

## Agenda – Public Accounts Committee

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Meeting Venue:

**Committee Room 3 – Senedd**

Meeting date: Monday, 19 September  
2016

Meeting time: 13.45

For further information contact:

**Fay Buckle**

Committee Clerk

0300 200 6565

[SeneddPAC@assembly.wales](mailto:SeneddPAC@assembly.wales)

**(13.45 – 14.00 Private pre-meeting)**

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

(14.00)

**2 NHS Wales Health Board’s Governance: Welsh Government Response to the Fourth Assembly Committee’s Report**

(14.00–14.15)

(Pages 1 – 30)

PAC(5)–03–16 Paper 1: Welsh Government Response

PAC(5)–03–16 Paper 2: Letter from the Auditor General for Wales

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

(14.15)

Items 4, 5, 6, 7, 8, 9 & 11

**4 Paper(s) to note**

(14.15–14.20)

**The Circuit of Wales**

(Pages 31 – 63)



PAC(5)-03-16 PTN1: Letter from David T C Davies MP to Nick Ramsay AM

PAC(5)-03-16 PTN2: Letter from the Auditor General for Wales

PAC(5)-03-16 PTN3: Letter from Nick Ramsay AM to David T C Davies MP

## **5 Coastal flood and erosion risk management in Wales: Auditor General for Wales Report**

(14.20-14.30)

(Pages 64 – 131)

PAC(5)-03-16 Paper 3 – Auditor General for Wales report

PAC(5)-03-16 Paper 4 – Welsh Government Response to the Auditor General for Wales' report

## **6 National Fraud Initiative: Auditor General for Wales Report**

(14.30-14.40)

(Pages 132 – 173)

PAC(5)-03-16 Paper 5 – Auditor General for Wales report

PAC(5)-03-16 Paper 6 – Welsh Government Response to the Auditor General for Wales' report

## **7 The Welsh Government's Funding of Kancoat Ltd: Auditor General for Wales Report**

(14.40-14.50)

(Pages 174 – 222)

PAC(5)-03-16 Paper 7 – Auditor General for Wales report

PAC(5)-03-16 Paper 8 – Welsh Government Response to the Auditor General for Wales' report

## **8 Hospital Catering and Patient Nutrition: Auditor General for Wales Report**

(14.50–15.00)

(Pages 223 – 272)

PAC(5)–03–16 Paper 9 – Update from the Auditor General for Wales

PAC(5)–03–16 Paper 10 – Letter from Dr Andrew Goodall, NHS Wales Chief Executive to the Auditor General for Wales

PAC(5)–03–16 Paper 11 – Correspondence between the Petitions Committee and the Auditor General for Wales

## **9 Work programme: Consideration of Auditor General for Wales' reports and Committee led inquiries**

(15.00–15.20)

(Pages 273 – 283)

PAC(5)–03–16 Paper 12 – Scoping paper

**(Break 15.20–15.30)**

**(Public Session)**

## **10 Scrutiny of Accounts 2015–16: Assembly Commission**

(15.30–16.30)

(Pages 284 – 442)

PAC(5)–03–16 Paper 13 – Assembly Commission Annual Report 2015–16

PAC(5)–03–16 Paper 14 – Assembly Commission Annual Report 2015–16 – Executive Summary

Research Briefing

Suzy Davies AM – Assembly Commissioner

Claire Clancy – Chief Executive and Clerk to the Assembly

Nia Morgan – Director of Finance, National Assembly for Wales

**(Private Session)**

**11 Scrutiny of Accounts 2015–16: Consideration of evidence received**

(16.30 – 16.50)

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/  
Prif Weithredwr GIG Cymru  
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/  
NHS Wales Chief Executive  
Health and Social Services Group



Llywodraeth Cymru  
Welsh Government

Chair, Public Accounts Committee  
National Assembly for Wales

c/o [committeebusiness@wales.gsi.gov.uk](mailto:committeebusiness@wales.gsi.gov.uk)

Our Ref: AG/SG

02 June 2016

Dear Chair,

**Report of the National Assembly for Wales Public Accounts Committee on 'Wider issues emanating from the governance review of Betsi Cadwaladr University Health Board'**

I am writing to set out the Welsh Government's response to the recommendations set out in the Public Accounts Committee report on 'Wider issues emanating from the governance review of Betsi Cadwaladr University Health Board'.

Some of the Report's recommendations relate to Healthcare Inspectorate Wales and its response is provided in an annex to the document attached that contains our response. The response from Betsi Cadwaladr University Health Board to recommendations 12 and 13 is also outlined in an attached annex.

Yours sincerely

**Dr Andrew Goodall**



**Response to the Report of the National Assembly for Wales Public Accounts Committee Report on ‘Wider issues emanating from the governance review of Betsi Cadwaladr University Health Board’**

We welcome the findings of the report and offer the following response to the 27 recommendations contained within it. The Healthcare Inspectorate Wales (HIW) and Betsi Cadwaladr University Health Board responses to relevant recommendations is outlined separately in Annex A and B. We have in some instances provided a merged response to interlinked recommendations.

**Recommendation 1** – The Committee is concerned that attendance at Board meetings, by some Independent Members at Betsi Cadwaladr UHB, has previously been unsatisfactory and recommended the Welsh Government works with health boards across Wales to monitor and address non-attendance appropriately with proper considerations of the circumstances.

**Recommendation 2** – We recommend that all health boards’ annual reports must disclose details of board member attendances at board meetings and that a process for the dismissal of persistent non-attenders to be developed.

***Accept both recommendations 1 and 2***

We note the concerns of the Committee on attendance at Board meetings. Health Boards monitor attendance and are already required to report on this annually in the published Governance Statement.

The local health boards (constitution, membership and procedures) (Wales) regulation 2009 state the following under termination of appointments of members appointed by Welsh Ministers;

- If a person appointed has failed to attend any meeting of the board for a period of six months or more, the Welsh Ministers may remove that person from that office unless they are satisfied that –
- a) The absence was due to a reasonable cause; and
  - b) The person will be able to attend such meeting within such period as the Welsh Ministers consider reasonable

A record of attendance of Board and committee meetings should form part of the evidence for discussions at the Chair and Independent Members 1:1 meetings and performance reviews. We will seek assurance that this is happening across all Health Boards and will remind Board Secretaries of the requirement to monitor and report on attendance in the annual Governance Statement and the relevant regulations by August, 2016.

**Recommendation 3-** The Committee recommends that the Welsh Government explore in more detail how it can enhance the sharing of good practice, in relation to good governance, and where possible give greater direction on such practice and monitor compliance with any directions issued.

***Accepted***

Effective Governance, leadership and accountability are essential for the sustainable delivery of safe, effective, person-centred care and underpin the Health and Care Standards published in 2015. Chief Executives are appointed as accounting officers with delegated responsibilities in these areas.

Board Secretaries now meet on a monthly basis to share common concerns and good practice. Welsh Government also regularly attends these meetings. This forum provides an opportunity to actively enhance the sharing of good practice in relation to governance in addition to the guidance to support the delivery of the standards around governance, leadership and accountability including the Good Governance Guide which is currently being updated and the Auditor General's memorandum on governance by Welsh Government and NHS bodies.

As we noted in our response to the original PAC report on governance arrangements in BCUHB we consider effective Board development to be of critical importance. We continue to work with Academi Wales and health boards on supporting the learning and development. During 2016/17 this will include Academi Wales reviewing and refreshing the induction programme for independent board members to ensure they understand their role and responsibilities from the outset.

Welsh Government will seek to build on existing guidance and networks, issuing further direction or guidance where necessary. As part of this work, the Welsh Government will liaise with the Wales Audit Office with a view to sharing any good practice identified through the Auditor General's annual structured assessment work.

**Recommendation 4** – We recommend that the Welsh Government require health boards to routinely share with them the outcome of all work commissioned as a result of serious concerns arising from complaints.

***Accepted – systems in place and more work underway***

Where organisations commission independent reviews of issues arising from serious concerns, we expect them to share the outcome with Welsh Government. We have already written to Health Boards about this and will issue a reminder. In addition we will build this into the review of the Putting Things Right guidance.

**Recommendation 5** – We recommend that the Welsh Government implements a more systemic approach that ensures that concerns/ complaints in the future are adequately dealt with at health board level, and if not, that these are escalated to Welsh Government much sooner than is currently the case.

***Not accepted – appropriate system in place***

Putting Things Right already provides a systematic means of looking into individual complaints and concerns and the Welsh Government quite rightly has no direct role in this process. Health Boards should be continually reviewing complaints for indications of wider service failings and we expect to be kept fully informed where more serious service failings are revealed.

Welsh Government monitors quality and performance including management of concerns and complaints on a monthly basis and discusses any concerns with individual health boards at regular Quality Delivery meetings. Outstanding concerns are escalated to the Welsh Government Integrated Delivery Board.

**Recommendation 6** – We recommend that the Welsh Government should consider installing a central database for dealing with Ministerial correspondence to detect emerging trends and to safeguard against clinical negligence.

***Accepted – system in place***

The Welsh Government already has a government-wide database (called CABS) in place that records and tracks all Ministerial correspondence received by Welsh Government. The database can identify particular issues or a certain area if that information is included in the title or other fields when the letters are added onto the database. We will further explore how we can improve our search/tracking capability.

In relation to correspondence on health matters, any correspondence that raises concerns about quality and safety is referred to the Quality & Patient Safety team and the relevant policy team, for example, the Mental Health Team. This system ensures that Welsh Government officials can identify and act on any emerging trends in respect of complaints or concerns around quality or safety in any particular healthcare setting.

**Recommendation 7** – The Committee recommends that the Welsh Government review the process for Chief Executive appointments in the Welsh NHS to reduce the reliance on references provided by personal referees provided by applicants.

***Not Accepted***

We share the Committee's sense that it is essential for Chief Executive appointment processes to be robust, however we disagree with the suggestion that there is an over-reliance on personal references and therefore that a review



is required. References are simply one part of a process and are often not taken up until after a preferred candidate has been selected by the recruiting panel.

Health Boards and Trusts in Wales are legally responsible for recruitment, including to their Chief Executive posts. In practice in the case of a CEO recruitment, the Chair of the health board has responsibility to lead on the recruitment process, supported by Andrew Goodall as NHS Wales Chief Executive and Julie Rogers Director of Workforce & OD, NHS Wales, along with others on the recruitment selection panel. References may be considered as part of the recruitment process to triangulate evidence obtained through for example psychometrics, stakeholder panels, head hunter feedback/assessment, facilitated question and answer session and (in every case) interview. In no circumstances within Wales, would external references be relied on as a sole means for making an appointment.

**Recommendation 8** – The Committee recommends that the terms of departure for all senior managers in the Welsh NHS are monitored by the Welsh Government and that departure terms, which it does not consider represent value for money for Welsh taxpayers, are expressly prohibited from proceeding.

***Partially Accepted***

Local health boards and trusts, acting as employers, must already consider all of the circumstances and options against individual employment rights and contractual obligations before making any determination regarding terms of departure for executives and senior posts. Furthermore, in the event that a termination payment is proposed whether statutory, contractual, or ex-gratia, they are required to consult the Welsh Government in advance to discuss the proposals and formally to seek agreement from Andrew Goodall as accounting officer in Welsh Government. In considering any request to make such a payment Welsh Government will – amongst other things – be looking for evidence that the board as the employer has taken advice through their Remuneration Committee regarding the range of options and legal obligations and that they have satisfied themselves that the decision is in the interest of their organisation whilst giving due attention to public money.

In the evidence provided, it was clarified that the secondment arrangement for Trevor Purt was a matter for BCU as his employers and as the organisation that carries the contractual responsibility. Although there was no requirement for approval to be sought from Welsh Government there was an expectation that we would be consulted, which we were. We do not believe it would be appropriate for Welsh Government to intervene to the extent suggested in executive and senior manager employment arrangements beyond those identified above.

**Recommendation 9** – We recommend that the Welsh Government take into account the evaluation of independent advisors undertaken by Betsi Cadwaladr UHB and if the arrangements are found to have worked well, consider establishing a framework for the use of independent advisors across health boards.

***Not Accepted***

The PAC Clerk has confirmed that this recommendation refers to the role of Committee Adviser. This role was established by Betsi Cadwaladr UHB to address previously identified skills and capacity gaps on certain committees. Following a 12 month pilot, an evaluation of the role was carried out. It was found that the skills and capacity gaps had subsequently been met through the appointment of new Independent Members. This strengthened committee membership and negated the need for the role of Committee Adviser. The role was stood down with effect from 31.12.15.

We do not accept the need to establish a framework for the use of committee advisers across health boards taking into account the evaluation of the role. The focus is on ensuring the independent members can advise across a sufficient breadth of issues.

**Recommendation 10** – The Committee recommends that the Welsh Government develop a national suite of quality and safety indicators to support health boards in delivering high quality care and to promote early identification of safety concerns.

***Accepted – arrangements in place***

The development of “Quality Triggers” was one action arising from the Quality Delivery Plan to assist Boards in asking the right questions about the quality of services their organisation provides. The National Quality and Safety Forum has recently agreed that it is timely to review this guidance and this work will be completed during 2016/17.

The current NHS Outcome and Delivery Framework also includes a range of indicators which Health Boards should routinely monitor. However, it is important to recognise the approach to quality assurance needs to involve the analysis and triangulation of various pieces of data and local context in order to reach a conclusion.

**Recommendation 11** – We recommend that the Welsh Government review the re-appointment process for independent board members to enable re-appointments to be made on a case by case basis depending on the balance and composition of independent board members.

***Accepted***

Welsh Government continually reviews the re-appointment processes for independent members. Each request is considered on a case by case basis

with advice from the chair. The benefits of re-appointments are always balanced against the advantages of the introduction of fresh thinking to a public body and continuity to a board, as well as the skills and experience mix of the board needed going forward. Reappointments are ultimately signed off by the Minister for Health based on advice from officials including a view from the Chair. We noted in our response to the original PAC report that the information from the performance reviews of independent members is fed into the reappointments process. The Committee might like to note that for the future, our intention is to explicitly include within that advice information regarding the individual IM's attendance record to strengthen the transparency around this issue which we note from earlier parts of the report, was an issue of concern to the Committee.

**Recommendation 12** – We recommend that Betsi Cadwaladr UHB provide an update to our successor Committee in the fifth Assembly on progress towards improving mental health services by June of 2016.

***Accepted by Betsi Cadwaladr University Health Board***

The response from Betsi Cadwaladr University Health Board is outlined in Annex B.

The Committee may also wish to note there is a requirement for the health board to report and update on progress on improving mental health services under the phases set out in the special measures improvement framework. The report on phase one was received in May, 2016.

**Recommendation 13** – The Committee does not believe that GP Out of Hours coverage is acceptable in Betsi Cadwaladr UHB and we recommend the Health Board urgently address this.

***Accepted by Betsi Cadwaladr University Health Board***

The response from Betsi Cadwaladr University Health Board is outlined in Annex B

The pressure on GP out-of-hours services is a UK wide issue; there are known challenges with recruitment and retention across the UK. BCUHB has had success in recruiting new workforce, including GPs, to the out-of-hours service and continues to develop service models to most effectively meet service demand.

Welsh Government facilitated under the special measures arrangements specific support for the health board to help address concerns about GP out-of-hours services, and wider aspects of primary care. We will also continue to monitor their progress against the milestones and expectations outlined in the special measures improvement framework .

**Recommendation 14** – The Committee recommends that all health boards undertake comprehensive reviews of primary care estate and that they prepare plans to improve accommodation for primary care services and review these plans regularly.

***Accepted – already in place***

The planning requirements and framework are already in place in respect of NHS estate infrastructure, to include primary care settings.

The **NHS Planning Framework 2016-17** sets out the requirement for NHS Wales organisations to identify key priorities for infrastructure investment across all health care settings including the primary care estate. In setting out priorities for development, organisations should align estate and other physical asset requirements to service plans and promote schemes that support the development of safe and sustainable services. This includes focus on building accessible and resilient primary and community care services. As part of the Planning Framework requirements, organisations are asked to include the impact of developments and investment on key estate performance indicators.

The Framework is relatively new but it will be driven and monitored through the dedicated resource that has been established within the Capital, Estates and Facilities team to lead on the primary care estates agenda. Since its introduction the framework has been a key priority for the Directors of Primary Care group and meetings are also being held with local teams to discuss approaches to service and estate strategies in respect of primary care. The importance of the framework is also to be discussed at the Chief Executives meeting in July.

The targeted approach above will be monitored through the Planning arrangements and the performance and accountability arrangements already in place e.g. through Capital Monitoring arrangements, Joint Executive Team meetings and Chair and Chief Executive Appraisals.

The **NHS Wales Infrastructure Investment Guidance** sets out an expectation that NHS organisations will have an infrastructure plan (to include both estate and asset management strategies), which provide synergy and holistic fit with their other plans in particular the service strategy. This again covers all NHS accommodation and physical assets, including those in primary care.

With specific reference to non local health board (LHB) owned accommodation, **The National Health Service (General Medical Services – Premises Costs) (Wales) Directions 2015** sets out the framework under which LHBs can make payments to GP contractors in respect of premises developments and improvements. This states that before determining any proposal from a contractor the LHB has to have regard to a range of issues including the NHS Wales Infrastructure Investment Guidance. It further states that any proposal will need to be set within the context of each LHB's estate strategy, and be identified as one of the priority developments in implementing this strategy.

The Premises Cost Directions also set out a series of minimum standards required for GP premises including compliance with relevant legislation, heating, ventilation, storage, security arrangements and the clinical environment. In terms of providing funding for GP premises, LHBs must consider whether accommodation meets these minimum standards and can require remedial action where concerns are identified.

**Recommendation 15** – The Committee recommends that our successor Committee to the fifth Assembly, monitors the progress Betsi Cadwaladr UH B makes during the period of special measures including GP Out of Hours services.

***Noted***

This is a matter for the successor committee.

GP out of hours services are routinely monitored under the Special Measures Improvement Framework, and reported publicly by the Health Board as illustrated on page 24 of the following example of a recent Board paper  
[http://www.wales.nhs.uk/sitesplus/documents/861/16\\_70.1%20Special%20Measures%20improvement%20framework.pdf](http://www.wales.nhs.uk/sitesplus/documents/861/16_70.1%20Special%20Measures%20improvement%20framework.pdf)

**Recommendation 16** – The Committee recommends that Healthcare Inspectorate Wales and the Welsh Government provide an update on progress achieved against the Marks review recommendations, including the identification and delivery of any immediate and more straightforward priorities by March 2016.

***Accepted***

HIW has provided an update on the progress against the Marks review recommendations in the addendum to Annex A.

The Welsh Government consulted on a Green Paper in 2015 which included several questions arising from the Marks Review recommendations, in particular about the remit, functions and independence of the inspectorates; the idea of a statutory Duty of Candour and a common standards framework. A consultation summary report was published on 22 February. Further work will be dependent on the priorities set out in the future programme for government.

**Recommendation 17** – We recommend that strengthened performance management and reporting processes are put in place in relation to the preparation and publication of inspection reports, to ensure that Healthcare Inspectorate Wales meets and delivers its reporting targets.

***Accepted***

HIW response is outlined in the attached Annex.

**Recommendation 18** – We recommend that published Healthcare Inspectorate Wales inspection reports should include a publication date, to enable increased transparency of reporting and accountability.

***Accepted by Healthcare Inspectorate Wales***

HIW response is outlined in the attached Annex.

**Recommendation 19** – We recommend that Healthcare Inspectorate Wales and Community Health Councils jointly develop and implement plans to ensure better working relationships; the 2015 Operating Protocol should be reviewed, to identify how it is working in practice, to address areas for improvement and ensure effective and timely sharing of information.

***Accepted by Healthcare Inspectorate Wales***

The HIW response is outlined in the attached Annex.

Regulations have been put in place to allow the CHC Board to set standards for the performance of CHC functions, including for inspecting and entering premises. The CHC Board and HIW are reviewing its joint working protocol. The Welsh Government expects both organisations to look for opportunities for joint working wherever possible.

**Recommendation 20** – We recommend that HIW agree with health boards' processes for securing Healthcare Inspectorate Wales timely and regular access to summarised complaints data from health board, to inform their work.

***Partially Accepted by Healthcare Inspectorate Wales***

HIW response is outlined in the attached Annex.

**Recommendation 21** – We recommend that an electronic solution is put in place to enable Assembly Members to contact the Chief Executive of Healthcare Inspectorate Wales directly.

