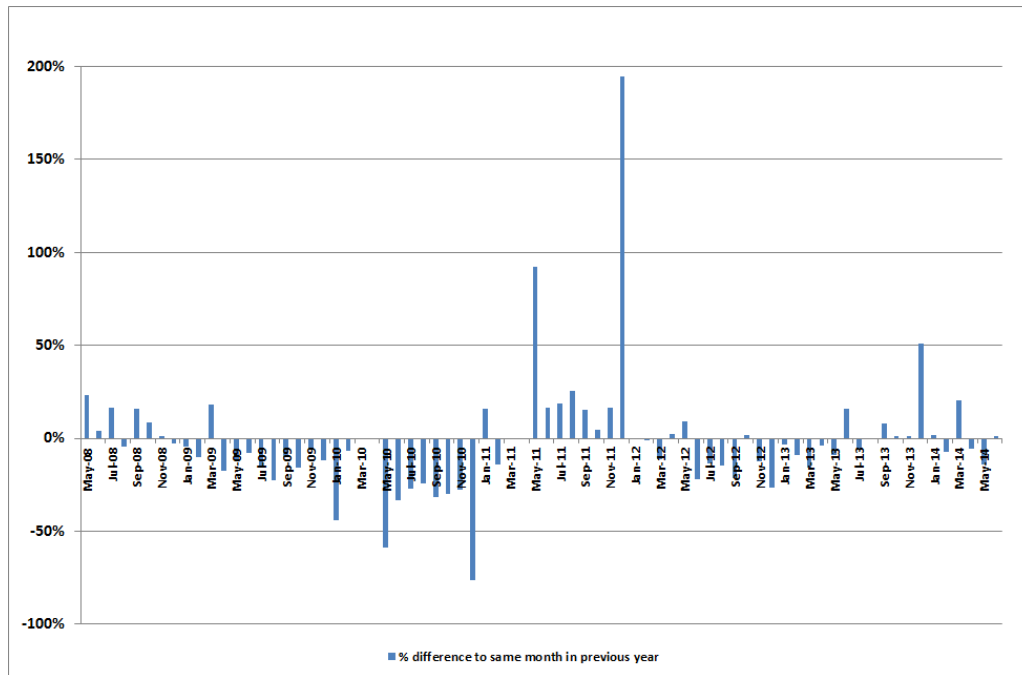
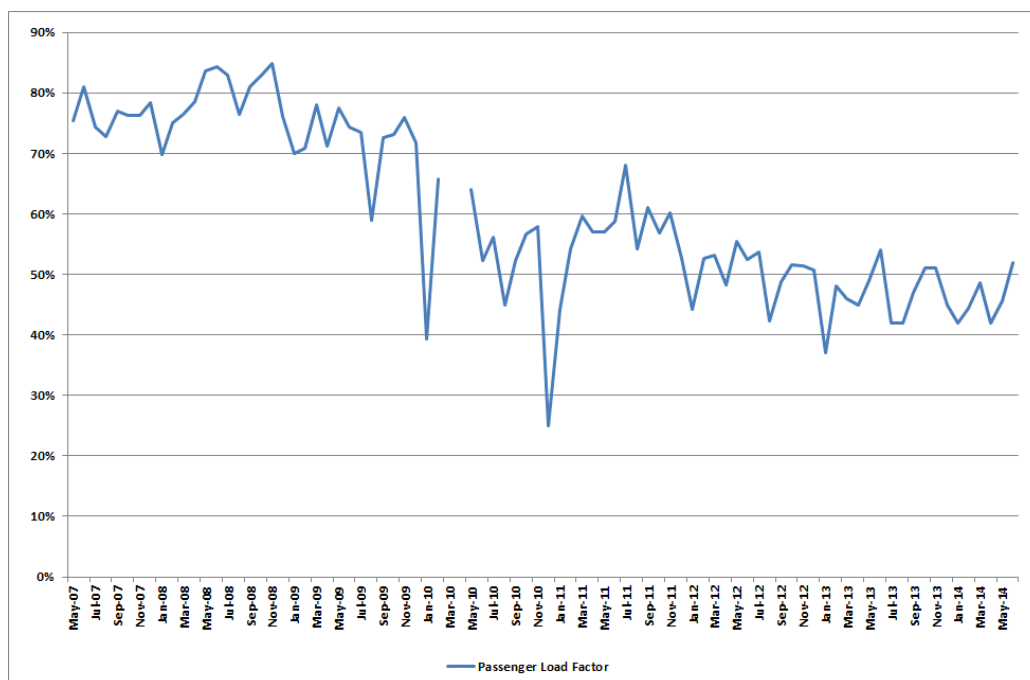


Figure 3 shows the load factors (passengers per seat) achieved by the service.

Falling demand has been reflected in the load factors achieved since 2007 (capacity has remained constant since 2007). In the first year, load factors of over 80% were achieved but in recent years average load factors in recent years have oscillated around 50% of capacity. It should be noted however that average load factors mask a significant degree of variation between busy and quiet periods and services.

Figure 3 – Intra Wales Air Service Load Factors

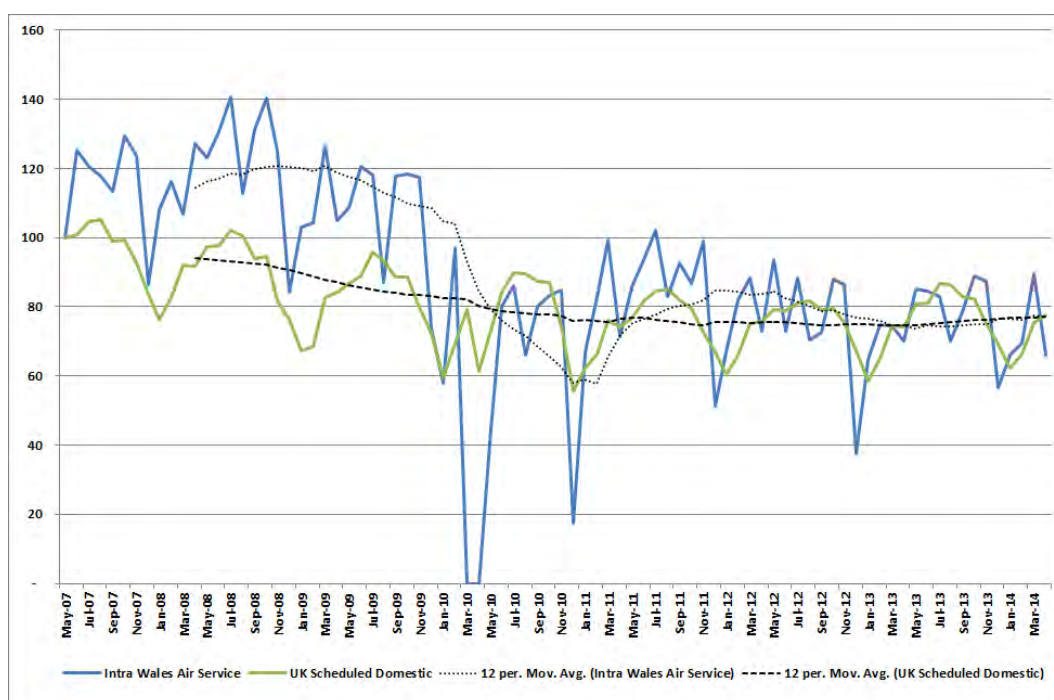


Changing demand for the Intra Wales Air Service needs to be placed into context by comparing against the trend for domestic air travel in the UK as a whole.

Figure 4 suggests that the reduction in passenger numbers for the Intra Wales Air Service is, in part, reflective of a wider downward trend in domestic air travel in the UK. Demand for the Air Service began to fall at around the same time as the sector as a whole. Overall, demand for the Air Service fell by around 35% between 2008 and 2013. Over the same period, demand for domestic air travel in the UK fell by 16%. This disparity suggesting local factors are also at play; two potential local influences have been identified. Firstly the larger proportionate reduction in passenger numbers at Cardiff Airport during this period than the UK as a whole. Secondly that following the 2010 service interruption a £20 Cardiff Airport passenger charge was introduced (the PSO service did not previously pay a charge) this increased operational costs for the operator and is likely to have influenced fare increases and may have had an effect on price sensitive customers.

As is the case for the Air Service, demand for domestic air travel has stabilised since 2011.

Figure 4 - Comparison with UK Domestic Scheduled Passenger Traffic (Index: May 2007 = 100)



In conclusion, the following points summarise the trend in passenger numbers and the main factors that have influenced demand since 2007/8:

- Overall, controlling for seasonality, demand appears to have fallen by around 25% from the peak.
- The economic downturn has had a negative effect on demand for domestic air travel between 2008 and 2011. This is likely to be the main factor explaining the fall in demand of around 10% between the commencement of services and the beginning of 2010. This also coincided with the commencement of early morning premier rail services between Holyhead and Cardiff which offers an

improved journey time between these locations and may have abstracted some patronage.

- It is also important to note that Cardiff Airport experienced a larger reduction in passenger and air traffic movements during the economic downturn than other UK airports. This has reduced the market for connecting flights to other destinations.
- The interruption to services experienced in 2010 resulted in a step change reduction in demand for the services. Demand for the service for the 12 months after the interruption was around 30% lower than before the interruption.
- Although there was a short-lived recovery in demand during 2011 it is likely that the interruption has had a lasting impact on demand. Many passengers would have switched to other modes of travel during this period and it has proved challenging to attract passengers back to the service.
- Market conditions continued to be challenging during 2012 and demand fell back again during this year. Scheduled services from Cardiff Airport fell at this time including the loss of all BMIbaby services from the airport, further reducing onward connections.
- Demand has stabilised since 2012 with similar passenger numbers in 2013 and 2014. Some months during winter and spring 2013/14 are higher than for the same period in recent years and the operator considers this an indication of the beginnings of a recovery however it is hard to discern a consistent pattern at present.

3.2.2 Immediate Prospects for Passenger Demand

In the short term, to the end of current contract, it would be reasonable to expect levels of demand to be similar or slightly higher to those experienced in 2013. Increased demand for the service in recent months, general economic conditions would suggest there are reasonable prospects for a modest increase in demand during 2014.

In the longer term, there is also reason to be optimistic about increased demand for the service. Department for Transport forecasts show increasing demand for domestic air travel in the UK. Crucial to the Air Service also achieving growth will be the development of Cardiff Airport and the expansion of potential connecting routes to popular business destinations. Since the airport was purchased by the Welsh Government there has been a consistent increase in passenger numbers at the airport; for the one year period to March 2014 passenger numbers have increased by 9% in comparison to the previous year.

3.3 The Role of the Air Service

In reviewing the Air Service it is important to have an understanding of the role it fulfils, the benefits it offers to passengers in comparison to other modes and, given the rationale for the PSO, the value of the service to business travellers.

A comparison of travel times highlights that the Air Service does provide a distinctive offer to travellers. Crucially, the Air Service provides return flights in the morning and afternoon and offers the most feasible transport option for business travellers seeking to return on the same day. The flight time of one hour compares favourably with a travel time of up to five hours by rail or car.

A direct comparison of the Air Service and other modes needs to consider the 'door to door' travel time, allowing for travel to the airport, check in and onward travel time. Under relatively conservative assumptions, a single trip between Holyhead and Cardiff is around two and a half hours door to door. This saves around two hours in comparison with a rail journey. Travel time estimates for car travel between north and south Wales suggest that journey times by car are likely to be slightly longer than by rail.

The financial costs of the Air Service are not greatly in excess of the cost of other modes. A rail ticket between Holyhead and Cardiff costs around £38 at peak times. This compares with the current minimum and maximum one way air fares of £20 and £59 respectively, although it should be noted that access and onward travel will add to the cost of a trip using the Air Service.

The survey undertaken during July 2014 in relation to this review, see section 4, suggests that around three quarters of passengers are business travellers. This is supported by the views of the current operator. This suggests that the service is fulfilling its role by providing improved connections for businesses. The operator has also stressed the importance of passengers using the service to catch connecting flights from Cardiff Airport, although as noted this market has been eroded in recent years.

Travel by car or rail are the primary alternatives to the Air Service. The Arriva Trains Wales Premier Service which offers fast early morning services for passengers travelling from north Wales. Like the Air Service, this is perceived as a premium service targeted at business travellers. However, the travel time for this service is still considerably higher than for the Air Service and only serves passengers travelling from north Wales in the morning and returning in the afternoon whilst only standard services serve demand in the opposite direction. From 2015 rail journey times between north and south Wales are anticipated to be improved by up to 15 minutes as a result of Welsh Government investment announced in October 2013.

Car journeys between north and south Wales are lengthy and despite improvements to strategic roads such as the A470 the journey times remain an issue. A typical journey between Bangor and Cardiff would be expected to take over four hours at a one-way fuel cost of around £22.⁵

Tables 1-3 compare travel options between north and south Wales.

⁵ Based on a 285km Bangor to Cardiff journey using unleaded petrol at £1.30/L and a fuel efficiency of 17.2km/L. Running and depreciation costs excluded.

Table 3.1 - Flight Times and Comparison with Rail/Car Journeys (scheduled times)

		Depart	Arrive	Duration
Air Service	Cardiff to Anglesey	07.40	8.40	1 hr 0 mins
	Anglesey to Cardiff	09.00	10.00	1 hr 0 mins
	Cardiff to Anglesey	16.15	17.20	1 hr 5 mins
	Anglesey to Cardiff	17.40	18.45	1 hr 5 mins
Selected Direct Rail Services	Cardiff Central to Holyhead	07.21	12.23	5 hr 2 mins
	Holyhead to Cardiff Central	05.33	09.58	4 hr 25 mins
	Cardiff Central to Holyhead	17.16	21.45	4 hr 29 mins
	Holyhead to Cardiff Central	16.50	21.42	4 hr 52 mins
Car journeys	Cardiff to Holyhead	N/a	N/a	4 hr 33 min
	Cardiff to Bangor	N/a	N/a	4 hr 18 min
	Newport to Bangor	N/a	N/a	4 hr 6 min
	Cardiff to Llandudno	N/a	N/a	4 hr 9 min

Table 3.2 - Selected Intra Wales Air Service Total Travel Time Estimates

	'In-vehicle' (minutes)	Other time (minutes)	Total Travel Time (hours)
Cardiff – Bangor	60	113	2hr 53mins
Newport – Bangor	60	127	3hr 07mins
Cardiff – Holyhead	60	96	2hr 36mins
Cardiff - Llandudno	60	134	3hr 14mins

Table 3.3 – Estimated 'Door to Door' Travel Time Savings (Single Direction)

	Air Service vs Rail	Air Service vs Car
Cardiff – Bangor	1hr 15mins	1hr 25mins
Newport – Bangor	0hr 46 mins	0hr 59 mins
Cardiff – Holyhead	2hr 10 mins	1hr 57mins
Cardiff – Llandudno	1hr 31mins	0hr 55 mins

From this comparison it is apparent that the Air Service has the potential to save passengers significant time in comparison to other transport options but that this benefit erodes as the final destination of passengers becomes more remote from the airports served. It is therefore considered likely that the patronage of the service will be strongly related to the locations served and their catchment in terms of population and employment within easy reach of the airports as well as the onward transport links available at the airports.

3.3.1 Benchmarking

Public Service Obligations

The Welsh Government has predicted an average subsidy of £85 per passenger for a renewed Intra Wales Air Service. Data on comparator PSO air services is sporadic and in the absence of further research, it has only been possible to identify a limited number of comparators. However, it is instructive that the average subsidy per passenger for services in the Outer Hebrides (between Stornoway and Benbecula, and Barra and Benbecula) are of a broadly similar magnitude to the earlier years of the Intra Wales Air Service at £46 per passenger (2011/12) and £83 per passenger (2011/12) respectively.

A review of value for money in Government expenditure on regional airports undertaken by the Irish Department for Transport provides some information on the level of subsidy of PSO services in Ireland. Overall, in 2009 the Irish Government provided €14.7m (£13.1m) of subsidy across a number of services (13 'rotations' in total) operating between Dublin and Donegal, Sligo, Galway, Knock and Kerry airports. The average subsidy per passenger in 2009 was €90 (£80) with the highest cost service requiring a subsidy of €170 (£151) per passenger. Ireland also experienced an increase in the cost of PSO support with average subsidy levels rising by 26% between 2006 and 2009.

Table 3.4 – Benchmark Subsidy Levels (Cost Per Passenger)

Route	Subsidy Cost Per Passenger
Stornoway – Benbecula	£46 (2011/12)
Barra – Benbecula	£83 (2011/12)
Dublin – Donegal	€84 - £75 (2009)
Sligo – Dublin	€90 - £80 (2009)
Knock – Dublin	€170 - £151 (2009)
Galway – Dublin	€68 - £61 (2009)
Kerry – Dublin	€17 - £15 (2009)
Derry – Dublin	€111 - £90 (2009)

European Examples

Comparisons can also be made with other European PSO services, such as those in France and Norway where the rationale for imposing PSOs is to sustain air services to remote regions for economic development purposes.

Norway – Wideroe and Economies of Scale

Wideroe is the largest regional airline in Scandinavia, carrying 2.8 million passengers annually across 47 domestic and international destinations. 40% of these routes are operated under PSO and Norway has the most PSO services in Europe. Wideroe operates a fleet of Bombardier Dash-8 aircraft with between 39 and 78 seats.

The company holds most of the public service obligation contracts with the Ministry of Transport and Communications, with 25 services running from April 2009 to March 2012. The Ministry is able to offer service packages to Wideroe, allowing the company to benefit from economies of scale.

These services connect small communities and towns to regional economic centres and primary airports. The air services employ 1,500 staff and 9 million passengers use domestic air services in Norway annually, with many of these relying on ‘lifeline’ air services from remote parts of the country.

France – Paris, the economic centre⁶

France has made extensive use of PSOs including in cases where routes have not become commercially viable. For example, the Paris-Ajaccio service handled over 380,000 passengers in 2000.

The impetus in France for operating PSO services has come mainly from regional authorities and local chambers of commerce who are of the view that regular, convenient and affordable air service links to Paris are a social and economic imperative.

This example demonstrates France’s willingness to connect the more remote parts of the country with its capital for economic reasons.

Most PSO tenders require operators to set air fares within a limit specified by the administering authority and if no carrier is willing to offer a subsidy-free operation, a second tender is issued which invites carrier to bid on the basis of receiving a subsidy. To date however, there has been comparatively little research

⁶ *Aviation as Public Transport: Which Regions are Underserved?*

http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=2&ved=0CCoQFjAB&url=http%3A%2F%2Fabstracts.aetransport.org%2Fpaper%2Fdownload%2Fid%2F2330&ei=z6m2U8vuF8fZ0QXV_YDIBg&usg=AFQjCNHddbNwDjgBe_v6xovzN6qzQfScvA&sig2=khnDUkLLX8WahkyeKRcuOA

published on the subject of the PSO system or on broader social air service subsidy policy issues⁷.

Table 3.5 provides the number of PSO routes in selected countries in Europe, and also provides the percentage of the countries' domestic seats operating within PSO services.

Table 3.5 - Number of PSO routes in European countries

Country	Number of PSO routes	% of domestic seats which are PSO services	Subsidy per passenger (2011)
Norway	61	10	60
France	41	10	>20
Portugal	10-12	40	>20
Scotland	10-12	-	60

Rail Subsidy

Caution should also be applied when comparing the cost of the Air Service with other subsidised modes because of the differing functions that these modes provide. As an indication of the relative cost of the Air Service subsidy, the overall subsidy for the Wales and Borders Franchise is around £0.19 per passenger km compared to £0.71 per km for the Air Service (2013/14). Therefore for a one-way Cardiff – Bangor journey the total subsidy value is in the order of £65 per passenger⁸.

⁷ Williams and Pagliari, 2004, *A comparative analysis of the application and use of public service obligations in air transport within the EU*

⁸ Assumption of 335km journey via Chester.

3.4 Current Air Service SWOT Analysis

Based on the assessment of the existing service a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis has been completed to summarise the current Air Service.

STRENGTHS	WEAKNESSES
<p>Fastest mode of transport between north west and south east Wales</p> <p>User surveys indicate that passengers consider the service good value for money</p> <p>Cardiff and Anglesey Airports are both small and easy to use for business travellers</p> <p>Cardiff Airport is well connected to Cardiff city centre by upgraded public transport service T9</p> <p>The service enables a full working day in north Wales</p> <p>The service is perceived as comfortable, convenient and straightforward by passengers</p> <p>Passengers consider the Air Service to be less tiring than alternative forms of transport</p>	<p>Travel time benefits eroded by need to travel to final destination</p> <p>Not attractive for travel to north east Wales</p> <p>Scheduled flight times limit duration of single day trips in Cardiff city centre for passengers from north Wales</p> <p>User surveys indicate passengers consider airport facilities as basic</p> <p>Diversions and delays are not uncommon</p> <p>No weekend or bank holiday flights, this restricts tourism travel</p> <p>Single daily return flights limit travel flexibility</p> <p>Poor public transport connectivity at Anglesey Airport</p>
OPPORTUNITIES	THREATS
<p>Upcoming tender to achieve better value for money through use of review findings</p> <p>Alterations to service timing e.g. to enable a full working day in Cardiff</p> <p>Generating tourism travel</p> <p>Serve new markets in Wales</p> <p>Access connecting flights to other parts of UK and Europe</p> <p>Knowledge and skills exchange between north and south Wales, allowing increased public and private partnerships and sector growth</p> <p>Adjustments to service to minimise travel times, such as quicker check-ins and reduced disruption</p> <p>Improved service reliability</p>	<p>High subsidy requirement becomes unsustainable</p> <p>Competing transport modes</p> <p>Airline continuity</p> <p>Changes in airport operational conditions</p> <p>Air service regulation changes</p> <p>Airlines unable to offer aircraft of appropriate capacity to comply with aircraft size restrictions at tendered airports</p> <p>Lack of tender interest at renewal</p> <p>Higher tender cost at renewal</p>

4 User Profile and Needs

4.1 User Survey

Between 7 and 18 July 2014 a survey of Air Service passengers was completed in relation to this review. The survey was aimed at better understanding the use of the Air Service, the profile of passengers making use of it, their journeys and the reasons why passengers chose to use the Air Service as opposed to competing transport options.

In total 170 surveys were completed although partial information meant that a number of the survey forms were not viable for inclusion and so the data presented here relates to a maximum of 164 surveys of which 88 were in the Anglesey to Cardiff direction and 76 in the Cardiff to Anglesey direction. Where individual questions were not answered, these surveys have been omitted from the data presented. The Survey form, which was available in both English and Welsh, is included as Appendix A.

In addition to the information presented in this section, the survey data has also been used to inform the options analysis and value for money of potential options elsewhere in this review.

4.1.1 Journeys Using the Air Service

The survey asked passengers to confirm the origin and final destination of their journey. These travel patterns have been used to inform the financial assessment in Section 6. Figures 4.1 and 4.2 (see figures section at end of report) present the information for north and south Wales respectively.

Origins and destinations in north Wales are distributed relatively evenly, but with the majority of origins/destinations either to Anglesey itself or along the Menai Strait, including Bangor and Caernarfon. At the extremities of its catchment, the survey indicates that the Air Service is being used by passengers in Pwllheli, northern areas of Snowdonia and Prestatyn.

In south Wales passenger destinations, and to a lesser extent origins are more concentrated around Cardiff, and in particular the city centre, which emphasises the importance of good connections between the airport and the city centre. At the extremities of catchment the Air Service is being used by passengers in Llanelli, Ammanford, Merthyr Tydfil and Caldicot.

Overall it is apparent that the service is a viable option for a range of origins and destinations up to 35 kilometres away from the airports but that there is a focus of these journeys around key centres of population and employment, particularly in Cardiff.

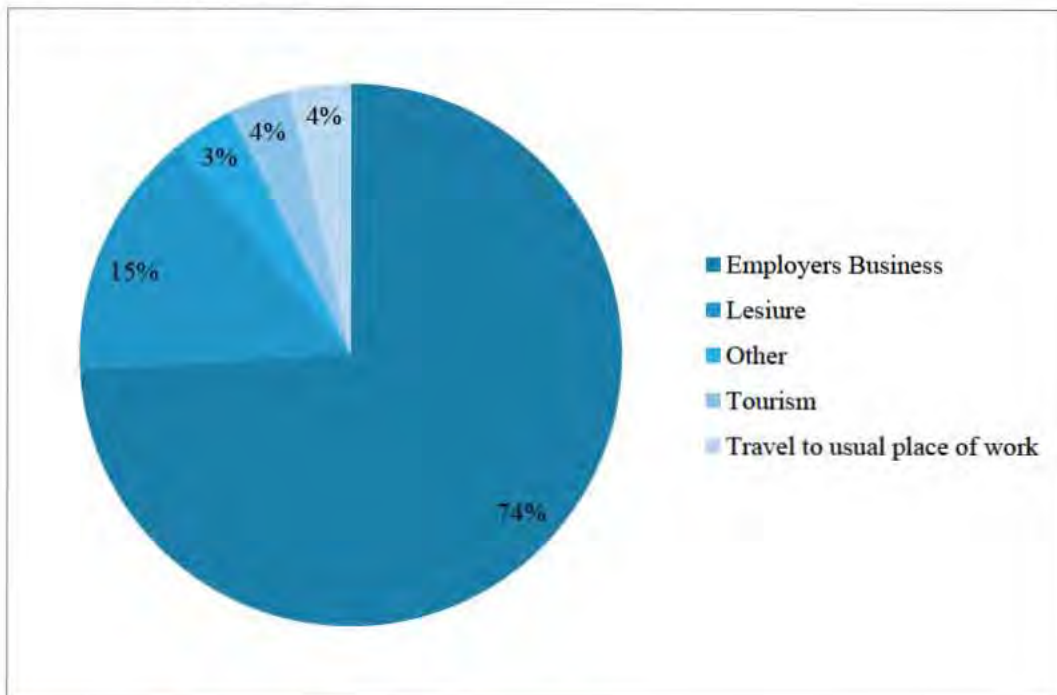
4.1.2 Purpose of Travel

The surveys indicate that the majority of passengers, 78%, were using the service in relation to their employment; of these 74% were on employers' business typically meetings or business trips whilst 4% stated that their journey was to a normal place of work. The responses of this latter group are likely to reflect employees who are co-located as opposed to commuting journeys ie. their normal

working week is divided between two places, these responses are shown below in Figure 4.3.

Of the remaining journeys the largest portion 14%, were leisure trips – such as visits to family and friends. Tourism and ‘other’ trips account for a small proportion of demand at 4% each.

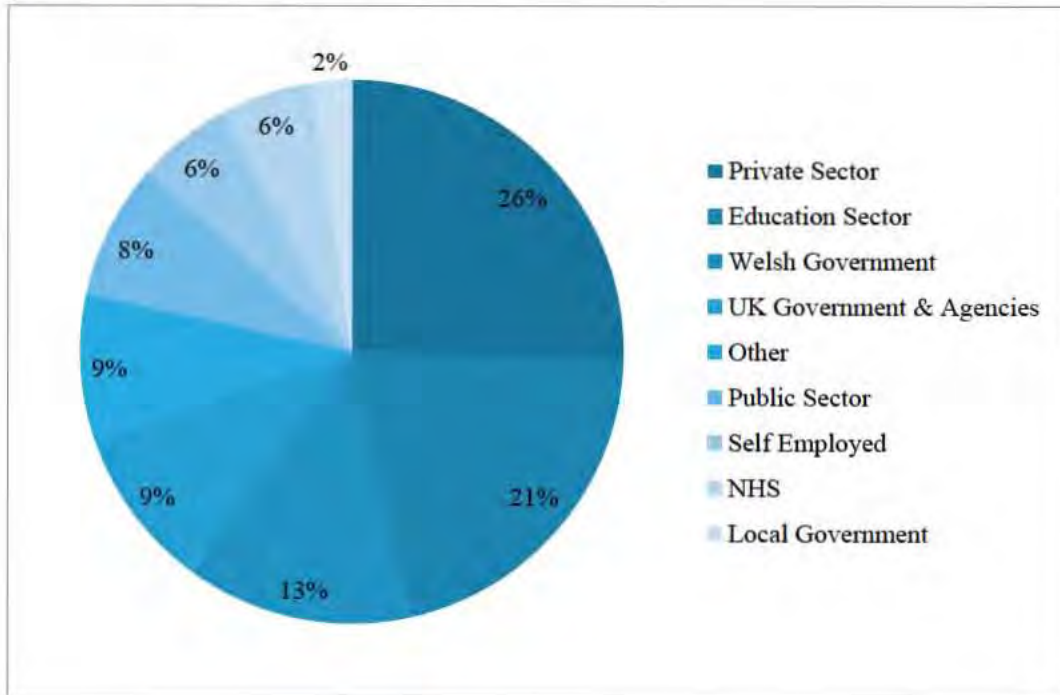
Figure 4.3 Purpose of travel



4.1.3 Nature of Business Travellers

Business passengers (those on employers’ business and respondents travelling to a usual place of work) were asked to categorise the nature of their employer. The responses in Figure 4.4 indicates that two largest employment sectors using the Air Service during the survey period were the private sector and the education sector who together made up nearly half of all users. The Welsh Government accounted for 15% of demand. Other employment sectors represent roughly 10% or less of business travellers. Overall, roughly 60% of passengers were employed in the public sector and 40% in the private sector. It must be noted however that this is a rough estimation as passengers selecting the ‘other’ option could be employed in the public or private sector.

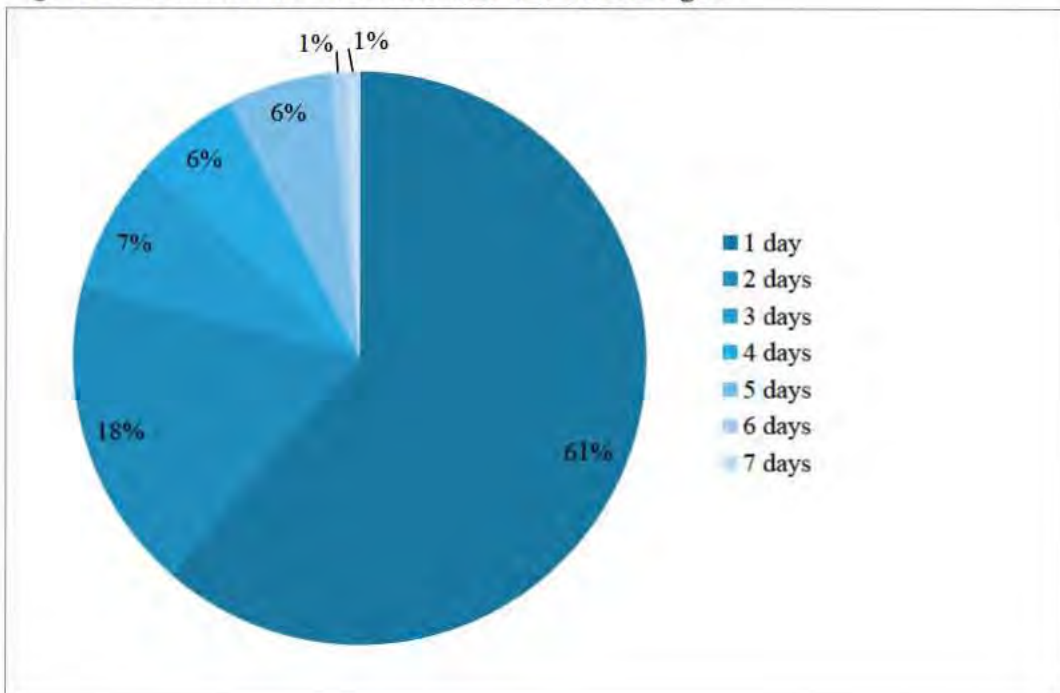
Figure 4.4: Nature of business travellers



4.1.4 Duration of Stay

The majority of passengers using the Air Service (61%) were making a return journey on the same day; this supports the perception that the service plays an important role for business travellers looking to return from north or south Wales on the same day. Figure 4.5 below shows the breakdown of response with regards to duration between flights.

Figure 4.5: Duration between outbound and return flights



4.2 Frequency of Travel

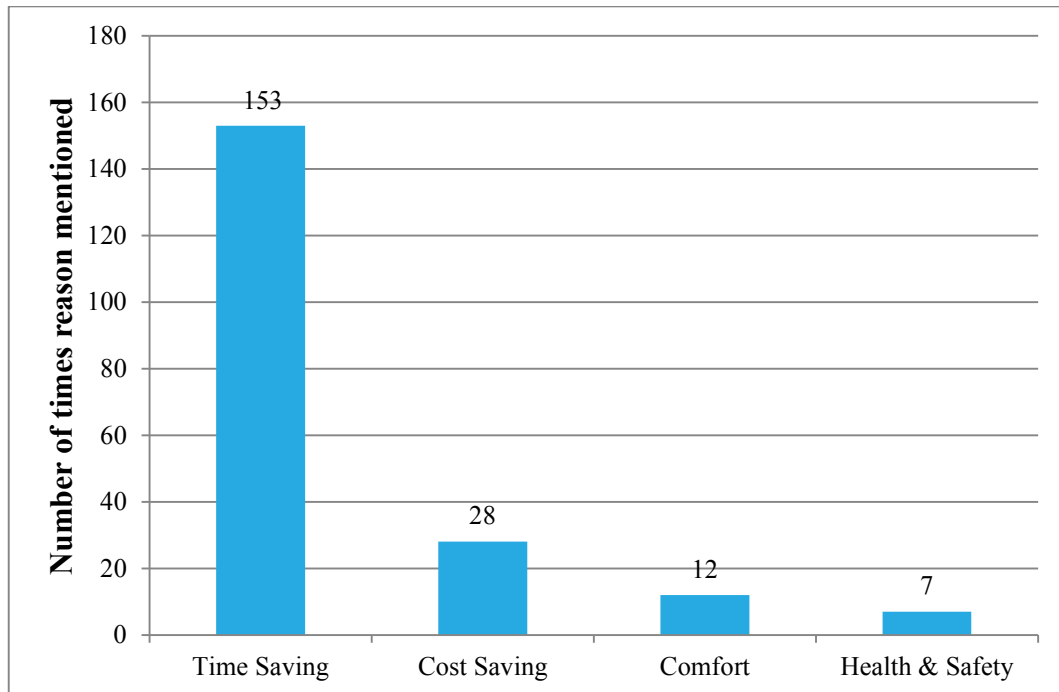
No passengers stated that they used the service several times a week but 13% responded that they used the service on a weekly basis and 25% on a monthly basis.

However the majority of passengers use the service either relatively infrequently or reported that it was their first trip on the Air Service. There was no particular relationship in the survey results between frequency of travel and journey purpose. It is however notable that the service continues to attract new passengers.

4.3 Reason for use of the Air Service and alternatives

Passengers were also asked to state the reasons they had chosen to use the Air Service. In this case, many selected more than one reason, but it is clear from the results that the primary reason for using the Air Service is the time-saving it offers in comparison with other modes of travel. Figure 4.6 below shows the total number of responses.

Figure 4.6: Reasons passengers use the Air Service



In a related question users were asked how they would have made the journey if the Air Service was not available. Whilst the primary responses to this question are unsurprisingly either⁹ by rail 35% or driving 53% it is notable that 11% either said that they would not have made the journey or expressed doubt that they would have made the journey. Of this 11% three-quarters were business travellers indicating the value of the Air Service for facilitating business interaction which would otherwise not occur. Of those who would have travelled using alternative means, several responses also mentioned the time and cost penalties that would arise through these alternatives, such as having to take time off work or the trip requiring an overnight stay.

⁹ Those who answered rail or car have been apportioned evenly.

4.4 User Satisfaction

Within the survey, respondents were also invited to provide general comments and feedback on the service, its adequacy and potential for improvements.

When asked if the service met all current needs of passengers, 62 respondents answered 'Yes'. A number of passengers also expressed their thoughts on how important the service was for Wales and for connecting north and south Wales for business and social purposes

A number of responses also proposed improvements/alterations to the service. General themes which were evident across these included:

- Earlier morning flights from Anglesey and later evening flights back to Anglesey to provide passengers with a longer working day in Cardiff;
- More frequent flights throughout the day; and
- Weekend flights.

Whilst these were the most frequent responses a minority of passengers also made suggestions including lower fares and on-board food and drink services.

4.5 Organisations Using the Air Service

Using a record of companies who had previously used the Air Service a series of telephone interviews were conducted, the following open questions were asked of companies using the service:

- Why do you use the service?
- What advantages does the service bring to your company, and perhaps give you over your competitors?
- What improvements would you like to see to the current service?

Whilst not all those contacted were willing or able to comment a number of the responses give an interesting insight into the value of the service. The feedback received demonstrated a number of consistent themes, including the service's convenience in comparison to alternatives of car or rail travel. Nearly all the companies interviewed reacted positively to the questions; respondents enjoyed using the service and indicated that it serves a much-needed purpose for business users. Three case studies are presented to portray general messages about the service, whilst also providing specifics relevant to those companies.

Barn Media

Barn Media is an independent video production company based in Wales, launched by former ITV producers in 2010. The company specialises in programme and documentary making and its clients include BBC, ITV, Sky and IMG.

The company uses the service because they often film in north Wales' picturesque environments and it is convenient for transporting crew and equipment. The main advantage the service gives Barn Media is time for the company to get to and from north Wales in one day, and get a full work-day's filming done. They stated that no improvements could be made to improve their experience of the service and that it serves a purpose for people travelling to north Wales and back.

WJEC Education

WJEC is the largest provider of qualifications for schools, sixth form and further education colleges across Wales, providing valued qualifications to suit a range of abilities.

WJEC is dedicated to supporting teachers in delivering its qualifications through extensive Continual Professional Development programmes. These are hosted at a number of locations across the length and breadth of Wales.

WJEC staff often travel around Wales to attend events and training courses. The Air Service allows convenient access between north and south Wales and WJEC have found the service is quicker and sometimes cheaper than travelling by train.

High Performance Computing Wales

High Performance Computing (HPC) Wales is Wales' national supercomputing service provider. HPC Wales is the UK's largest distributed general purpose supercomputing network, HPC Wales provides businesses and researchers with local access to world-class technology, as well as the support and training necessary to fully exploit it. The venture is a unique collaboration between Welsh Universities and Welsh Government.

HPC Wales is a pan-Wales project with sites across the country. With a head office in Bangor, north Wales and a large supercomputing facility and customer base in Cardiff, south Wales, the venture is dependent on the Air Service between Cardiff and Anglesey. The service helps reduce travel time and ensures meetings can be attended at short notice. Whilst HPC Wales uses the service frequently, they have highlighted that the return flights to Anglesey leave too early, limiting their ability to have a full working day in Cardiff. They have also experienced diversions and delays, particularly in the winter, which further impacts on a working day in the capital.

4.6 Comparison with Previous Survey Data

Prior to the survey completed in relation to this review, a survey was conducted at the start of 2014 by Citywing. This survey did not include the key origin-destination data but did cover a variety of more customer service focussed questions some of which are directly comparable to those asked here.

The Citywing survey indicated that 56% of passengers were travelling for business with the remaining 44% made up of leisure and visits to family and friends.

In relation to frequency of travel, the findings were comparable with 83% of passengers using the service once a month or less.

When asked about potential improvements to the service, the majority of passengers expressed satisfaction with service with approximately half of respondents saying no improvements were necessary on the flight or the respective airports. Of those passengers who did raise suggestions the most common were in relation to food and drink facilities whilst some passengers expressed concern about the long walk from the terminal to the plane, as well as high car parking charges at both Cardiff and Anglesey airports.

Two clear messages apparent from the Citywing survey and consistent with the survey for this review were the demand for weekend flying and more flexibility on weekday flights, so as to ensure longer working and leisure days when passengers arrive at both Anglesey and Cardiff airport.

4.7 Wider Economic Benefits

As noted, it is important to consider the indirect effects of the service on the economy alongside the more easily quantifiable travel time and cost savings. Whilst there is no up to date information on the economic impact of the service surveys of passengers undertaken in 2008 and 2014 asked business passengers to describe the benefits of the service to their business. The following comments from passengers illustrate the nature of such wider economic benefits resulting from the service:

- They now undertake work in one day that previously would have taken two days with an overnight stay;
- The Air Service not only gave them more time but also more productive time;
- One passenger calculated giving his employer an extra 12 hours of working time per week;
- Driving would leave them tired for the rest of the week;
- The reduced travel time saved their company on money and resources;
- They now attended more meetings in Cardiff which helped raise the profile of north west Wales bringing significant economic benefit to the region;
- The Air Service has opened new business opportunities for their organisation and if business continues to grow they would consider a north Wales office.'

The inference from business passenger responses is that the primary benefit for businesses is that reduction in lost productive time due to travel. The most frequent responses relating to issues of time and convenience. However, there is

evidence in the above responses of business passengers to suggest that economic impacts are wider than the basic time saving and that the improvement in accessibility may actually affect business decisions with respect to markets and investment. This may in turn lead to net economic benefits for Wales. Although no specific examples of increased trade or employment were identified one business passenger based in north Wales suggested that the Air Service had enabled their business to attend more meetings in south Wales. Another passenger based in south Wales reported that the Air Service was encouraging the business to consider opening a north Wales office in the future.

4.8 Summary

The survey completed emphasises that the current Air Service is predominantly used by business travellers from a range of employment sectors and that the majority of these users are making trips of short duration. The main reason passenger's use the Air Service as opposed to alternatives is the time-saving benefits it provides. The majority of users are satisfied with the provision of the Air Service with flight times and frequency being the most cited options for improvement. More detailed conversations with companies using the Air Service indicate that businesses are able to work in both north and south Wales and that some of these trips may not occur without the facility of the Air Service.

5 Operator Consultation

5.1 Identified Operators

A number of carriers, listed in Table 5.1, have been identified and interviewed in order to provide a broad range of operators specialising in operating domestic routes or small commercial aircraft in the UK of the nature currently used to operate the Intra Wales Air Service. The sample was not intended to be a comprehensive list of airlines or aircraft owners nor was the process intended to act as a pre-cursor to the procurement exercise.

We have included a number of carriers (marked *) who do not currently operate scheduled (or even regular charter) services, such as Cardiff Aviation and British International Helicopters (Veritair). In order to operate scheduled services they are likely to have to seek an Air Operators Certificate (AOC) to be permitted to take part in the tendering process under EU guidelines as any PSO can only be granted to an AOC holder.

Obtaining an AOC may take longer than the proposed tender timescales, with no guarantee of success in being awarded an AOC. Furthermore, these operators without an AOC are unlikely to have any established sales channels or market presence, all of which would need to be factored into their tender submission, both in relation to time to set these up, achievability of passenger numbers and potentially on cost. If the operator has no need for sales channels or marketing efforts other than for the PSO, it may be expected that they would seek to cover the full cost of these in the submission. In combination these factors mean that there are likely to be significantly higher risks associated with selection of a start-up airline.

Of the operators identified several have declined, or were unavailable, to complete a telephone interview.

Table 5.1: Candidate carriers and interview status

Candidate Carrier	Interview Status
Aurigny Air Services	Completed
BMI Regional	Unable to complete
Blue Islands	Completed
Cardiff Aviation*	Unable to complete
CityJet	Completed
Citywing	Completed
Directflight	Unable to complete
Eastern Airways	Completed
FlyBe	Completed
Hebridean Air services	Completed
Jetstream Executive Travel Ltd*	Completed
Isles of Scilly Sky Bus	Completed
Links Air	Completed
Loganair	Completed
Stobart Air	Completed
Veritair (British International Helicopters)*	Unable to complete

based in Cardiff as there is a greater array of commercial opportunities available. In some cases the carriers also believe there may be opportunities for evening flying (after the aircraft returns from Anglesey) or weekend flying. The ability to operate further flying would require some commercial flexibility within the PSO however, as current penalty clauses prohibit the ability to fly middle of the day services, in case the aircraft is late returning to Cardiff, and thus cannot operate the evening service on time or at all.

- Some operators also pointed to the opportunities which may be offered if greater commercial flexibility was offered in relation to the PSO route itself. In particular three opportunities were:
 - a. The ability to adjust the schedules on a Monday and Friday to offer two morning services on a Monday and two afternoon/evening services on a Friday. This would boost capacity at peak times and would allow more travellers the opportunity of accessing suitable services (which would then generate additional return services throughout the week). These services could be offered in place of the Monday evening/Friday morning flights, or in addition to.
 - b. The ability to provide extra capacity on any single day on an ad-hoc basis if demand indicates the need. This may coincide with political or cultural events taking place in the north or south.
 - c. The ability to offer flexible fares. Currently some travellers may choose road or rail to increase their flexibility of travel. The ability to offer a small number of flexible fares may allow more business travellers to access the service as they will not be tied to specific flights.
- The airlines are not keen on a triangle operation including Hawarden, even if part of the PSO, as this would increase costs with a 'dead-leg' sector between Hawarden and VLY and increased travel time for some passengers on the CWL-VLY routing. However, on the whole they are receptive to operating a stand-alone service to Hawarden if needed in the middle of the day, but crucially, only if included as part of the PSO.
- There is a view that any middle of the day services, whether to Hawarden or to another point on a commercial basis, may increase the carriers' cost base disproportionately, as this will require an additional aircraft crew to be based in Cardiff solely for one service. This may mean that a PSO service to Hawarden would be more expensive per flight than that to VLY. The carriers may also take into account the extra costs when submitting their CWL-VLY bid if they feel there is an expectation to find commercial services to operate.
- FlyBe, and Loganair, (franchised to FlyBe and flying under the FlyBe brand), have both stated that they already operate PSO services in the UK and do it well and as the FlyBe brand has a strong market presence this would help to promote new business on the route. They might also be able to attract more passengers flying onwards on other services at CWL.

6 Future PSO Contract (2015-2019)

This section considers the options for a replacement PSO Air Service which would begin in 2015. Figure 6.1 sets out a process to evaluate options for service provision and transition to a new contract.

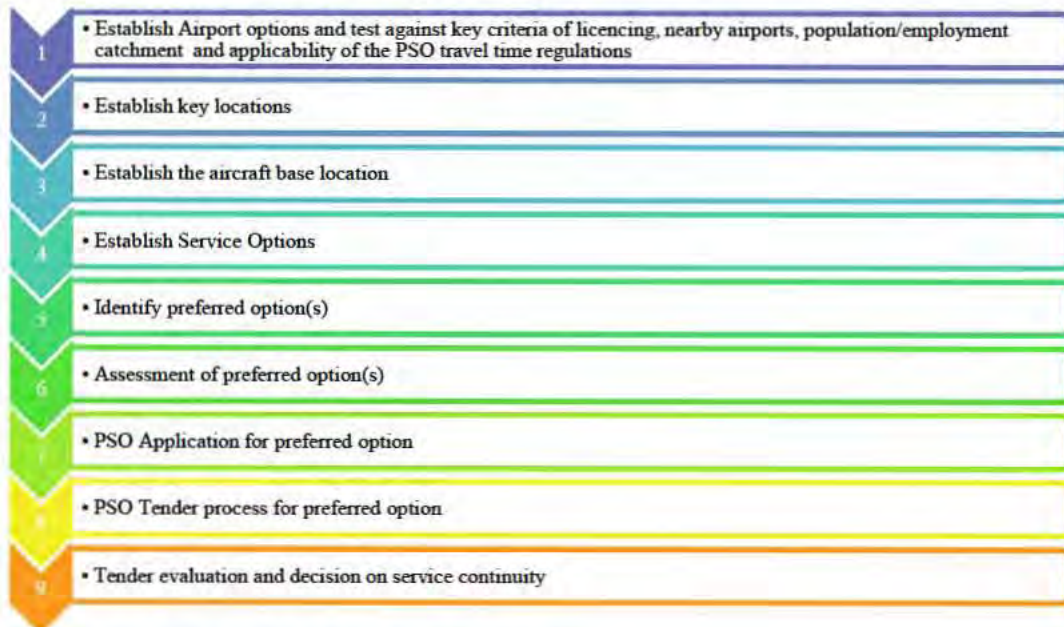


Figure 6.1: Process for future PSO Contract

The following sections 6.1 - 6.6 follow stages 1 to 6 of this process.

6.1 Airports

In looking at potential options for the Air Service the status and facilities of a number of airports/airfields have been reviewed:

- Aberporth;
- Anglesey (RAF Valley);
- Caernarfon;
- Cardiff;
- Gloucestershire;
- Hawarden;
- Haverfordwest;
- Llanbedr;
- Pembrey;
- RAF Mona;
- RAF St Athan;
- Swansea; and
- Welshpool.

For each location the following key information has been collated:

- Usage/licensing/operating agency;
- Runways;
- Facilities;
- Connecting transport;
- Landing charges; and
- Parking charges.

This information is included in Appendix C and the location of each airport in Wales is illustrated as Figure 6.2.



Figure 6.2: Reviewed Welsh airport locations

6.1.1 Airport Shortlisting

In order to shortlist the airports four key criteria have been assessed:

- Airport licensing;
- Nearby airports with comparable facilities;
- Applicability of the three hour PSO rail journey time limitation; and
- Population and Employment catchment within 50km of the airport.

Licensing

Of the airports considered all with the exception of Llanbedr are licensed by the Civil Aviation Authority (CAA) and are, thus, eligible to handle commercial scheduled Air Services providing they have infrastructure appropriate to the aircraft type proposed for the Intra Wales Air Service. The time taken to attain an Aerodrome Licence would currently preclude Llanbedr from forming part of the Air Service.

Result: Llanbedr not shortlisted

Nearby airports with comparable facilities

In north west and south east Wales there are regions where several of the airports considered are closely clustered:

- north west Wales: Anglesey, RAF Mona, Caernarvon
- south east Wales: St. Athan, Cardiff

Between these airports it is considered that both the facilities offered and the precedent set by the existing service mean that those airports are best suited to the Air Service in these areas.

Result: RAF Mona, Caernarvon and St. Athan not shortlisted

PSO journey time limitations

The PSO conditions referred to in section 2 mean that locations which are within three hours journey time of one another by rail (urban centre to urban centre) are not eligible to form part of a PSO Air Service.

In order to assess this typical rail journey times have been assessed for each origin destination pair combination. The result of this assessment, which for comparison also includes car journey times, is included as Appendix C.

Each location is at least three hours from at least one other location by rail. In some cases this is as much a result of the current rail infrastructure and services as it is the physical distance. However, on the basis of service objectives of connecting north and south Wales, rail journey times to Cardiff of less than three hours and car journeys to every other tested location of less than three hours Welshpool has not been shortlisted.

Result: Welshpool not shortlisted

Population and Employment Catchment

Table 6.1 details the employment and population catchment for each airport within 50 km radius. This gives an impression of the potential role of the airport in serving social and economic needs. The numbers in brackets are the rank order of the locations. Locations not shortlisted in this and other assessment stages are shaded grey.

Table 6.1: Population and Employment catchment within 50km radius of airports

Airport	Employment		Population		Shortlisted
Aberporth Airport	80,200	(10)	222,000	(10)	✓
Anglesey Airport	80,000	(11)	208,800	(11)	✓
Caernarfon Airport	96,800	(8)	264,900	(8)	✗
Cardiff Airport	846,300	(3)	2,121,100	(3)	✓
Gloucestershire Airport	788,500	(4)	1,785,800	(4)	✓
Haverfordwest Airport	68,200	(13)	186,100	(13)	✗
Hawarden Airport	1,301,500	(1)	3,211,100	(1)	✓
Llanbedr Airport	73,700	(12)	187,600	(12)	✗
Mona Airport	95,900	(9)	262,000	(9)	✗
Pembrey Airport	259,200	(6)	737,400	(6)	✓
St Athan Airport	848,600	(2)	2,166,000	(2)	✗
Swansea Airport	324,500	(5)	946,900	(5)	✓
Welshpool Airport	248,400	(7)	606,900	(7)	✗

On the basis that surrounding airports in south west Wales have greater population and employment catchment within a 50km radius, and that it has the lowest catchments of all locations considered Haverfordwest Airport has not been shortlisted.

Result: Haverfordwest not shortlisted.

6.1.2 Shortlisted Airports

The following airports have been shortlisted following the airport assessment:

- Aberporth Airport;
- Anglesey Airport;
- Cardiff Airport;
- Gloucester Airport;
- Hawarden Airport;
- Pembrey Airport; and
- Swansea Airport.

6.2 Key Locations

The objectives of the Air Service set out in section 2.4, state that the service must serve locations in north and south Wales. This divides the shortlisted airports into three clear categories set out in Table 6.2.

Table 6.2: Airports by location

North Wales	South Wales	Not in Wales
Anglesey Airport	Aberporth Airport	Gloucestershire Airport
Hawarden Airport	Cardiff Airport	
	Pembrey Airport	
	Swansea Airport	

The Air Service must therefore serve at least one location from both the north and south Wales locations. Other locations may be served as part of the route.

The two north Wales locations have differing merits in terms of economic centre and level of accessibility and are both considered to be potential key locations for the Air Service to serve. In south Wales Cardiff Airport is identified as the key location in meeting the objective of removing barriers to economic, social and political integration in Wales.

The remaining locations are considered in the service options section. Sections 6.2.1-6.2.3 provide further detail on the identified key airport locations.

6.2.1 Cardiff Airport

Cardiff Airport (IATA code CWL) is an international airport owned by the Welsh Government which serves south Wales. Around 1.1m passengers passed through the airport in 2013 representing an increase over previous years. The airport is located at Rhoose, 12 km west of Cardiff city centre.

The airport is served by a number of regular scheduled flights serving a number of UK and European destinations as well as some limited long-haul locations.

The airport is connected to Cardiff city centre by the T9 bus service which operates at a 20 minute frequency with extended operating hours. Rhoose railway station lies to the south of the airport and has an hourly service to both Cardiff and

west Wales (via connection at Bridgend). There are also on-site parking and taxi facilities.

On 9 July a meeting was held with Cardiff Airport. During the meeting the following key points were raised in relation to the Air Service:

- The Air Service constitutes a small percentage of airport passengers but the airport is keen to retain the service and see it is an opportunity for connecting air travel at the airport. The airport considers this could be expanded to a Wales network.
- Cardiff airport can offer refuelling, maintenance and hanger facilities, and a number of aircraft are already based at Cardiff.
- The airport lies within a designated Enterprise Zone with associated aerospace activity this is likely to bring associated benefits as a result of economic activity related to other Enterprise Zones.

6.2.2 Anglesey Airport

Anglesey Airport (IATA code: VLY) is a civilian airport facility at RAF Valley which occupies a site leased from the Defence Infrastructure Organisation. The airport is managed by Anglesey County Council on behalf of Welsh Government who in turn sub-contract management of the terminal to Europa Bilfinger. Capital funding of £1.5m was invested by Welsh Government to develop a civilian passenger terminal (opened in 2007) at the Airport in order to establish the Intra Wales Air Service. The terminal building is basic in nature but of a good standard with nearby parking available.

Anglesey Airport makes use of the RAF Valley runway and air traffic control and as such civilian flights can only operate according to RAF operating hours which are 08:00-18:00 Monday to Thursday and 08:00-17:00 on Friday. The airport is closed at weekends.

Local bus services call at Anglesey Airport and connect to Bangor however these are infrequent and not well-timed for air passengers. There are parking facilities at the airport and nearby taxi operators serve the airport.

On 7 July 2014 a site visit to Anglesey Airport was undertaken. Observations from this site visit are included as Appendix D. It is judged that the terminal building could accommodate up to 50 passengers.

At present the airport is not compliant with the National Aviation Security Programme (NASP) as a result of several factors:

- Terminal procedural measures;
- Terminal security equipment; and
- Operation of the airfield area which does not maintain a Restricted Zone in order to differentiate between RAF operations and personnel.

Since the airport is not NASP compliant the size of scheduled aircraft is limited to a maximum of 19 seats or 10 tonnes despite a runway which is long enough to accommodate significantly larger aircraft (although fire cover may not be sufficient). As noted in section 5 the 19 seat limit of the current contract is a major limitation in the number of candidate carriers. For this reason a meeting was held

on 24 July 2014 between Arup, York Aviation, Aviation Analysis, Anglesey County Council and the Royal Air Force. [REDACTED]

[REDACTED] The key outcomes of the meeting were:

- The terminal procedural requirements could be overcome by revision of the current procedures, there may be staffing implications of these changes.
- The NASP requirements within the terminal building would require additional equipment to be purchased with associated capital and operating costs.
- The operational issues relating to the airfield are not considered to be insurmountable but would require involvement of a number of stakeholders and are likely to require around 12 months to implement.
- The RAF is willing to enter in to further discussion with WG on modifications to the airfield operation. In the near future the RAF are planning modifications to the airfield including areas used by the Air Service. It is likely to be beneficial to undertake any revisions to ensure NASP compliance as part of these works.
- The RAF currently has to decline requests from other civilian aircraft wishing to land at RAF Valley/Anglesey airport. Becoming NASP compliant may therefore have benefits for the RAF.
- The RAF suggested that there would be a cost to extend operating hours of the airfield as a result of staffing of Air Traffic Control and fire cover. Any changes to opening hours would require further negotiation and Welsh Government would need to submit a formal request for costs. It was noted that any change to opening hours would not be possible in the immediate future. The airport does not operate at the weekends and as such any additional weekend opening would incur significant operating costs.

As a result of the meeting it is apparent that there is potential to alter either the aircraft size or operating hours limits but that there is insufficient time remaining before a new contract begins to have confidence that these changes can be achieved. However, there is an opportunity to take action to address some the issues in the short term as the RAF are planning some modifications to the airfield such that it may be more cost effective to incorporate the NASP related changes concurrently.

6.2.3 Hawarden Airport

Hawarden Airport (IATA code: CEG) is located in Flintshire close to the border with England and 6.5km from Chester.

The airport is owned by Airbus who has a large facility located adjacent to the airport. Airbus makes frequent use of the airport for freight flights which transport aircraft components between UK and European locations.

Aviation Park Group (APG) is based at the airport and provides facilities, including a passenger terminal, for non-Airbus flights. Current conditions of operation imposed by Airbus mean that APG are not able to accept scheduled flights to the airport as a result of potential conflict with Airbus freight. There may however be the potential for Welsh Government to negotiate an exemption to this.

Since Hawarden Airport does not currently accept scheduled passenger flights it is unlikely that the airport is compliant with the NASP and would be limited to 19 seat/10 tonne aircraft. Hence action would be needed to address this if the airport is considered a candidate for a service but this is unlikely to be achievable in time for the current tender.

6.3 Aircraft Base Location

Of the key locations identified it is considered that Cardiff Airport represents the best location at which to base the aircraft. The reasons for this are:

- Flexibility and maximising operating hours;
- Airport facilities;
- Security compliance;
- Airlines with aircraft based at the airport; and
- Socio-economic role of Cardiff as the capital of Wales and most populous location with onward transport connections to the Cardiff Capital Region which has a population of 1.4m within 20 miles of Cardiff.

Although basing an aircraft at either Hawarden or Anglesey Airport would enable an earlier southern journey leg (and therefore a longer working day in Cardiff) it would reduce the attractiveness of the (now later) northbound journey. At Anglesey Airport there is also a limitation as to how much earlier the southbound service could depart as a result of RAF air control operating hours. The lack of other airport services at Anglesey and Hawarden Airports available to commercial operators for example refuelling, staff facilities, catering, maintenance, aircraft hangers etc. is also likely to make these airports less attractive than Cardiff Airport.

Therefore in developing the service options further it has been assumed that any future service will be based, and commence, at Cardiff.

6.4 Service Options and Appraisal

Following the preceding stages a number of service options have been identified, each of these uses Cardiff Airport as the aircraft base (and therefore morning origin) and serves at least one of the north Wales locations. Option 4 includes serving additional shortlisted airports.

6.4.1 Option 1: Variations on existing service

Table 6.3 Schedule for Option 1

AM	Cardiff
	Anglesey
	Cardiff
PM	Cardiff
	Anglesey
	Cardiff

Option 1 is to retain the existing service pattern between Cardiff and Anglesey. As a result of section 6.2.2 this would include retaining operating times and aircraft capacity limits.

6.4.2 Option 2: Additional daytime location

Table 6.4: Schedule for Option 2

AM	Cardiff
	Anglesey
	Cardiff
Daytime	Cardiff
	Hawarden
	Cardiff
PM	Cardiff
	Anglesey
	Cardiff

Option 2 is to retain the existing AM and PM service pattern but to add a separate daytime trip to Hawarden.

6.4.3 Option 3: Additional location served AM/PM

Table 6.5: Schedule for Option 3

AM	Cardiff
	Anglesey/Hawarden
	Aberporth/Anglesey/Hawarden/Gloucester/Pembrey/Swansea
	Cardiff
PM	Cardiff
	Anglesey/Hawarden
	Aberporth/Anglesey/Hawarden/Gloucester/Pembrey/Swansea
	Cardiff

Option 3 is to make flights in the AM and PM periods but make this multi-leg between three locations.

6.4.4 Option 4: Commercial daytime use

Table 6.6: Schedule for Option 4

AM	Cardiff
	Anglesey
	Cardiff
Daytime	Commercial use of aircraft
PM	Cardiff
	Anglesey
	Cardiff

Option 4 is as option 1 but with the operating airline making commercial use of the aircraft either in the early morning, daytime or evening.

6.5 Identification of Preferred Option(s)

6.5.1 Summary - Option 1

Option 1 has a proven customer base and would provide continuity of service. The locations served are remote from one another and the option will provide the greatest benefit in time saving. This option involves the least number of route miles and will therefore result in the lowest operating costs. Without commercial use of the aircraft at other times utilisation of the aircraft is low.

Table 6.7: Option 1 summary table

Key Benefits	<ul style="list-style-type: none"> Retain existing customer base Provide continuity of service Provide greatest time saving for N-S journeys
Key Risks	<ul style="list-style-type: none"> Relatively low population near Anglesey airport Operational constraints of Anglesey airport
Assessment	<ul style="list-style-type: none"> Preferred option to be assessed

6.5.2 Summary - Option 2

Option 2 provides continuity of the existing service and serves a third location which has a high population and employment catchment area. The route miles for this option are the highest of those considered and operating costs can therefore be expected to be correspondingly high however the number of passengers than can be carried is also the greatest.

Flying to two locations in north Wales would provide good coverage of the market and the survey results on user origins and destinations suggest that the Air Service would be a viable option for the majority of location in north Wales.

There are however two significant identified risks related to this option:

- Hawarden Airport does not currently accept scheduled passenger flights. Unless WG are able to negotiate an exemption from this current condition it would not be possible to operate this option. It is unlikely that WG will be able to resolve this situation prior to issuing a tender for renewal of the PSO service.
- The travel time and location of Hawarden Airport in relation to Cardiff means that a PSO application including this route may be considered marginal or ineligible. Whilst rail journeys to north Wales locations such as Flint are currently in excess of 3 hours the airports proximity to Chester may mean that this is the comparison journey time assessed against the PSO regulations; currently typical rail journeys to Chester are also in excess of 3 hours but a limited number of journeys are already less than 3 hours and these times are set to reduce further as a result of Welsh Government funded line speed enhancements and redoubling works which commenced in June 2014.

Table 6.8: Option 2 summary table

Key Benefits	<ul style="list-style-type: none"> • Additional location served • Potential for additional patronage • Wider route 'network'
Key Risks	<ul style="list-style-type: none"> • Scheduled passenger services not currently permitted at Hawarden • Cardiff – Hawarden travel time marginal against PSO regulations
Assessment	<ul style="list-style-type: none"> • Preferred option to be assessed

6.5.3 Summary - Option 3

Option 3 broadens the locations served by the Air Service by use of a 'triangle' route but at least one of the legs would be very short and tickets could not be sold for this section of the route under PSO regulations. Passengers travelling would influence available capacity for the alternate sections of the route, for example passengers flying Cardiff to Anglesey via Hawarden would limit capacity for Cardiff – Hawarden passengers and vice versa. Passenger journey time savings would also be eroded as passengers flying two legs would lose time to the landing and take-off at an intermediate airport.

Operating costs for this option will be greater than Option 1 but less than Option 2 but the need to take-off and land more will not make cost differences proportional to route miles.

In comparing the alternative destinations of Aberporth, Gloucester, Pembrey and Swansea there is the need to consider whether sufficient demand is likely to be present between any of the legs which would be available to passengers, namely:

- Anglesey/Hawarden to Aberporth;
- Anglesey/Hawarden to Pembrey;
- Anglesey/Hawarden to Swansea; or
- Anglesey to Gloucester.