***Accepted***

HIW has provided the contact details for the Chief Executive for Assembly Members to contact the Chief Executive directly in its response in the attached Annex.

We also sought clarification on what was suggested by the recommendation. The Committee Clerk confirmed that during the evidence session with the Chief Executive of HIW as part of this inquiry, Members raised a concern that they were unable to email her directly due to an IT issue between HIW and their accounts and made this recommendation to hopefully enable this issue to be rectified in the future. This issues has been discussed with the ICT Division and Cabinet Division and it has been confirmed there is no restriction on any incoming e-mail (other than protecting against Spam, viruses etc). Sending to AM's is currently restricted but this will be reviewed and if this does stay in place, key staff in HIW will be included on the exemptions list.

**Recommendation 22** – We recommend that Healthcare Inspectorate Wales puts in place focused, robust and effective arrangements with partner agencies to improve joint working and learning, better developing shared intelligence resources to support the inspection work of HIW and others.

***Accepted by Healthcare Inspectorate Wales***

HIW response is outlined in the attached Annex.

**Recommendation 23** – We recommend that the Welsh Government take into account the outcome of the consultation on the Green Paper and agree a prompt, appropriate and statutory response in terms of ensuring the visibly independent position of Healthcare Inspectorate Wales.

**Recommendation 24** – We recommend there is a need to look in detail at the range of responsibilities of Healthcare Inspectorate Wales and identify any that might be more appropriately placed elsewhere.

***Partially Accept both recommendations 23 and 24***

The Committee's recommendation and the outcome of the Green Paper consultation in relation to the remit and independence of HIW will be considered by the new Welsh Government. In terms of the responsibilities of HIW, these were largely confirmed by the Marks Review to be appropriate. However we would look at this in further detail as part of any policy work to be undertaken on the inspectorates, as required by the new Government, and update the PAC accordingly.

**Recommendation 25** – We recommend that the Welsh Government commissions an urgent and focussed independent review to audit existing and potential future requirements for lay assessors to support the inspection regime in Wales, and that clear joint strategies are developed to ensure effective and sustainable recruitment and retention.

***Not Accepted***

HIW response is outlined in the attached Annex.

Welsh Government does not currently have plans to undertake an urgent review of lay assessors as these are operational matters for Healthcare Inspectorate Wales. Welsh Government will seek a view from HIW that the benefits of closer working and moving to voluntary lay assessors are being realised including widening the pool and sustainability.

**Recommendation 26** – The Committee identified its concerns regarding financial planning with the NHS in its previous report Health Finances 2012-2013 and beyond. We re-indorse recommendation 8 of that report, which stated:

The Committee further recommends that given the risks of financial planning over 3 years, the Welsh Government should require:

- a) Fully balanced plans over three years for each Health Board with supporting detail;
- b) Collective financial planning showing how budgets will balance across the whole NHS every year (so as to stay within DEL);
- c) Detailed contingency plans setting out how Health Boards will respond if planned savings from up-front investments do not materialise and/ or there are additional cost pressures. These contingency plans should include an assessment of risk to patients/ services.

***Accepted - already in place***

The statutory framework provided in the NHS Finance (Wales) Act 2014 is already in place to require health boards to prepare, on an annual basis, three-year Integrated Medium Term Plans (IMTPs) that are financially balanced over the three years. This requirement is confirmed in the annual publication of the NHS Planning Framework, which is issued as a ministerial direction under cover of a Welsh Health Circular.

The integrated approach is essential and the planning requirements cover more than just financial plans. They are reviewed on all aspects, not just finance, as it is vital that the quality of services, performance and finance are appropriately covered to avoid adverse patient quality and safety issues.

The planning requirements are still relatively new and some Health Boards have been unable to develop appropriate three year plans, namely Betsi Cadwaladr and Hywel Dda University Health Boards and are being supported through the agreed tripartite escalation processes. They are likely to require support in future to develop these plans and this will not be achieved in 2016/17 or 2017/18 due to the need to develop robust and sustainable service models in both areas which ensure full alignment between service performance, workforce and financial plans



All other health boards have had approved three-year IMTPs for 2015-16, and the Welsh Government continue to expect them to develop to remain in this position for 2016-17. For some organisations, this may require Welsh Government taking further action and providing further support if required as part of the escalation framework.

In terms of collective financial planning, it should be noted that the Welsh Government's Health and Social Services Budget has remained within its DEL control totals in recent years, and is expected to do so when final figures are published for 2015-16. The Welsh Government already publishes its annual budget, including the funding for the NHS, updated for Supplementary Budget changes. In addition, the Welsh Government also publishes the annual revenue allocation to health boards. The 2016-17 initial revenue allocation, issued in December 2015, was revised in April 2016 to include additional funding for primary care, and distribution of the £200 million provided for the in the 2016-17 Welsh Government budget. During the Fourth Assembly, the Minister for Health and Social Services provided periodic reports to the Health and Social Care Committee on the financial outlook for the NHS and the Health and Social Services Budget, and it is expected this process will continue during the Fifth Assembly. In summary, detail on the budget and allocations are already published, and so it is not proposed to publish any further information on collective financial planning for the NHS for 2016-17 or future years.

Health board's contingency plans are expected to be included within their IMTPs which are public documents, approved by their Boards. Welsh Government undertakes a detailed review of these plans as part of its assessment of IMTPs prior to advising the Minister for Health and Social Services whether a board's IMTP should be approved.

**Recommendation 27** – The Committee notes that the Auditor General for Wales intends to undertake a review of the impact of the NHS Finance (Wales) Act during the Fifth Assembly and recommends that our successor Committee considers any lessons arising from the Auditor General's report.

***Noted***

This is a matter for the successor Committee.

## Annex A

This annex has been produced by Healthcare Inspectorate Wales (HIW) to supplement the response to the Public Accounts Committee by Welsh Government.

**Recommendation 16** – The Committee recommends that Healthcare Inspectorate Wales and the Welsh Government provide an update on progress achieved against the Marks review recommendations, including the identification and delivery of any immediate and more straightforward priorities by March 2016.

***Accepted***

HIW is happy to provide an update to the relevant Marks Review recommendations. This is attached as an addendum.

**Recommendation 17** – We recommend that strengthened performance management and reporting processes are put in place in relation to the preparation and publication of inspection reports, to ensure that Healthcare Inspectorate Wales meets and delivers its reporting targets.

***Accepted***

Performance management and reporting processes are in place in HIW. Information provided to the Committee referred to 2014-15. During 2015-16 75% of reports were published within 3 months of an inspection. Publication targets are formally monitored at weekly and monthly business meetings and performance is included in our Annual Report.

**Recommendation 18** – We recommend that published Healthcare Inspectorate Wales inspection reports should include a publication date, to enable increased transparency of reporting and accountability.

***Accepted***

HIW will include a publication date in all of its reports from 1 June 2016. In addition HIW will be introducing a forward publication schedule on its new website providing the planned date of publication at the time of an inspection. This will be launched in Summer 2016.

**Recommendation 19** – We recommend that Healthcare Inspectorate Wales and Community Health Councils jointly develop and implement plans to ensure better working relationships; the 2015 Operating Protocol should be reviewed, to identify how it is working in practice, to address areas for improvement and ensure effective and timely sharing of information.

***Accepted***

This was a commitment within the existing protocol and work is underway by officials in both organisations to conduct this review.

**Recommendation 20** – We recommend that HIW agree with health boards' processes for securing Healthcare Inspectorate Wales timely and regular access to summarised complaints data from health board, to inform their work.

***Partially Accepted***

The Public Accounts Committee recognises the significant programme of work led by Welsh Government on managing complaints, including the Keith Evans review of complaints data. HIW would prefer to minimise burden on health boards and will work with Welsh Government to mandate health boards to share their complaints data with both HIW and Welsh Government, rather than providing bespoke analyses to HIW.

**Recommendation 21** – We recommend that an electronic solution is put in place to enable Assembly Members to contact the Chief Executive of Healthcare Inspectorate Wales directly.

***Accepted***

Assembly Members can currently contact the Chief Executive of HIW directly by

- e-mail: [hiw@wales.gsi.gov.uk](mailto:hiw@wales.gsi.gov.uk); [Kathryn.chamberlain@wales.gsi.gov.uk](mailto:Kathryn.chamberlain@wales.gsi.gov.uk)
- telephone: 0300 062 8163
- fax: 0300 062 8387
- letter: Dr K Chamberlain  
Healthcare Inspectorate Wales  
Welsh Government  
Rhydycar Business Park  
Merthyr Tydfil  
CF48 1UZ

On occasion the Chief Executive has visited Assembly Members at their offices to discuss concerns raised by constituents.

**Recommendation 22** – We recommend that Healthcare Inspectorate Wales puts in place focused, robust and effective arrangements with partner agencies to improve joint working and learning, better developing shared intelligence resources to support the inspection work of HIW and others.

**Accepted**

HIW accepts this recommendation as our arrangements for the analysis and use of intelligence are constantly reviewed and developed.

We have a wide range of memoranda of understanding with other bodies outlining how we work together which are already published. Others are also being developed.

In addition, we do joint inspections with HMI Prisons, HMI Probation and the Prisons and Probation Ombudsman. Within Wales we have conducted joint reviews with the Auditor General for Wales and joint inspections with CSSIW. During 2015-16 we conducted a programme of inspections supported by the Community Health Councils.

We are active members of the Concordat which brings together a range of regulators, inspectors and other scrutiny bodies on a quarterly basis to discuss matters of common interest.

HIW also organises Summits twice a year which bring together regulators, inspectors and other scrutiny bodies to share specific intelligence on each NHS organisation. These Summits are timed to inform the tripartite Escalation and Intervention Meetings which take place twice a year with the Auditor General for Wales and the Welsh Government.

**Recommendation 25** – We recommend that the Welsh Government commissions an urgent and focussed independent review to audit existing and potential future requirements for lay assessors to support the inspection regime in Wales, and that clear joint strategies are developed to ensure effective and sustainable recruitment and retention.

**Not Accepted**

The decision to move to the use of voluntary lay assessors was taken for a number of reasons. Importantly, the use of volunteers removed a barrier to closer working with the Community Health Councils as their members are also unpaid and have been working with HIW as lay reviewers as part of our GP inspection programme. In addition, this decision has brought us into line with equivalent organisations in other Administrations and has the potential to widen our pool of recruits as volunteers in employment would be able to use their volunteering days. It is a matter for the Welsh Government whether they wish to review this decision.

## Addendum – HIW’s Update on the Marks Recommendations

The table below provides a position statement against those recommendations within the Marks report which fall to HIW.

No	Recommendation	Progress
1	Where appropriate, HIW and the WAO should jointly scrutinise the governance and leadership of health bodies, in particular measuring the extent to which their activities are driven by the goal of continuously improving services and aspiring to achieve world-class standards	HIW has introduced a process of annual reporting to health bodies which draws together our findings and provides feedback on governance and assurance arrangements. This work is co-ordinated with the structured assessments of the Wales Audit Office. We are currently formalising our collaboration on the assessment of governance arrangements and will publish a statement on our website in Summer 2016.
2	HIW should continue to share information and coordinate inspections and reviews with the WAO, Community Health Councils, professional regulators and Medical Royal Colleges in order to avoid duplication and enhance the impact of their activities	<p>HIW works closely to share information and co-ordinate activity with Wales Audit Office, Community Health Councils (CHC), other professional regulators and the Medical Royal Colleges through a variety of mechanisms including</p> <ul style="list-style-type: none"> <li>- Inspection Wales Programme</li> <li>- Concordat Forum of bodies involved in the regulation of health and social care</li> <li>- Summits of bodies involved in the scrutiny and assurance of healthcare</li> <li>- Regular bi-lateral meetings</li> </ul> <p>The CHC and Academy of Medical Royal Colleges are also represented on HIW’s Advisory Board.</p>
3	HIW should publicise its equality and human rights approach to its inspection activities and protect and promote the interests of people from diverse backgrounds and those who are often marginalised and socially excluded.	<p>HIW already takes an equality and human rights approach to its work. This is rooted in our inspection approach which looks directly at the way in which patients experience services through the eyes of patients and relatives.</p> <p>We prioritise work, in part, on the</p>

		<p>vulnerability of the individuals receiving care and have specific responsibilities in this regard relating to mental health. We are also members of the National Preventative Mechanism which is made up of 20 bodies who monitor places of detention across Scotland, England, Wales and Northern Ireland. This includes police custody, prisons, court custody, immigration and military detention, secure children's homes, and places where people are detained under mental health legislation.</p> <p>The HIW Director of Strategy and Development also sits on the Advisory Board for the NHS CEHR.</p>
4	<p>HIW can make a major contribution to the safety and care of patients by holding boards to account for the clinical performance of doctors through the medical revalidation process.</p> <p>Therefore it should give high priority to working with the General Medical Council to ensure that Health Board leadership and governance of Responsible Officer Regulations is effective.</p>	<p>HIW works closely with the General Medical Council through the Concordat Forum, the GMC Advisory Forum for Wales, and regular bilaterals.</p> <p>HIW also works with the Revalidation Support Unit of the Wales Deanery in their oversight of the development of the revalidation process.</p> <p>The extent to which revalidation is being properly implemented is an important consideration in our assessment of an organisations governance and assurance processes.</p>
5	<p>HIW and the Welsh Government should explore the usefulness of audit tools developed by the Royal College of Physicians and consider whether they should be built into the new Health Standards which are being developed; and whether they could contribute to HIW's inspection programmes.</p>	<p>When developing the methodology for inspections HIW draws on the established professional best practice from a variety of sources and this would include those tools and checklists developed by the Royal Colleges. Representatives of the Royal Colleges are invited to sit on our Stakeholder Reference Groups when new methodologies are being developed and the Academy of Medical Royal Colleges is represented on our Advisory Board.</p>

6	<p>HIW should develop a proportionate risk-based inspection programme informed by its collation and analysis of intelligence. The inspection programme should include:</p> <ul style="list-style-type: none"> <li>• closer working with CHC's will be essential to ensure the best use of information and intelligence at individual ward level or other settings.</li> <li>• learning lessons of good practice from the Welsh Government's use of spot-check visits to a substantial number of hospital wards which assessed the safety and quality of care and use these to inform their development of short-form DECI inspections. This would allow a greater number of inspections to be carried out.</li> <li>• continuing with its new approach to cleanliness and infection control to prevent hospital acquired infections. It should remain a top priority and capacity issues should never compromise its ability to deliver this aspect of its work.</li> <li>• finding resources to increase the number of inspections it undertakes of GP practices.</li> </ul>	<p>(I) HIW has an agreed Operating Protocol with the CHCs, this was formally exchanged in March 2015. A review of this is now underway.</p> <p>(II) HIW has liaised closely with the original spot check programme and a number of the reviewers have now joined our external reviewer panel. HIW has reviewed the application of short form visits to consider how we can build on these in order to introduce the rigour of evidence capture and reporting necessary that underpins a formal inspection programme.</p> <p>(III) A specialist task and finish group has been working with HIW to develop a three year approach to supporting the introduction of the new Infection Prevention and Control guidelines and providing assurance on their implementation.</p> <p>(IV) HIW has a responsibility to operate within the budget allocated to it by the Welsh Government. The volume of GP inspections undertaken needs to be considered by HIW when it prioritises the way in which this budget is used. A change in the proportion of GP inspections impacts the inspection activity elsewhere.</p>
7	<p>HIW should formalise its agreements with the following bodies:</p> <ul style="list-style-type: none"> <li>• The General Pharmaceutical Council, which is the principal regulator of the pharmacy profession in Wales; and report on the effectiveness of pharmacy regulation across Wales in its Annual Report.</li> <li>• The General Optical Council, which is the principal regulator of the optical profession in Wales; and report on the effectiveness of optical regulation across Wales in its Annual Report.</li> </ul>	<p>HIW has agreed a Memoranda of Understanding with the General Pharmaceutical Council.</p> <p>HIW is undertaking a thematic review of Ophthalmology. The General Optical Council is on the stakeholder group for this review and this will provide an opportunity to test the need for a formal MOU.</p>

8	<p>HIW should expand peer, thematic and special reviews as they can improve the quality of care for patients and service users across Wales. Thematic and special reviews in particular should be further developed as they can identify solutions to problems in one service or locality that can be taken up by the whole of the sector. At the same time the regulation and inspection of healthcare services should not be compromised.</p>	<p>The Welsh Government has now established an All Wales Peer Review Steering Group to manage an annual programme of peer reviews across all services provided by the NHS in Wales. The steering group will report to the National Quality and Safety Forum. The steering group membership includes a representative of HIW and this continued association, along with the existing escalation process, will help give weight to the peer reviews.</p> <p>Since 2015-16 HIW has introduced the use of thematic reviews.</p> <p>We continue to undertake special investigations where there are matters of concern.</p>
10	<p>In relation to work in Mental Health and Learning Disability settings HIW should:</p> <ul style="list-style-type: none"> <li>• increase the volume of inspections of NHS inpatient facilities to better protect the interests of patients who have a mental health problem or learning disability.</li> <li>• focus its inspection model more on evaluating patient outcomes and less on scrutinising whether appropriate processes have been followed.</li> </ul>	<p>We continue to ensure that we undertake inspections of NHS inpatient facilities.</p> <p>In addition to our core programme we have been doing a thematic review with CSSIW on Learning Disabilities.</p> <p>Where appropriate we use our stand-alone Mental Health Act visits to provide diagnostic information so that we can target our full inspections more effectively.</p> <p>Our inspection, visit and review approach is already focussed on examining the quality of the patient experience. Although HIW also looks at specific process issues (particularly with regard to whether legal requirements have been met) this is done within the context of the care received.</p>



12	<p>HIW should refresh its Statement of Purpose to make it patient and citizen focused. The public should clearly understand that its role is to ensure they receive the best quality treatment and care, as well as protect them from being harmed. Also, the Statement of Purpose may want to give greater emphasis to HIW's role of promoting Wales-wide improvements and innovation in healthcare, that it could be much more than an inspector of individual services.</p>	<p>HIW has a clear statement of purpose, values and outcomes it seeks to achieve which is now included in all its published plans. This will also be made more clear with the launch of the new website.</p>
14	<p>HIW should further develop and publish a Communications Strategy, which will allow it to communicate more effectively with the public. It will be able to provide evidence that it is delivering a highly valuable service on their behalf. Increased interaction with patients and service users through multi-media formats will provide valuable information to support target led inspections of services where concerns are raised.</p>	<p>HIW has refreshed its communications strategy resulting in greater and more interactive use of social media. A new website has been commissioned and is currently in development, with a launch date planned for June 2016.</p>
15	<p>HIW should include more information in its Annual Report on the outputs and efficiency of work processes which serve patients, service users and other stakeholders. The number of customer care measures should be minimised, to allow scarce resources to be used to evaluate significant outcomes.</p>	<p>HIW's annual reports are now focusing on themes and findings from our work. We do not only produce an Annual Report we also publicise thematic analysis of specific work programmes on a period basis. We report openly on our performance targets, including volume and timeliness.</p>
16	<p>HIW to evaluate the effectiveness of their inspection and review models, to not only gain a better understanding of the performance of healthcare providers, but also as a means to help them improve the quality of inspection activities. Providers should have the opportunity to give feedback on whether HIW's scrutiny of their service is useful, and to what extent it helps them identify those aspects</p>	<p>We undertake evaluations of our activities where appropriate:</p> <ul style="list-style-type: none"> <li>- We evaluated the new model of midwife supervision</li> <li>- We evaluated and published learning and themes from our homicide reviews</li> <li>- We have reviewed and refreshed our approaches to dignity and essential care inspections and to our mental health reviews.</li> </ul>

	which need to be improved.	<ul style="list-style-type: none"> <li>- We have piloted and evaluated an approach to GP inspections</li> <li>- We use stakeholder reference groups to advise and challenge for new and/or significant areas of work e.g. Dental Inspections, GP Inspections, Mental Health activities</li> <li>- We undertook a baseline stakeholder survey early in 2014/15.</li> </ul>
17	HIW to measure the outcomes of its most important areas of inspection: showing how its inspections have had a significant impact on the safety and quality of healthcare services by helping providers improve their performance.	Attribution of cause and effect is difficult to achieve and has also been the subject of international review without much success as reported through the European Partnership of Supervisory Organisations. However, we continue to use the learning from evaluations such as those identified above to develop the way in which our work can help to support improvement.
19	HIW, after consulting with stakeholders, should publish a Statement of Risk outlining its approach to regulation and inspection. It should explain the minimum frequency of inspections and reviews it will carry out of both NHS and independent sector bodies and put this within the context of its capacity to meet these targets.	We are transparent on how we prioritise our work in our published plans.
21	HIW should review the implementation and effectiveness of LHBs and Trusts service user strategies, in line with the Welsh Government's guidance A Framework to Assure Service User Experience, to determine whether they are genuinely involving patients and carers as a means of improving the safety and quality of services.	This could be considered as a potential thematic review, but would need to be prioritised alongside other proposals. Our reviews consider patients experience and the extent of patient involvement in their own care as a matter of course.
25	HIW should always carry out follow-up actions when inspection results indicate this is necessary and in the most serious instances of service failure, should be more robust in the use of its enforcement powers, and publish data on how it has used these powers in its Annual Report.	HIW has a strategic approach to follow up, including conducting follow up visits. This will be published during the Summer 2016. A new process for managing services of concern has been implemented. Tripartite escalation and intervention arrangements are in place for the NHS.

27	<p>HIW should consider the value of developing a framework for assessing the quality and safety of all healthcare services. The framework could reflect significant patient outcomes, and be aligned with new refreshed Health Standards, the self-assurance systems that health bodies use to measure their own performance and clinical indicators used by professional regulators and Royal Colleges. The framework should be common to the work of both HIW and CSSIW as patients and service users are increasingly receiving integrated health and social care services. Clear information would be provided to members of the public and inspection reports and results would encourage improvement and innovation by providers.</p>	<p>This is a significant piece of work and further consideration needs to be given to this in light of changing service provision and direction such as the development of integrated services. We continue to learn how other bodies are developing their judgment frameworks</p>
28	<p>HIW should scrutinise whether:</p> <ul style="list-style-type: none"> <li>• Health bodies are providing the most effective clinical treatments to patients. Patients not only want to benefit from being looked after in line with essential life maintaining care such as being fed, hydrated and being assisted with going to the toilet as necessary, but they also want to receive the best available clinical treatments.</li> <li>• Lessons promoted by the 1000 Lives Improvement programme are being delivered during the course of individual inspections or reviews; or they could be the subject of national thematic reviews.</li> </ul>	<p>HIW tests whether care and treatment is provided against the published standards.</p> <p>It is not our role to test the effectiveness of clinical treatments. That is a matter for other bodies, such as NICE.</p> <p>When conducting thematic reviews we would draw on best practice from a number of sources including 1000+ Lives</p>
33	<p>HIW should increase collaboration with third sector organisations which offer advice and advocacy to patients and carers to gather more information about any concerns they</p>	<p>HIW continues to liaise and network with the third sector to keep up to date with the unique information of special associations and interest groups such as RNIB and AHL. Where</p>

	<p>may have about the quality of healthcare services e.g. Carers Wales, MIND Cymru and Citizens Advice Cymru.</p>	<p>HIW conducts thematic and/or specialist reviews HIW includes the third sector within its review advisory/steering groups. There are three third sector organisations who are members of the stakeholder group for our ophthalmology thematic review.</p> <p>Our Strategic Plan has been out for public consultation.</p>
34	<p>HIW and CHCs to hold listening events in local communities as well as involve experts by experience in their inspection teams when an in-depth review of a particular hospital or LHB is taking place.</p>	<p>HIW has a closer working relationship with the CHC since signing the Operating Protocol. This includes HIW placing reliance on the CHCs' intelligence gathering from different sources. Lay reviewers are used in HIW's inspections to ensure the patient perspective is captured.</p> <p>We would still hope to be able to utilize the CHCs' public engagement role in order to hold listening events and we will discuss this further with CHCs when they have been able to progress further in the development of their corporate strategy, planning and standards.</p>
36	<p>HIW should carry out more national thematic reviews of healthcare services. All providers across Wales should be following international benchmark standards of good care and HIW's role would be to scrutinise whether each health body is implementing them; and if they are continuously self-assessing their performance in order to drive up standards of care. It would be testing whether the self-assessments of performance are valid or not and by working with Public Health Wales and other expert bodies, identify lessons from highly successful providers which could benefit all patients and service users if implemented across the whole of Wales.</p>	<p>We have implemented a programme of national thematic reviews. These have been set out in our Strategic and Operational Plans.</p>

38	Where appropriate HIW should give priority to carrying out joint reviews with the WAO of the governance, leadership and performance of LHBs and Trusts; and consider asking the PSOW to offer his expertise.	We work closely with the WAO to co-ordinate their corporate assessment work with our reviews of corporate governance. WAO performance leads meet regularly with HIW relationship managers. Where significant concerns arise we undertaken joint review work.
40	HIW should validate whether Health Boards and Trusts are following benchmarks of best practice and performance managing healthcare services to the highest possible standards.	HIW reviews draw on established published standards and best practice in developing methodologies for standard inspections and for thematic reviews.
41	HIW and CSSIW should work together to develop an integrated inspection framework to scrutinise the performance of health and social care organisations. The aim would be to assess the quality of integrated care, whether people are receiving seamless services when they move between primary care, hospitals and social care in registered settings.	HIW and CSSIW work together on a theme by theme basis developing approaches appropriate to the subject. We undertake joint work in (Deprivation of Liberty Safeguards) DOLS and publish a joint report. We are working together on a joint review of Learning Disability Services. We involve CSSIW where appropriate in our Homicide Reviews. The Green Paper explored the possibility of further integration.

## Annex B

### PAC Recommendations – BCUHB

**Recommendation 12** – We recommend that Betsi Cadwaladr UHB provide an update to our successor Committee in the fifth Assembly on progress towards improving mental health services by June of 2016.

#### **Accepted**

Progress towards improving mental health services is monitored by the Health Board bi-monthly as part of the Special Measures Improvement Framework. Robust arrangements will be put in place internally by the Director of Mental Health Services, to collate all information that will be required for reporting on mental health services to the 5<sup>th</sup> Assembly by 1.6.16. Key performance indicators for mental health services are to be developed by the Director of Mental Health Services and monitored locally, by Autumn 2016.

**Recommendation 13** – The Committee does not believe that GP Out of Hours coverage is acceptable in Betsi Cadwaladr UHB and we recommend the Health Board urgently address this.

#### **Accepted**

The BCUHB GP OOH service has focused improvement on three key areas, namely: governance and accountability; quality and access; and workforce.

Key improvements delivered over the last seven months have included:

- New performance and accountability structures supported by clear lines of reporting linked with site based management teams and an agreed Scheme of Delegation.
- GP OOH risk register has been developed and maintained reflecting local and pan BCU risks.
- Implementation of an 'Escalation Policy' based on good practice from Cardiff & Vale Health Board.
- Active involvement with the FISH Primary Care/OOH capacity/demand modelling work supported by WG
- Rollout of Treatment Escalation Plans (TEPS) working with designated Care Homes with Nursing, and specified GP practices.
- Successful recruitment of Nurse Practitioners and GPs together with enhanced use of paramedic practitioners.
- Completion of a pan BCU baseline assessment in preparation for 111\*. Installed and operationalised the new software to capture calls waiting (prior to being answered) which offers the opportunity to better understand the patient experience and clinical risk.

An Internal Audit Review of GP OOH standards has been approved by the Audit Committee, to be carried out by 1.7.16.



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Date: 30 June 2016  
Our ref: HVT/2576/fgb  
Page: 1 of 3

*Deu Nick*

**PAC INQUIRY: WIDER ISSUES EMANATING FROM THE GOVERNANCE REVIEW OF  
BETSI CADWALADR UNIVERSITY HEALTH BOARD (BCUHB)**

The Deputy Committee Clerk has asked for my advice on the Welsh Government's response to the previous Committee's recommendations arising from the above inquiry. I note that the Welsh Government's correspondence also includes responses to specific recommendations from Healthcare Inspectorate Wales and BCUHB.

My overall view is that the responses to the recommendations from all the relevant parties are reasonable and provide the Committee with assurance that actions are either underway or planned in most of the areas where the Committee raised concerns. I note that three recommendations have not been accepted and a further four have been partially accepted. In examining the responses to these particular recommendations, the reasons for the non or partial acceptance appear to be reasonable and appropriately considered, although it is of course a matter for the Committee if it wishes to press Welsh Government and Healthcare Inspectorate Wales further on the particular issues covered in those recommendations.

The previous Committee's legacy report recommended that the new Committee should follow up at regular intervals on the action being taken in response to the issues raised by the above inquiry. While I consider the overall response to the recommendations to be a reasonable one, there are some particular areas in which the Committee may wish to be kept updated on progress:

- the extent to which NHS bodies' annual reports, and annual governance statements disclose details of board members' attendance at board (and committee) meetings [Recommendation 2];



- work with Academi Wales to review and refresh the induction programme for independent board members [Recommendation 3];
- the review of Putting Things Right guidance [Recommendation 4];
- improvements to the search and tracking capability within the government wide CABS database [Recommendation 6];
- the new Welsh Government's plans for responding to the consultation on the Green Paper, specifically in relation to the visible independence of Healthcare Inspectorate Wales [Recommendation 23];
- the new Welsh Government's plans to consider the range of responsibilities of Healthcare Inspectorate Wales [Recommendation 24]; and
- the position across NHS bodies in Wales in respect of approval of their Integrated Medium Term Plans for 2016-17 [Recommendation 26].

The previous Committee's legacy report also recommended that the new Committee should monitor the progress made by BCUHB during the period of special measures, including GP Out of Hours services, and suggested taking further oral evidence from the Health Board in Spring 2017. Currently, I plan to undertake work jointly with Healthcare Inspectorate Wales in early 2017 which will aim to review the progress BCUHB is making against the recommendations we have previously made to strengthen governance arrangements within the Health Board. I am anticipating that the Committee will wish to receive a briefing from me on this work when it is published in spring 2017, and possibly to take further evidence from witnesses. An update from Welsh Government on the areas identified above (and other aspects of their response to Committee recommendations) could therefore be taken as part of that evidence gathering exercise. I would also be in a position to provide the Committee with an update on the findings from local audit work I am undertaking across Wales on GP Out of Hours services. I consider that there would be merit in the Committee discussing any plans for further scrutiny of all of these areas with the new Health, Social Care and Sport Committee.

With reference to the Welsh Government's response to Recommendation 3, the Committee may find it helpful to be aware that as part of my structured assessment work in NHS bodies this year I shall be undertaking some comparative assessments of board assurance frameworks and also the mechanisms in place to monitor delivery of medium term plans. This work provides me with a mechanism to identify and share any good practice identified in relation to these aspects of governance. With regard to Recommendation 27 in the Committee's report, members may have noted from the memorandum updating on my work plan that I plan to have published my report on the implementation of the NHS Finances (Wales) Act 2014 by the end of March 2017.

I trust the above is helpful.



**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**

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

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

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**Response to the Report of the Auditor General for Wales on Coastal Flood and Erosion Risk Management in Wales**

We welcome the findings of the report and offer the following response to the 5 recommendations contained within it.

**Recommendation 1 - Accepted**

*The Welsh Government has made slower progress than it had planned to address some of the recommendations of previous reviews and actions outlined in the National Strategy. Many of these outstanding actions have since been reflected in the Wales Coastal Flooding Review (2014) and Wales Coastal Review Delivery Plan (2015). In refreshing its National Strategy in 2017/18, the Welsh Government should:*

- a) *Evaluate its progress against the recommendations of previous reviews and update the Wales Coastal Review Delivery Plan to address any residual issues. The plan should set realistic targets and timescales to implement solutions.*

The National Strategy for Flood and Coastal Erosion Risk Management in Wales review in 2017/18 will update progress on the objectives currently listed and where appropriate refresh and update them. This will provide a timely opportunity to review outstanding and ongoing objectives, sign off completed ones and consider new ones.

It is worth noting that Welsh Government has undertaken work additional to the National Strategy objectives since its publication. This includes setting up the new £150m Coastal Risk Management Programme and managing the response to four major flood events. Whilst we do plan for such events, there is inevitably additional reactive work associated with it, including emergency funding. The Wales Coastal Review and its Delivery Plan are examples of work and actions borne out of the widespread flooding of 2013/14.

The Coastal Review Delivery Plan will be published later this year outlining how Welsh Government and Welsh Risk Management Authorities have responded to its recommendations. Natural Resources Wales, Local Authorities and other risk management authorities have worked hard over the past two years in addressing the recommendations and reports have been completed addressing the key themes. The outcomes of the reports will be considered for new objectives within the National Strategy review. The Coastal Review contained some recommendations which, by their nature, are ongoing requirements or matters where continuous improvements are always sought, for example on long-range forecasts, improving the accuracy of coastal forecasting and continuing to improve risk mapping. Such ongoing recommendations can also be considered in reviewing the National Strategy.

As with the current strategy, the objectives within the revised National Strategy will provide a timescale for completion and the organisation responsible for delivery of each recommendation.

All recommendations within the previous Wales Audit Office Report “Coastal Erosion and Tidal Flooding Risks in Wales 2009” are now complete and were signed off by August 2015.

Timescale: April 2018 once National Strategy review is complete

*b) Develop a strategy to identify long-term funding for coastal protection including funding from across government departments and external bodies, and particularly to deliver multiple benefits. The Welsh Government should work with partners to learn from the partnership funding model in England to understand how councils have been able to attract external funding (paragraphs 2.25-2.31).*

The Coastal Risk Management Programme (CRMP) demonstrates a strategic approach by Welsh Government, working with local authorities, to identifying alternate ways of funding coastal schemes and to work over longer time frames both in terms of programming and funding. This is one of a number of programmes where Welsh Government strategy is to making use of low interest rates and available borrowing powers to fund capital investment with repayment over the long term from revenue streams. The scheme aims to deliver an investment of £150 million, capital value, of coastal schemes across Wales with construction over a three-year time-frame starting from April 2021.

Welsh Government is already supporting local authorities in identifying and developing potential schemes. The Programme has identified the need for local authorities to consider the potential delivery of multiple benefits within project business cases. This is also reflected in the composition of the programme board with links made across government departments including regeneration, tourism and transport.

Financial contributions/partnership funding is already encouraged and welcomed in the flood and coastal risk management programmes and should be explored by each Risk Management Authority. There are also opportunities for jointly-funded schemes where multiple benefits exist, such as that seen at Colwyn Bay and Cwm Ivy, Gower.

This can be set out clearly in the revised Project Appraisal Guidance, work on which commenced in May 2017 and is due for completion by the end of 2017. We will continue to explore the possibilities for partnership funding, adding to work done by the Flood Risk Management Wales committee in 2013 and review how this has worked in England. This is something that NRW and the new Flood and Coastal Erosion Committee (FCEC) can help with.

Timescale: Preparatory work on CRMP has already commenced. Review of potential partnership funding to be carried out by FCEC by end 2017.

*c) Work with partners to ensure that adequate funding is available for revenue activities such as maintenance, coastal monitoring and community engagement (paragraphs 2.36-2.37). This work should include a review of council spending through the Single Environmental Revenue Grant and other sources of revenue funding to consider the impact of the new arrangements on the funding of flood risk management activities.*

The Single Environmental Revenue Grant is administered by a central team and the grant has recently undergone an internal audit looking at the process and systems in place rather than the impact the programme has had. It is also expected that WAO will undertake an audit of the programme in 2017-18, although the scope is yet to be decided.

The revenue content that the Flood and Coastal Erosion Risk Management Team put in to the revenue grant is very small compared to the overall budget. In 2016/17, FCERM budget is £54.945 million, with only £1.1million of this (2%) going into this grant. The flood element of the overall ESD grant is also very small.

The Flood and Coastal Erosion Risk Management Branch review the flood section of each of the applications for the revenue grant that are put forward by the Local Authorities to ensure that this grant is being used for flood risk management revenue purposes. In the 2016/17 applications, as well as funding for duties such as reporting flooding, small maintenance work and awareness raising/community engagement, Local Authorities also applied for this grant for more innovative flood risk management work and the provision of wider benefits beyond just flood and erosion risk management.

Local Authorities can claim this grant on a biannual basis and alongside their grant claim must submit a monitoring report to show progress against their expected outputs as listed within the applications

In the last two financial years we have piloted a grant scheme for local authorities to apply for to carry out small scale maintenance and drainage works up to a value of £100,000 per scheme through a simplified application process. This has been welcomed by Local Authorities and WLGA. It would now be appropriate to carry out a short review to assess the effectiveness of such funding and whether this should continue. This is already being discussed with WLGA.

Timescale: By April 2017 (to review small scale maintenance grant)



*d) Better integrate coastal flood and erosion risk management at a strategic level with new legislation including the Planning (Wales) Act 2015, Well-being of Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016 (paragraphs 2.9-2.11).*

The review of the National Strategy will provide an opportunity to integrate new legislation in flood and coastal erosion risk management in Wales. The following measures start this integration in advance of the review.

The Coastal Risk Management Programme integrates and encourages wider benefits in the development and construction of coastal schemes within the programme, particularly around regeneration and tourism. These departments are already well engaged with the programme through a programme board consisting of internal and external representatives and including key government departments.

We are already integrating new legislation in our flood and coastal erosion risk management work. Both the ESD revenue grant and the small scale maintenance grant application forms ask local authorities to identify how the proposed works will provide wider benefits and meet well-being goals.

We are also updating our Project Appraisal Guidance (PAG) which will include the need to identify wider benefits, well-being goals and our ways of working as set out within the Well-being of Future Generations (Wales) Act 2015. This work is ongoing with a living draft expected to be complete by November 2016, which Local Authorities and NRW will then use when applying for FCERM grant. Welsh Government will be running workshops following this to discuss with risk management authorities these changes and provide training where necessary.

We will be using the new powers provided under the Environment Act (Wales) 2016 to establish the new Flood and Coastal Erosion Committee. It is expected that this committee will be established in early 2017 and have a wider remit than the committee it replaces, providing advice to the Welsh Ministers and risk management authorities on flooding and coastal risk from all sources. In establishing this committee we will also abolish the Flood Risk Management Wales Committee which is currently duplicating many of the duties of the NRW Board, therefore making governance processes more efficient.

We are actively working with Welsh Government planning officials to improve the way that flood risk advice and mapping is taken into consideration in planning decisions.

Timescale: March 2017 – PAG will be complete and being used, FCE Committee will have established

**Recommendation 2 - Accepted**

*The Welsh Government described roles and responsibilities in its National Strategy but stakeholders told us they were still not clear in certain respects. The Wales Coastal Flooding Review Delivery Plan includes a project led by the Welsh Local Government Association and Natural Resources Wales to clarify the roles and responsibilities of organisations responsible for managing flood risk. The Welsh Government should clarify Natural Resources Wales' oversight role and how it differs from the Welsh Government's role to manage performance (paragraph 2.17).*

The Welsh Local Government Association (WLGA) has undertaken a review and provided a report, as part of one of the recommendations within the Wales Coastal Review Delivery Plan, looking at the roles and responsibilities of risk management authorities.

The review of the National Strategy will provide an opportunity for further clarification of the roles and responsibilities of risk management authorities, including Natural Resources Wales and Local Authorities taking in to account the findings of this review

Timescale: March 2018

### **Recommendation 3 - Accepted**

*There is evidence that some communities are still unaware of the long-term implications of the Welsh Government's risk-based approach. Community engagement has been hampered by a lack of options in the national strategy to help councils to prepare communities for managed retreat. The Welsh Government should develop options within the national strategy to help councils to prepare communities where it is likely that managed retreat will be required. These options should consider the legal and financial arrangements necessary to relocate people and assets away from flood risk (paragraphs 2.7-2.8). The Welsh Government should also set out how it will communicate the implications of its risk-based approach to the public (paragraphs 1.21 to 1.22).*

One of the four objectives under the National Strategy is to raise awareness of, and engage people in, the response to flood and coastal erosion risk. The four objectives of the National Strategy are reflected within the individual Local Flood Risk Management Strategies prepared by each of the Local Authorities and therefore Local Authorities are already engaged in awareness raising activities. This has also been seen in the Local Authority applications for ESD revenue grant, many of which use this grant to carry out such activities. NRW carry out engagement activities with communities at risk of flooding through their Flood Awareness Wales programme and local authorities.

The review of the National Strategy next year will ensure that the risk-based approach to flood risk management is made clearer.

Coastal Local Authorities are best placed to communicate with their coastal communities local flood issues as they have an understanding of local matters. They should manage flood risk within their authority as set out within their Local Flood Risk Management Strategy. Welsh Government should not dictate how this is done in policy or a strategy; rather we will provide a coastal adaptation toolkit including best practice and examples of how other areas have communicated difficult messages, particularly around managed retreat.