Although some local case studies can be identified - for example the bases for the nuclear industry at Gloucester and Wylfa on Anglesey it is not considered that the current volumes of movement would be sufficient to justify the capacity available.

Therefore the most likely service pattern from Option 3 would be to serve Hawarden as a third point on the multi-leg journey.

From consultation with candidate carriers, Section 5.2, it is however apparent that airlines do not favour triangular operations as a result of the time penalty.

Table 6.9: Option 3 summary table

Key Benefits	<ul style="list-style-type: none"> • Additional location served • Potential for additional patronage • Wider route ‘network’
Key Risks	<ul style="list-style-type: none"> • Tickets cannot be sold for ‘short’ leg • Passenger demand between legs may limit capacity • Additional locations have limited population/employment catchment • Erosion of passenger time savings
Assessment	<ul style="list-style-type: none"> • Not carried to assessment stage

6.5.4 Summary – Option 4

It will not be possible to assess or test Option 4 as the commercial use and effect on the tender prices cannot be anticipated, hence this option, which is essentially a variant on option 1, will not be assessed further. This is however an attractive option with the potential to improve utilisation of the aircraft, provide connections with the PSO route and increase wider economic benefits by growing the available network of air routes for Wales.

Other commercial variants may also be possible for example evening or weekend routes but the same applies to these – any commercial use of the aircraft can reduce the required contribution to overhead.

Table 6.10: Option 4 summary table

Key Benefits	<ul style="list-style-type: none"> • Potential for additional patronage • Wider route ‘network’ • Improve aircraft utilisation • Decreased operational costs for PSO
Key Risks	<ul style="list-style-type: none"> • Potential for commercial operations to impact on reliability of PSO service
Assessment	<ul style="list-style-type: none"> • Preferred option (not assessed further)

6.5.5 Preferred Options

Options 1 (and its sub-variant Option 4) and 2 are selected as the preferred options though the issues relating to the eligibility of the route and the restrictions on scheduled passenger flights at Hawarden Airport are acknowledged as significant risks to implementation of this service.

Option 3 will not be taken forward due to the issues relating to travel time penalties and the limited scope for patronage between the additional locations the majority of which do not have significant population or employment catchment.

6.6 Assessment of Preferred Options

The preferred options have undergone an assessment of demand, cost and subsidy requirement, and value for money. It should be noted that there are significant risks relating to the demand forecast and financial assessment. Forecasting demand for aviation is highly challenging whilst the outturn costs of the service and subsidy requirement will depend on the degree of market competition which is also uncertain.

The Intra Wales Air Service magnifies these issues as there is limited data on the underlying size of the market for travel and there are few comparator routes.

The analysis is intended to provide the Welsh Government an indication of value for money of alternative options and should not be used for financial planning purposes.

6.6.1 Patronage Forecast¹⁰

Overall Approach

Whilst we have access to data on the existing patronage, there are a number of reasons why the level of demand in the future may be different from today even for a comparable service. Notably, the market for domestic air travel in the UK is expected to increase as the economy recovers from recession. Improved marketing and a 're-launch' of the service might also be expected to stimulate higher demand. Furthermore, this study requires us to forecast demand for variants to the existing Air Service with respect to aircraft capacity and service pattern. Therefore we require an assessment of the future market potential for the Air Service.

There are two main challenges associated with forecasting demand for the Air Service. Firstly, there is insufficient data on the total market for travel between north and south Wales. Secondly, the degree of competition between air, rail and car travel between north and south Wales makes it difficult to identify comparator air services in other parts of the UK and Europe.

A simplified approach was therefore used, based on consideration of air market sizes on UK regional routes over long distances. The forecasting approach that has been developed for this service is based on comparator analysis and takes into account the nature of the service within the UK, characterised by a relatively peripheral region (dominated by smaller towns and at rural areas) at one end of the route, and a major conurbation at the other end of the route, exerting economic, cultural and political influences over the regional point. The comparators used in the analysis excluded those where services were between mainland cities and island communities as these were deemed unsuitable because of the reduced competitive constraints applied by road and rail travel alternatives. However, exclusion of these routes meant that there were only limited services

¹⁰ We emphasise that the forward-looking projections, forecasts, or estimates are based upon interpretations or assessments of available information at the time of writing. The realisation of the prospective financial information is dependent upon the continued validity of the assumptions on which it is based. Actual events frequently do not occur as expected, and the differences may be material. For this reason, we accept no responsibility for the realisation of any projection, forecast, opinion or estimate.

within the UK on which to base the statistical analysis which underpins the forecasts, limited to only five UK routes, including the current Cardiff – Valley service. The regression analysis was undertaken based on point-to-point passengers only, i.e. excluding those making onward connections at either end of the route. The routes used were:

- Aberdeen – Wick (twice-daily, weekday only)
- Edinburgh – Wick (once daily, middle of the day service)
- Newquay – London (twice/three-daily)
- Newquay – Manchester (once daily, middle of day service)
- Cardiff – Valley (twice-daily, weekday only)

There are unique characteristics of each route, which means there are no perfect comparators in the UK. For example, the Aberdeen to Wick service partly supports offshore energy production and the nuclear industry, potentially generating higher passenger levels; whilst in the case of the Intra-Wales Air Service, there is a perception among some stakeholders that this may currently be underperforming. However, in so far as some services may be over-performing and others underperforming, these may be expected to balance each other out within the statistical analysis and indeed this appears to be the case because the relationship between combined populations and passenger demand indicates a good level of correlation.

Cardiff – Anglesey

The catchment districts and total populations of relevance to the Cardiff – Anglesey service are shown in Table 6.11 below. The populations are based on those aged 16-64 in each unitary authority in order to be able to draw out comparable data for each UK airport in the analysis. The choice of Unitary Authorities covers all that were either a surface origin or destination for surveyed passengers using the existing Air Service.

Table 6.11: Assumed Catchment Data

Location	Catchment Unitary Authorities	Population ¹¹
Cardiff	Caerphilly, Cardiff, Carmarthenshire, Merthyr Tydfil, Newport, Rhondda Cynon Taff, Swansea, Vale of Glamorgan	1,062,400
Anglesey	Anglesey, Conwy, Gwynedd	182,900

These populations have been applied to the statistical analysis to determine the possible market potential for point-to-point passengers. In addition to this, there is anecdotal and survey evidence of a number of passengers using the service to make connections to other flights at Cardiff. Historically, we understand that this figure may have been higher than currently observed, driven by the attractiveness of the low fares services offered by bmibaby before its suspension of services from Cardiff. Therefore, an uplift has been applied to the point-to-point passenger demand based on the assumption that some passengers will continue to make connections at Cardiff.

¹¹ Source: Nomis

The combination of point-to-point passengers and onward connecting passengers indicates the total air market potential. However the size of the aircraft which could operate the route will also act to constrain demand for the service.

Therefore, assumptions have been made about the aircraft size, annual frequency of service and likely load factors. These assumptions are:

- **Aircraft Size:** We have considered market potential with two aircraft types, a 19-seat Jetstream 31 and a 33-seat Saab 340, accepting that the latter could not currently operate to Anglesey Airport;
- **Annual Frequency:** Although there may be some alterations to the actual flown frequency, we have assumed that the flight operates twice-daily in each direction on weekdays only. It is assumed that on average the route is flown for 51-weeks per year, which allows for a small number of lost services associated with public holidays.
- **Load Factors:** The route is currently achieving a 52% load factor. For the Jetstream 31 scenario, it is assumed that this is retained in Year 1 of a new contract, allowing the carrier time to improve marketing and make other schedule and fare adjustments to seek to improve passenger loads. For the Saab 340 scenario, it is assumed that the Year 1 load factor will be 30%, delivering an equivalent number of passengers to that of the Jetstream operation. In both cases, the load factors then step up incrementally over the next two years to a target load factor of 65% and then growing at 1% compound per annum.

The load factor target of 65% is based on the average load factor in 2013 across a selection of UK regional routes, included as Appendix F. The provision of capacity by an airline across the year and also across the days of the week will not perfectly match demand and thus it is unlikely that such a service would reach those seen on high density routes at around 80% year round. Based on these UK regional routes it would appear that 65% is likely to represent the balance of capacity and demand across the year, taking into account that some demand will be displaced from two flight legs, simply because there was insufficient capacity available on one of them, i.e. a passenger who cannot get their preferred flight in one direction will then not choose to fly in the other direction but will instead choose another travel mode for their return journey. At this average annual load factor, it is likely that there may be excess demand for flights at some times, e.g. Monday mornings and Friday afternoons, but that some mid-week flights may be operate with significantly lower load factors.

Three further assumptions are relevant to the forecasts:

Underlying demand growth rate. The DfT 2013 domestic air passenger growth rate of 1.8% per annum¹² has been applied. Although the Airports Commission has updated the overall passenger forecast with lower growth rates overall, these have not been officially adopted by DfT and the Commission does not, in any event, provide detailed growth rate information for domestic flights.

Business/Leisure split of passengers. Three surveys of the current Air Service each provide a different view of the current split of passengers travelling for

¹² *UK Aviation Forecasts*, Department for Transport, January 2013

business. Citywing, 2014: 56%, Arup, 2014: 78%, CAA, 2012: 66%. For the purpose of demand forecasting the central 66% figure has been assumed.

Split of diverted passengers by alternative mode. This assumption considers for new Air Service passengers, which mode of travel they would have otherwise used. The recent survey has been used to determine the preferred alternative modes of existing Air Service users and this proportion applied to trips switching to the Air Service. In addition to alternative modes they survey indicated that some passengers would not make their journey without the Air Service, and thus these are assumed to be stimulated. The assumptions are therefore that around 33.5% of passenger would divert from rail, 57% would divert from car and 9.5% would be new trips.

Cardiff – Hawarden

The approach to forecasting a once daily service to Hawarden Airport is based upon the forecast results for the Cardiff – Anglesey service. The population sizes for both the north-eastern districts of Wales (Flintshire, Denbighshire and Wrexham) and Chester/Cheshire West are broadly similar to the population seen in the catchment area for the current Anglesey service in north-west Wales. Using the regression analysis which underpins the Anglesey forecast would therefore generate passenger demand figures of a similar overall magnitude (both for north east Wales and Chester/Cheshire West, meaning that the overall demand potential would be twice that from north west Wales). However, given the significantly shorter surface journey times between this region and Cardiff, it is unlikely that the actual demand for Air Services would be the same as to/from Anglesey, despite the similar population size.

We have, therefore, projected the demand based on an analysis undertaken by Greenguage21 in relation to rail/air market shares.¹³ The study indicated that a rail journey time of around 5 hours, similar to that seen from Holyhead to Cardiff, would generate four times the number of air passengers to a route where the rail alternative was approximately 2.5-3 hours as seen from the Hawarden catchment area. Thus the forecasts for the Hawarden route are based on the following stages:

1. Pro-rata adjust the Anglesey forecast to match the population sizes of north-east Wales and Chester/Cheshire West;
2. Divide the passenger figures by four, to reflect the shorter journey time and influence of competing modes; and
3. Apply capacity constraints associated with frequency and load factors.

The main differences in the application of capacity are that it is assumed that the service will only be operated once-daily (middle of the day) during the week. It is considered that this timing will generate lower load factors as the flights will miss the peak operating times of day for business travellers. Two load factor scenario have been derived, one climbing from 52% to 60% load factor on both the Jetstream 31 and the Saab 340 and then growing at 1% compound per annum, and one achieving only 40% on both aircraft sizes and growing at 1% compound.

¹³ *The Impact of High Speed Rail on Heathrow Airport*, Greenguage21, March 2006

The likely flight schedule, fares compared to rail and the overall journey time (taking account of check-in etc.) means that there will be a significant risk that even these load factors may not be achieved however.

It is also assumed that for this service there would be no onward connecting passengers, due to the proximity of Liverpool and Manchester Airports to the northern end of the route.

Patronage Forecast

Table 6.12 below outline the demand potential and capacity constrained demand forecasts of the component parts of the route options for a range of scenarios.

Table 6.12: Summary Passenger Forecasts 2015 and 2018 (rounded to nearest 1,000)

2015			2018		
Total Air Passenger Demand	Capacity Constrained Passenger Forecast	Average Load Factor	Total Air Passenger Demand	Capacity Constrained Passenger Forecast	Average Load Factor
Cardiff - Anglesey Jetstream 31					
████	████	██	████	████	██
Cardiff - Anglesey Saab 340					
████	████	██	████	████	██
Cardiff - Hawarden Jetstream 31 (High load factor)					
████	████	██	████	████	██
Cardiff - Hawarden Saab 340 (High load factor)					
████	████	██	████	████	██
Cardiff - Hawarden Jetstream 31 (Low load factor)					
████	████	██	████	████	██
Cardiff - Hawarden Saab 340 (Low load factor)					
████	████	██	████	████	██
Source: York Aviation					

The Cardiff - Anglesey route potential forecast is somewhat higher than the current passenger numbers. Anecdotally, we are led to believe that the current marketing of the service, likely to be the result of a limited budget allocation may be responsible for the shortfall against assessed potential. This acts in combination with few commercially attractive fares to stimulate discretionary travel and a schedule which restricts the business day particularly at the Cardiff end of the route, may limit market penetration. Hence, there is some risk that forecast results are overstated and that the route may already have reached a natural ceiling limit of demand. There is no way of verifying or testing this further as a result of the unique route characteristics.

In principle, the forecasts set out above assume that that an airline could generate higher passenger demand through stronger marketing, flexible fares or possibly more commercially attractive flight schedules. The ability of carriers on other similar routes in the UK to generate higher passenger loads may be partly a function of well-established routes and the greater market presence of the carriers

operating them (which often serve a number of routes). It should be noted, however, that the current fare levels are relatively low in comparison to the cost of the road or rail journey costs so there may be other actions required.

Overall, the forecasts presented represent the current best estimate of future patronage. As with all patronage forecasting estimates there are risks to the forecast however the current patronage is approximately 8,500 passengers per annum. The actual outturn is likely to be between the two, dependent on the strength of the operating offer and the carrier market presence.

6.6.2 Financial Assessment

A financial assessment of Options 1 and 2 (as outlined in 6.5.5) has been undertaken on the basis of the patronage forecasts given in Section 6.6.1 and a high level estimate of future operating costs for the services. The results given here are based on the assumption of a 19 seat aircraft only.

Revenue Forecast

The patronage forecasts have been used to forecast future fare revenue (average yield) assuming that the average fare remains unchanged from the existing service. It is also assumed that the fare for travel between Cardiff and Hawarden is the same as for Cardiff to Anglesey. An allowance for non-fare income (ancillary revenue) has also been made based on the level currently achieved by the operator. The patronage assumed for Option 2 is the sum of the Option 1 patronage and the Cardiff – Hawarden Jetstream 31 (high load factor) patronage, see Table 6.12.

Growing demand between 2014 and 2018 is expected to result in an increase in real terms revenue from just over £■■■■m per annum, to over £■■■■m per annum. Over the four year period, this equates to £■■■■m.

If option 2 is realised, overall revenue is expected to be higher by around ■■■% overall, giving a four year total of £■■■■m.

Table 6.13 - Fare Revenue Forecast (£s, 2014 prices), passengers to nearest 1,000

		2014	2015	2016	2017	2018	4 Year Total
Option 1	Passengers	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
	Average yield	■	■	■	■	■	■
	Ancillary revenue	■■	■■	■■	■■	■■	■
	Total Revenue	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
Option 2	Passengers	■	■■■■	■■■■	■■■■	■■■■	■■■■
	Average yield	■	■	■	■	■	■
	Ancillary revenue	■	■	■	■	■	■
	Total Revenue	■	■■■■	■■■■	■■■■	■■■■	■■■■

Operating Cost Forecast

As noted, operating costs are difficult to predict and will depend on the aircraft employed, the efficiency of the operator and the level of competition at tender stage. For this reason, the reported operating costs of the current operator are used as the basis for the operating cost forecast.

The costs given in Table 6.14 are the total eligible costs and therefore include allowance for operator overheads and profit margin. A more detailed breakdown of these costs is included as Appendix G which include landing and handling fees for Cardiff and Hawarden Airports, subsidy costs to Anglesey Airport are considered in the following section.

Continuation of Option 1 results in total costs over four years of £■■■■m. Option 2 is ■■■% higher at £■■■■m.

Table 6.14 - Forecast Eligible Costs

	2014	2015	2016	2017	2018	4 Year Total
Option 1	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
Option 2		■■■■	■■■■	■■■■	■■■■	■■■■

Indicative Subsidy Requirement

Bringing the revenue and operating cost forecasts together allows an indication of future subsidy requirements to be given. Higher demand is expected to stimulate a slight reduction in subsidy costs over time and a significant reduction in the level of subsidy per passenger. If Option 2 is selected the overall level of subsidy would be higher but per passenger subsidy is expected to be reduced.

Table 6.15 - Fare Revenue Forecast (£s, 2014 prices)

		2014	2015	2016	2017	2018	4 Year Total
Option 1	PSO Subsidy	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
	Isle of Anglesey CC subsidy	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
	Total Subsidy Requirement	■■■■	■■■■	■■■■	■■■■	■■■■	■■■■
	Subsidy £ Per Passenger	■	■	■	■	■	■
Option 2	PSO Subsidy	■	■■■■	■■■■	■■■■	■■■■	■■■■
	Isle of Anglesey CC subsidy	■	■■■■	■■■■	■■■■	■■■■	■■■■
	Total Subsidy Requirement	■	■■■■	■■■■	■■■■	■■■■	■■■■
	Subsidy £ Per Passenger		■	■	■	■	■

6.6.3 Economic Assessment

General Approach and Assumptions

The approach to economic appraisal has been refined from that used to complete the preliminary assessment (March 2014). The main change has been to use a value of time from a Department for Transport document ‘Rules and Modelling: A Users Guide to SPASM’¹⁴, which is specifically for air passengers rather than applying a value of time estimated for rail passengers. This reflects the fact that air passengers, who choose the mode which offers lowest travel time, are likely to place a higher value on their time (or will be in higher paid occupations) than those travelling by other modes. WebTAG guidance does not provide a specific value of time for air passengers and therefore the air value of time is based on a value developed for demand forecasting in the aviation sector.

The values of time for rail and air passengers are shown in Table 6.16.

Table 6.16: Comparison of WebTAG rail passenger/DfT air passenger value of time

Value of Time Source	Value of time, 2014 prices, £/hr	
	Work	Non-work
WebTAG (rail)	35.62	6.74
DfT (air)	82.20	13.80

Because of the differing profile of air and rail passengers, the rail value of time may underestimate average users’ value of time. Therefore, the rail value of time is considered to represent a ‘lower bound’ estimate. However the degree to which these higher values of time are reflective of users of the Air Service is difficult to accurately assess.

The journey time benefits, previously calculated based on representative journeys between north and south Wales, are now informed by the results of the passenger survey. Based on the origins and destinations provided by respondents generalised journey costs have been calculated between representative zones. These are:

- Holyhead;
- Bangor;
- Llandudno;
- Wrexham;
- Deeside Industrial Park;
- Rhyl;
- Chester;
- Cardiff; and
- Swansea.

¹⁴ Department for Transport, SERAS Supporting Documentation, ‘Rules and Modelling: A Users Guide to SPASM’, January 2002, Halcrow Group Limited and Scott Wilson Kirkpatrick and Company Limited, paragraphs B33-B35

Newport has been excluded from the calculations as very few trips recorded in the survey involved travel to or from locations east of Cardiff.

The distribution of actual origins and destinations (given to the level of postcode sectors) has been used to calculate centroids from which journey times are calculated. Each zone has one centroid for origins and one for destinations.

The proportion of passengers travelling between each pair of origins and destinations is used to weight the generalised costs to produce an average.

The survey results showed that 78% of trips are for business. This was used to produce a weighted value of time based on the values given in Table 6.16.

Passengers have been divided into two groups for the calculation of generalised journey costs: those who are based in the north, travel south and return north; and those who are based in the south, travel north and return south. This replaces the previous classification by the direction of flight, and allows incorporation of appropriate costs and journey times, for instance airport parking charges which are only required at the 'home' airport.

Punctuality statistics from June 2014 revealed that actual journey times from Cardiff to Anglesey are considerably shorter than the advertised time of one hour. Regular passengers would know this and take the shorter journey time into account when assessing their travel options, so the average flight time of 41 minutes has been used. It has been assumed that a Cardiff to Hawarden would have the same journey time.

Air Travel Assumptions

A site visit to Anglesey Airport has enabled a number of previous assumptions about elements of the air journey to be replaced with observed information:

- cost and location of car parking;
- typical passenger arrival and wait time for a departure; and
- time taken from aircraft landing to passengers exiting the terminal.

Values for Cardiff Airport have been refined through further research whilst the Anglesey values have been assumed to apply to Hawarden Airport.

Data on passenger numbers and ticket revenues have been used to calculate a yield or average fare of £[REDACTED] for the Cardiff-Valley route. We have assumed the same fare applies to the Hawarden route and that the yield does not change over time (in real terms).

We have also modelled cost savings for passengers who travel to Cardiff to connect onto other flights. The calculation matches that for point-to-point passengers, except that Cardiff Airport itself becomes the destination, rather than the weighted average destination centroid, and there are no onward travel costs upon arrival at Cardiff.

Rail Travel Assumptions

In vehicle times and ticket prices for journeys made by rail have been obtained from the National Rail Enquiries website and assume an early morning departure on the outward leg, with a return journey later the same day.

Access times to train stations are calculated from the weighted average centroid of origins where survey data was available (i.e. north west Wales and south Wales). An assumption of 15 minutes has been used for Rhyl and 10 minutes for the remaining locations in north east Wales. We have assumed that people travel to the station by car and that there is no charge for parking.

A wait time of 10 minutes at the railway station has been assumed, in addition to the rail in vehicle time.

Car Travel Assumptions

Car journey times have been obtained from Google Maps, between the weighted average centroids of origins and destinations where survey data was available (i.e. north west Wales and south Wales) and using the town centres for the remaining locations in north east Wales. We have added a 5% uplift to reflect traffic congestion effects and an extra 10 minutes for a break.

We have assumed parking charges of £5 in Cardiff, Swansea and Chester, and zero elsewhere. This reflects the urban characteristics and the nature of the specific destinations (for instance, travellers to offices in business parks or industrial estates beyond the city centre would probably not have to pay for parking).

The length of the car journey from north to south Wales necessitates an overnight stay as part of a return journey in many cases (noted by survey respondents). Average rates of £78 per night for Cardiff and £72 per night for Swansea have been obtained from the annual Hotels.com Hotel Price Index. We have assumed that the lower Swansea rate applies to all other destinations in our calculations, and that 50% of all trips by car require an overnight stay. Trips by air or rail are assumed to require no overnight stay.

Car operating costs (fuel and non-fuel) have been calculated using WebTAG parameters, applied to the average driving distances, times and speeds as obtained from Google Maps.

Benefits of reduced car use have been calculated based on the values provided in WebTAG, applied to the proportion of passengers who would have travelled by car if the Air Service did not exist (as reported in the survey).

The environmental impact has been calculated using CO₂ emission rate of 165.1g per passenger km and a radiative forcing factor of 1.9, as provided in Defra/DECC guidelines.

Economic Assessment Results

The overall economic assessment compares discounted costs and benefits over a four year contract period for Options 1 and 2. For Option 2, both low and high growth patronage forecasts have been applied, reflecting the higher degree of uncertainty with respect to the introduction of a new route configuration.

Applying the air user value of time for all air service users gives an economic net present value (NPV) of £0.4m and a benefit cost ration (BCR) of 1.1:1 for Option 1. Option 2 has an NPV of between £0.3m and £0.9m and a BCR in the range 1.05:1 and 1.17:1.

This means that the Air Service might result in a return in the range of £1.05 to £1.17 for every £1 spent by the Welsh Government on the service.

From these results it is clear that the results of financial assessment are broadly comparable between the options.

It should be noted that the monetised assessment does not capture the wider economic benefits of the service as an enabler for economic activity including that which is directly stimulated by the Air Service and which would not have occurred without it. Therefore a broader consideration of value for money is required which takes into account the wider social and economic role of the service, rather than journey time savings alone.

It should also be noted that the assessment of travel time savings and user benefits is based strictly on end to end journey times by alternative modes. It does not take into account additional costs borne by business of alternative travel modes (such as accommodation and effects of travel fatigue)

7 Summary and Recommendations

7.1 Preferred Option

Option 1 with a daily service pattern of Cardiff – Anglesey – Cardiff, Cardiff – Anglesey – Cardiff is recommended. This represents a continuation of the existing service pattern. This option is recommended for the following key reasons:

- **Continuity of service provision.** There is a proven, albeit modest market for the service. The majority of current passengers are satisfied with the service and it is used by a significant proportion of business travellers from a range of employment sectors. There has also been significant Welsh Government capital investment at Anglesey airport to establish appropriate passenger terminal facilities.
- **Journey time savings.** The origin and destination served by this option represent one of the most significant time savings between airport locations in Wales. Despite improvements to the road and rail network this journey time is likely to remain a barrier to the locations served.
- **Operating costs.** Whilst additional services may result in additional benefits there are inevitable increases in operating cost which will have to be paid by Welsh Government from limited resources.
- **Commercial opportunities.** A simple service pattern with two return flights offers the greatest flexibility for carriers wishing to propose additional commercial uses of the aircraft.

In addition it is considered that there are two key risks to issuing a tender for Option 2 and that insufficient time is available to resolve prior to the end of the current PSO contract:

- Airbus UK, the owner of Hawarden Airport, do not currently permit scheduled passenger aircraft to use the airport. Whilst the Aviation Park Group operate a passenger terminal facility for charter flights at the airport it is likely that the airport would require some sort of investment (capital and opex) to accommodate the scheduled PSO service;
- The rail journey times between north east Wales and Cardiff are somewhat marginal against the PSO regulations which stipulate that the destinations served should be over three hours apart by rail journey. Rail journey times will also be improved in the near future as a result of Welsh Government investment on the route between north and south Wales via Wrexham and Chester.

7.2 Service Limitations

The current Air Service has limitations of aircraft size and operating hours that relate to use of Anglesey airport and which may act to limit the tender responses and/or patronage of the Air Service:

Aircraft size. The airport is currently not compliant with the National Aviation Security Programme (NASP) and as a result the size of passenger aircraft is limited to a maximum of 19 seats or 10 tonnes. Discussion with stakeholders, including RAF Valley, indicates that subject to capital investment, on-goings

costs, negotiation and approvals there is potential for the airport to become NASP compliant but the process to achieve this would take in the order of 12-18 months hence any PSO contract will need to retain the same restriction on aircraft size for the near future. There is a short term opportunity to address this, in part, in conjunction with planned airfield works by the RAF. This opportunity needs to be explored further as a matter of urgency.

Operating Hours/Days. The Air Service currently operates within the operating hours of RAF Valley. Discussion with RAF Valley indicates that subject to payment to cover the costs of Air Traffic Control, fire cover and associated operational staffing there may be the potential to extend operating hours of Anglesey Airport.

7.3 Variation of Contract Conditions

A key objective in maximising the viability of a future Air Service will be ensuring that the contract encourages value for money both through the contract requirements and through a competitive tender process which encourages commercial initiative.

Table 7.1 identifies areas of the contract that could be altered to improve the attractiveness, value for money and economic benefit derived from the service. The majority of the proposed variations are targeted at defining the basic service required and locations to be served but allowing a more market-led approach to encourage a range of tenders that can subsequently be evaluated for suitability rather than to narrow the contract such that potentially beneficial services become uncompliant. In addition to contract variations it is also proposed that a wider range of tender evaluation criteria are used to assess tenders received.

Table 7.1: Contract variations to be considered

Area	Notes
Aircraft size	<p>The aircraft size serving Anglesey airport is limited to 19 seats or 10 tonnes since the airport is not NASP compliant; however this limit may at some point in the future limit patronage and it is recommended that a break clause is included in the contract to cater for this eventuality. In order to benefit from the clause it would be necessary to ensure that Anglesey Airport achieved NASP compliance by the appropriate time.</p> <p>It is suggested that this break clause should enable the Welsh Government to request the carrier provides a larger aircraft if the patronage over the preceding six months exceeds 70% average load factor (of the 19 seat aircraft). Should the carrier be unable or unwilling to increase the size of the aircraft the clause would enable the service to be re-tendered. It is noted that some operators may not be able to comply with such a condition. An operator of an aircraft with 19 seats can operate under a 'B' Operator's Licence. To move to an 'A' Licence to operate larger aircraft would take a considerable time and might not be possible at all if the Operator couldn't pass the financial fitness test for an 'A' Licence. This may restrict the number of airlines who could participate in the procurement exercise.</p>
Penalty clauses	<p>Penalty clauses in the current contract (for services which do not operate or are significantly delayed) are significant and contribute to the current operator's decision not to utilise the aircraft for commercial flights in addition to the PSO service.</p> <p>It is suggested penalty clauses are revised in line with typical industry levels and only apply to instances that are under the carrier's control.</p>

Table 7.1(contd): Contract variations to be considered

Area	Notes
Fare levels	<p>The previous contract set a limit of £59.45 to the fares (with an allowance for adjustment) but this may be unnecessarily restrictive. The ability for the operator to charge premium fares or to offer transferable tickets is likely to be beneficial to the subsidy requirement.</p> <p>It is recommended that this maximum (adjusted for interest) applies to the initial 60% of load factor (this is above the load factor that the service is currently operating at and in line with that observed on PSO services operating elsewhere) with a higher maximum fare permitted for the remaining tickets.</p>
Transferable ticketing	<p>Tickets sold for the current service are non-transferable.</p> <p>It is recommended that the contract permits operators to sell flexible tickets at a higher fare level which would permit passengers to alter their booking reflecting the needs of business travel.</p>
Flexible flights	<p>The previous contract requires a rigid number of flights but findings of this review indicate that on occasion it may be appropriate to increase the frequency of service as a result of peaks in demand or specific events.</p> <p>It is recommended that the contract makes allowance for this eventuality by providing flexibility to agree the operation of additional flights within the overall subsidy value limit.</p>
Subsidy payment	<p>The current contract makes a subsidy payment on the basis of deficit and at a fixed rate of 10% profit but does not significantly incentivise the operator to maximise passengers carried.</p> <p>It is recommended that an alternative mechanism could be adopted to achieve this based on a stepped profit allowance related to patronage with the current 10% profit at current patronage levels and lower/higher profit percentages around this figure corresponding to lower/higher patronage.</p> <p>Such a mechanism is more likely to incentivise operators to market the service, to encourage reasonable prices based on supply and demand, to carry a greater number of passengers and ultimately to give the best chance of creating a commercially viable route in future.</p>

In addition to contract conditions the tender evaluation criteria, which are stated in the contract, but do not form part of the contract conditions, can be used to state and inform interested parties in elements of a service which would be attractive to the Welsh Government, Table 7.2 sets out the previous evaluation criteria and additional criteria that could be considered.

Table 7.2: Contract Evaluation Criteria

Criteria	retain/remove/new criteria
Operational	
Minimum service frequency provided	retain
Minimum timing requirements met	retain
Minimum aircraft capacity provided	retain
Maximum fare levels within guidelines	retain
Complementary operating proposals (route development)	new
Route marketing proposals	new
Technical	
Air Operator to hold CAA Operating Licence	retain
Air Operator to hold Air Operator's Certificate	retain
Sufficient passenger and third party insurance	retain
Safety record	new
Provision of financial information	
The company's previous 3 years audited financial statements (profit & loss, balance sheet, cash flow)	retain
The total maximum financial requirement for Years 1 to 4	retain
Projections of the Trading and Profit and Loss Account, the Cash Flow and Balance Sheet, for 2014-15 and each 12 month period to the end of the contract	retain
Tender completion	
Acceptance of Terms & Conditions	retain
Acceptance of period of supply and commencement date	retain
Acceptance of payment terms	retain

7.4 Next Steps

Following this review of the current Intra Wales Air Service a number of next steps are recommended:

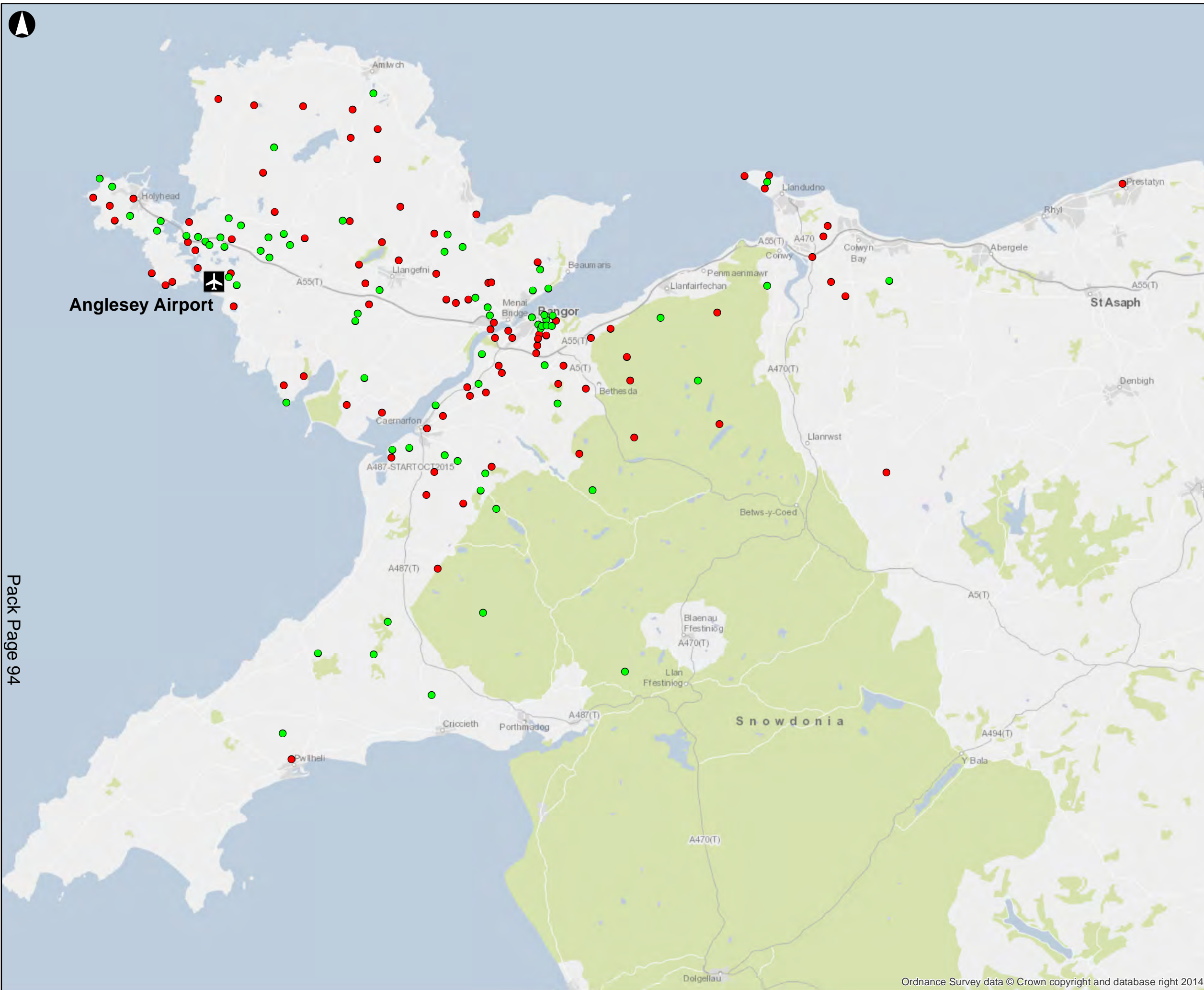
- Decision on whether to re-tender an Intra Wales Air Service;
- Preparation of contract documents;
- Issue of invitation to tender documents and PSO application;
- Receipt of PSO tenders;
- Evaluation and assessment of PSO tenders based on PSO service objectives, evaluation criteria and the imperative to maximise value for money; and
- Award of PSO contract;

7.5 Complementary Measures

Following this review of the current Intra Wales Air Service a number of complementary measures have been identified:

- Maintain accurate passenger count data via a verifiable methodology and if necessary via an independent source;
- Undertake periodic passenger surveys using a consistent set of survey questions to monitor air service use, performance and satisfaction;
- Formal Welsh Government communication with Airbus into the potential for future passenger air services to use Hawarden Airport (including the continuation of the Intra Wales Air Service using Hawarden in the case of adverse weather or unexpected closure periods at Anglesey Airport);
- Request formal quotations from the Ministry of Defence for extension of operating hours at RAF Valley for both weekdays (per hour) and weekends (per day);
- Undertake consultation with public transport operators serving Anglesey Airport to investigate the potential for more frequent and/or better coordinated services to connect to the air service;
- Review of Anglesey Airport security arrangements including costed assessment of NASP compliance; and
- Discussion with RAF Valley on programmed runway works which may offer a cost effective manner in which to achieve NASP compliance.

Figures

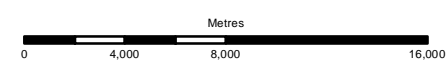


Legend

- Cardiff to Anglesey Journey Destinations
1 Dot = 1 Passenger
- Anglesey to Cardiff Journey Origins
1 Dot = 1 Passenger
- Airport

D1	2014-07-28	MG	OR	RB
----	------------	----	----	----

Issue	Date	By	Chkd	Appd
-------	------	----	------	------



ARUP

Client
Welsh Government

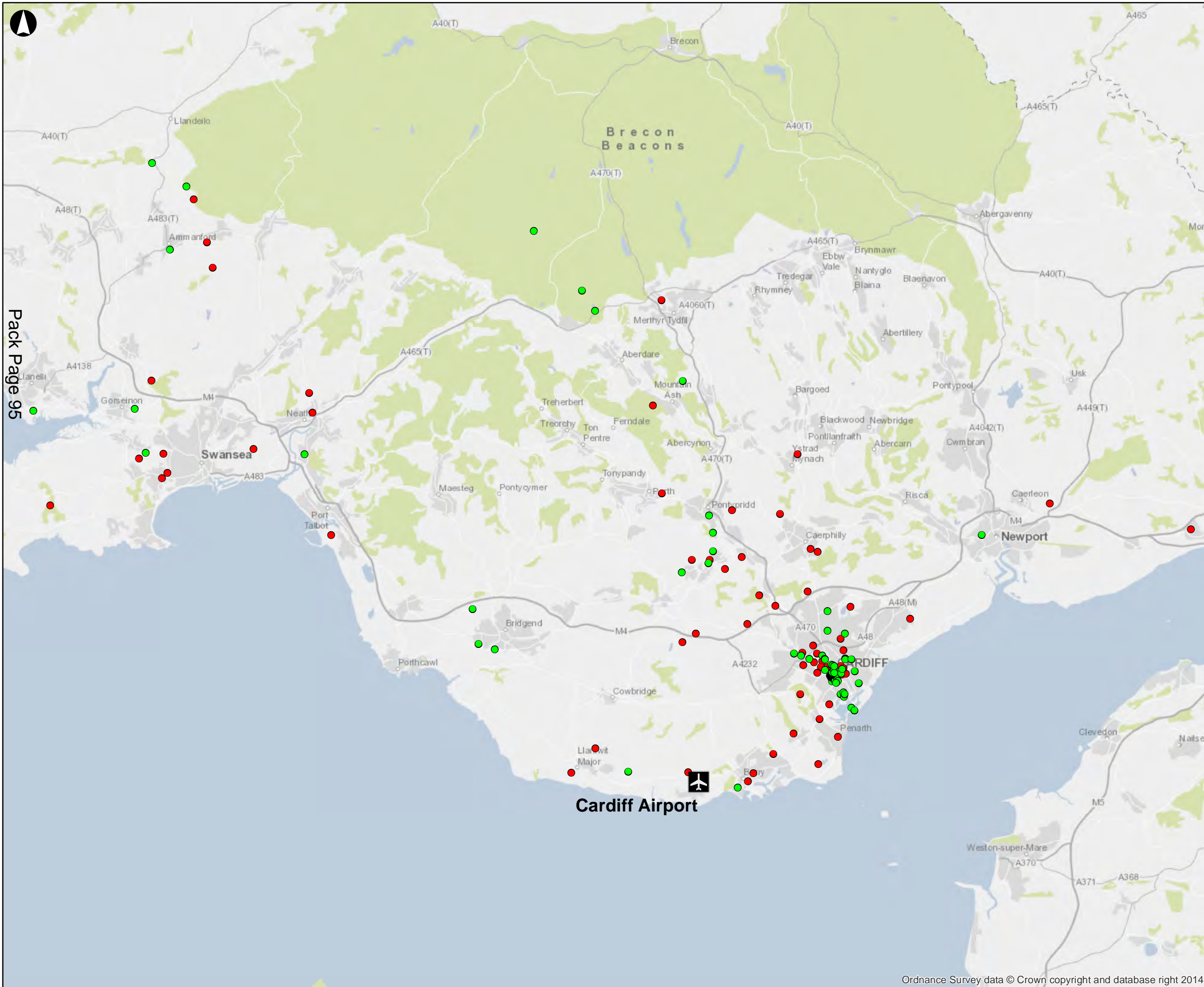
Job Title
Intra Wales Air Services

**Survey Origin/Destination Postcodes
North Wales**

Scale at A3
1:300,000

Job No 227259-00	Drawing Status Draft
----------------------------	--------------------------------

Drawing No -	Issue D1
-----------------	--------------------



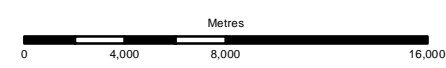
Pack Page 95

Legend

- Anglesey to Cardiff Journey Destinations
- 1 Dot = 1 Passenger
- Cardiff to Anglesey Journey Origins
- 1 Dot = 1 Passenger
- Airport

D1	2014-07-28	MG	OR	RB
----	------------	----	----	----

Issue	Date	By	Chkd	Appd
-------	------	----	------	------



ARUP

Client
Welsh Government

Job Title
Intra Wales Air Services

Survey Origin/Destination Postcodes South Wales

Scale at A3
1:300,000

Job No 227259-00	Drawing Status Draft
----------------------------	--------------------------------

Drawing No -	Issue D1
-----------------	--------------------

Appendix A

Survey Form



Intra Wales Air Service Passenger Survey

The Welsh Government is reviewing the operation of the Intra Wales Air Service between Cardiff and Anglesey. In order to inform this review we would like to **understand the use of the service and the views of passengers.**

Please complete the survey below for the journey you are making today. Regular passengers may be asked to complete the survey more than once. Even if you have completed the survey before please complete this survey for the journey you are currently making so that the travel patterns of regular passengers can be understood.

Your response will remain anonymous. Thank you for your participation.

1. Today's Date (dd/mm/yy):

2. Time

3. Direction *Please select one only*

Cardiff to Anglesey

Anglesey to Cardiff

4a. Please tell us the town and first four or five digits of the postcode of where you started this journey? For example, for CF10 4QP write CF10 4.

Please write clearly and in block capitals

Town

C	F	1	0		4		
---	---	---	---	--	---	--	--

Postcode

--	--	--	--	--	--	--	--

4b. How did you travel between this address and the airport? *Please select one only*

Own car

Bus

Taxi

Hire car

Train

Other

5a. Please tell us the town and first four or five digits of the postcode of your destination?

Please write clearly and in block capitals

Town

Postcode

--	--	--	--	--	--	--	--

5b. How will you travel between the airport and this address? *Please select one only*

Own car

Bus

Taxi

Hire car

Train

Other

6. Is this the outbound or return journey today? *Please select one only*

Outbound

Return

7. If this flight is part of a return journey, how long will you be/were you away between flights? *Please write in*

 days

8a. What is the purpose of your journey today? *Please select one only*

Tourism Travel to usual place of work

Leisure Employers business (e.g. meetings)

Other (*please state*)

8b. If you stated 'Employers business' in 8a, please tell us how important this service is to your business needs. *Please write in*

8c. If you are travelling on business is your employer...? *Please select one only*

Welsh Government Education Sector

UK Government & Agencies Private Sector

Local Government Self Employed

NHS Other (*please state*)

9. How often do you make this journey? *Please select one only*

Several times a week Weekly Monthly Less frequently First journey

10. What is your main reason for using the Intra Wales Air Service today? *Please select one only*

Time-saving Comfort

Cost-saving Health & Safety

Other (*please state*)

11. If you had not used the air service would you have still made this trip? If yes please state how. *Please write in*

12. Does the are service meet all of your current needs? How could the service be improved to better meet your needs? *Please write in*

13. If you have any other comments on the air service please tell us here. *Please write in*



Arolwg Teithwyr Gwasanaeth Awyr Mewnol Cymru

Mae Llywodraeth Cymru'n cynnal arolwg o Wasanaeth Awyr Mewnol Cymru rhwng Caerdydd ac Ynys Môn. Fel rhan o'r arolwg yma hoffem ddeall **sut mae'r gwasanaeth yn cael ei ddefnyddio a chasglu barn teithwyr.**

Cwblhewch yr holiadur isod ar gyfer y siwrnai rydych yn ei gwneud heddiw os gwelwch yn dda. Mae'n bosibl y bydd teithwyr rheolaidd yn derbyn cais i gwblhau'r holiadur ar fwy nac un achlysur. Os ydych wedi cwblhau'r holiadur o'r blaen, gofynnwn i chi gwblhau'r holiadur ar gyfer eich siwrnai bresennol fel y gallwn ddeall patrymau teithio teithwyr rheolaidd.

Bydd eich ymateb yn aros yn anhysbys. Diolch am eich cyd-weithrediad.

1. Dyddiad Heddiw (dd/mm/bb):

2. Amser

3. Cyfeiriad eich Taith *Dewiswch un yn unig*

Caerdydd i Ynys Môn

Ynys Môn i Gaerdydd

4a. Rhowch fanylion y dref a'r pedwar neu bum digid cyntaf o'r côd post ar gyfer man cychwyn y daith hon? Er enghraifft, ar gyfer CF10 4QP ysgrifennwch CF10 4.

Ysgrifennwch yn glir ac mewn llythrennau bras

Tref

C	F	1	0		4		
---	---	---	---	--	---	--	--

Côd Post

--	--	--	--	--	--	--	--

4b. Sut wnaethoch chi deithio rhwng y cyfeiriad hwn a'r maes awyr? *Dewiswch un yn unig*

Car personol

Bws

Tacsi

Car wedi ei logi

Trên

Arall

5a. Rhowch fanylion y dref a'r pedwar neu bum digid cyntaf o'r côd post ar gyfer pen eich taith? *Ysgrifennwch yn glir ac mewn llythrennau bras*

Tref

Côd Post

--	--	--	--	--	--	--	--

5b. Sut fyddwch chi'n teithio rhwng y maes awyr a'r cyfeiriad hwn? *Dewiswch un yn unig*

Car personol

Bws

Tacsi

Car wedi ei logi

Trên

Arall

6. A'i hon yw'r siwrnai allan neu yn ôl heddiw? *Dewiswch un yn unig*

Allan

Yn ôl

7. Os yw'r daith hon yn rhan o siwrnai ddwy ffordd, pa mor hir fyddwch chi / oeddech chi i ffwrdd rhwng dwy ran y siwrnai?

Ysgrifennwch yn y blwch

diwrnod

8a. Beth yw pwrpas eich siwrnai heddiw? *Dewiswch un yn unig*

Twristiaeth

Teithio i le gwaith arferol

Hamdden

Busnes cyflogwr (e.e. cyfarfodydd)

Arall (nodwch)

8b. Os mai 'Busnes cyflogwr' oedd eich ateb i 8a, dywedwch wrthym pa mor bwysig yw'r gwasanaeth hwn i anghenion eich busnes. *Ysgrifennwch isod*

8c. Os ydych yn teithio ar fusnes, eich cyflogwyr yw...? *Dewiswch un yn unig*

Llywodraeth Cymru

Sector Addysg

Llywodraeth y DU ac asiantaethau

Sector Gyheddus

Llywodraeth Leol

Hunan Gyflogedig

Gwasanaeth Iechyd Cenedlaethol

Arall (nodwch)

9. Pa mor aml ydych yn gwneud y siwrnai hon? *Dewiswch un yn unig*

Sawl gwaith yr wythnos

Yn wythnosol

Yn fisol

Llai aml

Siwrnai gyntaf

10. Beth yw'ch prif reswm am ddefnyddio Gwasanaeth Awyr Mewnol Cymru heddiw?

Dewiswch un yn unig

Arbed amser

Cysur

Arbed Arian

Iechyd a Diogelwch

Arall (nodwch)

11. Os na fydddech wedi defnyddio'r gwasanaeth awyr a fydddech wedi gwneud y daith hon? Os bydddech, dywedwch wrthym sut y bydddech wedi teithio. *Ysgrifennwch isod*

12. Ydi'r gwasanaeth yn ateb eich holl ofynion ar hyn o bryd? Sut allai'r gwasanaeth gael ei wella er mwyn ateb eich gofynion yn well? *Ysgrifennwch isod*

13. Os oes gennych unrhyw sylwadau eraill ar y gwasanaeth awyr, nodwch yma os gwelwch yn dda. *Ysgrifennwch isod*

Appendix B

Carrier Surveys (Redacted)

Appendix C

Alternative Airport Information Table and Journey Time Comparison

Airport Name	Licensed	Location	County	Usage/Operating Agency	Runways	Facilities	Notes	50 km Population catchment rank (Highest 1, Lowest 13)	50km Employment catchment rank (Highest 1, Lowest 13)	PSO Eligible?	Shortlisted?	Appraised?
Aberporth	Yes (Ordinary)	Aberporth	Ceredigion	Public/Civil Government	4124 x 98 feet (1257 x 30 metres)	Additional grass runway	There is also a shorter 1771 feet (540 metre) runway unlicensed Main runway restriction for jets	10	10	Yes	Yes	No
Anglesey (RAF Valley)	Civilian Enclave (RAF)	Llanfair yn Neubwll	Isle of Anglesey	Public/Civil Government	7513 feet (2290 metres)	Passenger terminal, parking, vending machines	Currently used by Intra Wales Air Service	11	11	Yes	Yes	Yes
Caernarfon	Yes (Ordinary)	Caernarfon	Gwynedd	Public/Civil Government	3543 x 75 feet (1080 x 23 metres) 3074 x 75 feet (937 x 23 metres)	Bank/Post office	Only shorter runway licensed, (longer runway unlicensed). Licensed runway length OK for J31 & DO228 only.	8	8	Yes	No	No
Cardiff	Yes (Public)	Rhoose	Vale of Glamorgan	Public/Civil Government	7848 x 151 feet (2392 x 46 metres)	Hotel 0.5 miles, Café, Medical facilities	Currently used by Intra Wales Air Service	3	3	Yes	Yes	Yes
Gloucestershire	Yes (Public)	Staverton	Gloucestershire	Public/Civil Government	4695 x 121 feet (1431 x 37 metres) 3241 x 111 feet (988 x 34 metres) 2621 x 59 feet (799 x 18 metres)	Flying School, Shop, Restaurant, Bar, Limited First Aid	Occasional military flights, (no longer a joint Military and Public site)	4	4	Yes	Yes	No
Hawarden	Yes (Ordinary)	Chester	Flintshire	Public/Civil Government	6702 x 148 feet (2043 x 45 metres)	Car parking, 24 hour security, executive lounge, aircraft handling, cabin cleaning, hangars	Airport owned by Airbus who do not currently permit scheduled flights to land at the airport.	1	1	Yes	Yes	Yes
Haverfordwest	Yes (Ordinary)	Haverfordwest	Pembrokeshire	Public/Civil Government	5000 x 148 feet (1524 x 45 metres) 3608 x 148 feet (1100 x 45 metres)	50 short term parking, 50 long term parking spaces Hangarage (overnight parking), Café	Fire cover RFS Category 1 with ability to increase to Category 2 on request. Operated by Pembrokeshire County Council. Manned 0915 -1630.	13	13	Yes	Yes	No
Llanbedr	No	Llanbedr	Gwynedd	Public? (Status Unknown)	7500 x 151 feet (2286 x 46 metres) 4207 x 151 feet (1282 x 46 metres) 4328 x 151 feet (1319 x 46 metres)	Parking, aircraft hangars	Llanbedr is bidding to be a SpacePort Site to be used to test UAV (Unmanned Aeronautical Vehicles)	12	12	Yes	No	No
Pembrey	Yes (Ordinary)	Pembrey	Carmarthenshire	Public/Civil Government	2614 x 98 feet (797 x 30 metres) (1148 x 30 feet (350 x 30 metre extension planned/constructed?)	Restaurant, Lounge, Parking, Refuelling Facilities	Not known if runway extension is in place, (used/unused), or still to be constructed With extension some restriction to some props and all jets. Without extension only DO228	6	6	Yes	Yes	No
RAF St Athan	(RAF)	St Athan	Vale of Glamorgan	Military	5997 x 141 feet (1828 x 43 metres)	Military use	Very close to Cardiff Airport. Military use therefore no current civilian aircraft use.	2	2	Yes	No	No
RAF Mona	(RAF)	Anglesey	Isle of Anglesey	Military (Used as a relief airfield to RAF Valley)	5180 x 150 feet (1579 x 46 metres)	Military use	Military use therefore no current civilian aircraft use.	9	9	Yes	No	No
Swansea	Yes (Ordinary)	Pennard	Swansea	Public/Civil Government	4429 x 150 feet (1350 x 46 metres) 2811 x 59 feet (857 x 18 metres)	Hotels close, Restaurants/café, limited medical facilities	Short runway MTOW 5,700 kg only. Parking charges typically included in landing fee. Main runway length - jet a/c restriction	5	5	Yes	Yes	No
Welshpool	Yes (Ordinary)	Welshpool	Powys	Public/Civil Government	3346 x 59 feet (1020 x 18 metres)	Café, briefing room, weather info	Runway length restricts some props and all jets	7	7	No	No	No

	Airport not shortlisted
	Airport shortlisted but not appraised
	Airport shortlisted and related option appraised

Travel Times - Car. Source Google Maps

	Cardiff	Anglesey (RAF Valley)	Llanbedr	Hawarden	RAF St Athan	RAF Mona	Haverfordwest	Swansea	Caernarfon	Welshpool	Aberporth	Pembrey
Cardiff		04 34	03 32	03 34	00 10	04 33	01 50	01 07	04 06	02 40	02 05	01 22
Anglesey (RAF Valley)	04 34		01 37	01 22	04 45	00 16	04 45	04 21	00 48	02 10	03 19	04 01
Llanbedr	03 32	01 37		02 00	03 52	01 35	03 10	03 28	01 08	01 35	02 26	03 07
Hawarden	03 34	01 22	02 00		03 43	01 19	03 53	03 38	01 29	01 00	03 11	03 33
RAF St Athan	00 10	04 45	03 52	03 43		04 41	01 49	01 52	04 14	02 51	02 03	01 16
RAF Mona	04 33	00 16	01 35	01 19	04 41		04 00	04 18	00 45	02 07	03 16	03 57
Haverfordwest	01 50	04 45	03 10	03 53	01 49	04 00		01 20	03 33	02 52	00 49	00 59
Swansea	01 07	04 21	03 28	03 38	01 52	04 18	01 20		03 51	02 37	01 33	00 41
Caernarfon	04 06	00 48	01 08	01 29	04 14	00 45	03 33	03 51		01 59	02 50	03 32
Welshpool	02 40	02 10	01 35	01 00	02 51	02 07	02 52	02 37	01 59		02 13	02 34
Aberporth	02 05	03 19	02 26	03 11	02 03	03 16	00 49	01 33	02 50	02 13		01 13
Pembrey	01 22	04 01	03 07	03 33	01 16	03 57	00 59	00 41	03 32	02 34	01 13	

Travel Times - Rail. Text in bold denotes rail destinations. Note: *Cambrian Line disruptions affecting West Coast travel*

	Cardiff Cardiff Central	Anglesey (RAF Valley) Valley	Llanbedr	Hawarden Chester	RAF St Athan Cardiff Central	RAF Mona Llanfairpwll	Haverfordwest Haverfordwest	Swansea Swansea	Caernarfon Bangor	Welshpool Welshpool	Aberporth Carmarthen	Pembrey Pembrey & Burry Port
Cardiff Cardiff Central		04 46	04 54	03 08		04 18	02 29	00 55	04 08	02 28	01 51	01 20
Anglesey (RAF Valley) Valley	05 21		06 41	01 41	05 21	00 23	08 35	06 23	00 31	04 15	07 11	07 00
Llanbedr	05 07	07 29		04 42	05 07	07 05	07 30	05 59	06 01	02 26	06 50	06 26
Hawarden Chester	02 56	01 46	03 56		02 56	01 18	05 33	03 59	01 00	01 30	04 47	04 26
RAF St Athan Cardiff Central	00 00	04 46	04 54	03 08		04 18	02 29	00 55	04 08	02 28	01 51	01 20
RAF Mona Llanfairpwll	04 46	00 23	06 18	01 23	04 46		07 45	06 00	00 08	03 39	06 48	06 17
Haverfordwest Haverfordwest	02 24	08 40	09 11	05 42	02 24	08 16		01 26	07 05	06 26	00 37	00 59
Swansea Swansea	00 54	06 08	06 25	04 18	00 54	05 42	01 27		05 40	03 54	00 48	00 24
Caernarfon Bangor	04 20	00 30	05 12	01 09	04 07	00 06	07 01	05 30		02 45	06 21	05 59
Welshpool Welshpool	02 38	04 59	02 25	02 12	02 38	04 35	05 07	03 33	03 33		04 20	04 03
Aberporth Carmarthen	01 52	07 01	07 16	05 09	01 52	06 40	00 36	00 49	06 32	04 47		00 23
Pembrey Pembrey & Burry Port	01 24	06 43	06 55	04 48	01 24	06 19	01 03	00 26	06 12	04 26	00 26	

Appendix D

Anglesey Airport Site Visit Observations



York Aviation

**Welsh Assembly Government
Anglesey Airport Site Visit – 7th July 2014
16:00 to 18:00 – to witness tea-time arrival and departure operation**

Briefing Note

Terminal

1. Single story almost square structure. Very clean and well maintained – internally and externally.
2. Simple layout: entrance lobby opening in to landside area with 30 seats, one check-in/reception desk with weigh scale, one car hire desk, (Europe, National, Alamo), 3 internet desks attached to column, one vending unit – dual function hot drinks and cold drinks/snacks, male, female, disabled toilets, entry door to departures.
3. First departure element is security (pax and bags dual function), departure gate beyond, (not seen), but judging by layout and size of building foot print should be large enough for 30 seats as well.
4. Arrival space could be partially seen through part glazed door and a podium could be seen.
5. Externally, to the side elevation, airside, two doors – one for arrivals and one for departures.

Car Parking, Surface Access and Public Transport

6. Single surface car park – dual public and staff use.
7. 60 spaces plus 3 disabled spaces.
8. Tariff – 0-30 minutes at 50p, up to 3 hours £3, All day, (per day), £5. Single coins only pay machine at car park.
9. Drop off zone – large enough for 2 or 3 cars.
10. Single entrance to car park, (to terminal), off entry road to RAF Valley adjacent to the controlled entrance to RAF station.
11. Single deck service bus every half hour – using the drop-off zone in car park, (destination/origin not recorded). The airport is on the route and not the terminus of the service. Frequency may be one hour in each direction. No drop-off or pick-up of passengers during visit. Other passengers on the bus.

Site Security

12. The car park and terminal building sit within a civilian enclave surrounded by ICAO height security fencing – of a type that does not have the angled barbed wire at top – vertical arrangement instead, (possibly to MOD standards).
13. Perimeter facing airfield could be seen through – so no added visual screening by the landside public of the military airside aerodrome. This affords good spectator views of the airfield and

of the entry/exit doors of the terminal facing the ramp. Some well-wishers using this view to meet or send off passengers.

Passenger Load

14. It was the Monday 7th July arrival from Cardiff at - STA 17:20 and STD 17:40 departure to Cardiff that was witnessed.
15. Departure load was 12 Pax – by appearance 7 business and 5 leisure passengers. No hold luggage, all cabin baggage, of which around 5 or 6 items were overnight bags, all others brief cases, hand bags etc.
16. Arrival load was 8 Pax – by appearance all leisure. No hold bags, all cabin baggage of which at least 6 items were overnight bags.
17. Most of the departing passengers and all of the arriving passengers were being dropped off or picked up. There was one car hire collection/or return, (not sure which).
18. When all departing passengers were in the building there were 12 cars in the car park, (some of these were staff). After all of the arriving passengers left the airport there were 7 cars left in the car park, not all of these were staff, (staff cars had passes attached to windscreens), so some cars had been left by passengers overnight, (suggesting that not all passengers on business are day return).

Witnessed Turn-Round Operation

19. Flight arrived early at 17:00, (ATA = STA – 20).
20. Aircraft taxied along taxiway closest to terminal and then entered stand facing out.
21. Airport staff totalled 6 on the ramp, (one other member off staff still in terminal). Total staff on duty was 7 airport staff plus one Europa Car Hire.
22. Larger bag items unloaded out of rear pax door first and set out on apron for pax to collect as they embarked down stairs and walked across ramp to entry door to arrivals.
23. All arriving passengers off aircraft and in to building by 17:05 – 5 minutes after arrival on stand.
24. As last arrival passengers entered building, some of airport staff that were initially out on the ramp were by now inside of building and the departure process had started with security door open and passengers being processed through to departure gate.
25. Regarding the reporting pattern of departing passengers the first passengers arrived at 16:30, STD – 70 minutes. By 16:50, STD – 50 minutes, 11 passengers had arrived. The final 12th passenger arrived at 17:15, STD – 25.
26. Boarding commenced at 17:25 and completed with all 12 passengers and baggage on board by 17:28. Door closed at 17:29.
27. Two airport staff on ramp remained with the aircraft. One responsible for the small GPU and the other as marshaller.
28. First engine start at 17:33 and second at 17:34.
29. Taxi out at 17:37, (STD – 3 minutes). Flight could probably have left even earlier – likely that slot/en-route clearance was required preventing an even earlier departure. Whilst RAF flying was busy it is unlikely that any slot issues for the runway were at VLY.

Ramp Equipment

30. One pair of wheel chocks, one small GPU, one other small piece of kit, (unknown), and two sets of small engineer stairs. All items remained out on the ramp after departure.

Road Journey Times from Anglesey Airport

31. The road journey time from Anglesey Airport was recorded by car leaving the airport at 18:00 and travelling along the A55 and M56 as far as Manchester Airport.
32. Travelling conditions were dry and clear for the entire journey apart for the stretch from Llanfairfechan, Junction 14 A55, to Abergele, Junction 23A A55, with heavy showers. The M56 was in particular clear of traffic. Speed was at or below the speed limits.
33. The following times, all from Anglesey Airport, in minutes are:
 - ➔ Britannia Bridge, (Gwynedd side), 20 minutes;
 - ➔ Llandudno Junction, J19 A55, 41 minutes;
 - ➔ Colwyn Bay, J22 A55, 43 minutes;
 - ➔ J31 on A55, past Rhyl and Prestatyn and close to Whitford, 60 minutes;
 - ➔ Queensferry Bridge on A55, 73 minutes;
 - ➔ Start of M56, 75 minutes;
 - ➔ Manchester Airport, J5 M56, 111 minutes.

Overall Impression of Anglesey Airport and Capacity Potential

34. The airport is very clean, tidy and does not look its 7 years age.
35. Staff are all very friendly, efficient and multi-task across all activities.
36. All passengers and well-wishers appeared very relaxed, content and satisfied with their airport experience.
37. The capacity of the terminal building should be able to comfortably handle around 45 passengers and could cope with a full load for a 50 seat aircraft.
38. The ramp area looks capable of accommodating a 50 seat aircraft. It was not possible to ascertain taxiway widths or whether the PCN values are high enough. These need checking along with the fire cover in terms of whether either would directly result in aircraft size restrictions.
39. Other witnessed flying activity was RAF hawk Trainers and a RAF helicopter.