There is ongoing research being undertaken in the community of Fairbourne, Gwynedd to look into;

- engaging the community to make them aware of the risks they face now and in the future,
- examining the feasibility study of a buy to let scheme,
- building community resilience and self sufficiency,
- identifying the effects of Shoreline Management Plans on the economy and people of Fairbourne.

This research will provide examples of how one community are preparing for changes. Only once this research has been complete will it be appropriate to put together a coastal adaptation toolkit.

We will need to complete and consider the associated research due December 2017 before completing this this recommendation. A toolkit will sit alongside and accompany the revised National Strategy, rather than be included within it.

Timescale: August 2018

**Recommendation 4 - Accepted**

*Natural Resources Wales reports on its own activities and progress against the National Strategy under section 18 of the Flood and Water Management Act 2010 without the benefits of an independent review. The Welsh Government should review section 18 reporting arrangements and consider an independent review of performance, or a peer review of Natural Resources Wales section 18 reports (paragraph 2.17).*

The current requirement for NRW to report on the National Strategy is set out in legislation under the Flood and Water Management Act 2010. Any amendments to this would need to be done through legislation and an appropriate legislative vehicle would be required.

Welsh Government considers a review into the appropriateness of NRW to report on the National Strategy to be of value and will consider this as a task for the new Flood and Coastal Erosion Committee to take on once established. This would provide an independent review from an organisation without responsibility for delivering against objectives within the strategy.

We will ask Flood and Coastal Erosion Committee to consider options for the review of the National Strategy and explore how the committee can provide an independent review or oversight role of the section 18 report, prior to publication.

Timescale: End of 2017

## **Recommendation 5 - Accepted**

*The Welsh Government and Natural Resources Wales are members of the Joint Flood and Coastal Erosion Risk Management Research and Development Programme with the UK Government's Department for the Environment, Food and Rural Affairs (Defra) and the Environment Agency. Although stakeholders could do more to engage in this Programme, the Welsh Government and Natural Resources Wales could more effectively share good practice identified by the Programme, particularly with councils. The Welsh Government should work with Natural Resources Wales to share and promote the good practice identified in the Joint Flood and Coastal Erosion Risk Management Research and Development Programme with councils (paragraph 2.6)*

There is a lot of useful research carried out as part of the Joint Flood and Coastal Erosion Risk Management Research and Development Programme. We agree that this needs to be better disseminated to stakeholders. Research pages are currently held within the Environment Agency's website and until recently had little reference to either Welsh Government or NRW involvement; however the website now references both organisations.

NRW website currently has a link to the Environment Agency Research and Development webpage; however they have agreed to develop a 'landing page' describing Wales' involvement in this programme including some of the project highlights.

With their overarching role in flood risk management, NRW are best placed to share this research with relevant stakeholders, particularly Local Authorities and we have written to NRW asking them to share newsletters more effectively.

NRW has recently been discussing with the Environment Agency how best to disseminate the research that has come from this group.

Welsh Government will continue to explore options with both NRW and WLGA as to how best to share this research and best practice. We are also exploring the potential opportunity to produce a regular newsletter to stakeholders from the FCERM team which could also include this information.

Timescale: End 2016

# Agenda Item 6

Prif Wleddar Cymru / Cymdeithas / Public Accounts Committee  
PAC(5)-03-16 P6

Sir Derek Jones KCB  
Ysgrifennydd Parhaol  
Permanent Secretary



Llywodraeth Cymru  
Welsh Government

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

Dear Nick,

16th August 2016

## National Fraud Initiative 2014-15: Ensuring the Proper Use of Public Funds in Wales

I understand that the Committee has asked for the comments of the Welsh Government on this report by the Auditor General for Wales.

The Welsh Government is an enthusiastic supporter of this work. We take part in every National Fraud Initiative exercise and we encourage all Welsh Government Arms Length Bodies to do the same. NFI data is shared securely and any potential cases to be investigated are managed through the Welsh Government Counter Fraud Team. We welcome the proposed further expansion of the NFI, through the broadening of participation and the addition of new data-matches, as a means to better safeguard public money. As the Report notes, we are in discussion with the Wales Audit Office on the feasibility of undertaking Wales-specific data-matching pilot exercises designed to prevent and detect fraud as part of NFI 2016-17 and we will be working with them to identify how NFI can help address any Inherent fraud risks associated with new policy developments.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 72

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

Although no frauds internal to the Welsh Government were identified as part of the exercise we are, of course, very conscious of the need to have robust controls in place to prevent fraud through a range of preventative and detective measures, including the following:

- routine due diligence checks on recipients of Welsh Government funding as part of our grants management and business investment processes and utilisation of management information to monitor how Welsh Government funds are used;
- internal controls embedded in our finance systems, particularly our payments systems, and information security controls to protect access to those systems from both internal and external attack;
- use of the NFI data analytics and our own internal data analytics capability to perform periodic compliance and anti-fraud checks on transactional data, to identify potential issues such as misuse of Welsh Procurement Cards or misuse of Government-funded bus concession cards;
- an expert counter-fraud service staffed by a former police detective and supported by our Internal Audit Service. Our Head of Counter Fraud is on the organising committee of the Wales Fraud Forum, maintains strong links with CIFAS and has a wide network of contacts in the police service and with other public sector investigators across Wales;
- close liaison with the Police, Wales Audit Office and other funding bodies in Wales to ensure concerns are identified and investigated appropriately;
- advice, support and training for staff in key roles where fraud awareness is needed. Recently we ran a one-day course for selected staff on how to use social media as a tool in fraud investigations. Our next priority is to organise training for staff giving evidence in fraud prosecutions, to prepare them for the experience of being cross-examined in court;
- implementation of the ECs anti-fraud software called “Arachne” to help identify potential fraud in EC funded programmes managed through the Welsh Government;
- liaison between process owners and Internal Audit when new systems and procedures are being designed, to ensure that fraud risks are identified and suitable controls designed to mitigate them;

- comprehensive policy and procedures for fraud preparedness and response, including the preparation of fraud risk assessments across Welsh Government activity. We also have a fraud hot-line for staff and the public to raise any concerns they have relating to the use of Welsh Government funds;
- in 2015 the Welsh Government put 14 staff through the CIPFA Accredited Counter-Fraud Technician course – with these staff coming from across the organisation including Internal Audit, relevant policy areas and the Wales European Funding Office; and
- Welsh Government is currently implementing “Application Checker” which is referred to by the Auditor General in his report and which is an NFI tool for proactively checking the credentials/identity of individuals before an application is made. This can be used in a number of areas to confirm the integrity of individuals, for example those applying for grants, or for licences and also potential new Welsh Government staff.

But of course we do recognise that whatever processes and safeguards are in place, no part of the public sector can be immune from the possibility of being defrauded and there can be no cause for complacency. The Committee may have seen in the press, for example, a recent case where a credit card fraud was perpetrated upon the Welsh Government by an unknown third party – the fraudulent transaction was picked up swiftly by our credit card provider and the sum involved (£103.91) was credited back to our account, so there was no loss to the public purse and the usual system of processes and checks, starting with those operated by our provider, came into play effectively. But it was a salutary reminder that the Welsh Government can be a target for fraudsters, along with all of the bodies which it funds.

I hope that this background information is helpful to the Committee.

I am copying this letter to the Auditor General for Wales.

Yours,  
Derek



The Committee is pleased to receive the report of the Commission on the Review of the Public Accounts Committee's work. The Commission has done a great deal of work in the past few years and has made many valuable contributions to the Committee's work. The Committee is grateful to the Commission for its work and for the report.

The Commission's report is a very good one and it is a pleasure to see that the Commission has done a great deal of work in the past few years. The Commission has made many valuable contributions to the Committee's work and the Committee is grateful to the Commission for its work and for the report.

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*[Handwritten signature]*

# Agenda Item 7

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
PAC(5)-03-16 P8

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



Llywodraeth Cymru  
Welsh Government

Chair  
Public Accounts Committee

31 August 2016

Dear Chair

## **PAC – The WG Funding of Kancoat Ltd**

Further to your request of 19<sup>th</sup> July 2016 requesting Welsh Government's comments on the Auditor General's report on the financial support provided by Welsh Government for Kancoat Ltd, please see response detailed below.

### **Management Response**

Management have accepted the findings of the report and prior to receipt of the report had also commissioned its own internal lessons learnt exercise. It is now focusing on embedding the lessons learned, a summary of these actions is highlighted below.

### **Lessons learnt – Extract from WAO report**

*As a result of that review, and as part of the department's continuous improvement, Welsh Government officials informed us that a number of key changes in procedures have since been implemented:*

- 1. The consideration of commercial loans now forms part of the Financial Approval process and are subject to Investment Panel recommendation before Ministerial approval is sought.***

This process was agreed by CLT in June 2014 and has been embedded across the department as an integral part of the Financial Approval Process. The Wales Industrial Development Advisory Board and the Investment Panel consider applications that relate to a direct investment into a specific business



Y Bwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
PAC(5)-03-16-P8

**2. Senior Management Team must now ratify any recommendation by the Investment Panel for commercial loans above £1m.**

This process was agreed by CLT in June 2014 and has been embedded across the department as an integral part of the Financial Approval process

**3. As part of the Financial Approval process a standalone appraisal of all projects involving commercial loans must be undertaken.**

This find is accepted and is being embedded across the department.

**4. The Monitoring of loans has moved to the Central Monitoring team, an agreed departmental protocol has been established to provide clarity on areas of responsibility.**

Protocol in place and shared with Finance Wales (FW) who also monitor some of our loans. We have agreed to meet quarterly with FW (next due October 2016).

**5. Loan applicants are more robustly assessed for their ability to repay by undertaking appropriate Financial Due Diligence.**

All loans have the ability to repay clearly assessed by the finance and due diligence function.

Where a business plan shows the ability to repay from financial forecasts the assumptions underpinning the business plan are robustly assessed.

**6. A standardised approach to risk assessment has been introduced to ensure consistency across funding schemes.**

This is inbuilt into our appraisal process across sectors and business. We have recently published some additional guidance to Sectors and Business Teams about the assessing of risk and how this is to be undertaken during the life of the project.

**7. Where multiple interventions are being considered (ie, financial support and property solutions) they are now considered by a single body (Investment Panel) with appropriate advice from the Property Leadership Team.**

This is now inbuilt into our financial approval process, projects are considered by the property leadership team and investment panel with PLT providing only technical advice

**8. The introduction of a standardised appraisal document has ensured a consistent approach to project appraisal is applied across funding schemes.**

This has been embedded across the department for about 18 months and ensures that all funding schemes are appraised on a consistent basis.

**9. Improvement in management information by driving increased and improved use of the departments Customer Relationship Management (CRM) system.**

We have recently moved to BAS with an increased number of users – we continue to ensure that all teams use the system and that the reporting function works to ensure Management Information is robust.

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
PAC(5)03-16 P8

**10. Centralised the issue of award letters to a single team, this has improved customer service and ensured that conditions of award are more consistent and robust.**

In addition we have recently moved the issue of letters of variation to this central team, with the aim of improving turnaround times and ensuring that there is a more robust review of risk assessment before changes to offers are made.

## **Overview**

Sectors and Business is embedding a 'continuous improvement culture' into the department. Management seek to copy best practice from both public and private sectors and use lessons learned from both successes and failures to improve future performance.

The lessons learned above have been shared widely across both Senior Management Team (SMT) and Corporate Leadership Team (CLT) and will be further embedded at future SMT meetings.

By way of context, a review of offers made by the department to businesses between 1<sup>st</sup> May 2011 and 1<sup>st</sup> September 2015, showed 1.3% by number of companies and 1.4% by value of grant had failed. In 2013 the enterprise death rate in Wales was 9.1% (UK was 9.7%).

Yours sincerely

**Mick McGuire**

Director, Sectors and Business

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Hospital Catering and Patient Nutrition, a Review of Progress

## Memorandum for the Public Accounts Committee



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU



I have prepared and published this Memorandum for the  
Public Accounts Committee in accordance with  
various statutory provisions.

The Wales Audit Office staff that assisted me in preparing  
this memorandum are Gabrielle Smith and Carol Moseley  
under the direction of David Thomas.

**Huw Vaughan Thomas**  
**Auditor General for Wales**  
**Wales Audit Office**  
**24 Cathedral Road**  
**Cardiff**  
**CF11 9LJ**

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# Introduction

- 1 This memorandum provides the National Assembly's Public Accounts Committee (the Committee) with an update on the progress made by NHS Wales in responding to recommendations set out in mine and the Committee's reports<sup>1,2</sup> on hospital catering and patient nutrition.
- 2 In 2011, I reported that arrangements for catering and nutritional care provided to patients had generally improved since the Audit Commission in Wales last examined the topic in 2002. Patient satisfaction remained high. More work was needed, however, to ensure recognised good practice was more widely implemented in relation to nutritional screening and care planning, and to ensure that food wastage was minimised.
- 3 The Committee was disappointed in the wide variation in the costs, planning and delivery of catering services across NHS organisations in Wales, especially given the importance of good nutrition in supporting patients' recovery.
- 4 The memorandum summarises the findings from a follow-up audit undertaken in NHS bodies across Wales during 2015. It also draws upon relevant information from other sources, such as national patient surveys, nursing audits and other external review reports.

## The audit

- 5 During 2015, auditors carried out a follow-up review in all local health boards and Velindre NHS Trust to assess the extent to which the recommendations had been implemented to secure improvements in meeting patients' nutritional needs and mealtime experience, in controlling catering costs and planning and monitoring. Auditors carried out a number of activities at NHS hospitals providing catering services, including observing lunchtime meal services and reviewing case notes. In addition to these activities, auditors conducted interviews with key personnel from across NHS Wales, reviewed key documents and analysed catering facilities data derived from the Estates and Facilities Performance Management System (EFPMS).

1 Auditor General for Wales, **Hospital Catering and Patient Nutrition**, March 2011

2 National Assembly for Wales, **Hospital Catering and Patient Nutrition**, February 2012

## Key findings

- 6 NHS bodies have made good progress implementing the recommendations made by both myself and the Committee, as summarised in [Appendix 1](#) and [Appendix 2](#) respectively. Two-thirds of the recommendations were fully actioned with ongoing work to address those recommendations not yet complete.
- 7 NHS bodies usually screen patients for nutritional risks when admitted to hospital. However, the quality of nutritional screening and documentation still needs improvement. The development of standardised nursing documentation to promote consistent nutritional screening and to improve the quality of information has been too slow. Meanwhile, full compliance with the e-learning training has yet to be achieved. Most organisations undertake some form of regular monitoring of the nutritional care pathway and mealtime service but the nature and extent of monitoring vary across Wales.
- 8 There is still scope on some wards to improve the help available to patients: to prepare for mealtimes; with eating; and to minimise mealtime interruptions. Catering services are largely delivering against the all-Wales Menu Framework introduced in 2013 with patients generally satisfied with food services. Written information for patients is not widely available and where available is not always shared.
- 9 There is continued reliance on paper-based systems for planning and monitoring catering services with few NHS bodies making use of electronic systems. Catering costs are better controlled with reductions in both food waste and subsidies for non-patient catering services. Although food waste is within target, the cost of waste remains high.
- 10 NHS bodies have well-established arrangements for ensuring that national policies and standards related to nutrition and catering are implemented. Local and national oversight is made possible through groups convened by the Welsh Government. However, information is not routinely reported to Boards and most Boards are unsighted of the performance and quality of nutrition and catering services.
- 11 Detailed findings are presented thematically under the following four parts:
  - a Part 1: The nutritional care pathway
  - b Part 2: The mealtime experience
  - c Part 3: Catering costs and food waste
  - d Part 4: Planning and reporting

## Part 1

# The nutritional care pathway

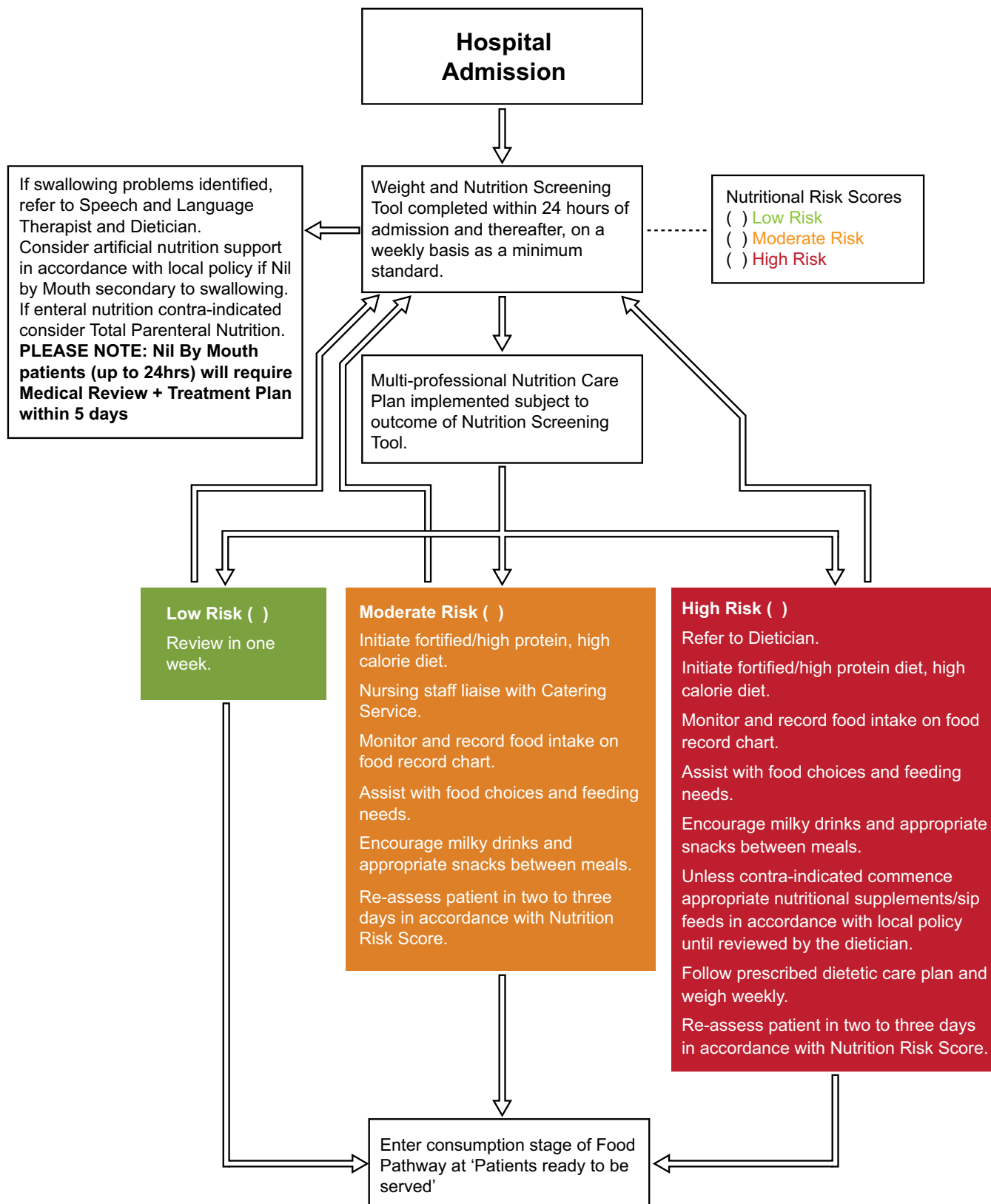
- 1.1 In 2011, I reported that many hospitals in Wales had improved their arrangements to ensure patients' nutritional needs were met. However, information was held in various different places and did not allow for a quick overview of patients' nutritional problems or for reviewing nutritional status easily. At that time, the lack of standardised nursing documentation to record key assessment information may have contributed to the variation in quality of the nursing records. Not all NHS bodies regularly monitored compliance with the nutritional care pathway. Meanwhile, information from nutritional screening was not collated to understand the scale of the problem and likely impact on services.
- 1.2 In 2015, I found that arrangements for meeting patients' dietary and nutritional needs continue to improve. However, nursing documentation has yet to be standardised and the quality of nutritional screening and documentation still needs improvement. My findings are summarised below under the following themes:
- nutritional assessment and screening;
  - training on the nutritional care pathway; and
  - monitoring arrangements.