York Aviation LLP

8th July 2014

Appendix E

Anglesey Airport Meeting Notes
(Redacted)

Appendix F

Comparison of Load Factors on Regional UK Routes

UK Regional Flight Load Factors, 2013

Route	Seat Capacity	Passengers	Load Factor
Aberdeen – Bristol	54,578	34,915	64.0%
Aberdeen - Leeds/Bradford	43,148	12,349	28.6%
Aberdeen - Manchester	310,230	203,347	65.5%
Aberdeen - Wick	42,398	13,860	32.7%
Belfast (BHD) - Aberdeen	47,280	29,648	62.7%
Belfast (BHD) - Cardiff	54,288	38,389	70.7%
Belfast (BHD) - Edinburgh	203,140	128,092	63.1%
Belfast (BHD) - Glasgow	204,672	119,280	58.3%
Belfast (BHD) - Inverness	40,572	23,253	57.3%
Belfast (BHD) - Isle of Man	35,454	22,294	62.9%
Belfast (BHD) - Leeds/Bradford	170,976	130,904	76.6%
Belfast (BHD) - Manchester	359,924	280,173	77.8%
Belfast (BHD) - Newcastle	85,956	41,700	48.5%
Cardiff - Glasgow	86,580	48,217	55.7%
Cardiff - Newcastle	35,818	12,546	35.0%
Edinburgh - Bristol	368,328	306,160	83.1%
Edinburgh - Cardiff	128,312	77,315	60.3%
Edinburgh - Exeter	51,012	36,523	71.6%
Edinburgh - Isle of Man	7,966	4,152	52.1%
Edinburgh - Wick	20,710	11,362	54.9%
Glasgow - Bristol	328,752	257,538	78.3%
Glasgow - Exeter	39,468	23,818	60.3%
Glasgow - Isle of Man	7,782	4,011	51.5%
Glasgow - Leeds/Bradford	29,374	9,992	34.0%
Manchester - Edinburgh	235,180	118,056	50.2%
Manchester - Exeter	128,624	83,645	65.0%
Manchester - Glasgow	111,700	51,419	46.0%
Manchester - Inverness	102,780	55,433	53.9%
Manchester - Isle of Man	212,604	131,007	61.6%
Newcastle - Aberdeen	85,882	41,275	48.1%
Newcastle - Bristol	247,608	174,302	70.4%
Newcastle - Exeter	49,140	29,595	60.2%
Newcastle - Isle of Man	7,904	4,795	60.7%
Total	3,938,140	2,559,365	
Average Load Factor			65.0%
Source: CAA Statistics, OAG, York Aviation			

Appendix G

Operating Cost Details
(Redacted)

Document is Restricted



Claire Griffiths
Deputy Clerk
Public Accounts Committee
Chamber & Committee Service
National Assembly for Wales
Cardiff

Ein cyf / Our ref: GLP/LJ

☎: 01248 384290

Gofynnwch am / Ask for: Chairman's Office

Ebost / email peter.higson@wales.nhs.uk

Dyddiad / Date: 13th April 2015

Dear Ms Griffiths

During our session giving evidence to the Public Accounts Committee on 24th March 2015 we agreed to submit a series of updates to the Committee and I am pleased to be able to provide these as follows:

❖ **The trail of discussions by the health board relating to Ysbyty Glan Clwyd Obstetrics & Gynaecology, including issues around recruitment:**

The context for these comments was concern from members of the Public Accounts Committee that the serious concerns regarding this service had emerged rapidly and had not been visible at the Board level.

During the Committee session we referred to the fact that there had been a long standing trail of discussions within the Board and its sub- committees regarding the challenges facing Obstetric and Gynaecology services in Ysbyty Glan Clwyd. This included referencing this matter on the Board's Corporate Risk register which is reviewed in our public Board sessions and is published routinely as part of our Board papers.

Reporting of concerns and the management responses to these concerns was taking place regularly throughout 2013 within our Workforce and Organisational Development Committee and our Quality and Safety Committee. Due to the nature of the concerns and links to a small number of staff these discussions were held in confidence initially. In October 2013 the risk associated with the provision of maternity services in Glan Clwyd was added to the Board's Corporate Risk Register along with mitigating actions which were in place to address these risks. This entry has remained in the risk register since that date, reflecting the ongoing concern at Board level and the oversight of management response that was in place.

In February 2014 the Board's Quality and Safety Committee received a paper in its public session detailing the background to the concerns within this service and setting out what actions were ongoing to secure better engagement from the Consultant staff. The Committee continued to monitor progress in relation to these concerns, receiving updates from the Clinical Programme Group and considering indicators of quality and safety for services across North Wales.



The Board received reports from the Quality and Safety Committee on these concerns and received the minutes of this Committee's meetings in public session throughout 2014. During the autumn of 2014, in addition to reviewing this risk in public session the Board had discussions "in Committee" regarding the need to address the risks in the service if they could not be reduced by other means. In February 2015 the Board received the paper which proposed the urgent service change.

The Board established an Implementation Group, with an independent Chair to oversee this work and determined that a series of "gateway" checks should be made prior to the service being changed. In the intervening period an alternative proposition has been received from some of the Consultants in Glan Clwyd and this is being assessed for viability, safety and sustainability alongside the Board's original proposition. The Board will meet on 20th April to make a formal decision regarding the outcome of this assessment and the "gateway" reviews.

❖ **Well North**

During our evidence session we made reference to the work we are initiating in areas of North Wales to reduce health inequalities. The Health Board is planning a systematic approach to improving the health of the poorest fastest, through a place-based health inequalities program. This is outlined in our Annual Operating Plan for 2015/16 in the Prevention and Health Improvement and Primary and Community Services sections. We are currently identifying the communities to focus on, and will be working with Public Health Wales to develop a plan for multi agency engagement, multi-faceted interventions and evaluation of impact. We are taking learning from the Inverse Care Law programs in two Welsh Health Boards and the Well North and Well London approaches, among others to define our approach.

❖ **Communications in relation to Ysbyty Glan Clwyd, in particular the brochure:**

During our evidence session there was considerable discussion regarding the communication which had taken place with staff and stakeholders regarding the proposed change and the leaflet which was produced for expectant mothers. Given the concern over this aspect of the Board's actions I thought it helpful to set out in some detail the communications which did take place around the time of the Board discussion, and importantly those which have continued since.

Members of the Health Board's executive leadership team briefed senior colleagues across the service in the days ahead of the Board meeting on February 10th. These briefings were carried out on a confidential basis and it was made clear that no action would be taken, and no decision was made until the Board had had the opportunity to discuss and agree on a course of action at its meeting held in public. Issues relating to the obstetric service had been well known to staff in the Clinical Programme Group (CPG) and it was clinicians from within the CPG that recommended the interim suspension of Consultant led obstetric services at Ysbyty Glan Clwyd, which was endorsed by the Board's Clinical Executive Directors.



Significant communications activity has taken place since the decision was taken by the Board, including:

- ❖ A range of staff communications including messages from the Chief Executive on a weekly basis to keep colleagues updated with facts and developments. Regular drop-in sessions have been held for staff across all three district general hospital sites, with all questions raised and responses provided published on a dedicated intranet hub.
- ❖ A range of materials have also been developed as part of an information campaign for the public. These include a Birthplace Choices leaflet for mothers-to-be which is provided to women during midwife appointments. This is also available in an easy read version. The approach taken in producing this leaflet has been endorsed by the Royal College of Midwives in Wales as an excellent publication. The Health Board has been approached by midwives in Northern Ireland seeking to produce their own version based on this approach.
- ❖ The Health Board is producing a comprehensive information toolkit which includes factsheets on Neonatal Care in North Wales, support for transport costs and a maternity services information sheet; the completed toolkit will be provided to all mums-to-be during their initial booking meeting with their midwife;
- ❖ A dedicated external bilingual web hub has been established, with comprehensive Frequently Asked Questions, supporting information and evidence <http://www.wales.nhs.uk/sitesplus/861/page/77408>. This is being developed on an ongoing basis;
- ❖ A North Wales Midwives Facebook page has been developed to showcase the work of midwives. This is supported by multimedia content such as photos and videos of Midwifery-Led Units and interviews with midwives, including the Executive Director of Nursing and Midwifery;
- ❖ A series of online web chats have been hosted by clinicians from the Health Board, encouraging members of the public to ask questions;
- ❖ Questions from users of social media – namely Facebook and Twitter – are also being responded to as appropriate
- ❖ A series of public drop-in sessions spread across numerous locations in North Wales have also been arranged, supported by information stands and the materials described above. These have been widely advertised, in the media and through posters across hospital sites and in communities;
- ❖ Members of the Health Board's executive team attended the public meeting at St Asaph Cathedral on Thursday 12th March to answer questions and address concerns



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

- ❖ Stakeholders including AMs, MPs, GPs, the Community Health Council, Local Authorities and Community Voluntary Services receive a weekly newsletter update from the Chief Executive on the preparations for the interim changes;

As will be seen from the above there is a significant amount of communication work ongoing regarding the proposed changes. This is seen as a key priority for the Health Board to ensure that mothers-to-be are given up to date information, and our staff and stakeholders are aware of the changes which are proposed and the way services will be delivered.

This emphasis upon communication will continue during the coming months and will focus upon service delivery as well as the plans which will be progressed to re-instate services in Glan Clwyd should changes be made.

With specific regard to the brochure which was issued shortly after the Board made its decision, this was considered to be a very important document to inform mothers-to-be regarding the implication of the Board's decision for their birth choices. The booklet was prepared in order to clearly outline birthplace options and to provide reassurance to mothers-to-be. It was designed to be handed to expectant mothers by community midwives during appointments.

The timing of the booklet's production was designed in order to be ready for a decision from the Board and initiate public communications accordingly. Draft text based on the contents of the Board paper of 10th February was sent to the printing company on Monday 9th February in anticipation of a decision by the Board, however there was no commitment to produce the document at this stage. Had the Board agreed not to act, the work with the printer to design and typeset the leaflet would have ceased. The final proof of the booklet was agreed and signed off on the afternoon of the 12th February, in line with the Board's decision and copies of the booklet were delivered to the Health Board on 16th February for distribution to Community Midwife Teams.

We believe that this proactive preparatory work to be able to communicate quickly to mothers-to-be and allow our staff to engage in positive discussions with them regarding choices was an essential communication activity around the Board's decision.

An updated version of the leaflet is currently being drafted to include additional information for mothers-to-be and will be available in April.

- ❖ **The Training of Board Members:** An externally facilitated Board Development programme has been in place for more than 12 months and is ongoing. This is focused on improving the effectiveness and performance of the Board as a whole as well as the individual contribution from Board Members. I have attached a summary note of the dates, topics covered and attendance of Board members as requested by the Committee.



- ❖ **Performance Indicators:** In my introductory comments I made reference to the improvements we have been making to our reporting of performance within the Board. This work started during 2014-15, and a new performance framework was put in place for the Board. This has been revised and updated further following the appointment of our new Chief Operating Officer and its refinement continues. Importantly this performance framework draws together a number of local indicators as well as those which reflect performance against national targets. It covers matters of safety and quality in addition to traditional organisational performance targets. This gives the Board a broader view of the performance of the organisation and allows focus upon areas where improvement is expected.

The design of the performance report has been influenced by standards adopted elsewhere including the Good Governance Institute and board reports from other organisations in Wales and NHS England. A Board Development session took place on 30th October 2014, to enable Board Members to debate the future design and content of Board Reports to allow a preferred style and content determined. A copy of the current report is attached with this response for information.

- ❖ **Management of Capital Schemes:** Following our attendance the Chairman of the Committee asked that I provide an update regarding the Board's arrangements for managing its capital programme and resource. The Committee will be aware that capital is one of the areas where the Board has been subject to intervention from Welsh Government.

A number of changes were made to the way capital expenditure was managed and reported during 2014/15 to ensure that systems were robust and reliable. This was supported by reviews from NHS Wales Specialist Services Internal Audit. These audit studies continue and have reported improvements in the governance and management of capital programmes.

In addition, the Board commissioned Capita to undertake a review of its arrangements for managing capital. Capita have now reported and the Board is amending its governance and management processes to reflect the recommendations made. Capita are also working with the Board to produce a new guidance manual for "managing capital" within the Board. This will cover areas of business case preparation, scheme management and benefits realization. This will be implemented along with the changes to governance arrangements during quarter 1 of 2015/16.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

I trust that the further information above, and the attachments with this letter will provide sufficient additional information for the Committee on the issues raised. If there is anything further that would be helpful please do not hesitate to contact me.

Yours sincerely

Dr Peter Higson
CHAIRMAN

Attachments:

- Attendance at Board Development 2014
- Attendance at Board Development 2015
- Integrated Quality and Performance Report – Board Meeting April 2015

		P Higson	M Hanson	K McDono	C Tillson	H Owen Jones	H Stevens	HM Davies	J Dean	M W Jones	E Roberts	J R Malone	T Purt	N Bradsha	B Evans	A Hopkins	A Jones	J M Jones	G Lang	G Lewis Pa	T Lynch	M Olsen	M Makin	C Wright	S Baxter	R Favager	I Mitchell	A Thomas	V Babu	N Stubbins			
Date	Topic	Chair	ViceChair	IM	IM	IM	IM	IM	IM	IM	IM	IM	CEO	Exec	Exec	Exec	Exec	Exec	Exec	Director	Exec	Exec	Exec	Exec	Exec	Exec	HPF	Ass Dir	SRG	Assoc Mbr			
7.2.14	Quality Improvement Strategy 3 Year Plan - Sustainable Clinical Services	Y	Y	Y	Y	Y	apols	apols	Y	Y	Y			apols	apols	Y	Y	Y	Y	apols	Y							Y	Y				
17.4.14	Risk Appetite (John Bullivant) Culture and Change (Paul Walker) Follow on, feedback and diagnosis	Y	apols	apols	apols	Y	apols	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y		apols	Y				apols	Y				
22.5.14	Root cause analysis of key areas of concern Behaviours to improve board effectiveness (Paul Walker)	apols	Y	Y	Y	apols	Y	apols	Y	Y	Y	apols			apols	apols	Y	Y	Y	apols	apols		Y		Y				N	N			
19.6.14	Board realignment, renewal and change (Paul Walker)	Y	Y	Y	Y	Y	apols	apols	Y	Y	Y	Y	Y (part)		Y	Y	Y	Y	apols	Y	apols		Y		Y		Y	apols	Y				
17.7.14	Board realignment, renewal and change (Paul Walker)	Y	Y	Y	Y	Y	apols	Y	Y	Y	Y	Y	Y		apols	Y	Y	Y	Y	Y	apols		Y		Y		Y	apols	Y				
21.8.14	Paul Walker session (Board Vision work, RCA work, Board styles/behaviours - Effective challenge, giving and receiving feedback between Board members, lean and innovative working techniques)	Y	Y	apols	Y	Y	apols	Y	apols	Y	Y	apols	apols			y (part)	apols	apols	Y	Y	apols		y		apols	Y	y	apols					
15.9.14	John Bullivant Good Governance Session	Y	Y	Y	apols	Y	apols	Y	Y	Y	Y	apols	Y			apols	Y	Y	Y	Y	apols		Y		Y	Y	Y	Y					
18.9.14	Paul Walker session (Session with the Chief Executive - first 100 days, Leading Change and a practical tool for the Board - Kotter Model, Board Vision, Board styles/behaviours - Constructive challenge)	Y	Y	Y	apols	apols	apols	Y	Y	A	Y (part)	apols	Y			Y	Y	Y	Y	Y	apols		Y		Y	Y	Y	Y	Y	Apols			
23.10.14	Paul Walker session (Session with the Chairman - first year in post, Board leadership and culture, Board vision (Charter) work, Board styles/behaviours - constructive challenge, Giving and receiving feedback between Board members)	Y	apols	Y	Y	apols	Y	Y	Y	apols	apols	apols	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	apols	Y	Y	Y		
30.10.14	3 Year Plan Performance Management	Y	Y	Y	apols	apols	Y	N	Y	Y	apols	N	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	apols	N	PART			
27.11.14	Paul Walker Session (Board operating model, Board leadership and culture, Giving and receiving feedback between Board members)	Y	Y	Y	Y	Y	apols	apols	Y	Y	apols	apols	Part			Part	Y	Y	Apols	Y		Part	Part			Part	apols					Y	
18.12.14	Paul Walker Session (Board leadership and culture; Board operating model); Giving and receiving feedback between Board members)	Y	Y	Y	Y	Apols	N	Y	Y	Y	Y	N	Y			Apols	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y	

		P Higso	M Hanson	K McDono	C Tillson	H Owen Jo	H Stevens	H M Davie	J Dean	M W Jones	E Roberts	J R Malone	B Feeley	T Purt	A Hopkins	A Jones	J M Jones	G Lang	B Cuthel	G Lewis-Pa	M Olsen	M Makin	R Favager	C Wright	I Mitchell	Vacant	A Thomas	N Stubbins
Date	Topic	Chair	ViceChair	IM	IM	IM	IM	IM	IM	IM	IM	IM	IM	CEO	Exec	Exec	Exec	Exec	Director	Director	Director	Exec	Exec	Director	HPF	SRG	Ass Dir	Assoc Mbr
8.1.15	Paul Walker Session (board leadership & culture, operating model, behavioural styles, personal takeouts)	Y	Y	Y	Y	Apols	Apols	Y	Y	Apols	Y	Y	Apols	Apols	Y	Y	Y	Y		Apols	Y	Y	Apols	Y	Y		Y	Apols
26.2.15	Paul Walker Session (vision, leadership, board role, new committee structure)	Y	Y	Y	Y	Apols	Apols	Y	Y	Y		Apols	Apols	Y	Y	Y	Y	Y		Y	Y	Apols	Y	Y			Y	Apols
26.2.15	Board Briefing (shared services presentation; governance & accountability module)	Y	Y	Y	Y	Apols	Apols	Y	Y	Y		Apols	Apols	Y	Y	Apols	Y	Y		Y	Y	Apols	Y	Y			Y	Apols
31.3.15	Paul Walker Session (team health check, vision, leadership, behavioural styles, board role, problem based learning)	Y	Y	Y	Y	Y	Apols	Y	Y	Y		Apols	Y	Y	Apols	Y	Y	Y	Y	Y	Y	Apols	Y	Y			Apols	Apols

<p>Board Paper</p> <p>Item 15/87</p> <p>Date of meeting 14 April 2015</p> <p>Date of Paper 20 March 2015</p>	 <p>Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board</p> <p><i>To improve health and provide excellent care</i></p>
--	---

Title:	Integrated Quality and Performance Report	
Author:	Jill Newman, Assistant Director of Improvement & Business Support Richard Gillett, Head of Performance Assurance & Business Intelligence	
Responsible Director:	Morag Olsen, Chief Operating Officer	
Summary of Key Issues:	<p>This paper outlines the key performance and quality issues. They cover all seven domains of the national framework.</p> <p>The report notes achievement. This report includes a number of local indicators which will be monitored and developed upon in the coming months.</p> <p>In relation to Timely Care, the report contains a description of the actions being taken to reduce long waiting times for treatment to achieve the March 2015 target. It also notes the unscheduled care agenda in depth.</p> <p>The report notes the staff sickness rates and the actions being taken by the Workforce and Organisational Development departments to improve attendance. The report also briefly describes the financial position, however this is described in more depth in the Finance Report.</p>	
Action Required By Board:	To:	
	Note	X
	Endorse	
	Ratify	
	Approve	
Key Impacts:	<i>(Please provide a short summary against all that apply)</i>	
	Corporate Objective	Provides the Board with an overview of delivery against key performance metrics
	Finance	Integrates finance and service delivery
	Quality Impact Assessment	Integrates quality and performance metrics
	Standards for Health Services	Includes aspects from Health Care Standards

in Wales	
Equalities, Diversity & Human Rights	Applies equally to all patients covered by the metrics
Risk & Assurance	The report is prepared with the latest validated performance data available. The exception report include actions being taken to improve performance and mitigate against risk to delivery.

Disclosure:

Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board Board Coversheet v5.0 October 2014



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Pack Page 182

Integrated Quality & Performance Report 2014/15

Performance to the end of February 2015

Health Board



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Contents

Section	Content
1	Foreword
2	<u>Overview and Areas of Escalation</u>
2.1	<i>Staying Healthy</i>
2.2	<i>Safe Care</i>
2.3	<i>Effective Care</i>
2.4	<i>Dignified Care</i>
2.5	<i>Individual Care</i>
2.6	<i>Timely Care</i>
2.7	<i>Our Staff & Resources</i>
3.0	<i>Activity</i>
4	Appendix
4.0	<i>Further information and links</i>

Pack Page 183

Foreword

This report reflects our Health Board's performance against key government and local targets. We will further enhance this report over the coming months to provide a richer picture of our performance. The report contains actions to address any performance failings and so provides greater assurance of achievement going forward.

We are presenting performance using the framework against which NHS Wales is measured. It outlines what people can expect from the NHS within the seven domains of; Staying Healthy, Safe Care, Effective Care, Dignified Care, Timely Care, Individual Care and NHS Staff and Resources. We are receiving early indication of changes proposed to the measures for 2015-2016, a number of which are running in shadow form at present. Once confirmed these will be included within the report.

In addition to the national standards, we have included other measures which either the Board have requested visibility of or the executive team wish to inform the Board about. These are local indicators and are integrated into the most relevant domain of the report, however the allocation is preliminary and may change in the future. We benchmark our performance against the rest of Wales using the most recent data available. However, this is not always the same month as displayed. A benchmark report is available from the Office of the Chief Operating Officer.

Introductory Reports

Each local indicator will have an Introductory report that gives the context of the indicator.

Exception Reports

Exception reports are included where performance is either below the required standard or the Board and/or committee require sight of the actions being taken to maintain or improve performance. After we have achieved an indicator for three consecutive months, it will be stood down from exception reporting.

Sub-Committees

Two sub-committees of the Board, Quality, Safety and Experience and Finance & Performance, also receive sections of this report.

Status Guide and Legend

Status

On the following page, we report the overall escalation status of the Health Board. This uses the Welsh Government's status levels. The status level of each indicator is graded from zero to four, with four being of most concern.

0	Level 0 –	local delivery of all targets and /or within trajectory
1	Level 1 –	failure to deliver achieve or deliver one target or deliverable
2	Level 2 –	continued failure to achieve or maintain one or more key deliverables
3	Level 3 –	continued failure to maintain an agreed improvement trajectory
4	Level 4 –	continued failure to improve performance or failure to engage with the national process
80.0%	Cross-hatch	Cross-hatch background. Where the background is cross-hatched this figure is the provisional , unvalidated position.
-	No Target	No target level or the trajectory has not been set. The relevant executive director has been asked to set the target level.

Pack Page 185

Legend

This report uses trend arrows. They show if the position has become **better** or **worse** than the previous month. Readers are asked to note that this is different compared to the first version of the report.

- ↑ The value is better than the previous month
- The value is the same as the previous month
- ↓ The value is worse than the previous month

1 Executive Summary: Key Priority Areas

Below is a summary of the Health Board's performance in key areas for the current month, the movement from the previous month and the year to date (YTD) position using the national scoring methodology. Exception reports are included in section 2 in all areas where performance has dipped below standard or provision of assurance to maintain the standard is required.

				Mth	YTD	Overall						
BCU		In Month Welsh Government Escalation Level = 4		YTD Welsh Government Escalation Level = 4		4						
Quality, Safety & Experience	Staying Healthy	Chronic Conditions	Flu Vaccinations	Childhood Vaccinations	Smoking Cessation	Childhood Obesity	3	2	2			
	Safe Care	DTOC	Pressure Sores	C.Difficile	MRSA	Patient Safety Alerts	Patient Safety Responses	Serious Incidents	Never Events	3	4	4
	Effective Care	Crude Mortality	RAMI	Data Quality	High Blood Pressure				2	2	2	
Finance & Performance	Dignified Care	Postponed Procedures					4	4	4			
	Individual Care	Mental Health Ass'sment	Mental Health Treatment	Care & Treatment Plans	Mental Health Advocacy				0	0	0	
	Timely Care	GP Access	Referral to Treatment	Diagnostic Waits	Emergency Department	Ambulance	Cancer	Dental	Stroke	4	4	4
	Use of Staff & Resources	Sickness Rate	Appraisals	Finance				4	4	4		

1 Executive Summary: Local Indicators

Below is a summary of the Health Board's local indicators grouped into the national domains. In future months, as performances are measured against local targets, this summary will develop to summarise the performance.

BCU Local Indicators

Experience
 Quality, Safety & Patient
 Back Page 187
 Performance
 Finance & Resources

Staying Healthy

Safe Care

Complaints within 2 days

Complaints within 30 days

Complaints within 6 months

Ward Quality Audit

Hand Hygiene

Ward Staffing Levels

Ward Staffing Skill mix

Effective Care

Nutrition Score

Elective Admission no procedure

% Procedures as Daycase

BADS 18 Performance

Dignified Care

Inpatient Cancellations

Outpatient Cancellations

Individual Care

"I Want Great Care" Scoring

Timely Care

Follow up waiting list

Follow Up Waiting List 25-50%

Follow Up Waiting List 50-100%

Follow Up Waiting List over 100%

Therapy Waits 14 weeks

Out of Hours Urgent within 20 minutes

Out of Hours non-urgent within 60 minutes

Admission of Day of Surgery

Use of Staff & Resources

PADR (non-medical)

CARE referral Rate

Agency and Locum Spend

Vacancy Rate

Average LOS (Elective)

% Workforce Change

Mandatory Training

Staff Turnover

2 Staying Healthy Overview – National Measures

Staying Healthy

Chronic Conditions

Flu Vaccinations

Childhood Vaccinations

Smoking Cessation

Childhood Obesity

3

2

2

Staying Healthy		Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of emergency admissions for basket of 8 chronic conditions per 100,000 population		No	Sep-14	Reduce	-	-	1,103	1,062		↑	2nd
Number of emergency readmissions for basket of 8 chronic conditions per 100,000		No	Sep-14	Reduce	-	-	176	169		↑	3rd
% uptake of the influenza vaccine in the following groups:	Over 65s	No	Feb-15	75%	71%	70.1%	69.6%	70.1%	72%	↑	1st
	Under 65s in at risk groups	Yes	Feb-15	75%	54%	51.4%	50.7%	51.4%	54%	↑	2nd
% uptake of the influenza vaccine in the following groups:	Pregnant women	Yes	Feb-15	75%	50%	46.2%	46.3%	46.2%	51%	↓	1st
	Healthcare workers	Yes	Feb-15	50%	41%	50.1%	50.1%	50.1%	50.1%	→	5th
% uptake of the childhood vaccines up to the age of 4:	5 in 1 age 1	No	Sep-14	95%	97%	-	96.9%	95.3%		↓	3rd
	Men C age 2	No	Sep-14	95%	98%	-	97.6%	96.6%		↓	4th
	MMR1 age 2	No	Sep-14	95%	97%	-	96.3%	95.1%		↓	4th
	PCV age 2	No	Sep-14	95%	97%	-	96.3%	95.3%		↓	2nd
	Hib MenC Booster age 2	Yes	Sep-14	95%	97%	-	95.6%	94.8%		↓	3rd
% estimated LHB smoking population treated by NHS smoking cessation services		Yes	Dec-14	5.0%	3.9%	2.4%	2.2%	2.4%	3.40%	↑	1st
% smokers treated by NHS smoking cessation CO-validated as successful		Yes	Dec-14	40%	37%	32%	32.3%	31.5%	<40%	↓	6th
% of reception class children (aged 4/5) classified as overweight or obese		No	Mar-13	Reduce	-	-	.	26.4%		-	4th
New	% of GP Practices that are set up to use My Health On-Line (MHOL)		Yes	Jan-15	100%	-	.	96.5%	98%	-	7th
New	Of those practices set up to use MHOL, % who are offering appointment bookings		No	Jan-15	Improve	-	.	20.0%		-	4th
New	Of those practices set up to use MHOL, % who are offering repeat prescriptions		No	Jan-15	Improve	-	.	34.5%		-	4th

2.1 Staying Healthy: Exception Report

Staying Healthy		Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% uptake of the influenza vaccine in the following groups:	Over 65s	No	Feb-15	75%	71%	70.1%	69.6%	70.1%	72%	↑	1st
	Under 65s in at risk groups	Yes	Feb-15	75%	54%	51.4%	50.7%	51.4%	54%	↑	2nd
% uptake of the influenza vaccine in Under 65s in pregnant women		Yes	Feb-15	75%	50%	46.2%	46.3%	46.2%	51.0%	↓	1st

Over 65s and At Risk Under 65s:

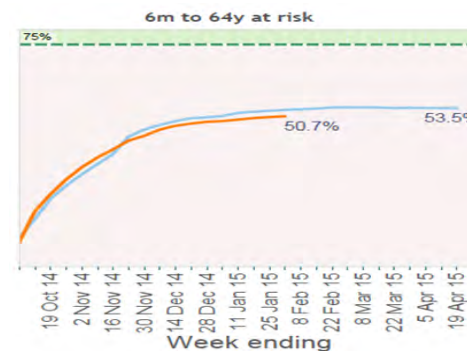
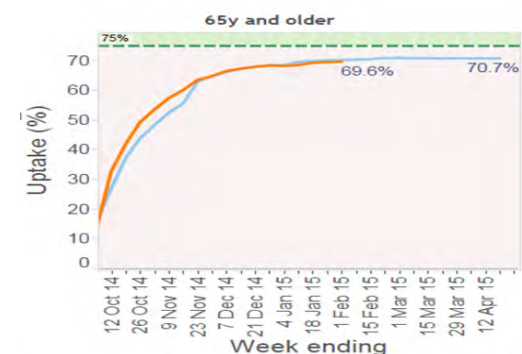
Every year, more people become eligible, so GPs have to work even harder just to reach the same %. This year, **136,273** people over 65 or in one of the at risk groups have been vaccinated so far.

Plans are being developed for next year including visits to low uptake GP practices and information is being sent to cluster leads about low uptake practices in their area. Engagement and supportive visits have commenced with 'new' practice managers. Practices have been made aware of the Chief Medical Officer letter about flu vaccine ordering for next year.

Year 7 flu vaccine data has now been sent to GP practices for inputting onto the child record so that the vaccination data will be captured in national reports.

A Flu report is in development for the current campaign and will include identified actions for next year that target the unvaccinated.

Pregnant women Since the last report, some local data quality issues about the coding for pregnant women have emerged which are being investigated. The Health Board has recently completed the Point of Delivery audit which measures the Flu vaccination coverage of women giving birth, audit to be published before the end of April 2015.



flu season

2014-15

2013-14

2.1 Staying Healthy: Exception Report

Staying Healthy	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% uptake of the childhood vaccines up to the age of 4: Hib MenC Booster age 2	Yes	Sep-14	95%	97%	-	95.6%	94.8%		↓	3rd

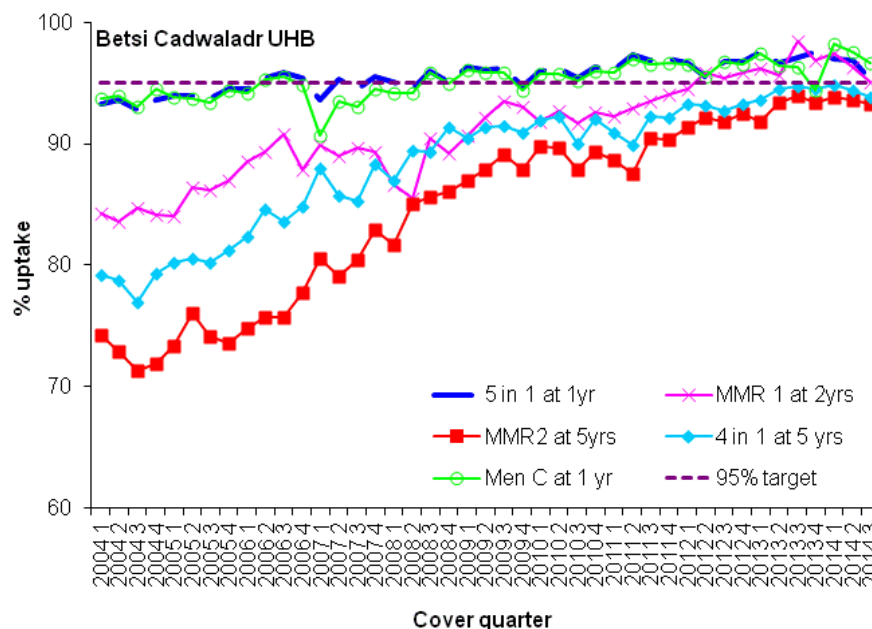
Investigations are ongoing into data quality issues with which the Health Board are assisting.

The implementation of procedures to follow up unvaccinated children continue.

Public Health Wales are currently working with Health Boards to audit the data quality of the immunisation uptake reported in the COVER 112 report.

Hib Men C Booster Age 2

Children that have missed their vaccines at 1 year, 2 years and 4 years and including the HIB/Men C vaccine by 2 years are identified and followed up and supported or reminded to attend their GP practice for their child's appointment. Where indicated home immunisation is offered.



Page 100

2.1 Staying Healthy: Exception Report

Staying Healthy	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% estimated LHB smoking population treated by NHS smoking cessation services	Yes	Dec-14	5.0%	3.9%	2.4%	2.2%	2.4%	3.40%	↑	1st

Performance Context:

Decreased performance in December; this is in line with seasonal trends and an increase is expected in January

Key Actions for Improvement (update for March 2015):

Increase service provision

- Work ongoing on both Maternal and Secondary Care Cessation Service Business Cases, in line with 3 yr plan commitments
- Smoking Cessation Local Enhanced Service with General Practices sign up now at 65 GP practices

Marketing & Increase recruitment

- Secondary Care: Payslip messages sent to all BCU staff in February promoting smoking cessation services (led by YGC Tobacco Group)
- Use of insight from social marketing produce innovative 'Girls with Dreams' and 'Quit for Them, Quit for You' campaigns in Wrexham with roll-out to other N Wales counties – early success noted in first 7 days with 183 smokers requesting support to quit via Facebook

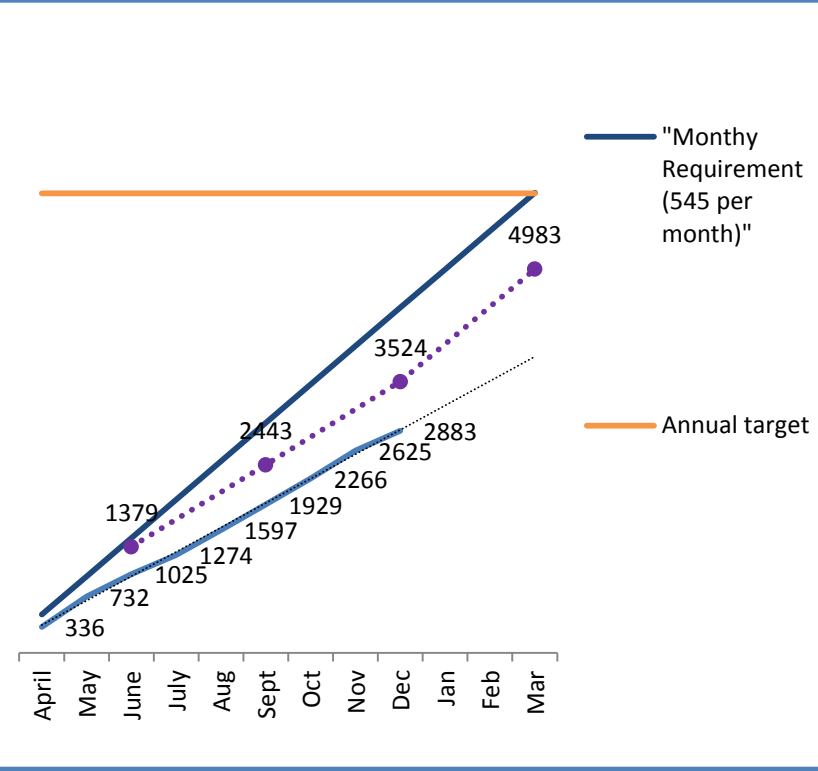
Leadership

- Hosting ASH Wales conference in St Asaph, focussing on broader tobacco control: preventing young people from starting to smoke (link to poverty of aspiration), smoke free public spaces (#sharetheair), and tackling illicit tobacco

Service quality

- Initiation of joint service evaluation project for Pharmacy and Stop Smoking Wales, including collating feedback from 150 former service users, staff delivering the services, and a Mental Wellbeing Impact Assessment. Project due to be completed end April with final report & recommendations for improvement

Monthly trajectory figures for number of smokers needing to be treated to meet the Tier 1 target of 5% of treated smokers, 2014/15



2.1 Staying Healthy: Exception Report

Staying Healthy	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% smokers treated by NHS smoking cessation CO-validated as successful	Yes	Dec-14	40%	37%	32%	32.3%	31.5%	<40%	↓	6th

Key Actions for Improvement:

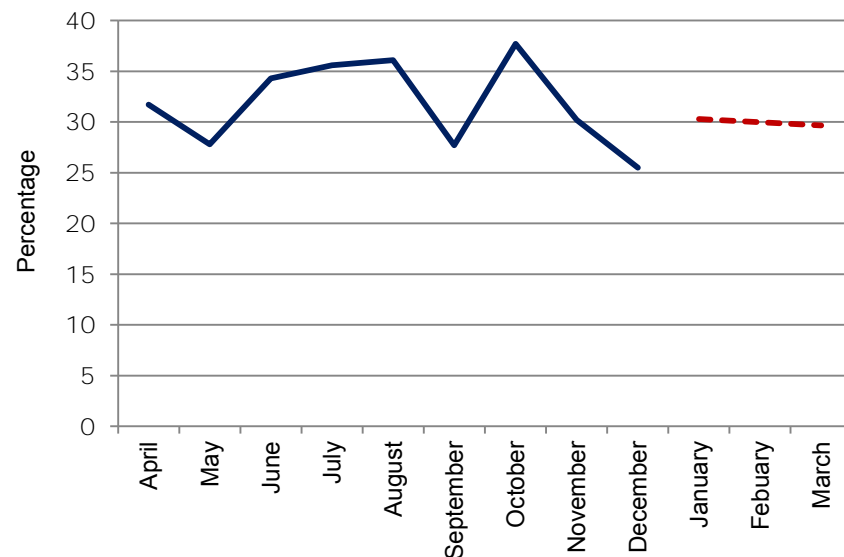
Review service quality: Initiation of joint service evaluation project for Pharmacy and Stop Smoking Wales, including collating feedback from 150 former service users, staff delivering the services, and a Mental Wellbeing Impact Assessment. Project due to be completed end April (draft report end March)

Continue delivery of training in Brief Intervention to frontline staff in BCU and partner organisations to ensure that clients are referred when they are motivated to quit, and that referral pathways are clear and relevant to specific settings

Provision of Carbon Monoxide Monitors to frontline healthcare staff delivering smoking cessation services, including the Local Enhanced Service - improving % quit via GP in house services is a priority due to the low performance achieved to date since the launch of the LES (see data on the right)

Please note: This target is a simple measure of the quality of the service provided, and there is wide variation across service providers and across areas. It is affected by case mix, as some people (particularly those living in more deprived areas, facing challenging circumstances) experience greater difficulty in giving up.

%CO Validated at 4 Weeks



Performance Context:

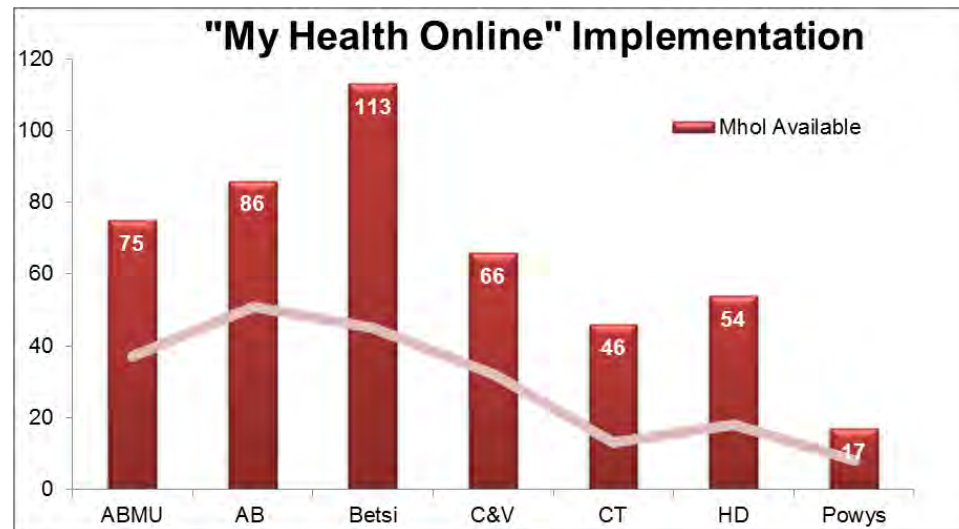
SSW clinics are going to be re-scheduled for December 2015 in order to reduce disruption (and subsequent impact on performance) to quit attempts during the Christmas holidays. The respective %CO validated quit rates at 4 weeks of the individual services in December 2014 were:

- SSW at 28.9%
- PL3 at 31.4%
- Primary Care LES at 10.7%

2.1 Staying Healthy: Introductory Report

	Staying Healthy	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	% of GP Practices that are set up to use My Health On-Line (MHOL)	Yes	Jan-15	100%	-	-	.	96.5%	98%	-	7th
New	Of those practices set up to use MHOL, % who are offering appointment bookings	No	Jan-15	Improve	-	-	.	20.0%		-	4th
New	Of those practices set up to use MHOL, % who are offering repeat prescriptions	No	Jan-15	Improve	-	-	.	34.5%		-	4th

This is the first month these new indicators are presented in the Integrated Quality & Performance report. There are no national targets for this indicator. Local standards will be set by the Director of Primary Care, and reported by exception in future reports. The three indicators are to (i) rollout the software "My Health Online" which will enable patients to (ii) book appointments online and (iii) take up repeat prescriptions online. The rollout of software is progressing well, with 96.5% of practices switched on. 100% of practices will be switched on by July 2015.



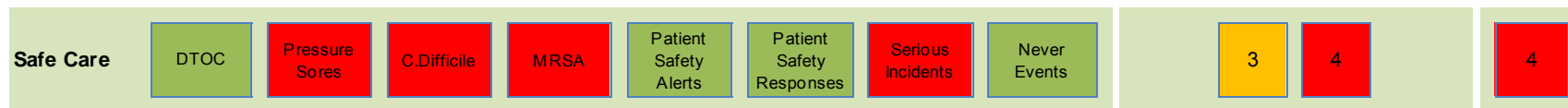
Booking Appointments online

There are currently 20% of practices in North Wales offering appointments online. The use and benefits of online bookings are discussed with practices as part of the migration to their new clinical system and will be raised during the quality assurance visit cycle. Where training and support is required, the National Wales Informatics Service will provide further training to support practices in transition.

Offering repeat prescriptions online

Those practices which have implemented online prescriptions are reporting positive feedback and better patient experience. As with online appointments, discussions with practices will be taking place during the quality assurance visit cycle.

2.2 Safe Care Overview – National Measures



Safe Care		Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Delayed transfers of Care per 10,000 LHB population, Rolling 12 months (all providers)	Mental Health	No	Feb-15	Reduce	2.7	2.59	2.6	2.59		↑	3rd
	Non Mental Health aged >65	Yes	Feb-15	Reduce	129.5	142.4	142.1	142.4		↓	1st
Number of healthcare acquired pressure sores in a hospital setting		Yes	Feb-15	Reduce	42	424	47	38	26	↑	7th
Number of cases of C.difficile per 100,000 of the population		Yes	Feb-15	31.00	-	-	58.61	57.96		↑	6th
Number of cases of MRSA bacteremias per 100,000 of the population		Yes	Feb-15	2.6	-	-	4.83	4.74		↑	4th
% compliance with patient safety solutions - alerts		No	Dec-14	Improve	-	87.50%	93.8%	93.8%		→	3rd
% compliance with patient safety alerts - rapid response notices		No	Dec-14	Improve	-	78.90%	92.1%	92.1%		→	6th
Number of new serious incidents		Yes	Feb-15	Reduce	240	-	43	39	30	↑	7th
Number of new never events		No	Feb-15	Reduce	-	-	0	0	0	→	1st

The domains above are monitored at the Quality, Safety & Experience committee.

An exception report is included for indicators which are not achieving the standard.

The exception reports are contained in the following sections.

2.2 Safe Care Overview – Local Measures

	Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	% of complaints acknowledged within 2 working days	No	Feb-15	Improve	-		86.7%	83.6%	-	-	-
New	% of complaints closed within 30 working days	No	Jan-15	Improve	-		19.6%	21.3%	-	-	-
New	% of complaints closed within 6 months	No	Oct-14	Improve	-		46.3%	47.0%	-	-	-
New	Ward Quality Audit	Yes	Feb-15	Improve	-		90.0%	91.0%	-	-	-
New	Hand Hygiene Rates	No	Feb-15	Improve	-		96.6%	94.2%	-	-	-
New	Ward Staffing Levels Fill Rate (Med & Surg Acute)	No	Feb-15	Improve	-		88.0%	88.0%	-	-	-
New	Ward Staffing Skill Mix Ratio (Registered : Unregistered, Med & Surg Acute)	No	Feb-15	Improve	-		68 : 32	67 : 33	-	-	-

Pack Page 195

This summary slide provides new indicators which have been agreed by the executive directors within this report. Where new indicators are introduced, and a lead for the indicator has been identified, an **introductory report** is included.

2.2 Safe Care: Exception Report

Safe Care		Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Delayed transfers of Care per 10,000 LHB population, Rolling 12 months (all providers)	Mental Health	No	Feb-15	Reduce	2.7	2.59	2.6	2.59		↑	3rd
	Non Mental Health aged >65	Yes	Feb-15	Reduce	129.5	142.4	142.1	142.4		↓	1st

Delays are for all BCUHB residents at all welsh providers, however the information provided below only applies to tBCU provided beds.

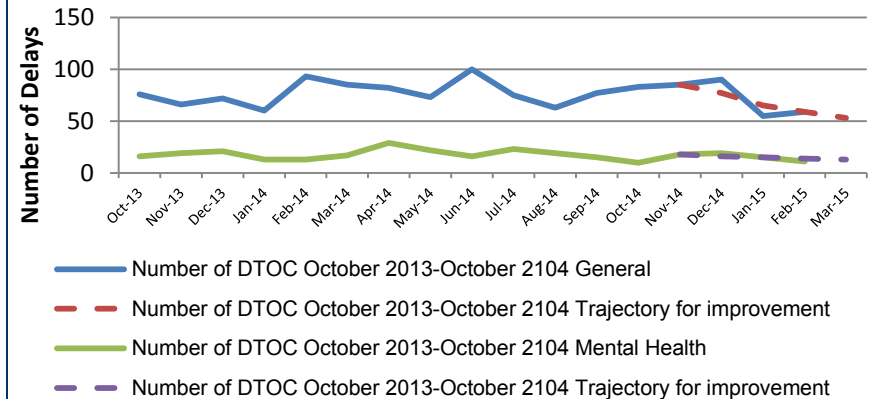
Position

There were 59 non mental health and 11 mental health Delayed Transfers of Care during February. The number of Bed days were 2286 for non mental health and 1326 for mental health delays.

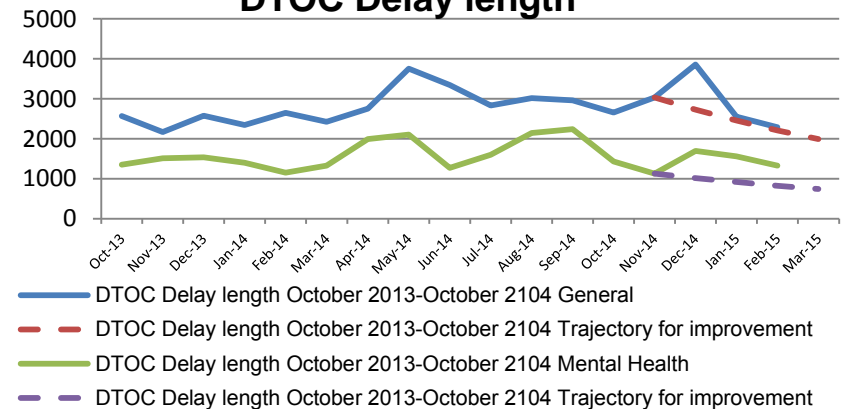
Improvement actions:

- Predicted Date of Discharge is being refreshed and will be rolled out across the Health Board during the next six months.
- The non elective average length of stay Project Management Office is developing a "what good discharge planning looks like" training package which will be delivered to all wards across the Health Board.
- The recently approved updated discharge policy is being implemented across the Health Board which includes clearer information for patients and their families about discharge planning and patient choice in relation to care home placement.

Number of DTOC

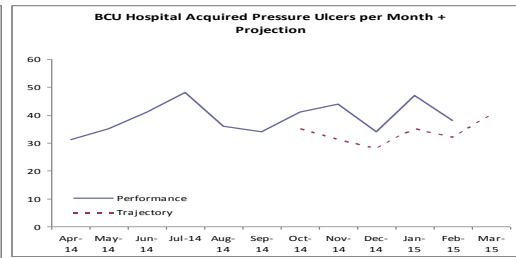
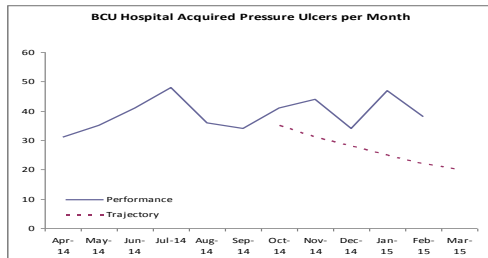


DTOC Delay length



2.2 Safe Care: Exception Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of healthcare acquired pressure sores in a hospital setting	Yes	Feb-15	Reduce	42	424	47	38	26	↑	7th



Position

Total number of Hospital Acquired Pressure Ulcers (HAPU) recorded Feb 2015 = 38, a decrease from previous month.

Grading

Of the 38 recorded: 1 was classified as grade 3 for which root cause analysis is undertaken to determine factors contributing to HAPU development, actions and learning required locally. The remaining 37 HAPU occurring in February were grade 1 or 2.

Actions being taken

The ward to board audits score for tissue viability demonstrates sustained improvement with the overall score having increased from 83% in August 2014 to 90% in December 2014. Trends by area continue to be determined weekly by the Tissue Viability Team which is circulated for discussion at local Patient Safety Groups and Matrons meetings. Time lines to complete RCA's have been implemented and actions agreed. Overall scrutiny continues to be in place via Area Associate Chief of Staff Nursing supported by locality Governance Teams .

An audit of foam mattresses across the acute hospitals is underway, with Wrexham and Glan Clwyd having been completed and Bangor scheduled for the 18th March. A capital bid has been submitted for replacement foam mattresses.

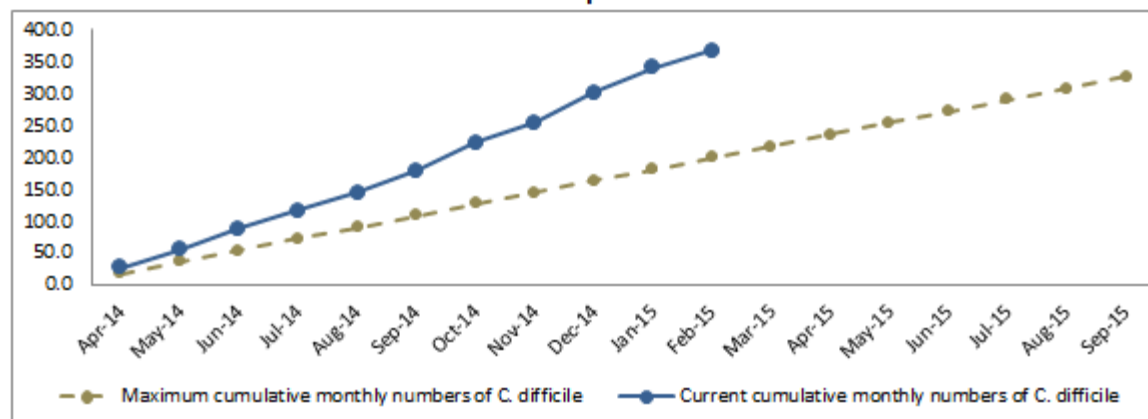
Tissue Viability teams continue to offer educational programmes and Link Nurse study days which include emphasis on documentation and report writing.

Pack Page 197

2.2 Safe Care: Exception Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of cases of C.difficile per 100,000 of the population	Yes	Feb-15	31.00	-	-	58.61	57.96		↑	6th

Chart 1. Betsi Cadwaladr University Health Board maximum cumulative monthly numbers of C. difficile to achieve the 18 month (Apr 14 to Sep 15) target and current cumulative monthly numbers for Apr 14 to Feb 15



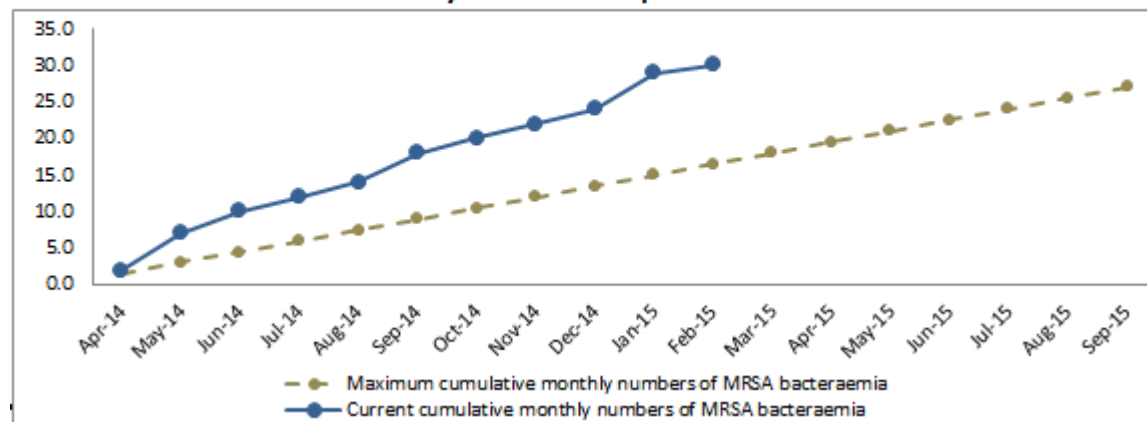
Pack Page 198

- Total number of new cases in February 2015 has reduced; 27 cases across BCUHB demonstrating improved performance compared with the past 4 months. Of these only 6 are recorded on the Ysbyty Glan Clwyd site, confirming that the rise seen in December 2014 has ceased.
- The Board has in place an approved Strategic Framework and Infection Prevention Improvement Programme. These set out the projects and work programmes that together will bring about the step-change improvements in performance needed to achieve very low rates of infection.
- Focus remains on hand hygiene, isolation, antimicrobial prescribing and cleanliness standards.

2.2 Safe Care: Exception Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of cases of MRSA bacteremias per 100,000 of the population	Yes	Feb-15	2.6	-	-	4.83	4.74		↑	4th

Chart 1. Betsi Cadwaladr University Health Board maximum cumulative monthly numbers of MRSA bacteraemia to achieve the 18 month (Apr 14 to Sep 15) target and current cumulative monthly numbers for Apr 14 to Feb 15



Pack Page 199

BCUHB recorded a single case of MRSA bacteraemia in February 2015.

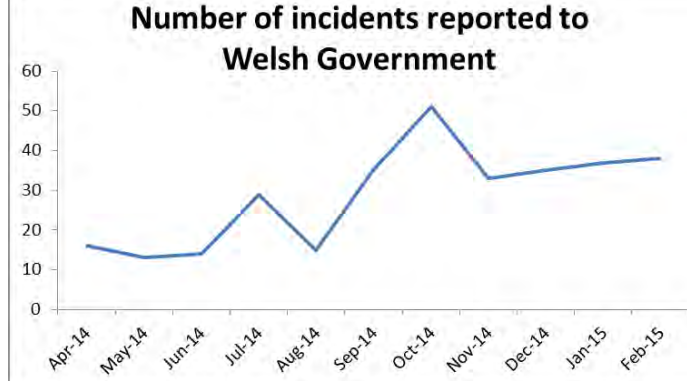
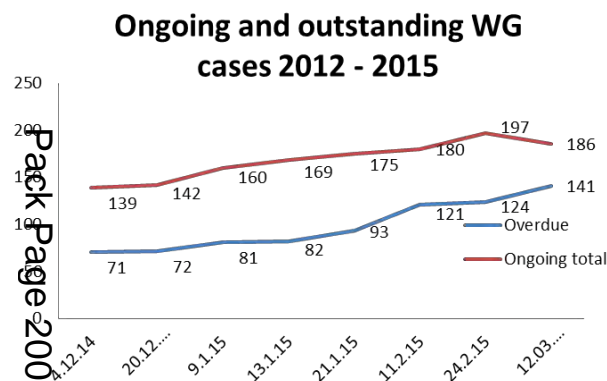
The detailed improvement plan (described in detail at the December 2014 meeting) is being progressed. This will require support for increased laboratory screening from Public Health Wales.

Current focus remains on:

- Improving compliance with the care bundles for IV devices, with monthly monitoring and feedback in place down to individual ward level.
- Reviewing the aseptic non-touch technique programme, ready for a major re-launch to improve practice.
- Developing effective protocols for initiation of decolonisation when patients are found to be positive with MRSA.

2.2 Safe Care: Exception Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of new serious incidents	Yes	Feb-15	Reduce	240	-	43	39	30	↑	7th



Position

Serious incidents are investigated by the Clinical Programme Group, supported by the Corporate Investigation team to reflect on the learning and emerging trends and themes for Quality Improvement.

Actions being taken

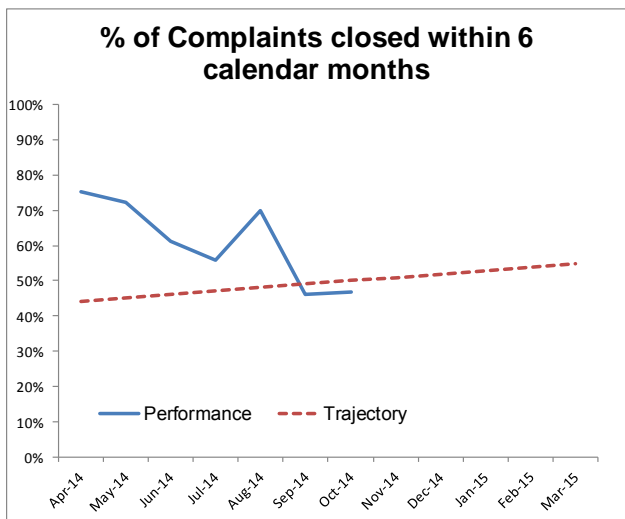
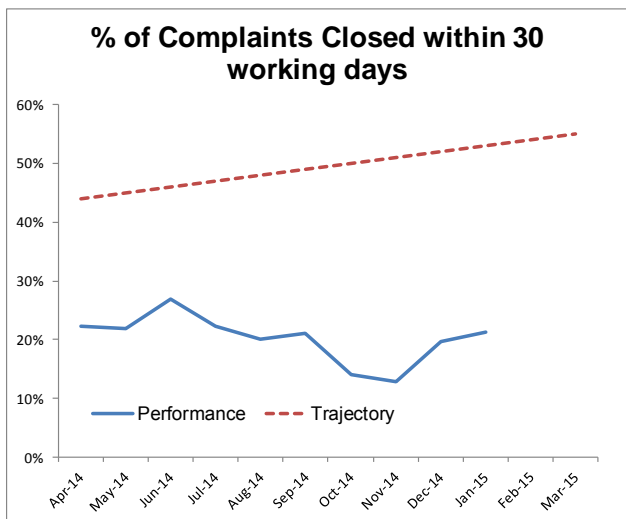
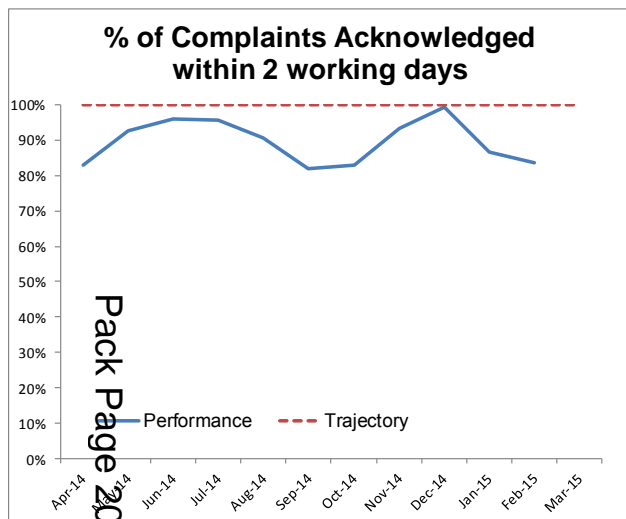
Work is on-going within the Health Board to continually strengthen the investigation and management of all incidents, and to ensure that lessons learnt are identified, acted upon and shared. Serious incidents are investigated by the Clinical Programme Group, supported by the Corporate Investigation team to reflect on the learning and emerging trends and themes for Quality Improvement. The Health Board encourages the reporting of incidents to improve quality and safety.

Lessons Learned

Monitoring focus on the themes and trends identified through incident reporting and ensuring lessons are learnt and improvements implemented to prevent the reoccurrence of incidents. The performance monitoring for all Concerns is now done through the CPG performance meetings. CPGs are expected to provide assurance regarding the good management of incidents and provide improvement plans to address poor performance.

2.2 Safe Care: Introductory Report - Complaints

	Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	% of complaints acknowledged within 2 working days	No	Feb-15	Improve	-		86.7%	83.6%	-	-	-
New	% of complaints closed within 30 working days	No	Jan-15	Improve	-		19.6%	21.3%	-	-	-
New	% of complaints closed within 6 months	No	Oct-14	Improve	-		46.3%	47.0%	-	-	-



- The number of concerns being received by the Health Board continues to rise
- There are interim plans being put in place to resolve cases open beyond the agreed time scales whilst revising processes to manage all new concerns received.
- The Senior Investigation Managers continue to drive the pace of closures with CPG/site teams, by both the performance management meetings and individual CPG/site sessions
- The regulations state all concerns should aim to be resolved with 30 working days. However if this is not possible (for more complex cases) a response must be sent within 6 months – those cases assessed as falling within the ‘more complex’ category are measured against a 6 month target.

2.2 Safe Care: Introductory Report Ward Staffing

	Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	Ward Staffing Levels Fill Rate (Med & Surg Acute)	No	Feb-15	Improve	-		88.0%	88.0%	-	-	-
New	Ward Staffing Skill Mix Ratio (Registered : Unregistered, Med & Surg Acute)	No	Feb-15	Improve	-		68 : 32	67 : 33	-	-	-

This report provides the position for nurse staffing within wards and acute departments for Acute and Community Hospitals (roster period 25th January – 21st February 2015)

The percentage of filled versus unfilled includes substantive and bank nurses but excludes agency nurses. The 12% average unfilled roster is therefore not a true reflection of nurse staffing levels.

For February 2015 the nursing agencies filled 74% of shifts requested, therefore this would increase the overall staffing levels to meet clinical need. Future reports aim to include agency nurses once systems are aligned to enable this.

The ratio of registered nurses to unregistered nurses across the three areas meets the Royal College of Nursing guidance of a 65% to 35% skill mix. In community hospitals skill mix is generally 50 : 50 registered to unregistered skill mix.

Nurse staffing is assessed daily at clinical site meetings with staff redeployed according to staffing gaps and clinical priority. Other mitigation includes bed reduction which is not captured in this report. Recruitment to substantive and bank posts continues.

25th Jan - 21st Feb roster	Filled Roster %	Unfilled Roster %	Registered Skill Mix %	Un-Registered Skill Mix %
Total Central Average	89%	11%	68%	32%
Total East Average	89%	11%	68%	32%
Total West Average	85%	15%	67%	33%
Total BCU Average	88%	12%	67%	33%

28th Dec - 24th Jan roster	Filled Roster %	Unfilled Roster %	Registered Skill Mix %	Un-Registered Skill Mix %
Total Central Average	90%	10%	68%	32%
Total East Average	89%	11%	68%	32%
Total West Average	84%	16%	67%	33%
Total BCU Average	88%	12%	68%	32%

2.2 Safe Care: Introductory Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Hand Hygiene Rates	No	Feb-15	Improve	-		96.6%	94.2%	-	-	-

This indicator demonstrates the percentage compliance with hand hygiene using the World Health Organisation (WHO) 5 moments: before touching a patient, before clean/aseptic procedures, after body fluid exposure/risk, after touching a patient, and after touching patient surroundings.

Definition of the measure – by using the Lewisham Tool to audit if all staff disciplines working in patient areas have adequately decontaminated their hands, in accordance with the requirements of the WHO 5 moments. This is undertaken for a minimum period of 20 minutes (or until at least 10 opportunities are observed) across all clinical areas at least once a month.

Relevance of measure - to improve quality of patient care and to prevent harm and infection.