### Patients are screened for nutritional risks but slow progress in standardising nursing documentation means that the quality of nutritional screening and documentation still needs improvement

- 1.3 Patients' nutritional status needs to be properly assessed and monitored. The all-Wales nutritional care pathway, introduced in summer 2009, sets out the sequence of actions required when screening patients for nutritional problems (Exhibit 1).
- 1.4 My latest audit found that nursing staff routinely screen patients for nutritional risks on admission to hospital but documented information from the assessment process was often recorded across a number of different records or missing altogether.
- 1.5 The all-Wales Nutrition and Catering Standards make it clear that oral health and communication are part of nutritional care. An assessment of dietary need, such as physical difficulties eating and drinking, dietary preferences or food allergies, should form part of the nutritional care plan. Just over a third (37 per cent) of patients responding to the all-Wales menu framework survey, conducted in spring 2015, reported being asked about their dietary preferences or requirements.<sup>3</sup>

<sup>3</sup> Welsh Government, **Patient Survey Data**, 2015 (unpublished).

Exhibit 1 – All-Wales nutritional care pathway



Source: Welsh Government

1.6 **Exhibit 2** shows some of the key measures and information that auditors looked for when assessing the quality of the nutritional screening process. Although a greater proportion of patients had their weight, height and oral health needs recorded in 2015 compared with 2011, the gap in other key information, like usual appetite, appeared to worsen.

**Exhibit 2 – Percentage of assessment items recorded as part of the nutritional screening process in 2011 and 2015**

Assessment items	Percentage of assessment items	
	2011	2015
Weight on admission	75	91
Height on admission	37	94
Body mass index calculated	41	92
Unintentional weight loss	83	78
State of oral health	47	74
Usual or normal dietary intake	64	51
Specific dietary needs	75	66
Current appetite	91	77
Ability to eat unaided	88	87
Ability to swallow without difficulty	75	78

Source: Wales Audit Office review of case notes

1.7 It is important to monitor and to record the food and beverage intake of patients with nutritional problems. An all-Wales food chart and a revised fluid balance chart were introduced in 2009 to support implementation of the nutritional care pathway. These charts enable nursing staff to record the food and beverages consumed by patients throughout the day in a systematic and consistent way. In 2015, auditors found that on some wards, food and fluid intake for patients identified as ‘at risk’ was not always recorded.

- 1.8 In 2011, I recommended that the Welsh Government develop and issue standard all-Wales nursing documentation to promote consistent nutritional screening and care planning. However, little progress has been made to standardise nursing documentation despite the ongoing issues highlighted by inspections and spot checks carried out by other regulators or inspectors.
- 1.9 The Healthcare Inspectorate Wales' Dignity and Essential Care Inspections<sup>4</sup> also found poor standards of nursing documentation, particularly the completion of needs assessments, care plans and food and fluid charts with concerns expressed about the regularity of reviews within written care plans. The Trusted to Care unannounced spot checks in 2014<sup>5</sup> found that 'the quantity, quality and variation of documentation on wards within and between hospitals and health boards posed a significant challenge ...' with evidence of poorly photocopied documents and multiple duplicate patient-care assessments, which were not always complete.
- 1.10 The NHS Wales Informatics Service (NWIS) is now leading work to modernise nursing record keeping and ensure fitness for purpose on behalf of NHS organisations.<sup>6</sup> NWIS is looking at how nursing documentation can be rationalised and moved from a paper-based to an electronic system, although there are currently no definitive timescales for completion. Project oversight is provided by the National Informatics Management Board, which has been chaired by the Minister for Health and Social Services. NWIS has recruited a new nurse informaticist who is due to start in the autumn of 2016. This individual will support the development of the all Wales electronic documentation system.
- 1.11 Auditors found that several NHS organisations had introduced new nursing documentation in 2015 in the absence of standardised nursing documentation. For example:
- a Powys Teaching Health Board introduced new nursing documentation to ensure key patient information is captured. The new documentation prompts for information in relation to nutrition, communication, and swallowing, as well as current appetite, dietary preferences, special, therapeutic or cultural dietary need. Overall, auditors found that the quality of information recorded in patients' case notes had improved with nutrition screening generally well completed and the information easily accessible.

4 Healthcare Inspectorate Wales, **Dignity and Essential Care Inspections (DECI) 2014-15 Thematic Report**, published in September 2015.

5 Welsh Government, **Learning from Trusted to Care Ministerial Unannounced Spot Check Visits, All Wales Report**, November 2014.

6 Welsh Government, **Learning from Trusted to Care – One Year On, 2015**



- b Betsi Cadwaladr University Health Board was standardising nursing documentation for adult inpatient areas to support record keeping. However, the documentation does not include prompts for information, such as food preferences. The Health Board had yet to roll out fully the new documentation, and this, along with the lack of prompts may account for the gaps found in the information recorded.
  - c At Velindre NHS Trust, nursing records are completed against the 12 Fundamental of Care standards helping to ensure information on oral health and hygiene, eating and drinking, and communication is recorded.
- 1.12 Abertawe Bro Morgannwg University Health Board has developed an integrated nursing assessment approach with supporting documentation to promote holistic nursing assessment and to address variation in standards of documentation. Arrangements are in place to monitor the standard of completion.
- 1.13 NHS organisations have yet to categorise systematically numbers of patients according to their nutritional risk score and to use the information for planning or monitoring patient outcomes. Existing IT systems, including the all-Wales nursing metric system, do not enable the capture of this detail. The move to standardised nursing documentation and an electronic nursing record should provide opportunities for including nutrition and other risk assessment scores within the nursing record.

### **Full compliance with e-learning training on the nutritional care pathway is yet to be achieved**

- 1.14 A lack of refresher training on how to use the screening tools or assessment documentation was one reason cited for the poor quality of nutrition screening when I reported in 2011. The Welsh Government introduced an e-learning training package in the use of the all-Wales nutritional care pathway and all-Wales food and fluid charts in September 2011. All ward-based nursing staff were required to complete the e-learning training package within 12 months of this date, while new staff should complete it within 12 months of appointment.
- 1.15 In July 2014, the e-learning modules on both the nutritional screening and food and fluid charts were placed on a new web platform. Information on an all-Wales basis on the number of nursing staff completing these modules prior to July 2014 is no longer available as data transfer was not possible from the old to the new system.

- 1.16 At the time of my audit work in 2015, NHS organisations had yet to achieve full compliance. Based on the information NHS organisations provided, compliance with the e-learning module ranged from 25 per cent to more than 80 per cent. A number of reasons cited for poor compliance included:
- too few ward-based computer terminals to enable staff to access the e-learning training package;
  - an inability to complete the training uninterrupted when at work because of the time needed to complete it;
  - difficulty navigating the e-learning web platform once online; and
  - out-of-date content that did not reflect the changes to practice that have been introduced, such as changes to the size of water jugs and glasses.
- 1.17 In addition to the e-learning modules, there are many examples of dietetic and nursing staff working collaboratively at the time of my audit to embed nutrition training within existing local training courses or developing bespoke training programmes. On some wards, auditors found that dietetic staff had established and were maintaining information boards with dietary and nutritional advice for patients. These information boards also acted as a learning resource for nursing staff.
- 1.18 An all-Wales education and training task and finish group had been established at the time of my audit work. The group's purpose is to ensure that all staff involved in the hospital food 'chain' have access to training to promote the all-Wales Menu Framework, encourage appropriate patient choice and promote healthy options. The group is comprised of one representative from each NHS body and drawn from either the dietetic, catering or training department. I am unable to comment on whether the group has achieved its objectives as it had met only once at the time of my audit.

## In general, all NHS bodies undertake some form of regular monitoring of the nutritional care pathway, although the nature and extent of the monitoring vary across Wales

- 1.19 In 2011, I reported that not all NHS bodies monitored compliance with the nutritional care pathway. I recommended that NHS organisations regularly audit all aspects of the nutritional care pathway. Compliance with nutrition screening<sup>7</sup> is a core measure that is recorded monthly within the all-Wales nursing metrics system. Self-reported data indicate that compliance ranged from 90 to 95 per cent across individual health boards in 2015. However, auditors found that health board averages mask big variations within and between hospitals, which means that consistently poor performance is less visible.
- 1.20 The extent to which NHS organisations regularly assess the quality of nutritional screening and the wider nutritional care pathway varies between NHS organisations. In some organisations (Cardiff and Vale and Aneurin Bevan University Health Boards and Velindre NHS Trust), dietetic staff regularly assess the quality of nutritional screening, the accuracy of nutritional risk scores, whether appropriate nutritional care has been instigated and whether appropriate referrals for dietetic support have been made. Two health boards (Betsi Cadwaladr and Cwm Taf University Health Boards) introduced regular audits of nutritional screening, carried out by nursing staff, to improve compliance and raise the profile of nutritional assessment at ward level. Compliance with nutrition screening is included as part of the multidisciplinary mealtime audits introduced at Cwm Taf University Health Board and Powys Teaching Health Board (see [paragraph 2.28](#)).
- 1.21 Hywel Dda and Abertawe Bro Morgannwg University Health Boards last undertook comprehensive audits of the nutritional care pathway, including nutritional screening, in 2013. Although neither health board has repeated the audit, compliance with nutritional screening is monitored through the monthly nursing metrics, as well as spot checks of compliance with nutrition and hydration standards or nursing documentation audits. Since our audit work, Hywel Dda University Health Board has established Care Indicator Scrutiny and Improvement groups, which will be accountable for the detailed review of compliance with care indicators, including nutritional screening and record-keeping standards.

<sup>7</sup> Compliance with nutritional screening is defined as the percentage of nutritional scores completed and appropriate action taken within 24 hours of admission.

## Part 2

# The mealtime experience

- 2.1 In 2011, most hospitals provided an appropriate choice of meals. Although dieticians were involved in menu planning, not all hospital menus had been nutritionally assessed. Patients were generally satisfied with the food they received but many patients indicated that snacks were unavailable between meals. Not all patients got the help they needed at mealtimes and more could be done to embed protected mealtime principles.<sup>8</sup>
- 2.2 In 2011, the Welsh Government published new nutrition and catering standards.<sup>9</sup> These standards superseded the 2002 nutrition and catering framework and provide technical guidance for staff responsible for meeting patients' nutrition needs.<sup>10</sup> NHS bodies were required to be fully compliant with the standards by April 2013.
- 2.3 In 2015, I found that that mealtime experiences were improving but there was still more to do to ensure all patients get timely support and written information on what to expect and to further minimise lunchtime interruptions on some wards. My findings are summarised below under the following themes:
- patient menus;
  - food and beverage services;
  - preparing for mealtimes
  - protected mealtimes;
  - information for patients;
  - monitoring mealtime services; and
  - food hygiene ratings.

8 Protected mealtimes are periods when all non-urgent clinical activity stops on hospital wards to allow patients to eat their meals without unnecessary interruptions, and when nursing staff are able to provide assistance and support to people needing help with eating.

9 Welsh Government, **All Wales Nutrition and Catering Standards for Food and Fluid Provision for Hospital Inpatients**, October 2011

10 The nutrition and catering standards are aimed at meeting the nutritional needs of patients who are capable of eating and drinking. The standards do not apply to patients receiving parenteral or enteral nutrition, that is, nutrients delivered intravenously or directly into the gastro-intestinal system.

## Patient menus are nutritionally assessed through the all-Wales Menu Framework with NHS bodies largely compliant with the recipes

- 2.4 The 2011 all-Wales nutrition and catering standards specify the nutrient content needed to provide for the diverse needs of the hospital population. To support the implementation of these standards, caterers and dietitians across Wales worked together to produce the All Wales Hospital Menu Framework, which was launched at the end of January 2013. The framework consists of a database of 150 standardised, nutritionally assessed recipes and sample menus. The supporting Menu Framework website is populated with the ingredients, product specifications and allergen coding<sup>11</sup> to ensure accessible accurate information.
- 2.5 In 2015, I found that NHS bodies were nearly compliant with the Menu Framework, that is, they use only the nutritionally assessed recipes within the database. In some NHS bodies, local recipes that comply with the nutritional standards were still in use. There is a unified approach to recipe development and menu design is overseen by an all-Wales operational recipe review group. This group is chaired by the procurement dietician, who was appointed to the NHS Shared Services Partnership Procurement Service in 2013 to lead on the development of nutrition specifications for food contracts for the dishes within the menu framework.
- 2.6 In addition to leading on nutrition specifications, the procurement dietician has sourced high-quality energy-dense snacks as part of the 'food first' approach to improving a patient's nutritional status. Bespoke nutritious homemade style soups have also been procured or made in house to a standardised recipe, to replace the poor-quality powdered varieties previously served. Soup combined with a sandwich or cheese and biscuits now provides a high-energy, high-protein lighter option on patient menus. An all-Wales modified texture menu has also been developed to ensure an adequate choice of meals to meet the nutrient standards for patients with swallowing difficulties.

<sup>11</sup> The Food Information for Consumers Regulation (EU) No. 1169/2011 was implemented in December 2014. These regulations changed the allergen labelling rules to ensure allergen ingredients information is presented in a clear and consistent way.

## Arrangements to ensure 24-hour access to food and beverages are largely adequate and patients are generally positive about food services

- 2.7 In 2015, I found that arrangements for ensuring 24-hour access to food and beverages were largely adequate and patients were generally positive about the food and range of choice. However, in some hospitals, there is scope to improve meal choices for those patients on long-stay wards or for patients with special dietary requirements, which hospital catering services were working to address.
- 2.8 Following the launch of the all-Wales Menu Framework, a Strategic Monitoring and Evaluation Group was convened (see also [paragraph 4.6](#)) and it introduced a national survey to seek patients' views on food and beverage services. More than 1,700 patients – approximately 20 per cent of hospital inpatients – responded to the most recent survey in 2015. Nearly four-fifths of patients reported that they were 'always given a choice of foods' at breakfast, lunch or dinner and, for the most part, 'the number of choices were about right'.
- 2.9 Patients also reported on the appearance and taste of the meals, as well as overall satisfaction. Just over three-fifths (62 per cent) of patients rated the presentation and appearance of the food as good or very good, but one-third (34 per cent) reported being given a meal that they felt was unappetising. More than half (56 per cent) rated the flavour or taste as good or very good with three-fifths (60 per cent) rating the quality as good or very good. Patients were asked to rate their overall satisfaction on a scale of one to ten where one is extremely dissatisfied and ten is extremely satisfied. More than half the patients (55 per cent) rated their satisfaction between eight and ten.
- 2.10 The 2011 all-Wales nutrition and catering standards state that patients should be offered snacks two to three times a day with evening snacks offered to all patients because of the long gap between the evening meal and breakfast. Auditors found that snacks were generally available between meals and for patients who missed a meal, with snacks offered during the mid-morning and mid-afternoon beverage rounds. Ward staff told us that patients could request snacks any time of the day with a range of snacks, such as biscuits, fresh fruit, cheese and crackers, as well as staples like bread, cereal and milk, stored in ward kitchens.

- 2.11 However, findings from the all-Wales Menu Framework survey show that not all patients have a positive experience. One in six patients (15 per cent) reported being advised to eat extra snacks but were not provided with them, while one in four patients (26 per cent) was never offered a snack after the evening meal. Where patients missed a meal, only one in eight patients (12 per cent) was offered a replacement.
- 2.12 The all-Wales nutrition and catering standards indicate that seven to eight beverages should be offered in any 24-hour period, with access to water at all times and water jugs changed three times a day. The 2014 Fundamentals of Care<sup>12</sup> audit found that drinking water was available and within patients' reach but water jugs were changed three times a day in only 60 per cent of clinical areas. Nursing and catering staff that we met as part of ward visits were committed to providing fresh water three times a day and seven to eight beverages. They did admit that this was sometimes challenging to deliver because of overall workload, particularly in the evening when ward-based catering staff or house keeping staff had finished their shift.
- 2.13 Most patients (97 per cent) surveyed as part of the Fundamentals of Care audit felt they were provided with water and beverages. Three-fifths of patients responding to the all-Wales Menu Framework survey reported that they were always offered drinks at mealtimes, in-between meals and at bedtime. However, just under one in ten patients (nine per cent) reported being thirsty because they were not given enough to drink.
- 2.14 The Trusted to Care report highlighted hydration as a major area of concern. Following a pilot study in 2015, NHS Wales launched the 'Water Keeps You Well' campaign in February 2016, to ensure patients stay hydrated while in hospital. The campaign aims to inform people about the role good hydration plays in managing and preventing many health conditions, and the harm caused by not drinking enough.

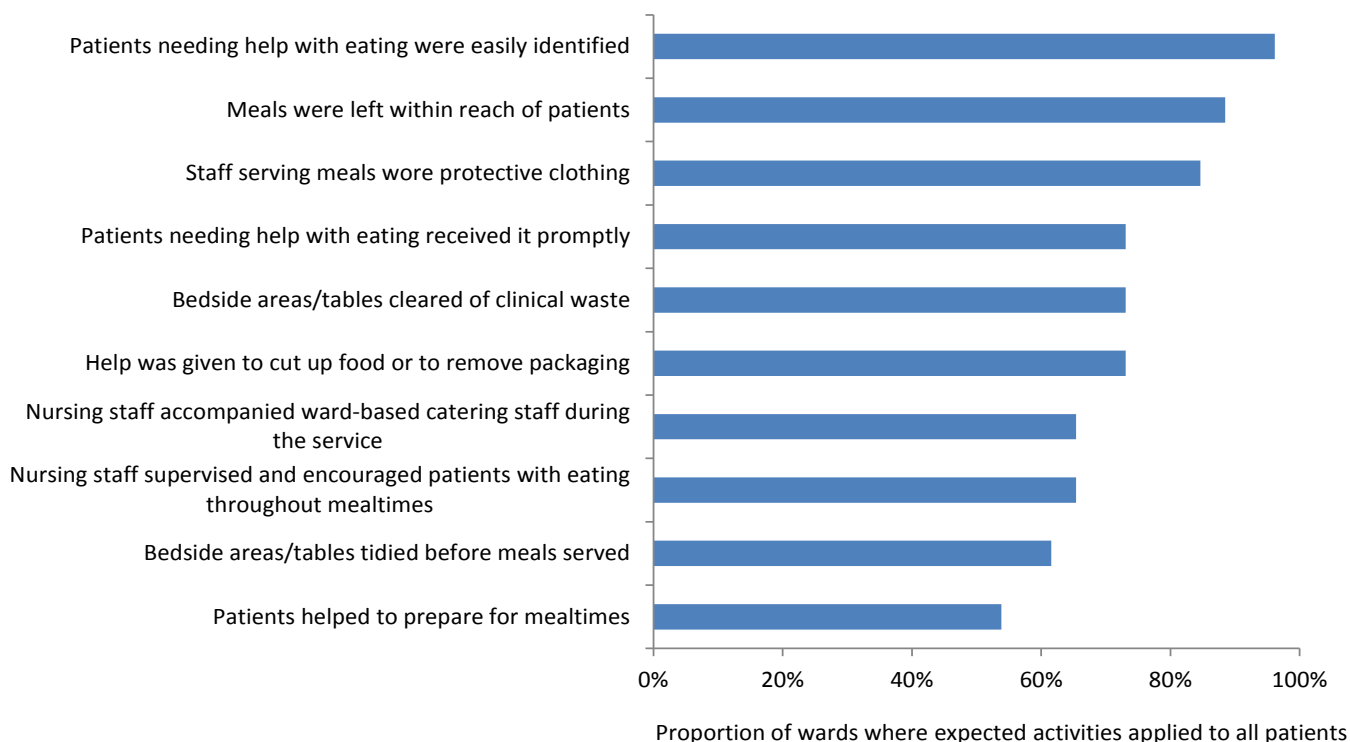
<sup>12</sup> Welsh Government, **All Wales Fundamentals of Care Audit, A Summary of the NHS Wales Organisations' Compliance with the Standards Based on the 2014 Annual Audit**, June 2015



## There is still scope to improve the help available to patients to prepare for mealtimes and with eating

2.15 The 2011 all-Wales nutrition and catering standards make it clear that patients' mealtimes should not be interrupted and help with eating given to all those who need it. As part of the 2015 audit, auditors visited 26 wards during the lunchtime meal service to observe whether arrangements were in place to help patients enjoy their meals in an environment conducive to eating, and that patients needing help with eating received it. Auditors also looked for evidence of patients being helped to prepare for meals, such as being helped to sit comfortably and to be given the chance to wash their hands. The observations show that there is still scope to do more to prepare some ward environments, to help patients prepare for mealtimes and to ensure all patients receive prompt support with eating and ensure adequate support and supervision for all patients (Exhibit 3).

Exhibit 3 – Proportion of wards where expected mealtime activities applied to all patients



Source: Wales Audit Office findings from mealtime observations

- 2.16 These findings largely mirror the results of the recent all-Wales Menu Framework survey, which found that:
- three-fifths (61 per cent) of patients able to leave their beds reported that they were always or usually encouraged to do so to eat their meals;
  - more than half (56 per cent) the patients reported that they were always able to wash or clean their hands before eating their meals, although one in eight patients (12 per cent) reported that they were never able to wash or clean their hands before meals; and
  - three-fifths (60 per cent) of patients needing help with eating reported receiving it compared with 17 per cent of patients who needed help reporting that they never received it.

### Protected mealtimes are more widely observed but more can be done to minimise mealtime interruptions

- 2.17 The Public Accounts Committee recommended that the Welsh Government issue supplementary guidance on protected meal times. In 2012, the Chief Medical Officer (CMO) and Chief Nursing Officer (CNO) for Wales issued a joint letter to remind health bodies that protected mealtimes are an integral part of the all-Wales Nutritional Care Pathway with which they have to comply. Furthermore, protected mealtimes should not be used to exclude relatives and carers who wish to help patients at mealtimes.
- 2.18 The 2014 annual Fundamentals of Care audit showed that 98 per cent of wards had systems in place to allow family and friends to assist with meal times. My audit work found this to be the case with nursing staff actively welcoming and encouraging family and friends to help patients at mealtimes.
- 2.19 Signage explaining the purpose of protected mealtimes and the times they operated was visible, for the most part, at the entrances to the wards visited. At Nevill Hall Hospital, signage goes further and includes information on 'quiet time' to encourage rest and recuperation.
- 2.20 My follow-up audit work found that protected mealtimes were more widely observed than previously with non-essential clinical activity 'winding down' just before meal services commenced. Healthcare professional staff for the most part left ward areas at the start of the meal service, and, if they remained, interactions with patients and nursing staff were minimised. Ward managers were confident that protected mealtimes worked well with professional colleagues supportive of the principles. Cleaning activity was generally complete prior to mealtimes and where it continued, it took place in areas away from patients' bedsides and did not impede the meal service.

- 2.21 Where mealtimes appeared to work well, the entire nursing team was engaged in the mealtime process. However, on some wards that we visited, not all registered nursing staff were focused on the mealtime service but engaged in other activities, such as medicine rounds, non-urgent administration or leaving the ward to take a meal break. The annual Fundamentals of Care audit routinely assesses whether a registered nurse co-ordinates every mealtime and whether all members of the nursing team are engaged in the mealtime service, and in 2014 compliance was 82 per cent and 93 per cent respectively.
- 2.22 Compliance with protected mealtimes is now regularly assessed as part of the comprehensive mealtime audits introduced by most NHS organisations with appropriate action taken to address poor compliance (see [paragraph 2.28](#)). However, one in six patients (15 per cent) responding to the 2015 all-Wales menu framework survey experienced interruptions on the ward that prevented them eating their meals, indicating that more can still be done to minimise mealtime interruptions.

### Written information for hospital patients on what to expect is not always available, and if available it is not widely disseminated

- 2.23 The 2011 All Wales Nutrition and Catering Standards make it clear that patients and their carers should be provided with information on what to expect in relation to meals and snacks while in hospital. The National Assembly's Public Accounts Committee recommended that the Welsh Government ensure NHS organisations provide hospital patients with my leaflet 'Eating Well in Hospital – What You Should Expect'.<sup>13</sup> The joint letter issued by the CMO and CNO in 2012 asked NHS bodies to provide patients with the information set out in my leaflet.
- 2.24 In 2015, auditors found that written information about what to expect in relation to food and drink services is still limited or, if available, it is not widely disseminated, and awareness of my leaflet amongst staff and board members was variable.
- 2.25 More positively, Powys Teaching Health Board and Velindre NHS Trust routinely gave patients a copy of the leaflet, and there is ongoing work by other NHS bodies to provide appropriate information about catering and nutrition services, for example:
- a Cwm Taf University Health Board prominently displays its Dignity Pledge<sup>14</sup> on hospital wards and within bedside documentation;
  - b Cardiff and Vale University Health Board had produced a patient laminated handbook for each ward that included information on food services;

<sup>13</sup> Wales Audit Office, [Eating Well in Hospital: What you should expect](#)

<sup>14</sup> The 'Dignity Pledge' lists 16 pledges, of which four relate to mealtimes. These are ensuring protected mealtimes are in place, providing opportunities for patients to wash their hands prior to meals, assisting patients to get into a comfortable position for eating, as well as ensuring meals and drinks are within reach and providing assistance for those who need help eating, including welcoming relatives and carers to assist.

- c Dietetic staff at Aneurin Bevan University Health Board had developed a 'poor appetite' leaflet to provide ideas and practical tips on how to get extra nourishment while in hospital and following discharge from hospital; and
  - d The Princess of Wales Hospital had developed a new patient manual that included information on food, snacks, eating well and assistance with eating and drinking.
- 2.26 Patient information, including information about food services and help with eating and drinking if needed, is sometimes available on health boards' websites. Although useful, not all patients will access this information before coming into hospital and the information is not necessarily available in a printed format.
- 2.27 At the time of my audit work, the all-Wales Menu Framework Group was developing marketing materials to explain to patients the all-Wales approach to preparing hospital food. The Group planned to work with local health boards and their partners to publicise these materials in areas where patients might visit, like outpatient departments and GP surgeries.

## Arrangements for monitoring mealtime services and patient satisfaction are mostly in place

- 2.28 In 2015, auditors found that all health boards, with the exception of Hywel Dda University Health Board, have comprehensive systems in place to regularly assess mealtime services. These audits assess food hygiene practices, un-served meal waste, the support provided to patients at mealtimes, protected mealtimes and the availability of snacks and beverages. Compliance with nutritional screening is included as part of these mealtime audits at Cwm Taf University Health Board and Powys Teaching Health Board. Multidisciplinary teams comprising nursing, dietetic and facilities staff carry out these audits with feedback available immediately, enabling improvements to be made where necessary.
- 2.29 Satisfaction surveys remain the main mechanism for collecting patients' views on nutrition and catering services. Where health boards have introduced multidisciplinary mealtime audits, patients' experiences are captured in 'real time' helping to resolve problems quickly, for example:
- a At Cwm Taf University Health Board, formal patient satisfaction surveys are an established part of the mealtime audit process. The Health Board collates the survey findings to create a patient satisfaction score as a key performance indicator with overall findings reported quarterly to the Health Board's strategic nutrition and catering group and Corporate Risk Committee.
  - b In 2015, Powys Teaching Health Board was integrating a patient satisfaction survey within its mealtime audits.

2.30 Since 2012, Cardiff and Vale University Health Board has regularly invited ward patients to take part in its 'Two minutes of your time' survey, which includes questions about food services. Patients' views are shared with the strategic nutrition and catering group and reported to each meeting of the Board. Abertawe Bro Morgannwg University Health Board has introduced the friends and family test.<sup>15</sup> If patients or carers complete the friends and family test electronically, key trigger words, like nutrition, elicit an immediate response locally. Betsi Cadwaladr University Health Board is participating in independent surveys run by the Picker Institute,<sup>16</sup> which include a number of questions relating to food and mealtimes.

## Hospitals score highly against the food hygiene ratings

2.31 In its 2012 report, the Public Accounts Committee recommended that the Welsh Government take action to ensure that all Welsh hospitals displayed the food hygiene rating awarded by local authority environmental health services. The Food Hygiene Rating (Wales) Act 2013 came into force in November 2013. This Act makes it a mandatory requirement for all food businesses in Wales, including hospital catering services and commercial outlets located on hospital premises, to display their food hygiene rating. The ratings range between urgent improvement necessary (zero score) to very good (score of five).

2.32 The EFPMS data show that at the end of June 2015, 98 per cent of hospitals in Wales had a hygiene rating of four (good) or five (very good), while two hospitals had a hygiene rating of three (generally satisfactory). During my audit, auditors found varying approaches to the display of these ratings. Some hospitals displayed the ratings at the entrance to both the main hospital and the restaurant. In other hospitals, hygiene ratings were displayed only at the restaurant entrance to prevent giving the impression that commercial outlets operating on the site were also covered. Auditors also observed that commercial outlets, including those run by the Women's Royal Voluntary Service, displayed food hygiene ratings.

<sup>15</sup> The friends and family test asks patients and carers whether they would recommend the service to friends and family, and captures comments on aspects of care or service.

<sup>16</sup> The **Picker Institute** is an international charity working across health and social care to measure patient experience in order to improve the quality of care. <http://www.pickereurope.org/>

## Part 3

# Catering costs and food waste

- 3.1 My 2011 report indicated that financial information on catering services was typically poor. Where it existed, it showed significant variations in costs within and between NHS organisations. Few hospitals generated enough income to recover all non-patient catering service costs. NHS bodies were adopting measures to control the costs of catering services. However, there was scope to make more use of standard costed recipes, agreeing food and beverage allowances for patients, standardising local catering contracts and reducing food waste. Meanwhile, there had been little progress in computerising hospital catering systems with most catering services reliant on paper-based systems.
- 3.2 My follow-up review in 2015 found continued reliance on paper-based systems but did find that catering costs are better controlled with reductions in food waste and subsidies for non-patient catering services. Although food waste is within target, the cost of waste remains high. My findings are summarised below under the following themes:
- cost control mechanisms and information technology;
  - food waste; and
  - subsidies for non-patient catering services.

### **NHS organisations are making better use of cost control mechanisms but few make use of IT catering systems**

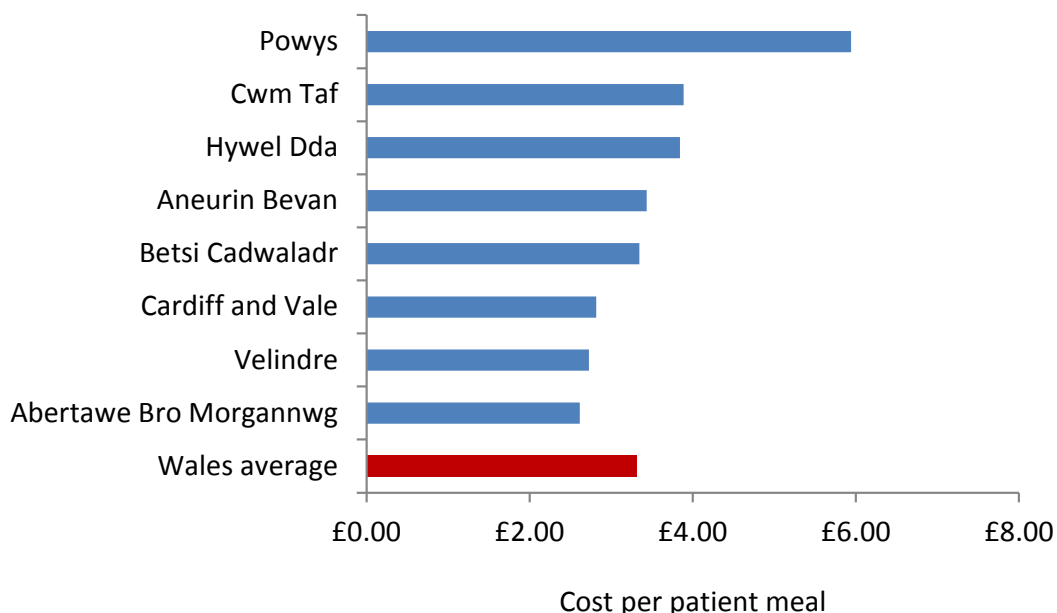
- 3.3 My latest audit found that in most NHS bodies, there was a clearer understanding of the cost of food production with most organisations making better use of the EFPMS data to monitor and benchmark catering services internally. Most organisations had standardised their food production and cost control systems with several changing the way they compile information to enable more reliable comparisons across sites.
- 3.4 The introduction of the all-Wales Hospital Menu Framework ensures standard costed recipes are available to catering services. The Menu Framework supporting website provides the ingredients, product specifications and costs per portion for each recipe. The procurement dietician at the NHS Shared Services Partnership Procurement Service was working to rationalise the number of product lines purchased by NHS bodies. This approach is reported to be helping improve stock control, the quality of food products purchased through the all-Wales contracts and generating savings.

- 3.5 Limited progress has been made in introducing IT catering systems across Wales. Only a few NHS bodies used such systems while those who did not were awaiting a decision on the procurement of an all-Wales system.
- 3.6 Aneurin Bevan, Cwm Taf and Betsi Cadwaladr University Health Boards had introduced the Menumark system. In Aneurin Bevan University Health Board this system is used to manage food production and the Health Board was piloting the use of computer tablets to take patient meal orders.
- 3.7 Aneurin Bevan University Health Board also uses the Menumark system to provide real-time information using the all-Wales costed recipes along with the commodity prices, which are updated in line with the all-Wales procurement contract price. This enables the Health Board to calculate and monitor average daily meal costs.
- 3.8 In 2012, the Welsh Government asked the NHS Wales Informatics Service (NWIS) to work with the NHS Shared Services Partnership Specialist Estates (formerly the Welsh Health Estates) to develop an outline business case (OBC) for procuring a national catering IT system. The OBC was prepared in 2013. However, there were delays in the OBC being shared more widely with NHS bodies. By the time it was considered by appropriate groups of NHS Directors in early 2015 the figures on costs and potential savings were out of date. NWIS and the NHS Shared Services Partnership Specialist Estates have updated the OBC using the latest cost data which became available at the end of December 2015. It is understood that the OBC has been submitted to the National Informatics Board by NWIS for a decision on whether to proceed with the procurement process.
- 3.9 In 2011, I reported wide variations in the costs of patient catering services across Welsh hospitals and within health boards, with differences not easily explained by the different catering models. At that time, the cost per patient meal day varied three-fold between acute hospitals and ranged from £6.00 to £18.00 per day. However, fully understanding these variations in cost was made difficult by inconsistencies in the ways the costs were calculated across NHS bodies.
- 3.10 NHS organisations in Wales jointly agreed in 2012 to implement a new costed model for patient and non-patient catering services as part of the EFPMS. The new costed model was supported by revised data definitions and new indicators like 'cost per patient meal', which replaced 'cost per patient meal day', and cost of waste from un-served patient meals.



- 3.11 During my latest audit, NHS staff reported that the quality of the data was improving, albeit slowly. My analysis of the latest EFPMS data showed that there was still more to do to improve the quality of data entry by NHS organisations and to eliminate discrepancies in the calculations used to derive the EFPMS indicators. Recent changes to the EFPMS data entry system now alert NHS organisations to possible problems with the quality of the information or errors in data entry by highlighting significant variances in data entry compared with the previous year. In addition, the NHS Shared Services Partnership Specialist Estates have commissioned the software provider to undertake all the data analysis necessary to derive the EFPMS National Dashboards.
- 3.12 Cost per patient meal (the new indicator) still continues to vary but the overall range has narrowed (Exhibit 4).<sup>17</sup> It should be noted that patient meal costs are likely to be overestimated for Powys Teaching Health Board. In 2015, responsibility for catering budgets at the Health Board was not centralised within the facilities management team but instead devolved at a locality level. This made it difficult for the Health Board to differentiate the overall cost of foods procured from the cost of food used to prepare patient meals. At the time of writing, the Health Board was consulting on a new centralised structure for facilities management with intended benefits being realised in mid-2016.

Exhibit 4 – Cost per patient meal



Source: Wales Audit Office analysis of NHS Estates in Wales Facilities Performance supplementary data, 2014-15

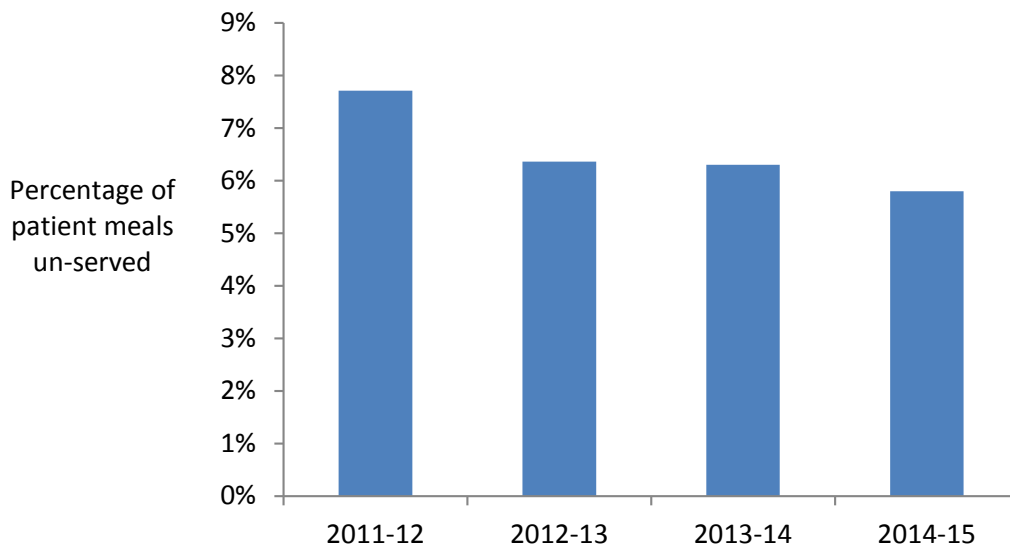
<sup>17</sup> Welsh hospitals prepared 11.3 million meals, that is breakfast, lunch, dinner and sandwiches, in 2014-15. It cost £37.4 million to prepare these meals with costs covering food products, staff and other non-consumables

## Although wastage from un-served patient meals is within the target, the value of this waste is still too high

- 3.13 Reducing food waste remains an important part of controlling the cost of hospital catering services. Ideally, hospitals should be monitoring food waste routinely and regularly as part of effective day-to-day management. At the time of my original audit, all catering departments monitored and recorded the number of un-served patient meals at some time during the year. The frequency depended upon food production methods or the arrangements for serving patient meals but the level of food waste in some hospitals was unacceptably high. The EFPMS data at the time suggested that eight per cent of all patient meals produced were left untouched<sup>18</sup> in 2009-10. My audit findings suggested that wastage was much higher.
- 3.14 I recommended that NHS organisations should aim to ensure that wastage did not exceed 10 per cent while the National Assembly's Public Accounts Committee asked the Welsh Government to provide it with details of how and when waste reduction targets would be met. The Welsh Government subsequently set a 10 per cent food waste target for un-served meals, which NHS organisations had to achieve by the end of 2012-13.
- 3.15 My latest audit work found that NHS organisations had improved their systems for monitoring and recording wastage from un-served patient meals. Clearer guidelines about what constitutes un-served waste were in place at half these organisations.
- 3.16 Ward visits carried out in 2015 found that catering staff, for the most part, recorded the number of un-served meals at the end of the service. This information was regularly recorded and monitored by catering and facility managers. Wastage data provided by NHS organisations showed that monthly wastage was at, or below, target, ranging from two per cent to just under 10 per cent. In addition to the regular monitoring, un-served wastage was also assessed as part of the comprehensive mealtime audits. The multidisciplinary team approach to the mealtime audits allows catering and nursing staff to tackle issues around waste collectively.
- 3.17 The EFPMS data show that average wastage from un-served patient meals was just under eight per cent in 2011-12 and since then, has fluctuated at around six per cent ([Exhibit 5](#)). Whilst this is within the target level set by the Welsh Government, and the estimated cost of this wastage has reduced by three per cent between 2011-12 and 2014-15, the latest annual figures show that there is still a cost of £903,600 to the NHS in Wales from unserved meals.

<sup>18</sup> This is the number of untouched/un-served patient meals remaining at the end of the meal service period expressed as a percentage of the total number of meals provided.