Baseline – the baseline reported enable the LHB to be aware of the scale of the opportunity for improvement and to monitor the benefit realisation from actions being taken to improve performance

Establishment of extent of improvement expected – commentary on how a trajectory for improvement will be developed and reported against in future months with exception reports created for periods in which the trajectory for improvement are not delivered.

Pack Page 209

2.2 Safe Care: Introductory Report

Safe Care	Exception Report?	Month	Achieve	Mar 2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Ward Quality Audit	Yes	Feb-15	Improve	-		90.0%	91.0%	-	↑	-

Description of the measure

Monthly Quality audits of a pre-agreed number of care delivery standards commenced in April 2014. The Quality audit utilises 11 themes using 66 questions overall which provide a level of detail on clinical assessments and care planning against national standards.

Definition of the measure – To provide an indication of the quality and safety of inpatient care (excluding emergency departments, paediatrics, critical care and maternity). This should not be confused with the Fundamentals of Care annual audit, which uses similar themes but does not extract as much detail. The methodology utilises a review of 10 sets of case notes on every ward, every month and includes the 3 acute hospital wards and all the Community Hospitals.

The information is analysed and fed back to the ward managers and Matrons to pick up on key areas for improvement, if and when these are required. It provides Board members an opportunity to review the overall percentage score for each of the 11 measures/themes and then drill down to site specific information and then ward specific information to see where and if specific wards have a range of Indicators which indicates concerns about care provision.

The standard response to the monthly information is that ward managers will discuss the outcome and areas for improvement and agree the actions to improve the standard of care within any of the 11 clinical themes. Matrons and senior nurses can then provide the supervisory overview of improvements and support the improvements required and provide the positive feedback when improvements are made.

For Board members the Quality Dashboard provides an opportunity to review the overall dashboard within the body of this report and to identify if progress is being made on specific clinical outcome scores. It would also enable Board members to scrutinise specific areas of concern if those improvements are not being seen. The methodology for compliance is currently set at a consistent % standard (currently under review) and would not expect to vary. The Board would expect to review the key themes which are not meeting the standard and variance reporting would be provided on those clinical themes which are below 85%

2.3 Overview & Areas of Escalation: Effective Care



Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Crude Mortality - rolling 12 months	No	Jan-15	Reduce	1.90%	1.9%	1.8%	1.9%		↓	3rd
Risk Adjusted Mortality Index 2013 - RAMI rolling 12 months	No	Sep-14	Reduce	107	106	106	106		→	5th
% valid principle diagnosis code 3 months after episode end date - monthly	Yes	Oct-14	95%	98.8%	85.9%	60.6%	64.1%	95%	↑	6th
% valid principle diagnosis code 3 months after episode end date - rolling 12 months	Yes	12 mths to Oct-14	98%	98.7%	85.9%	88.1%	85.9%	98%	↓	5th
New % people aged 45+ who have a GP record of blood pressure measurement in the last 5yrs	No	2013/14	Improve	88.2%	-	-	88.2%	88.3%	-	3rd

Pack Page 205

The indicators above are monitored at the Quality, Safety & Experience committee.

An exception report is included for indicators which are not achieving the standard.

2.3 Effective Care Overview – Local Measures

	Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	% of Nutrition Score Completed and Action Taken within 24 hrs of admission	No	Feb-15	Improve		-	-	-	-	-	-
New	Efficiencies: Patient admitted but procedures not carried out	No	Dec-14	Improve		-	3.3%	3.1%	-	-	-
New	Efficiencies: % Procedures as Daycase	No	Dec-14	Improve		-	77.3%	78.8%	-	-	-
New	British Association of Day Surgery (BADs) basket of 18 procedures performed within the guideline length of stay	No	Dec-14	Improve		-	88.9%	91.4%	-	-	-

Back Page 206

The indicators above are monitored at the Quality, Safety & Experience committee.

An exception report is included for indicators which are not achieving the standard.

2.3 Effective Care: Exception Report

Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% valid principle diagnosis code 3 months after episode end date - monthly	Yes	Oct-14	95%	98.8%	85.9%	60.6%	64.1%	-	↑	6th
% valid principle diagnosis code 3 months after episode end date - rolling 12 months	Yes	12 mths to Oct-14	98%	98.7%	85.9%	88.1%	85.9%	98%	↓	5th

Coding completeness 3 months after episode end date for the month of October 14 was 64.1% against a target of 95% showing early signs of improvement.

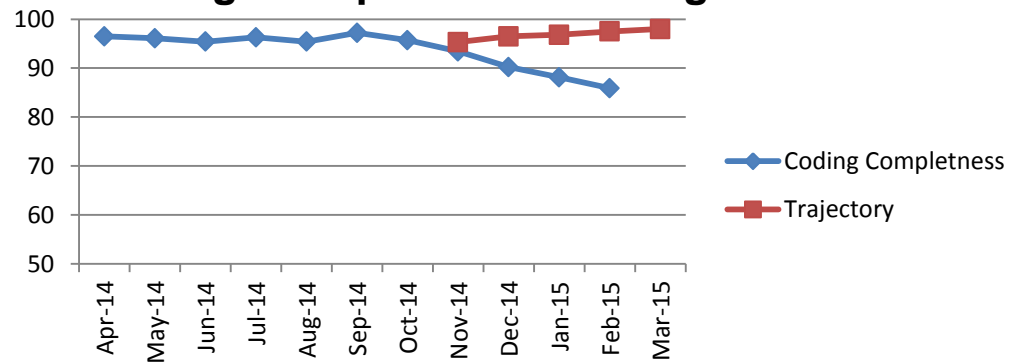
The Rolling 12 month completeness for the month of October 14 was 85.9% against a target of 98%.

Agency coders are scheduled to begin work at the end of March to assist in the recovery of coding completion.

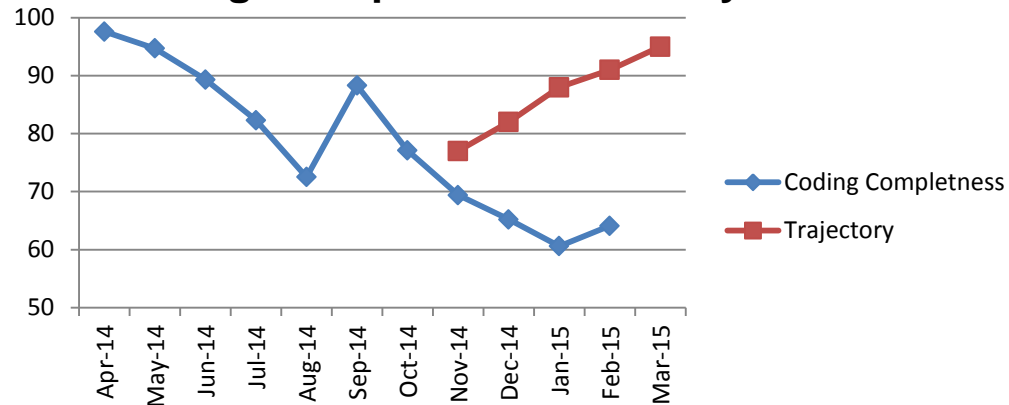
The department is also in the process of recruiting to fill further vacancies following the retirement of experienced staff in the East.

The return of staff members from long term sickness absence and maternity leave will also assist the department in again reaching both targets.

Coding Completeness Rolling 12 Months



Coding Completeness Monthly



2.3 Effective Care: Introductory Report

Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of Nutrition Score Completed and Action Taken within 24 hrs of admission	No	Feb-15	Improve		-	-	-	-	-	-

Proposed Description of measure – A nationally defined standard of record keeping and assessment has been agreed nationally and is currently reviewed within the ward Quality audits. The percentage compliance of the nutritional score is established within the Quality Improvement Strategy and will remain a constant standard.

Definition - The current methodology to ascertain whether the agreed Nutritional Risk Assessment tool is completed within 24 hours of admission to the clinical area, and that any action required has been carried out; is defined through the monthly ward quality audits

Relevance - every patient admitted into hospital must have a nutritional risk assessment undertaken within 24 hours of admission, to improve the nutritional care and support they receive, and reduce harm caused by poor nutrition.

Considerations :

Any actions required with regard to poor compliance with completing the nutritional assessment and score will be picked up within the ward Quality audits and any ward incident investigations and the variances to that will be recorded within the Integrated Quality performance report under the ward quality audits template.

It is therefore suggested that this is a duplication of reporting and suggest that we do not utilise this to demonstrate effective care and instead utilise the wider Quality ward audits and identify the key areas of concern arising from those dashboards which relate to effective care.

Fact Page 2015

2.3 Effective Care: Introductory Report

Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Efficiencies: Patient admitted but procedures not carried out	No	Dec-14	Improve		-	3.3%	3.1%	-	↑	-

This indicator applies to all elective inpatients and day cases and gives the rate at which the elective admission does not result in a procedure

Definition:

The measure uses a specific diagnosis code in the spell to identify qualifying admissions.

Rationale:

A number of patients are admitted as an elective inpatient or day case but do not undergo an operative procedure; e.g. patients who are unfit for surgery. There is a need for improved commitment to pre-operative assessment, planned bed management and better access to diagnostics.

Back Page 209

2.3 Effective Care: Introductory Report

Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Efficiencies: % Procedures as Daycase	No	Dec-14	Improve		-	77.3%	78.8%	-	↑	-

Rationale: This measure underpins commitment to improved performance against the Short Stay Surgery Basket of Procedures and is supported by the Wales Audi Office report '*Making better use of Day Surgery in Wales*' (2006) which advocates the use of short stay surgery resources across a wide range of procedures

Description: This indicator looks at the rate of procedures that are carried out as a Daycase

Definition: Day surgery patients are those that require full operating theatre facilities and /or a general anaesthetic. Day case surgery promotes speedier recovery for patients, reduced risk of cancellation, and reduced risk of hospital acquired infection.

Improved service delivery through increased theatre utilisation (reduced cancelled ops due to no beds), lower waiting times.

ad
ack
Dis
10

2.3 Effective Care: Introductory Report

Effective Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New British Association of Day Surgery (BADs) basket of 18 procedures performed within the guideline length of stay	No	Dec-14	Improve		-	88.9%	91.4%	-	↑	-

This indicator follows a basket of 18 procedures defined by the British Association of Day Surgery and the rate of those procedures carried out within a given time frame

Rationale: The 18 procedures have been selected on the basis that relatively high volumes can reasonably be expected to be carried out against the required short stay delivery areas. It is further supported by the Wales Audit Office report '*Making better use of Day Surgery in Wales*' (2006) which advocates the use of short stay surgery resources across a wider range of procedures and provide an incentive / challenge to practitioners to expand their scope.

Day case surgery promotes speedier recovery for patients, reduced risk of cancellation, and reduced risk of hospital acquired infection.

Improved service delivery through increased theatre utilisation (reduced cancelled ops due to no beds), lower waiting times.

Back Page 211

2.4 Overview & Areas of Escalation: Dignified Care

Dignified Care

Postponed Procedures

4

4

4

Dignified Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% procedures postponed on more than one occasion, had procedure <=14 days/earliest	Yes	Jan-15	Improve	-	-	9.1%	42.9%		↑	3rd

Pack Page 212

The scrutiny for this domain occurs with the Finance & Performance subcommittee.

An exception report is included for indicators which are not achieving the standard.

2.4 Dignified Care – Local Measures

	Dignified Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	Total Cancellations Inpatient (Clinical and Non-Clinical)	No	Jan-15	Improve	-	-	524	674	-	↓	-
New	Total Cancellations for Consultant and Nurse Led Outpatient appointments	No	Feb-15	Improve	-	-	7,107	6,457	-	↑	-

Pack Page 213

This summary slide provides new indicators which have been agreed by the executive directors within this report. Where new indicators are introduced, and a lead for the indicator has been identified, an **introductory report** is included.

2.4 Dignified Care: Exception Report

Dignified Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% procedures postponed on more than one occasion, had procedure <=14 days/earliest	Yes	Jan-15	Improve	-	-	9.1%	42.9%		↑	3rd

Despite there being a higher number of patients cancelled in January 2015, a greater number patients who had been cancelled twice, were rebooked within 14 days of their second cancellation, an increase from 9% to 43%. However, the target is that all patients should be booked within 14 days. The escalation process to ensure that cancelled patients are booked in a timely way has been further heightened.

The table below shows the site and specialty where patients were not booked in line with the Welsh Government requirements.

Patients not booked within 14 days of 2nd Postponement - by specialty	West	Centre	East	BCUHB Total
Gynaecology	2	1	2	5
Urology	1	1		2
Trauma & Orthopaedics			3	3
Ophthalmology				
Maxillo-Facial Surgery				
ENT			2	2
General Surgery	1			1
Gastroenterology	3			3
Radiology				

2.4 Dignified Care: Introductory Report

Dignified Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Total Cancellations Inpatient (Clinical and Non-Clinical)	No	Jan-15	Improve	-	-	524	674	-	↓	-

This measure demonstrates the volume of hospital cancellations occurring monthly which includes both clinical and non-clinical.

Examples include:

Clinical – Pre-existing medical condition

Non-Clinical – List over booked

The measure demonstrates the opportunity to make better use of resources through reduction in avoidable cancellations which in turn improves patient experience by avoiding short notice cancellation of TCI/procedure

Pack Page 215

2.4 Dignified Care: Introductory Report

Dignified Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Total Cancellations for Consultant and Nurse Led Outpatient appointments	No	Feb-15	Improve	-	-	7,107	6,457	-	↑	-

New

This measure reflects the monthly volume of cancelled outpatient appointments

Definition

This measure includes appointments cancelled by the hospital excluding therapy and diagnostic appointment. The health board has 3 different PAS each of which records cancellations slightly differently making comparisons between the sites difficult and leading to an over-recording of cancellations, due to re-scheduling of appointments being counted as cancellation on some systems. The relevance of the indicator will be to look at a downward trend over time rather than an absolute value.

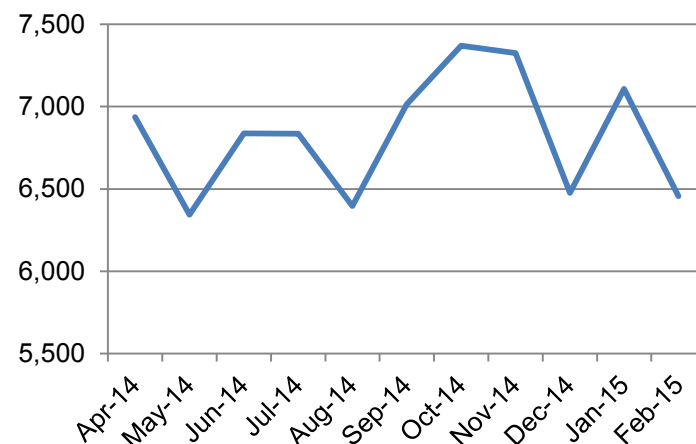
Relevance:

Cancellations are seen as representing poor patient experience and inefficient use of hospital resources.

Expectation

The outpatient program is a key deliverable for the PMO and a trajectory will be developed through their officers.

Total Hospital Cancellations for Outpatient Appointments



2.5 Individual Care – National Measures

Individual Care

Mental Health Ass'sment Mental Health Treatment Care & Treatment Plans Mental Health Advocacy

0 0 0

Individual Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of assessment by the LPMHSS undertaken within 28 days of the date of referral	No	Feb-15	80%	75%	-	86.2%	81.6%	85%	↓	4th
% of therapeutic interventions started within 56 days following assessment by LPMHSS	No	Feb-15	90%	71%	-	94.7%	97.2%	90%	↑	3rd
% of LHB residents (all ages) to have a valid CTP completed at the end of each month	No	Jan-15	90%	93%	-	90.9%	92.4%	92%	↑	4th
% of hospitals with arrangements to ensure advocacy available to qualifying patients	No	Dec-14	100%	100%	100%	100.0%	100.0%	100%	→	1st

Pack Page 217

The scrutiny of this domain occurs through the Finance & Performance sub-committee.

This month, as all of the indicators have been achieved no exception reports are included.

2.5 Individual Care – Local Measures

Individual Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New "I Want Great Care" initiative	No	Feb-15			-	4.73	4.78	-	-	-

Pack Page 218

This summary slide provides new indicators which have been agreed by the executive directors within this report. Where new indicators are introduced, and a lead for the indicator has been identified, an **introductory report** is included.

2.6 Timely Care: Introductory Report

Individual Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New "I Want Great Care" initiative	No	Feb-15			-	473.0%	4.78	-	-	-

iWantGreatCare is a real-time patient feedback system that covers five areas: dignity / respect, patient involvement, information available to the patient, ward cleanliness and staff.

Patients are given a form and asked to complete it during their hospital stay.

They are then given 6 areas covering the five domains mentioned. The sixth asks how likely they would be to recommend the hospital ward to others.

The score is out of 5.

There is also a free text area where the patient can give verbal feedback which provides a rich source of information.

At present the system has only been rolled out on acute wards, maternity wards and the Emergency Department at Wrexham and Ysfael Hospital.

It is intended that a target be set of at least 4-stars for each clinical area involved.

Back Page 219

2.6 Timely Care Overview – National Measures

Timely Care

GP Access

Referral to Treatment

Diagnostic Waits

Emergency Department

Ambulance

Cancer

Dental

Stroke

4

4

4

Pack Page 220

Timely Care		Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% GP practices	offering appts between 17:00 and 18:30 at least two days a week	No	Dec-14	Improve	94%	94%	94%	94%	98%	→	5th
	open during daily core hours or within 1 hour of daily core hours	No	Dec-14	Improve	71%	71%	70%	73%	89%	↑	6th
% of patients waiting less than 26 weeks for treatment - all specialties		Yes	Feb-15	95%	88%	-	86%	87%	87%	↑	6th
Number of 36 week breaches- all specialties		Yes	Feb-15	0	2,911	-	4,261	3,943	5,000	↑	6th
% of patient waiting less than 8 weeks for diagnostics		Yes	Feb-15	100%	80.4%	-	71.0%	79.6%	100%	↑	4th
% of new patients spend no longer than 4 hours in A&E (inc Minor Injury Units)		Yes	Feb-15	95%	-	-	77.1%	77.7%	95%	↑	7th
Number of patients spending 12 hours or more in A&E		Yes	Feb-15	0	2,677	-	1,103	871	0	↑	7th
% of Cat A Ambulance responses within 8 minutes		Yes	Feb-15	65%	-	-	54.9%	56.2%	65%	↑	1st
Number of over 1 hour handovers		Yes	Feb-15	Reduce	479	-	814	766	32.8	↑	6th
% of patients referred as non-urgent suspected cancer seen within 31 days		No	Feb-15	98%	-	-	98.1%	98.0%	98%	↓	4th
% of patients referred as urgent suspected cancer seen within 62 days		Yes	Feb-15	95%	-	-	84.3%	82.5%	95%	↓	5th
Patients treated by an NHS dentist in the last 24 months as a % of the population		Yes	Feb-15	Improve	50.7%	-	50.35%	50.37%	50%	↑	6th
Stroke	1 - First hours bundle	No	Feb-15	95%	-	-	96.0%	98.6%	95%	↑	3rd
Stroke	2 - First days bundle	Yes	Feb-15	95%	-	-	86.7%	89.0%	95%	↑	4th
Stroke	3 - First 3 days bundle	No	Feb-15	95%	-	-	98.7%	97.3%	95%	↓	2nd
Stroke	4 - First 7 days bundle	Yes	Dec-14	95%	-	-	90.7%	93.8%	95%	↑	3rd

The indicators above are monitored at the Finance & Performance committee. Exception reports are included.



2.6 Timely Care Overview – Local Measures

	Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	All patients overdue on the Follow Up Waiting List	Yes	Feb-15	Reduce	-	-	45,756	44,299	-	↑	-
	Follow Up Waiting List (25-50% overdue)	Yes	Feb-15	Reduce	-	-	4,858	4,978	-	↓	-
	Follow Up Waiting List (50-100% overdue)	Yes	Feb-15	Reduce	-	-	6,810	6,395	-	↑	-
	Follow Up Waiting List (Over 100% overdue)	Yes	Feb-15	Reduce	-	-	27,326	26,572	-	↑	-
New	Therapies Waits Over 14 weeks	Yes	Feb-15	Reduce	-	-	4	5	-	-	-
New	Out of Hours : Urgents seen within 20 mins	No	Feb-15	Improve	-	-	70.2%	67.2%	-	-	-
New	Out of Hours : Non-Urgents seen in 60 mins	No	Feb-15	Improve	-	-	75.1%	72.1%	-	-	-
New	Admission on day of surgery	No	Dec-14	Improve	-	-	80.5%	81.0%	-	-	-

Page 221

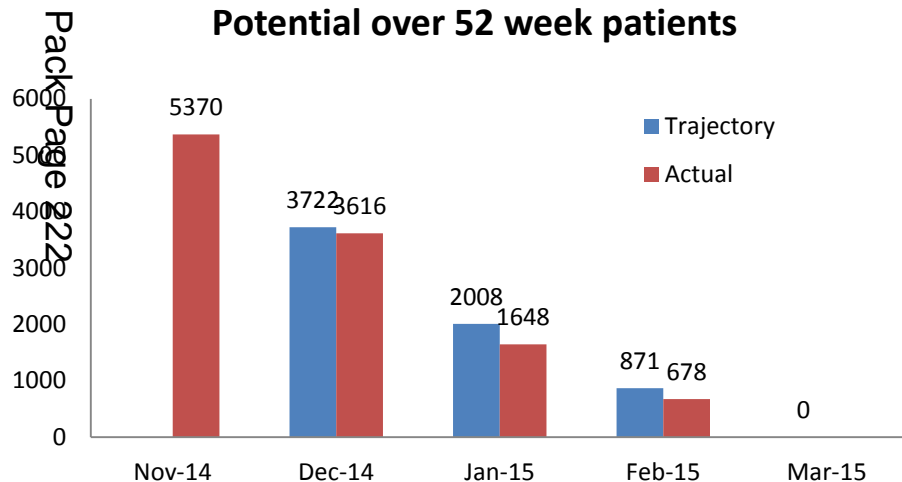
This summary slide provides new indicators which have been agreed by the executive directors within this report. Where new indicators are introduced, and a lead for the indicator has been identified, an **introductory report** is included.

2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of 36 week breaches- all specialties	Yes	Feb-15	0	2,911	-	4,261	3,943	5,000	↑	6th
% of patients waiting less than 26 weeks for treatment - all specialties	Yes	Feb-15	95%	88%	-	86%	87%	87%	↑	6th

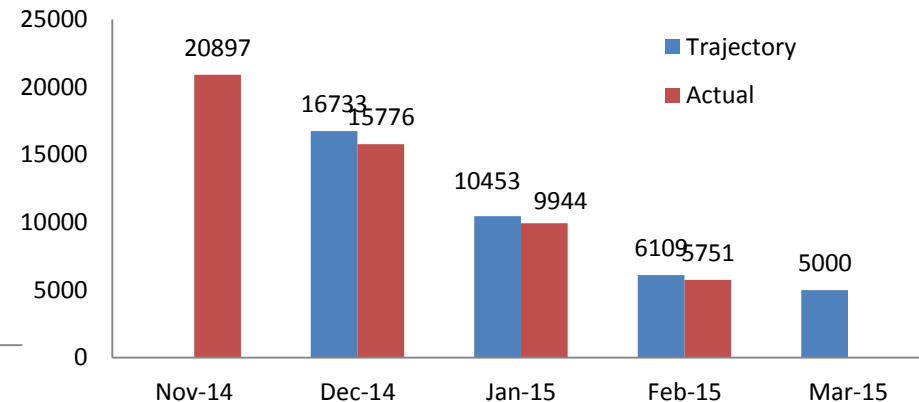
Open Pathways

Potential over 52 week patients



Open Pathways

Potential over 36 week patients



- The Referral to Treatment target for March 2015 is that no patient will be waiting over 52 weeks and there will be no more than 5,000 patients waiting over 36 weeks at the end of the financial year.
- The un-validated data as at 1/3/2015 reports a year end position better than trajectory and on target to deliver by 31 March 2015
- There is an individual action plan for every patient currently showing as over 52 weeks at year end and extensive validation is underway to ensure 36 week delivery.
- Trauma and orthopaedics remains the specialty at greatest risk, being challenged again with bed pressures in Wrexham

2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of patient waiting less than 8 weeks for diagnostics	Yes	Feb-15	100%	80.4%	-	71.0%	79.6%	100%	↑	4th

Actions Being Taken

Endoscopy

Endoscopy is now reported as a medium risk for delivery. Urgent escalation has been taken with the Countess of Chester (COCH) who have been commissioned to deliver 495 endoscopies by 31 March 2015. A review of all patients booked dates is being completed at COCH. There is on-going work in Bangor to close the final gap of approximately 50 patients through the utilisation of capacity in YGC.

Radiology

The risk to delivery has decreased within radiology for all modalities. Additional capacity is coming on line in the remaining two weeks of March for MR. All patients are being carefully managed through to year end.

Cystoscopy

Cystoscopy and urodynamics is considered high risk despite the successful outsourcing of 160 patients. Additional plans/capacity are still being sought to mitigate the risk, urodynamic capacity is highly constrained due to the service being provided by a single clinician.

Park & Page 223

2.6 Timely Care: Exception Report

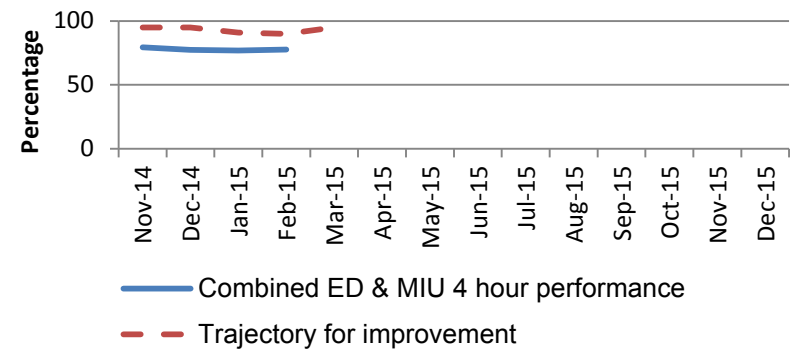
Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of new patients spend no longer than 4 hours in A&E (inc Minor Injury Units)	Yes	Feb-15	95%	-	-	77.1%	77.7%	95%	↑	7th

Combined Emergency Department and Minor Injuries Unit 4 hour performance in February was 77.7%. Emergency Department 4 hour performance in February was 72.3%.

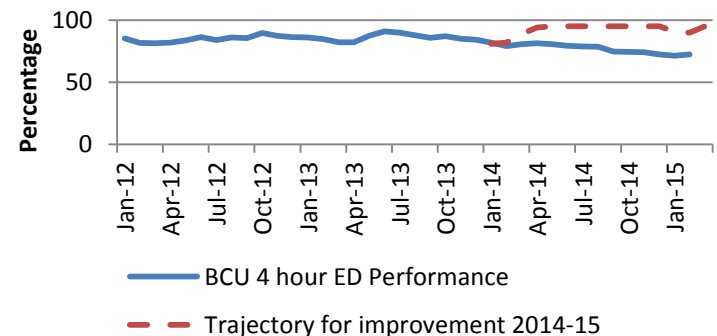
Improvement actions:

- External review of GP Out of Hours service complete. Final report received and actions to address recommendations are underway.
- Escalation and plus one beds open and sustained during February.
- Implementation of Board Rounds on going. Data collection identifying delays and actions escalated to Matrons and Hospital Management Teams.
- Step down beds utilised in three areas
- Work to reduce frequent attenders at Emergency Department ongoing in three areas
- National Patient Flow Collaborative working well in YG and YGC but further engagement work ongoing in YMW.

Combined ED and MIU 4 hour performance



BCU 4 hour ED performance



Pack Page 224

2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of patients spending 12 hours or more in A&E	Yes	Feb-15	0	2,677	-	1,103	871	0	↑	7th

871 Patients waited over 12 hours in an Emergency Department during February.

Improvement actions:

- Review of 10% of case notes of patients who have waited over 12 hours in ED continued with actions for improvement addressed locally.
- External review of GP Out of Hours service complete. Final report received and actions to address recommendations are underway.

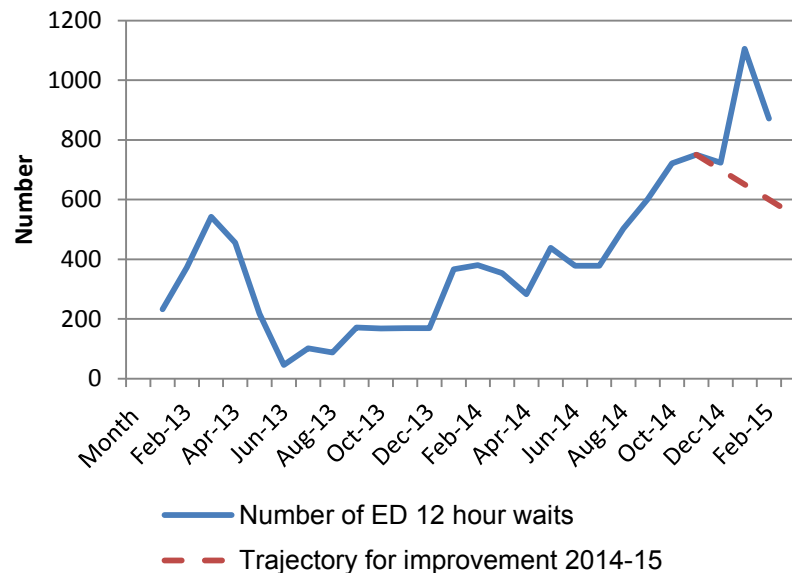
Pack Page 225

Escalation and plus one beds open and sustained during February.

Implementation of Board Rounds on going. Data collection identifying delays and actions escalated to Matrons and Hospital Management Teams.

- Step down beds utilised in three areas.
- Work to reduce frequent attenders at Emergency Department ongoing in three areas
- National Patient Flow Collaborative working well in YG and YGC but further engagement work ongoing in YMW.

ED 12 hour performance



2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of Cat A Ambulance responses within 8 minutes	Yes	Feb-15	65%	-	-	54.9%	56.2%	65%	↑	1st

Category A ambulance response time in February was 56.2%

Pack Page 226

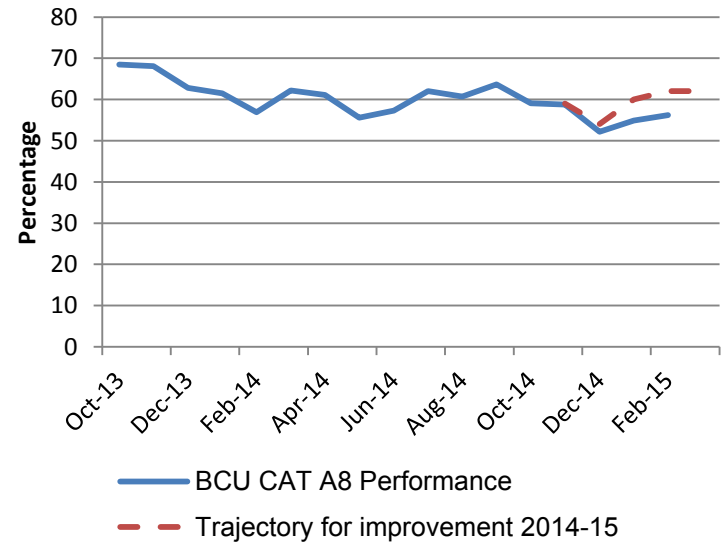
Paramedic Pathfinder being rolled out across North Wales.

Revised monthly audit of Ambulance handover implemented during February.

All Wales Handover Guidance received and implemented. Local ambulance handover and escalation protocols updated.

- Alternatives to conveyance and taxi transport for appropriate patients ongoing.
- Ambulance commissioning monthly meetings monitoring monthly performance.
- Joint BCU/WAST monthly operational meeting ongoing and monitoring all admission avoidance initiatives related to WAST.