### Exhibit 5 – Percentage of patient meals un-served



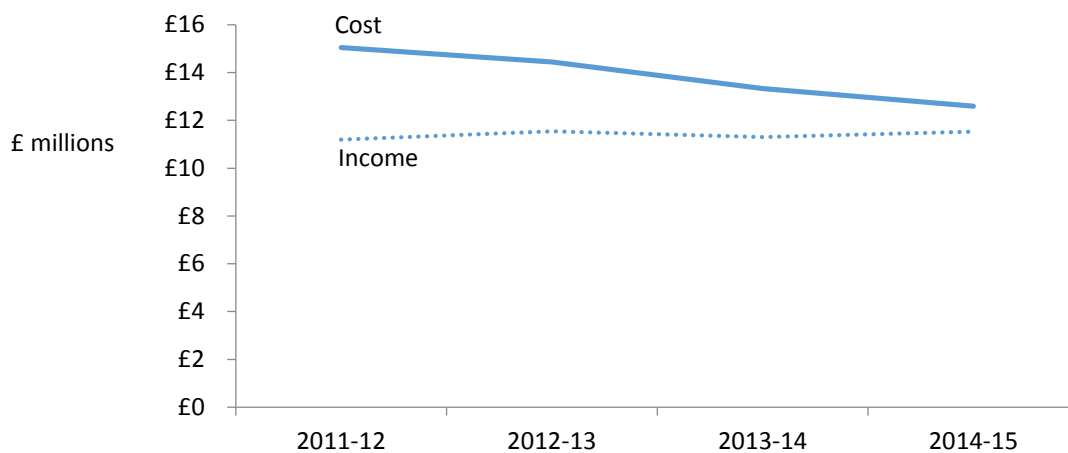
Source: Wales Audit Office analysis of NHS Estates in Wales Facilities Performance supplementary data, 2011-12 to 2014-15

### Substantial reductions in the level of subsidy for non-patient catering services have been achieved

3.18 In 2011, my report indicated that NHS organisations were subsidising non-patient catering services, in most cases unknowingly. My latest audit work found that NHS organisations now aim for non-patient catering services to break even with a number of mechanisms introduced to manage non-patient catering services more effectively. These mechanisms included clearer pricing policies and standardised prices across all hospitals within individual health boards. Electronic point of sales technology ensured prices were updated automatically, as well as helping with stock control, monitoring the number of transactions throughout the day and reviewing the most profitable products.

3.19 It is likely that these mechanisms are contributing to the overall reduction in the cost of non-patient catering services. Costs reduced by 16 per cent from £15 million in 2011-12 to £12.6 million in 2014-15. There were small fluctuations in the income generated by these services but the year-on-year cost reductions mean that the gap between cost and income is narrowing ([Exhibit 6](#)). The overall shortfall or subsidy reduced by 73 per cent from £3.85 million in 2011-12 to just over £1 million in 2014-15.

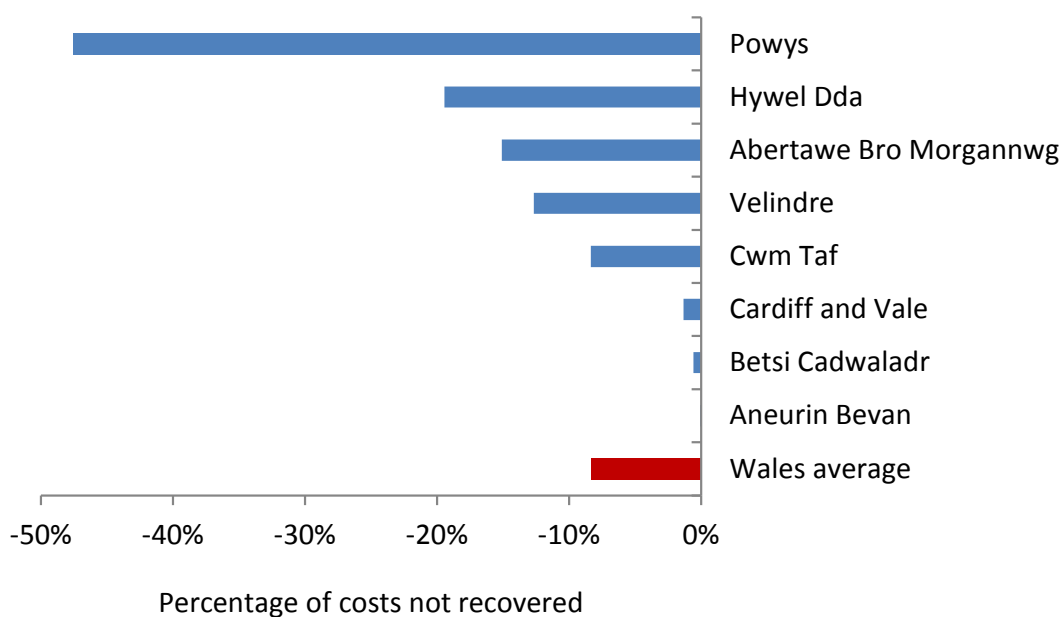
**Exhibit 6 – Trend in the costs of non-patient catering services and income generated**



Source: Wales Audit Office analysis of NHS Estates in Wales Facilities Performance supplementary data, 2011-12 to 2014-15

3.20 Although the overall level of subsidy is reducing, it may be some time before services break even everywhere. Only a few NHS organisations generated enough income to break even or nearly break even in 2014-15 ([Exhibit 7](#)). Powys Teaching Health Board had the biggest percentage shortfall in income compared with the cost of its non-patient catering services, which totalled £72,000. This accounts for only a small proportion of the £1 million shortfall across Wales while the shortfall at Abertawe Bro Morgannwg, Hywel Dda and Cwm Taf University Health Boards totalled £913,000.

**Exhibit 7 – Percentage of costs not recovered by income from non-patient catering services in 2014-15**



Source: Wales Audit Office analysis of NHS Estates in Wales Facilities Performance supplementary data, 2014-15

## Part 4

# Planning and reporting

- 4.1 In 2011, my report drew attention to a number of weaknesses with planning and reporting arrangements in relation to hospital catering and patient nutrition. I reported that the existence of up-to-date local strategies and plans to give effect to national policies was patchy. There was also scope to clarify executive accountabilities for catering and nutrition in some health boards where split responsibilities existed. A more comprehensive and co-ordinated approach was needed to seek the views of patients and families to inform plans and developments. In addition, I raised a concern that the boards of NHS bodies received limited information on the delivery and performance of catering services and issues relating to patient nutrition.
- 4.2 My 2015 work found that some of these arrangements have been strengthened. National working groups had been established to support oversight of nutrition and catering related issues. Whilst arrangements for operational oversight and scrutiny in NHS organisations were found to be generally robust, reporting on the performance of catering and patient nutrition services to the board is still limited. Findings are set out under the following themes:
- national oversight; and
  - local scrutiny and reporting.

### **National working groups support oversight of issues related to nutrition and catering**

- 4.3 In 2011, I recommended that the Welsh Government bring together all the relevant policy guidance in respect of hospital catering and patient nutrition into an updated national framework. Meanwhile, the National Assembly's Public Accounts Committee recommended that the Welsh Government monitor progress of NHS bodies in delivering its guidance.
- 4.4 The 2011 all-Wales nutrition and catering standards brought together a lot of the relevant policy guidance in relation to hospital catering and nutrition. The Welsh Government also brought together these standards and relevant information covering hospital catering and patient nutrition on the 'Hospital Nutrition and Catering Framework' website. This NHS intranet site is accessible on every hospital ward via the NHS nursing portal.

- 4.5 A number of national groups support Welsh Government oversight of policy implementation. The all Wales Hospital Nutrition and Catering Co-ordinators Forum, chaired by the Welsh Government, is comprised of senior nurses, dietitians, speech and language therapists, caterers from NHS bodies and other relevant Welsh Government officials.
- 4.6 The Welsh Government also established a national group to support the launch of the all-Wales Menu Framework. This group has evolved into the all-Wales Menu Framework Strategic Monitoring and Evaluation Group. The Group is comprised of a public health dietician, representatives from the NHS Shared Services Partnership Procurement Service and senior dietetic and catering staff from each health board. It meets three times a year. The Group has a number of objectives not least to ensure health boards meet the 2011 all-Wales nutrition and catering standards, comply with the all-Wales Menu Framework and to achieve high levels of patient satisfaction. The Group prepares an annual report for the Welsh Government's Public Health Division setting out achievements against a programme of work delivered through task and finish groups like the operational recipe review group and the education and training group.
- 4.7 At present, the all-Wales Menu Framework (AWMF) Group and the Hospital Nutrition and Catering Co-ordinators Forum work separately. The Welsh Government intends to make closer future links between the work of these groups. This will support better continuity and communication between nursing and catering professionals and enable more effective oversight of catering and nutrition policy implementation.
- 4.8 In 2012, the Welsh Government required NHS bodies to develop plans setting out the actions needed to address my recommendations. These action plans were publicly available on the websites of individual NHS organisations. Up until 2013, NHS bodies reported twice a year to the Welsh Government on progress against these actions. Since then, the responsibility for monitoring of progress has largely rested with board sub-committees of individual NHS organisations.



## Operational oversight and scrutiny are generally robust but reporting to the full board remains limited

- 4.9 In 2011, I reported that there was scope to clarify executive accountabilities for catering and nutrition given that in some health boards these portfolios were split between different executive directors. My latest audit found that NHS bodies are still unlikely to have a single board level director responsible for both nutrition and catering. Nonetheless, auditors were generally satisfied that where different executive directors were involved, accountabilities were clearly defined and understood.
- 4.10 Multidisciplinary strategic groups for nutrition and catering are now in place at each NHS organisation to provide assurance and oversight in relation to the implementation of national policies and standards. These groups (and sub-groups) have broad programmes of work. This work includes monitoring compliance with inpatient nutrition and catering standards and the all-Wales menu framework, leading on implementing the health and care standard on nutrition and hydration (Standard 2.5)<sup>19</sup>, reviewing findings from multidisciplinary mealtime audits and patient feedback and subsequent improvements. All groups have a wide and inclusive membership, including patient representatives. The Chairs of these strategic groups report to one or other of the executive directors responsible for nutrition and catering. At two health boards, these strategic groups are chaired by the responsible executive director.
- 4.11 In 2011, I recommended that NHS bodies develop a more comprehensive approach to board reporting that brought together information on compliance with the nutritional care pathway, performance data on catering services and patient feedback. My audit work in 2015 found that arrangements for monitoring and reporting on patient catering and nutrition are well established at an operational level with oversight and scrutiny provided by the multidisciplinary strategic groups. There are clear lines of accountability, including comprehensive reporting, from these groups to Boards' Quality and Safety Committees.
- 4.12 I found, however, that there is still scope to improve the flow of information from Quality and Safety Committees to the full Board. This means that performance information on catering and nutrition services is not routinely reported to the Board. Instead, there is a continued reliance on the annual self-assessment against the Health and Care Standards and the Fundamentals of Care audit. Consequently most Boards are unsighted of the work undertaken to ensure patients receive high-quality nutrition and catering services and to ensure compliance with the all-Wales Nutrition and Catering Standards and nutritional care pathway.

<sup>19</sup> Welsh Government, *Health and Care Standards*, April 2015.

4.13 There are exceptions, most notably at Cardiff and Vale University Health Board, where compliance with nutritional screening and patient experience, including satisfaction with food services, is reported at each board meeting. The Cwm Taf University Health Board also receives information on compliance with nutritional screening at each board meeting. Betsi Cadwaladr University Health Board receives periodic reports on compliance through its 'Ward to Board' metrics. Board reporting at Velindre NHS Trust is by exception, although work is now underway to integrate performance metrics on nutrition and catering within its quarterly performance storyboard.








## Appendices









Appendix 1 – Progress against my  
recommendations

Appendix 2 – Progress against  
recommendations made  
by the National Assembly's  
Public Accounts  
Committee

# Appendix 1 – Progress against my recommendations

The table below sets out the extent to which my recommendations have been implemented by both the Welsh Government and NHS organisations. My audit work found that 22 of the 32 recommendations were fully actioned while seven were on track but not yet complete, and that there was no or limited progress against three recommendations.

Auditor General's Recommendations		Progress rating <sup>1</sup>
<b>Ensuring patients' nutritional needs are met</b>		
R1a	We recommend that the <b>Welsh Government</b> develop and issue standard all-Wales nursing documentation to promote consistent nutritional screening and care planning, and to help ensure that important areas, such as oral health, are properly considered.	
R1b	We recommend that <b>NHS bodies</b> use the results presented in our local audit reports as a basis for ensuring that they are effectively implementing the all-Wales Nutritional Care Pathway, in particular, ensure that nutritional screening effectively identifies all patients who have nutritional problems, or are at risk of developing them, and that appropriate care plans and monitoring activities are instigated.	
R1c	We recommend that <b>NHS bodies</b> regularly audit compliance with all aspects of the nutritional care pathway across all their hospital sites and share the results of these monitoring exercises with all the relevant staff groups involved in catering and patient nutrition services.	
R1d	Where poor compliance with nutritional care pathway requirements is identified, we recommend that <b>NHS bodies</b> should establish the reasons for this, and implement clear plans of action to address the problem and include provision of necessary training to staff.	
R1e	We recommend that NHS bodies have arrangements in place to ensure that patients have access to food 24 hours a day; provision of snacks should be part of these arrangements and patients should be made aware of what snacks are available to them, and when.	
R2a	We recommend that <b>NHS bodies</b> take steps to ensure that all menus in use across hospital sites have been nutritionally assessed by dietitians.	
R2b	We recommend that the Assembly Government review the feasibility of introducing a national database of standard, nutritionally assessed menus as a means of avoiding duplication of effort across NHS organisations and making the best use of limited dietetic resources.	

Auditor General's Recommendations		Progress rating <sup>1</sup>
<b>Improving patients' mealtime experience</b>		
R3a	We recommend that <b>NHS bodies</b> ensure that their menus provide an appropriate choice of food and that the arrangements for ordering and serving food support adequate patient choice.	
R3b	We recommend that <b>NHS bodies</b> review their practices at ward level to make sure that patients are helped to get comfortable in readiness for their meals, and are given the opportunity to wash their hands before the meal is served.	
R3c	We recommend that <b>NHS bodies</b> continue to roll out the protected mealtime policy to as wide a range of wards as possible, communicating its importance to all the relevant staff groups working in the hospital, and regularly reviewing compliance with the policy.	
<b>Controlling the costs of the catering service</b>		
R4ba	We recommend that the <b>Welsh Government</b> , through Welsh Health Estates (now NHS Shared Services Partnership Specialist Estates), develop a clear model for costing patient and non-patient catering services, that is consistently applied across all NHS organisations to allow meaningful comparisons of hospital catering costs across Wales to be made.	
R4b	We recommend that <b>NHS bodies</b> introduce computerised catering information systems, supported by clear cost benefit analysis in comparison to existing manual based information systems.	
R5a	We recommend that <b>NHS bodies</b> review their current cost control mechanisms to ensure that they are making full use of standard costed recipes.	
R5b	We recommend that <b>NHS bodies</b> review their current cost control mechanisms to ensure that they are making full use of daily food and beverage allowances for patients.	
R5c	We recommend that <b>NHS bodies</b> review their current cost control mechanisms to ensure that they are making full use of standardised local catering contracts for the same or similar products across all their hospital sites.	

Auditor General's Recommendations		Progress rating <sup>1</sup>
<b>Controlling the costs of the catering service (cont.)</b>		
R6a	To improve performance in respect of hospital food wastage, we recommend that <b>local and national</b> targets are set for food wastage and as a guide NHS organisations should aim to ensure that wastage from un-served meals does not exceed 10 per cent.	●
R6b	We recommend that <b>NHS bodies</b> routinely monitor food wastage according to clear guidelines of what constitutes an un-served meal, and that this information is used to generate meaningful comparisons locally and nationally.	●
R6c	We recommend that monitoring of food waste should include identification of the reasons for the wastage that is observed, and this information should be used [by <b>NHS bodies</b> ] to identify priorities for improvements in systems and processes that are causing the waste.	●
R6d	We recommend that <b>NHS bodies</b> emphasise to their staff that controlling food waste is a collective responsibility and that catering and ward-based staff should work together to tackle the problem.	●
R7a	We recommend that <b>NHS bodies</b> set pricing policies and income generation targets that aim to ensure that non-patient catering services at least break even, or, if they do not, it is the result of a deliberate subsidy policy that is based on a detailed analysis of costs.	●
R7b	We recommend that <b>NHS bodies</b> regularly monitor income and expenditure of non-patient catering services to ensure that the financial performance of these services is as expected and that unacceptable deficits are not being incurred.	●

Auditor General's Recommendations		Progress rating <sup>1</sup>
<b>Effective service planning and monitoring</b>		
R8a	We recommend that the <b>Welsh Government</b> bring together all the relevant policy guidance in respect of hospital catering and patient nutrition into an updated national framework; the production of an updated national framework should be developed by a multidisciplinary policy group for catering and nutrition, which brings together staff from the various branches of the Assembly Government that have responsibilities for these services.	●
R8b	We recommend that <b>NHS bodies</b> ensure that they have up-to-date plans and procedures that set out the local arrangements for implementing national policy requirements and to ensure that as far as possible, catering and nutrition services are standardised, particularly where NHS re-organisation has brought together a number of different service models under one organisation.	●
R8c	We recommend that <b>NHS bodies</b> ensure that executive director accountabilities for catering and nutrition are clearly defined, and where two or more executive directors are involved, there are well defined arrangements for the co-ordinated planning and monitoring of services.	●
R9a	We recommend that the <b>Welsh Government</b> promote the importance of the EFPMS data as a tool for monitoring service delivery and ensure that sufficient guidance and training on data definitions are available to staff in NHS bodies who submit information.	●
R9b	We recommend that the <b>Welsh Government</b> staff involved in catering and nutrition should make more collective use of EFPMS data, alongside data collected from the annual Fundamentals of Care audits, as a mechanism for providing information on local implementation of national policy objectives.	●
R9c	We recommend that <b>NHS bodies</b> should ensure that they make full use of Estates and Facilities Performance Management System data as a tool in managing and monitoring their catering and nutrition services.	●








Auditor General's Recommendations		Progress rating <sup>1</sup>
<b>Effective service planning and monitoring (cont.)</b>		
R10a	We recommend that <b>NHS bodies</b> develop a more comprehensive approach to reporting performance on catering services and patient nutrition to the Board, which brings together information on implementation of the nutritional care pathway, performance data on the costs of patient and non-patient services, food wastage and patient and relative feedback and this information should be presented to the Board at least annually and should make appropriate use of the EFPMS data.	●
R10b	We recommend that <b>NHS bodies</b> systematically collate the information from nutritional screening on the number of patients identified with, or at risk of, nutritional problems to understand the scale of the problem and the likely impact on catering and nutrition services to meet these patients' needs.	●
R11a	We recommend that <b>NHS bodies</b> ensure that there are effective arrangements in place for sharing information on patients' views about catering services between ward sisters/charge nurses and the catering service.	●
R11b	We recommend that <b>NHS bodies</b> demonstrate how they have taken patients' views into account when developing catering and nutrition services.	●
R11c	We recommend that <b>NHS bodies</b> establish mechanisms to involve patients in activities that assess the quality of catering and nutrition services.	●

1 Most of my recommendations apply to the seven local health boards and Velindre NHS Trust. A small number of recommendations apply only to the Welsh Government. The performance rating is based on progress made by both NHS bodies and/or Welsh Government to address individual recommendations. Green (●) indicates that recommendations were fully actioned by a minimum of six NHS organisations with the other two judged to be on track. Yellow (●) indicates that organisations are on-track but actions are not yet complete across the majority of NHS bodies. Red (●) indicates that there has been no or limited progress in addressing the recommendations by all or up to half of the NHS organisations.



# Appendix 2 - Progress against recommendations made by the National Assembly's Public Accounts Committee

The table below sets out the extent to which the National Assembly's Public Accounts Committee recommendations have been implemented by the Welsh Government. My audit work found that six of the seven recommendations were fully actioned while one was on track but not yet complete.

National Assembly's Public Accounts Committee Recommendations		Progress rating <sup>1</sup>
<b>Ensuring patients' nutritional needs are met</b>		
R1	We recommend that the Welsh Government issues supplementary guidance to all NHS bodies in Wales clearly stating that the protected meal times policy should not be used to exclude relatives and carers from providing assistance with eating to patients, and that where relatives and carers wish to assist at mealtime, that they are actively encouraged to do so by ward staff.	
R2	We recommend that the Welsh Government ensures that local health boards provide the Wales Audit Office guidance note 'Eating Well in Hospital—What You Should Expect' to every hospital patient in Wales at the point of admission.	
R3	We recommend that the Welsh Government takes action to ensure that the progress of NHS organisations in delivering their own action plans is rigorously monitored and made publicly available.	
R4	We recommend that the Welsh Government monitors the progress of NHS bodies in delivering its guidance, including sourcing local food which contributes to a healthy balanced diet for patients where possible.	
R5	We recommend that the Welsh Government provides us with details of how and when we can expect waste reduction targets to be met.	
R6	We recommend that the Welsh Government takes action to ensure food hygiene ratings are displayed publicly in all hospitals in Wales.	
R7	We ask that the Accounting Officer provides us with a plan of how and when the Welsh Government and Local Health Boards will have made the improvements recommended by the Auditor General. <sup>20</sup>	

<sup>20</sup> This recommendation is rated 'green' in respect of the accounting officer providing the Public Accounts Committee with a plan. It is clear, however, that more action is needed by both the Welsh Government and individual NHS bodies to fully address all of my recommendations.