BCU CAT A8 Performance



2.6 Timely Care: Exception Report

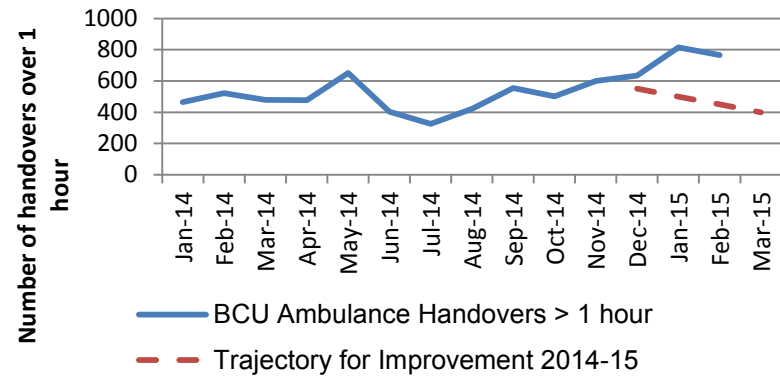
Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Number of over 1 hour handovers	Yes	Feb-15	Reduce	479	-	814	766	32.8	↑	6th

During February the number of ambulance handovers greater than 1 hour was 766 and greater than 15 minutes was 2167.

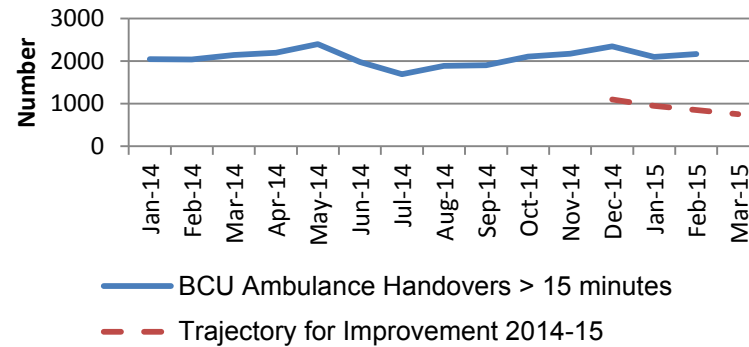
- Paramedic Pathfinder being rolled out across North Wales.
- Revised monthly audit of Ambulance handover implemented during February.
- All Wales Handover Guidance received and implemented. Local ambulance handover and escalation protocols updated.
- Alternatives to conveyance and taxi transport for appropriate patients ongoing.
- Ambulance commissioning monthly meetings monitoring monthly performance.
- Joint BCU/WAST monthly operational meeting ongoing and monitoring all admission avoidance initiatives related to WAST

Page 267

BCU Ambulance Handovers > 1 hour



BCU Ambulance handover > 15 minutes



2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% of patients referred as urgent suspected cancer seen within 62 days	Yes	Feb-15	95%	-	-	84.3%	82.5%	95%	↓	5th

February – un-validated position 80%; forecast position 82.5%

Actions taken:

Booking and escalation policies amended to ensure all new referrals seen within 10 or 14 days dependent upon tumour site; performance reached 80% during February. Performance dipped in gastro following increased referrals after a Public Health campaign; extra capacity will be in place by March-2015

Additional radiology and endoscopy capacity introduced from December 2014

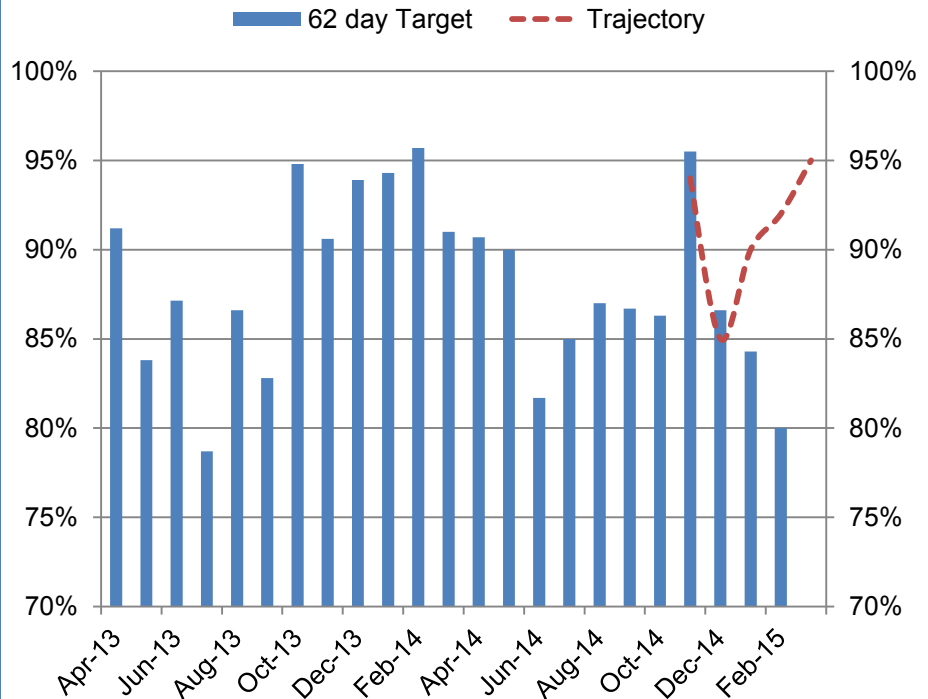
Additional laparoscopic urology surgery contracted from Arrowe Park Hospital (effective immediately) and a locum surgeon commenced January 2015

Weekly multi-CPG meeting led by corporate performance lead established to monitor March compliance and instigate remedial actions; additional capacity currently being sought to increase total numbers of cancers treated in month

Revised trajectory:

We expect to improve performance against the urgent suspected cancer (USC) target from March but delivery cannot be guaranteed; current forecast is 88-96%

62 Day Cancer Target (USC) Betsi Cadwaladr University LHB



2.6 Timely Care: Exception Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Patients treated by an NHS dentist in the last 24 months as a % of the population	Yes	Feb-15	Improve	50.7%	-	50.35%	50.37%	50%	↑	6th

Last 3 months performance:

December – 50.39%

January – 50.35%

February – 50.37%

Actions taken:

The Primary Care Support Unit routinely works with contractors to ensure that contracted services are delivered as efficiently as possible and patient access to GDS services is optimised within the available budget.

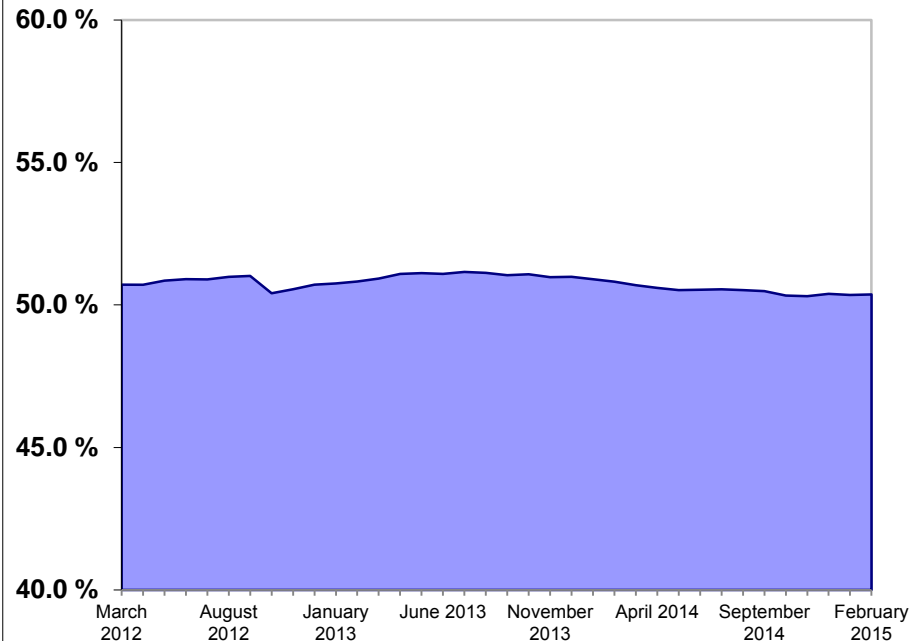
Current funding constraints mean that additional non-recurring activity cannot be commissioned within this financial year. It is therefore unlikely that there will be an improvement in the current trajectory before the year end

Revised trajectory:

We do not expect the current trajectory to improve prior to the end March 2015

Pack Page 29

Proportion of North Wales Residents Accessing GDS Services

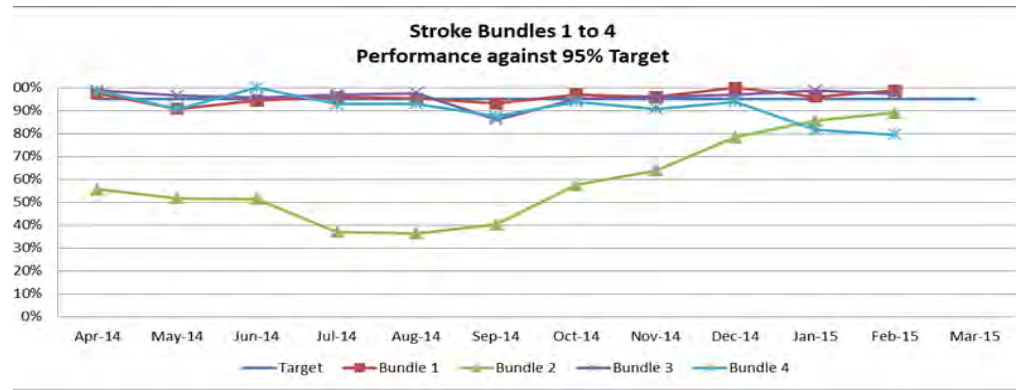


2.6 Timely Care: Exception Report

Timely Care		Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Stroke	2 - First days bundle	Yes	Feb-15	95%	-	-	86.7%	89.0%	95%	↑	4th
Stroke	4 - First 7 days bundle	Yes	Dec-14	95%	-	-	90.7%	93.8%	95%	↑	3rd

Bundle 2 The chart shows the increase in performance against the Stroke 2 bundle since August 2014.

Bundle 4 is reported 2 months in arrears. The chart shows the currently incomplete position for January and February 2015.



Exception

Bundle 2 contains 5 elements of care which are clinically accepted as contributing to improved patients outcomes if delivered within the first 24 hours of arrival at hospital. The health board has significantly improved its performance against this bundle, with month on month improvement demonstrated since August and is now the best performer within Wales. In February 65 out of the 73 stroke patients received all 5 elements of the bundle within 24 hours. The reasons for the breach of the standard related to access to a dedicated stroke bed directly from ED admission. These patients received all other elements of the bundle within the 24 hours. During February Wrexham site delivered the 95% target. **Bundle 4** data is currently incomplete, with 90 out of 97 records complete. Of those records which are complete, the LHB is meeting over 95% compliance for Bundle 4.

Actions

Relevant staff in and out of hours have been reminded of the importance of; (i) the ring-fenced stroke bed, (ii) the escalation process and (iii) the need for recovery plan to re-establish the bed at times of escalation.

2.6 Timely Care: Introductory Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Follow Up Waiting List (25-50% overdue)	Yes	Feb-15	Reduce	-	-	4,858	4,978	-	↓	-
Follow Up Waiting List (50-100% overdue)	Yes	Feb-15	Reduce	-	-	6,810	6,395	-	↑	-
Follow Up Waiting List (Over 100% overdue)	Yes	Feb-15	Reduce	-	-	27,326	26,572	-	↑	-

Total number of patients waiting for follow-up where there is <u>NO</u> documented target date	Total number of patients waiting for follow-up where there <u>IS</u> a documented target date	Total number of patients waiting for a follow-up who are delayed past their target date				
		0% up to 25% delay	Over 26 up to 50% delay	Over 50% to 100% delay	Over 100% delay	Total
0	44,253	3,048	2,239	3,594	17,401	26,282



The number of patients overdue a follow up outpatient appointment remains a significant challenge to the Health Board. Whilst the numbers of patients overdue has fallen since April 2014 as can be shown in Tables 2 and 3, the pace and volume of reduction is not at the rate that was expected by the Health Board.

- The elimination of the Follow Up Backlog features in the organisations Three Year Plan due to be submitted to the Welsh Government in March 2015. Account of the backlog and the sustainable impact of the additional elective activity requiring follow up activity has been quantified and now features within the demand and capacity planning process of the Health Board. CPGs are developing plans to increase capacity to tackle the backlog in 2015-2016.
- A Hothouse project has been initiated in Urology as a key priority of the Programme Management Office to provide intense support and review of the root causes of the follow up backlog in terms of process, clinical practice and capacity. Additional management support to deliver this programme of work is being identified through the PMO.
- The follow up backlog will be subject to a Welsh Audit Office study during the summer to assess across Wales, Health Board's understanding, quantification of the backlog and the actions being taken to eliminate it and manage clinical risk.

2.6 Timely Care: Introductory Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Therapies Waits Over 14 weeks	Yes	Feb-15	Reduce	-	-	4	5	-	-	-

This indicator reflects compliance with the Welsh Government expected standard of waiting times for therapy services.

Description:

The present operating standard is 14 weeks from referral to first attendance. This measure is recorded in accordance with Welsh Government definitions.

Relevance:

Timely access to therapy care is desirable to support patients rehabilitation and reduce risk of conditions becoming chronic.

Expectation

The expectation is that all patients have access to therapy services within 14 weeks, where this is not the case an exception report will be included in future.

2.6 Timely Care: Introductory Report

	Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	Out of Hours : Urgents seen within 20 mins	No	Feb-15	Improve	-	-	70.2%	67.2%	-	-	-
New	Out of Hours : Non-Urgents seen in 60 mins	No	Feb-15	Improve	-	-	75.1%	72.1%	-	-	-

1. Description of measure – this measure demonstrates the volume of patients triaged within the specified Welsh Government target times – split by urgency – Urgent to be triaged within 20 minutes and Routine to be triaged within 60 minutes.

2. Definition of measure – includes all calls made to the north Wales GP Out Of Hours Service.

3. Relevant of measure – demonstrates the number of calls that fail the target, demonstrating an opportunity to review the staffing levels to ensure that they are sufficient in order to meet the required targets.

4. Baseline – the baseline reported enable the LHB to be aware of the scale of the opportunity for improvement and to monitor the benefit realisation from actions being taken to improve performance through identified actions.

5. Establishment of extent of improvement expected – reviews of staffing levels and performance for improvement will be reported against in future months with exception reports created for periods in which the trajectory for improvement are delivered.

Pack Page 238

2.6 Timely Care: Introductory Report

Timely Care	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Admission on day of surgery	No	Dec-14	Improve	-	-	80.5%	81.0%	-	-	-

This indicator gives the rate at which procedures are carried out on the same day as the admission for the elective procedure.

The indicator measures all elective admissions with a procedure, excluding day cases.

Should be the norm, unless clinically or socially determined. Admitting a patient to bed a days in advance of their operation for non-clinical or social reasons wastes valuable hospital bed capacity and increases costs. This measure promotes the use of more effective pre-operative assessment, bed management and admission initiatives and processes.

Pack Page 234

2.7 Staff and Resources Overview – National Measures

Use of Staff & Resources

Sickness Rate Appraisals Finance

4 4 4

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% staff absence due to sickness (rolling 12mths)	Yes	Jan-15	4.55%	5.48%	5.22%	5.47%	5.50%	5.49%	↓	2nd
% of total medical staff undertaking appraisals	No	Q3 2014/15	Improve	68%	84%	86%	76%		↓	4th
Finance - % variance against budget	Yes	Feb-15	Improve	0.20%	2.8%	1.1%	-0.9%		↑	-

The indicators above are monitored at the Finance & Performance committee.

An exception report is included for indicators which are not achieving the standard.

The **statutory duty compliance** including breakeven has been included in addition to the national template.

Other workforce indicators are included in the local indicators.

Pack Page 295

2.7 Staff & Resources Overview – Local Measures

	Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New	PADR (Appraisal for non-medical staff)	No	Jan-15			-	36.00%	35.00%	-	-	-
New	CARE referral rate	No	Jan-15			-	47.71%	48.58%	-	-	-
New	Agency & Locum Spend in £000's	No	Jan-15			-	3,120	2,875	-	-	-
New	Vacancy Rate - This measure is under development	No	Jan-15			-	4.12%	4.31%	-	-	-
New	Average Length of Stay (Elective Admissions)	No	Feb-15			-	2.72	2.91	-	-	-
New	Average Length of Stay (Emergency Admissions)	No	Feb-15			-	10.24	10.74	-	-	-
New	Percentage Workforce Change - This measure is under development	No	Jan-15			-	0.07%	0.00%	-	-	-
New	Mandatory Training Overall - This measure is under development	No	Feb-15			-	-	-	-	-	-
New	Staff Turnover - This measure is under development	No	Feb-15			-	-	-	-	-	-

This summary slide provides new indicators which have been agreed by the executive directors within this report. Where new indicators are introduced, and a lead for the indicator has been identified, an **introductory report** is included.

2.7 Staff and Resources: Exception Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
% staff absence due to sickness (rolling 12mths)	Yes	Jan-15	4.55%	5.48%	5.22%	5.47%	5.50%	5.49%	↓	2nd

Disappointingly absence levels across the organisation continue to be significantly worse than the target. The year to date rate January 2015 was 5.22% as compared with 5.02% for the same period in 2014. The absence rate for January was 5.50% a slight improvement from the 5.58 % recorded in December.

Areas across the organisation with sickness above 6% included Mental Health 6.66%, Women's 6.14%, Improvement and Business Support 7.13% and Planning including facilities at 6.90%.

Revised sick pay arrangements came into force for staff for staff on salaries above the top of pay band 2 with effect from 1st January 2015. Sick pay for these staff is now based on basic pay only and will exclude unsocial hours premiums. Sickness levels for staff in bands 1 to 6 inclusive are all above the organisations average, however staff in pay band 1 registered absence levels of 8.28% and staff in band 2 experienced absence levels of 7.44%. The occupation groups with the highest level of absence are estates and ancillary staff at 7.30%, additional clinical services (including HCSW) AT 7.37% and nursing and midwifery at 5.98%. As the staff with the highest levels of absence HCSW and ancillary staff on bands 1 and 2 are not affected by these changes it is important that the relevant departments have robust sickness management processes in place.

The number of staff absent each day throughout the month of January varied between 842 and 976, although high the figure is less than the 1019 and 1017 who were off due to sickness on Tuesday 16th and Wednesday 17th December 2014.

The CARE early intervention service for the management of sickness absence continues to experience low levels of referrals. The overall referral rate was 48.58%, however the referrals for surgical CPG were 30.49%, PCSM 32.43%, and Anaesthetics at 31.08%. These levels are considerably worse than the 80% required to make a real difference.

Sickness training continues to be delivered across the organisation. WOD continues to provide targeted support to management teams through coaching, attendance at sickness management meetings and highlighting particular areas of concern and absence trends. Drop in sessions held for matrons have been held in YG for the medicine directorate and have been very well received.

Practice Page 237

2.7 Staff and Resources: Exception Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Finance - % variance against budget	Yes	Feb-15	Improve	0.20%	2.8%	1.1%	-0.9%		↑	-

Key Target	Target (£'000)	Year to date performance (£'000)	Risk																									
Pack Page 258 Achievement against Revenue Resource Limit (RRL)	0	28,470	Red	<p>Following the Month 11 financial review, the Health Board's financial position at the end of February 2015 is a cumulative over spend position of £28.5 million compared to £29.4m at the end of January. This is a month on month improvement of £0.9 million.</p> <p>The underlying run-rate, after adjusting for the additional resource allocation of £35M equally across each month, has consistently reduced over each of the last 4 months and is shown in the graph below. The year end forecast positions is £27.5 million overspend (2.2 % variance).</p> <table border="1"> <caption>Monthly Variance (£ Millions)</caption> <thead> <tr> <th>Month</th> <th>Variance (£ Millions)</th> </tr> </thead> <tbody> <tr><td>1</td><td>2.2</td></tr> <tr><td>2</td><td>1.8</td></tr> <tr><td>3</td><td>2.0</td></tr> <tr><td>4</td><td>3.8</td></tr> <tr><td>5</td><td>3.5</td></tr> <tr><td>6</td><td>4.0</td></tr> <tr><td>7</td><td>4.2</td></tr> <tr><td>8</td><td>3.8</td></tr> <tr><td>9</td><td>2.0</td></tr> <tr><td>10</td><td>1.2</td></tr> <tr><td>11</td><td>-0.8</td></tr> </tbody> </table>	Month	Variance (£ Millions)	1	2.2	2	1.8	3	2.0	4	3.8	5	3.5	6	4.0	7	4.2	8	3.8	9	2.0	10	1.2	11	-0.8
Month	Variance (£ Millions)																											
1	2.2																											
2	1.8																											
3	2.0																											
4	3.8																											
5	3.5																											
6	4.0																											
7	4.2																											
8	3.8																											
9	2.0																											
10	1.2																											
11	-0.8																											
Performance against savings (internal target)	91,715	23,599	Red	<ul style="list-style-type: none"> The current annual saving target is £91.7m (7.5%). £34.65m of cash releasing savings schemes have been identified to date across CPGs and Corporate Departments and £6.35m cost avoidance measures. As at the end of December, £19.5m cash releasing savings have been delivered against planned savings of £23.6m (82.6%) and £4.1m cost avoidance savings against planned savings of £4.6m (89.1%). 																								

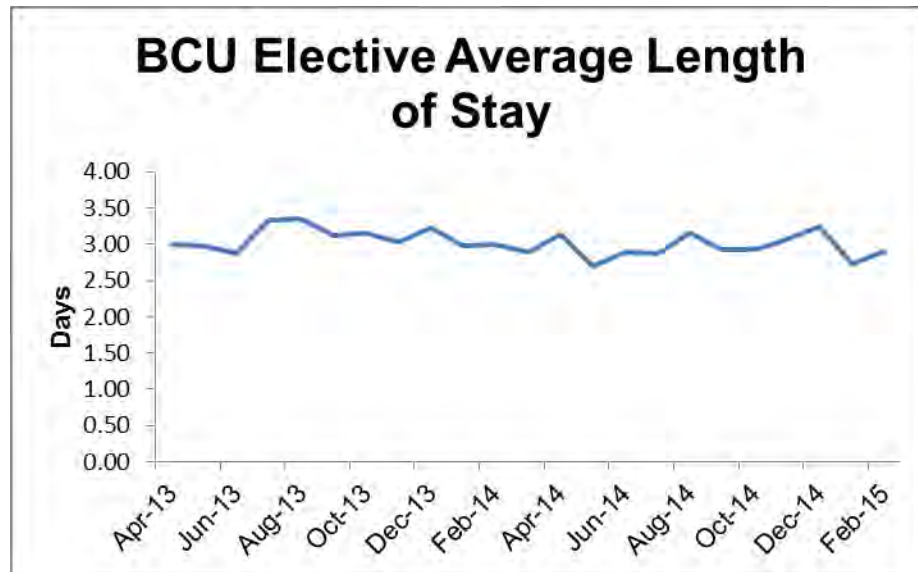
2.7 Staff and Resources: Introductory Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New Average Length of Stay (Elective Admissions)	No	Feb-15			-	2.72	2.91	-	↓	-

This measure uses the average length of stay methodology outlined in the document “Improving Efficiency & Productivity Within Wales”. It looks at electively admitted patients discharged in the month and the complete length of stay that the patient experiences, both acute and community stays, across any hospital in the health board.

General Surgery, Orthopaedics, Urology Ear Nose and Throat and Gynaecology admissions are included. Day cases are excluded as are patients discharged with a length of stay greater than 50 days.

Pack Page 239



2.7 Staff and Resources: Introductory Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
Average Length of Stay (Emergency Admissions)	No	Feb-15			-	10.24	10.74	-	↓	-

This measure uses the average length of stay (LOS) methodology outlined in the by the Welsh Government document "Improving Efficiency & Productivity Within Wales". It looks at patients admitted as an emergency (unplanned) who are discharged in the reporting month. The length of stay includes acute episodes of care as well as any community hospital length of stay related to the emergency admission.

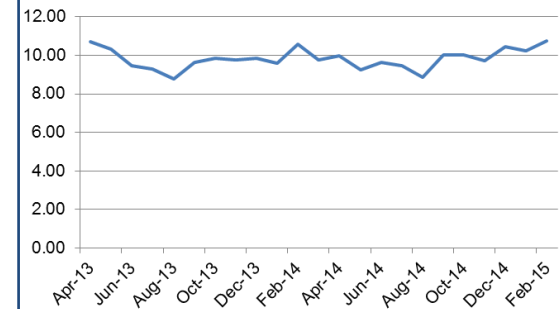
All specialties are included with the exception of paediatric, obstetric and mental health also excluded are patients with a length of stay greater than 100 days.

The LOS measure is an indicator of how efficiently patients are managed, for example: treatment / decision making is carried out efficiently and effectively without any avoidable delays such as diagnostic tests or other assessment delays.

Monitoring the LOS performance encourages good and safe discharge planning processes to ensure patients are not delayed unnecessarily within hospital environment.

Longer lengths of stay increases patient risk of hospital acquired infection as well as reducing the ability of the organisation to respond in a timely manner to new emergency admissions on an on-going daily basis (adversely impacting ED waiting time targets and ambulance handover times).

BCU Emergency Average Length of Stay



New

Back Page 2/10

2.7 Staff and Resources: Introductory Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New PADR (Appraisal for non-medical staff)	No	Jan-15			-	36.00%	35.00%	-	-	-

Description of measure - Percentage of appraisals that have been completed for non - medical staff

Definition of measure – The total number of non-medical staff who have received a PADR from their manager of the total number of non-medical staff who were due to receive a PADR

Relevance of measure –Staff are required to undertake an annual appraisal (referred to as PADR) to ensure any training needs can be met and objectives agreed to ensure the best possible service can be provided to patients and customers . PADR is informed by the values of the Organisation. By continually developing BCUHB staff to a high standard the standard of service to patients and customers is enhanced.

Pack Page 241

2.7 Staff and Resources: Introductory Report

Staff and Resources	Exception Report?	Month	Achieve	2013/14	YTD	Previous	Current	FYF	Trend	Welsh Benchmark
New CARE referral rate	No	Jan-15			-	47.71%	48.58%	-	↑	-

Description of measure - Percentage of referrals to CARE and episodes of absence per month.

Definition of measure - This measure demonstrates the number of CARE referrals made by managers in the CPG's in relation to the number of episodes of absence reported into the ESR database per month.

Relevance of measure - Demonstrates the opportunity to provide early support and advice for staff from first day of sickness absence.

Baseline – the baseline reported enable the Health Board to be aware of the scale of the opportunity for improvement and to monitor the benefit realisation from actions taken to improve health through and early intervention system for support and advice when off sick.

Establishment of improvement expected – the Staff Health & Wellbeing group will consider further measures on how engagement of managers can improve referral rates. At a service level each CPG will be required to provide an exception report in which the trajectory for improvement are not delivered.

Page 61
 PACER
 Page 61

3.0 Activity

April 2014 to January 2015

Pack Page 243

Activity Type	Internal				External			
	Plan	Actual	Diff	% Diff	Plan	Actual	Diff	% Diff
Elective Inpatients	14,542	17,120	2,578	17.7%	2,957	3,059	102	3.4%
Elective Daycases	24,834	22,120	-2,714	-10.9%	5,845	5,920	75	1.3%
Emergency Inpatients	71,418	74,567	3,149	4.4%				
Endoscopies	13,489	16,444	2,955	21.9%	4,026	4,079	53	1.3%
MOPS (Cleansed DC)	1,899	1,614	-285	-15.0%	2,380	4,273	1,893	79.5%
Regular Day Attenders	35,920	35,264	-656	-1.8%				
New Outpatients	168,323	168,254	-69	0.0%	13,786	14,438	652	4.7%
Review Outpatients	304,967	371,217	66,250	21.7%	46,864	43,732	-3,132	-6.7%
New ED Attendances	179,261	179,105	-156	-0.1%	6,522	6,824	302	4.6%
Follow up ED Attendances	9,539	9,235	-304	-3.2%				
Unknown								
Grand Total	824,192	894,940	70,748	8.6%	82,380	82,325	55	0.1%

This report was previously presented at the last Board meeting in February.

The table reports activity versus plan and includes internally provided within North Wales and externally provided outside North Wales. Some contracts for North Wales residents are managed by Welsh Health Specialised Services Committee are not shown.

4.0 Appendix A – Further Information

Further detailed information is available :

- Further information is available from the office of the Chief Operating Officer which includes;
 - performance reference tables
 - tolerances for red, amber and green
 - the Welsh benchmark information which we have presented

Pack Page 244

Further information on our performance can be found online at:

- Our website www.pbc.cymru.nhs.uk
- www.bcu.wales.nhs.uk
- StatsWales www.statswales.wales.gov.uk
- We also post regular updates on what we are doing to improve healthcare services for patients on

 follow @bcuhb



<http://www.facebook.com/bcuhealthboard>



24 Cathedral Road / Heol y Gadelrian
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
Email / Epost: wales@wao.gov.uk
www.wao.gov.uk

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

Reference 0429.mju.millar.bcu
Date 29 April 2015
Pages 1 of 3

Dear Darren,

Betsi Cadwaladr University Health Board: written evidence to the Public Accounts Committee

At its 5 May 2015 meeting, the Public Accounts Committee is due to consider the written evidence submitted by Dr Peter Higson, the Chair of Betsi Cadwaladr University Health Board (the Health Board), following his appearance before the Committee on 24 March.

To assist the Committee in its deliberations, the Auditor General has asked that I provide some observations on that written evidence, in my capacity as his Engagement Director for the audit of the Health Board.

Much of Dr Higson's letter of 13 April to the Committee centres on the Health Board's considerations regarding the provision of clinically-led obstetrics and gynaecology services at Ysbyty Glan Clwyd (YGC), and sets out a range of information regarding the identification and handling of concerns within the Health Board since 2013. That information aligns with our own audit evidence from our 2013 and 2014 Structured Assessment work at the Health Board.

As the Committee will doubtless be aware, the Health Board's proposal to suspend the provision of these services at YGC and to transfer clinically led obstetric care to the Wrexham Maelor Hospital and Ysbyty Gwynedd is now the subject of an application for Judicial Review. As the matter is therefore currently *sub judice*, it would be inappropriate for the Auditor General or Wales Audit Office staff to make any public comments regarding this matter until the outcome of the Review is known. However, I can confirm that the Health Board's governance arrangements surrounding this matter will feature as part of our 2015 Structured Assessment work.

Dr Higson's letter also provides information on the training of Board members, together with a schedule showing that attendance by both independent and executive members at Board development sessions over the past 16 months has been somewhat patchy. Last week, the Health Board announced the appointment of three new Independent Members and so we will be looking carefully at the Health Board's induction arrangements, together with the measures that it is taking to ensure an improvement in overall member attendance at future Board development sessions.

The Health Board overhauled its performance reporting framework during 2014-15, and enclosed with the Chair's letter is an example of the new format for the monthly 'Integrated Quality and Performance Report' to the Board. This report sits alongside a suite of other reports, including financial reports, and the February 2015 example illustrates well the breadth and depth of performance information that is now made available to Board members, which is intended to better equip them to provide robust and constructive scrutiny and challenge to the executive team. We will be reviewing the effectiveness of these enhanced arrangements as part of our 2015 Structured Assessment work.

The letter concludes by briefly summarising the outcome of recent work by the Health Board to review its arrangements for managing capital schemes. The need for significant improvements in this area was cited last autumn by the Welsh Government as being one of the grounds for the Health Board's escalation to 'targeted intervention' status. The further changes to capital management arrangements that the Health Board is introducing as a result of recent internal audit work and the Capita review will be covered as part of our Structured Assessment work this autumn.

During their oral evidence at the 24 March meeting, the witnesses briefly referred to the review of the Health Board that was being conducted by Ann Lloyd, the former Chief Executive of NHS Wales. That work has recently been completed, and our understanding is that the Health Board intends to publish Ann Lloyd's report once it has been considered by the full Board at its June meeting. We will be reviewing the adequacy of the Health Board's response to the recommendations made by Ann Lloyd, once these have been developed and agreed by the Board.

Finally, the Committee will also wish to be aware that later this year, and once again in conjunction with Healthcare Inspectorate Wales, we will be conducting a further follow-up of our 2013 joint review of governance arrangements at the Health Board during the autumn. The Auditor General anticipates being able to lay the joint follow-up report before the National Assembly before the end of the calendar year, which would then provide the Committee with a further opportunity to take oral evidence from the Health Board if it wishes to do so.

I hope that this information is helpful to the Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mike Usher". The signature is written in a cursive style with a prominent loop at the end.

MIKE USHER
Engagement Director

Document is Restricted

Agenda Item 7

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

Document is Restricted