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Llywodraeth Cymru  
Welsh Government

Huw Vaughan Thomas  
Auditor General for Wales  
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Our Ref: AG/JW/SB

13 September 2016

Dear Huw

### **Hospital Catering and Patient Nutrition**

Thank you for your letter dated 25 August 2016 inviting comments on the memorandum for the Public Accounts Committee on hospital catering and patient nutrition.

It is satisfying to observe the progress made with respect to the nutritional care pathway, especially the mealtime experience, catering costs, food waste and planning and reporting issues related to hospital nutrition. While good progress has been made against the seven recommendations of the Public Accounts Committee I acknowledge that more action is needed by both the Welsh Government and individual NHS bodies to fully address all of your own recommendations.

The two key areas that are being addressed are the development of an all Wales IT catering system and the development of all Wales nursing documentation.

In 2011 a target of 10% food wastage was introduced along with the recommendation to develop a new all Wales IT Catering System. I am pleased to say that the food waste target has been exceeded and now sits at around 6%. Some organisations are using local IT catering systems but there is continued reliance on paper based systems in other organisations. I believe the cost of waste could be reduced further through the use of appropriate technology and this would enable a clearer understanding of the cost of food production and cost control. It is also possible that in future the Cabinet Secretary may set an even more stretching target. Set in this context, I can confirm that the business case for an all Wales IT catering system will be on the NHS Wales National Informatics Management Board (NIMB) agenda in November this year. NIMB will consider the business case based on its value for money and the priority of this work alongside other initiatives in NHS Wales.

The NIMB will of course need to determine if the approach recommended some years ago is still the right option to pursue in terms of value for money as reasonably effective local systems have been developed in the interim.

In respect of the second area, while there are of course opportunities to rationalise and adopt 'once for Wales' approaches for documentation, it remains the responsibility of NHS providers to ensure they have systems to securely and appropriately record patient care and treatments. In order to develop a national approach in future, I am pleased to report that NWIS has appointed a new nurse informaticist who will take up her post at the end of October 2016. It is proposed that she lead the all Wales nursing documentation work programme which has been on hold since her predecessor vacated her post.

There is work under way to create closer links between the All Wales Hospital Menu Framework (AWMF) group and the Nutrition Coordinators group to ensure closer links between nursing and catering. I see this as an important mechanism to ensure that the oversight of respective strands of policy in relation to catering and patient nutrition is joined up and coordinated. In addition, work is underway to develop a measure of patient nutrition and hydration that will be reported via the NHS Outcomes and Delivery Framework in future.

Yours sincerely

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

**Dr Andrew Goodall**

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[Huw.Thomas@audit.wales](mailto:Huw.Thomas@audit.wales)

3 August 2016

Dear Mr Vaughan Thomas

### **Petition P-04-663 Food in Welsh Hospitals**

The National Assembly for Wales's Petitions Committee has been considering the following petition from Rachel Flint since January this year:

#### **Petition wording**

*We the undersigned call on the Welsh Government to examine the standards of food in hospitals in Wales. Each health board's provision must be investigated to ensure it is fit for purpose for patients, those with dietary needs and medical conditions, and impose standards across the whole of the Welsh NHS. Hospital food should be nutritious, fresh and be a major part of a patient's care package and road to recovery – not make things worse. Dietary needs must be catered for – such as gluten free, lactose intolerant, Celiac, vegetarian and vegan – experience shows this is not currently the case and patients are often made to feel awkward. Food tailored for medical conditions – including those who suffer from bowel conditions or have had surgery – must be standardised, to ensure patients are getting the right nutrition at all times. Currently patients on some wards are being fed all the same food regardless of their conditions, weight and dietary needs – this is not acceptable and can be upsetting and potentially damaging. Hospitals should not rely on relatives to bring in food, eat the same bland meal every day, or allow patients to waste away if they can't have any of the food on offer. Nutrition must be a key part of every patient's care package. We are not asking for Michelin Star quality, just meals that help rather than hinder.*

#### **Additional Information**

*My experiences of food in the NHS have shown that the standards vary across wards, hospitals and departments, as well as between England and Wales. The problem is not in Wales alone - as I find providing meals for those on low res or with dietary conditions is something the NHS as a whole struggles to deal with. But my experience in Wales recently*



*showed that the standards are not up to scratch. There were no menus (as in Chester and other English hospitals) and patients were all fed the same regardless of their condition, weight or dietary needs. On one ward people who had just had bowel surgery were offered curry, lentil soup and tuna sweetcorn sandwiches which was totally inappropriate - and potentially damaging. At times the situation was that if you couldn't eat anything on the trolley or were not at your bed, you simply didn't eat, unless a nurse made some toast. This has to change; without the right nutrition I believe people are in hospital longer.*

Members considered the petition, including correspondence from the then Minister for Health and Social Services and each of the Local Health Boards, at our meeting on 12 July 2016. We agreed to send you the information we have received so far and also to ask you for an update on the work you are currently undertaking around the catering and nutrition in Welsh hospitals.

Responses will be published as part of our Committee papers and will be discussed at a future Committee meeting.

Further information on the Petitions Committee's consideration of this petition, including agreed actions and correspondence is available at the following hyperlink:

<http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=14311>

If you would like any further information, please contact the Committee Clerking team at [SeneddPetitions@assembly.wales](mailto:SeneddPetitions@assembly.wales) or on 0300 200 6375/3. I would be grateful if any written response could be sent electronically to the email address above.

Yours sincerely



Mike Hedges AM  
Chair/ Cadeirydd

**Encs:** Correspondence –

Minister for Health and Social Services to the Chair dated 29.3.16  
Cwm Taf UHB to the Chair dated 8.3.16  
Abertawe Bro Morgannwg UHB the Chair dated 24.3.16  
Betsi Cadwaladr UHB to the Chair dated 29.3.16  
Cardiff & Vale UHB to the Chair dated 18.3.16  
Hywel Dda UHB to the Chair dated 14.3.16  
Powys Teaching HB to the Chair dated 9.3.16  
Minister for Health and Social Services to the Chair dated 18.12.15  
Petitioner to the Chair dated 13.1.16

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Mr Mike Hedges AM  
Chair, Petitions Committee  
National Assembly for Wales  
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Date: 31 August 2016  
Our ref: HVT/2600/fgb  
Page: 1 of 3

*Dear Mike*

### **PETITION P-04-633 FOOD IN WELSH HOSPITALS**

Thank you for your letter of 3 August 2016 regarding the petition from Rachel Flint in respect of standards of food in Welsh hospitals. I have noted the details of the petition and the various correspondence from the previous Minister for Health and Social Services, and from health board Chief Executives. It is helpful to have sight of these exchanges.

You asked for an update on my recent work on hospital catering and patient nutrition. You may recall from previous evidence sessions at the Public Accounts Committee (PAC) that I first published the findings from an all Wales review of hospital catering and patient nutrition in March 2011. Since then auditors have maintained an overview of the progress that is being made by NHS bodies in addressing my audit recommendations. During 2015 and into the early part of 2016 my staff undertook work at each health board in Wales and Velindre NHS Trust in order to provide a pan-Wales picture of the progress that is being made.

As a result of this work I have issued local audit reports to each of the NHS bodies my staff visited, and these are available to view on the Wales Audit Office website. I have also prepared a memorandum for the PAC that summarises the findings from the local audits, and includes a consideration of the progress that has been made against the recommendations made by the PAC following its inquiry.

The new PAC will have the opportunity to consider the memorandum when they meet on 19 September, and to decide whether they want to take any further evidence from Welsh Government or NHS bodies.

The main message that emerges from my recent audit work is that in overall terms there has been good progress in implementing previous audit and PAC recommendations. There is a clear commitment on the part of NHS bodies in Wales to deliver good quality patient catering services. This is supported by a clear set of standards, an all Wales nutritional care pathway and the all Wales menu framework. Moreover, patient satisfaction with the food they received in hospital is generally positive.

However, my local audit work did identify that there is still plenty of scope to continue to strengthen current arrangements and practice. The quality of nutritional screening that takes place on admission to hospital can vary, as can the way in which the results of the screening are recorded. A more consistent approach to nutritional screening would be facilitated by the development of standardised all Wales nursing documentation but there have been delays in progressing this. Similarly full compliance with e-learning training for nurses on implementation of the nutritional care pathway has yet to be achieved.

The launch of the all Wales menu framework should be viewed as a positive development in that it provides Welsh hospitals with a database of nutritionally assessed recipes and menus. My audit work found that compliance with the menu framework was good, and that arrangements to ensure 24 hour access to food and beverages were largely adequate.

The NHS captures patients' views on hospital food through periodic surveys. Whilst these show positive responses in terms of overall satisfaction with hospital food, they also highlight scope for further progress in terms of ensuring that food is appetising and that patients are given the necessary help and support to eat their meals.

Good progress has been secured in embedding the concept of the "protected mealtime" although the extent to which nursing staff engage with the meal time process varied across the wards that auditors visited.

The other key findings that emerged from my follow up work related to cost control and monitoring of compliance against standards within NHS bodies. My most recent work found that catering costs were better controlled than when I first reported in 2011. There have been reductions in the amount of food wasted and in the extent to which non patient catering services are subsidised. Although recorded waste is within target level, the overall cost of wasted food remains high. My original audit work in 2011 had highlighted the benefits of introducing computerised catering systems to replace the largely manual paper based recording of information that was in existence, however, little progress has been achieved in this area.



I was, however, pleased to note that arrangements for monitoring and reporting of patient nutrition and catering services are now well established at the operational level within NHS bodies with clear lines of accountability and good lines of reporting into Quality and Safety Committees or their equivalent. However, with a few notable exceptions, there is still scope to strengthen the extent of information that is presented to the full Board on the performance of catering and patient nutrition services.

I trust that the above is helpful by way of a summary of the work that I have recently completed and the key findings which have emerged. I should make it clear that I have not sought to make any additional recommendations either through my local audit reports or in the memorandum which I have prepared for the PAC. I believe the recommendations already made are sufficient to support the improvements which are necessary and I have therefore drawn attention to where further work is required to secure implementation of those recommendations.

The PAC will have the opportunity to consider my findings in more detail when they receive my memorandum, and in considering Ms Flint's submissions, the Petitions Committee may therefore wish to take account of any decisions that are taken by the PAC in respect of additional evidence gathering on this topic.



**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**

# Agenda Item 9

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

Document is Restricted

## **Delivery and transition**

National Assembly for Wales annual report and accounts 2015–16

### **Llywydd's foreword**

I am delighted to present this annual report. It is a great honour and a real privilege to have been elected to this role by my fellow Assembly Members.

But of course the achievements described in this annual report predate my appointment. So the credit properly belongs to others. I would like to take this opportunity to pay tribute to my predecessor, Dame Rosemary Butler, who broke down barriers to participation in the democratic process in Wales, particularly amongst women through her Women in Public Life campaign and by placing young people firmly at the centre of Assembly business.

Rosemary was ably supported by Deputy Presiding Officer David Melding, whose insightful and diligent contribution both within and beyond the debating Chamber, including as a committee chair, enhanced the work of the Assembly in numerous ways. Together with Commissioners - Sandy Mewies, Angela Burns, Rhodri Glyn Thomas and Peter Black - they formed an effective leadership team which drove continuous improvement throughout all aspects of the Assembly Commission's strategic goals.

In doing so, Commissioners drew on the expertise, passion and commitment of Assembly Commission staff, led by Claire Clancy, the Chief Executive and Clerk. I know from my own experience of working with Commission staff in previous Assemblies that I can rely on the highest quality advice, responsive services and effective delivery in my new role. I am extremely grateful to Claire and her staff for their support at the start of my tenure.

It is important that the services provided by the Assembly Commission support my priorities for how this Fifth Assembly will operate. The first of these is to be fair, safeguarding the rights of all Members and treating every Member equally. Second, promoting and protecting the good reputation of this Assembly, in the Chamber and beyond, in every community within Wales. Third, ensuring lively, healthy, democratic debate supported by transparency about our procedures. Finally, I want the Assembly to play a constructive, collaborative role working with other Parliaments within the United Kingdom and beyond.

I am looking forward to working with the Deputy Presiding Officer, Ann Jones, and my fellow Commissioners, Joyce Watson, Dai Lloyd, Suzy Davies and Caroline Jones, to build on the successes of the Fourth Assembly. I intend to emulate the approach taken by our predecessors in setting out a clear strategy, underpinned by robust financial planning and effective governance. We will do this against a background of continuing change in Wales and internationally: constitutional, political, socio-economic and environmental. The Assembly will acquire new powers and responsibilities as well as new challenges, and we must be ready to serve the people of Wales fittingly.

### **Our purpose and activities**

This report sets out Assembly Commission achievements against our strategic goals between April 2015 and March 2016.

### **Context**

Wales receives around £16 billion per year to provide essential public services, such as schools and hospitals, for the people of Wales. This is known as the "Welsh Block".

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The Commission is allocated a small proportion of the Welsh Block (0.3 per cent) to cover the costs of the National Assembly for Wales. This money allows the 60 Assembly Members to represent the people of Wales, make laws and scrutinise the policies and spending decisions of the Welsh Government.

### **Our budget**

During 2015-16, the Commission had responsibility for a budget of £52.3 million, which comprised:

- £15.7 million for the remuneration of our 60 Assembly Members, that of their support staff, pension finance costs and the costs of running their constituency and regional offices all over Wales; and
- £36.6 million for the Commission to provide the property, staff and services for the Assembly to function.

At the start of the Fourth Assembly, the Commission agreed a budget strategy to set out the framework for our annual budget. The Commission publishes Key Performance Indicators to demonstrate corporate performance across all areas of activity. We obtain external assurance on our expenditure from the Auditor General for Wales as well as scrutiny by the Assembly's Public Accounts and Finance Committees.

### **Our plan to achieve the Commission's strategy**

Our strategic plan for the final two years of the Fourth Assembly, published in May 2014, identified five priority areas for change, innovation and investment:

- enabling the Assembly to be as effective as possible through the support we provide, including through the impact of the next stages of our ICT Strategy;
- enhanced bilingual services;
- increased engagement with people in Wales;
- making the most of our estate; and
- complete readiness for the transition to, and new challenges of, the Fifth Assembly.

Commission staff used these priorities and the strategic goals to develop their service plans and their own performance objectives.

### **Our strategic goals**

#### **1. Providing outstanding parliamentary support**

This year, the Commission provided a range of support for Members to complete the Assembly's heavy programme of legislative scrutiny (including the first tax Bill); examine proposals for further constitutional change; undertake committee work; use both our official languages; consider procedural and process changes; transform the way we create, use and share information; and reflect on the work of the Fourth Assembly. All these activities informed detailed preparations for the Fifth Assembly.

### **Learning and improving through engagement**

The complex and technical nature of the Tax Collection and Management (Wales) Bill led the Finance Committee to hold an informal stakeholder event before formally considering the Bill. The event was

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designed to give participants the opportunity to share their views and provide scope for more open discussion. The Committee was keen to hear from tax specialists and representatives of the legal and accounting sector, and secured continuous professional development accreditation for the event as an added incentive for people to attend. Following the event, participants gave positive feedback that they welcomed a full and frank discussion of the issues and wanted to attend similar events to discuss future devolved tax Bills.

As part of our mission to increase engagement in committee work, Commission staff, in partnership with Chwarae Teg, developed a training programme aimed at encouraging more women, particularly those from underrepresented groups, to take part in committee activities. The programme was designed to de-mystify the experience of giving evidence to a committee and build confidence in speaking in front of an audience. As well as receiving presentations on the committee process from Assembly Members and Commission staff, participants were asked to produce a written submission, in advance of presenting it to a mock committee meeting. The programme has been running for two years and has received very positive feedback from participants.

The Constitutional and Legislative Affairs Committee used an expert panel of three legal practitioners to consider a first draft of a report on making laws in Wales. The Committee was able to test initial findings and recommendations with the panel, which was extremely useful in helping to ensure a high-quality and well-received report.

### **2. Engaging with the people of Wales and promoting Wales**

We continued to increase the breadth and depth of the Assembly's engagement with the people of Wales. We ensured that the Assembly has attended, hosted and delivered national events. We continued to prioritise youth engagement and the Presiding Officer's Women in Public Life campaign. We also maintained strong working relationships with EU institutions and Welsh MEPs, and forged new connections across the world.

### **Senedd10**

In March 2016 we ran the Senedd10 campaign to mark the 10-year anniversary of the Senedd and raise awareness of the Assembly, its Members and their work. The campaign also formed part of a wider programme of activity to promote the Assembly election.

The Presiding Officer held a lunchtime reception on St David's Day to celebrate the achievements of the Fourth Assembly and thank those individuals and organisations that helped the Assembly over the past five years. In the evening, the 'Building for Democracy' event saw the Senedd's architects, Lord Richard Rogers and Ivan Harbour, discuss their thoughts about the Senedd a decade after its opening. Menna Richards OBE, former controller of BBC Wales, chaired the event which was delivered in partnership with the Royal Society of Architects Wales.

The Senedd also hosted a weekend of family fun, attracting over 3,000 visitors, and including performances by S4C's Sioe Cyw, Britain's Got Talent finalists Ysgol Glanaethwy and local groups City Voices Choir and No Fit State circus.

The Senedd10 campaign attracted significant media coverage, including live broadcasts from the Senedd on St David's Day by BBC Radio 2, Radio Wales and Radio Cymru.

### **3. Using resources wisely**

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The accountability and financial statements sections of this report include detailed descriptions of the many ways in which we use resources wisely. In this section, we highlight some of the key areas of activity and the benefits realised and present our sustainability report for the year.

### **Modernising the debating chamber**

The conferencing, voting and audio technology systems used in the Senedd Siambr, our debating chamber for Plenary meetings, were installed in 2006. At that time they were innovative and ground-breaking. This technology served successive Assemblies well. However, ten years on, we began to experience significant reliability and support issues and Members began to query its continuing suitability.

In response, the Commission undertook a complex project to select, procure and install new systems within the Siambr. We took the opportunity to improve the ergonomics of the desk-working space for Members and to improve accessibility. As a result, Members now have a new flat desk. We have installed a new voting/translation panel within the desks, as well as facilities to charge mobile devices. We have also upgraded the speaker system and microphones for each desk to provide clearer audio across the Siambr.

Members and staff now have high definition wide screens. The screens on the front desk, where the Presiding Officer and officials sit, can be retracted to provide an unrestricted view for special events such as the Royal Opening.

We have also installed a new conferencing software system to manage the business of Plenary. This includes the agenda, the speakers list, procedural information, voting and messaging.

### **Message from the Chief Executive and Clerk**

This was certainly a year of delivery and important transition.

We continued to deliver with pace and professionalism. Assembly Commission staff successfully completed the programme of investment and service improvement driven by the strategic goals set out by our Commissioners at the start of the Fourth Assembly. We supported the final, and busiest, phase of legislative scrutiny in this first Assembly with full law-making powers, including the first tax legislation. We continued to extend the breadth and depth of our engagement with the people of Wales, using new techniques. We confirmed the Senedd's role as a focus for public life, and celebrated its tenth birthday – many of the photographs in this report are from those celebrations.

We also continued to strengthen our approach to planning and delivery, and were recognised in a number of ways for how we nurture and get the best from our staff. Our governance framework enabled us to provide robust assurance about the appropriate use of resources, for which I have personal responsibility as Principal Accounting Officer.

As the end of the Fourth Assembly approached, our thoughts and indeed our work inevitably turned to the transition to the next Assembly. Commission staff supported Members to reflect on and record the legacy of the Fourth Assembly. They also put in place a range of projects and work streams to prepare to give the best possible experience to incoming Members and help them take the decisions required to establish the Fifth Assembly. Although events after the election in May will no doubt be covered in the next annual report, I cannot resist mentioning here that our induction was a fantastic success, complimented by new and returning Members alike.

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I would like to take this opportunity to place on record my thanks to all Assembly Members and their staff, Commission Directors, Heads of Service and their staff, contractors and colleagues from other organisations who have all contributed to the Assembly's success.

I consider myself very fortunate indeed to have the opportunity to lead the organisation during such an important period in the history of devolution. I am very proud of what we have achieved together. Together as a team, we have tackled, with relish and panache, increasing responsibilities and other challenges. At the same time we have built a modern parliamentary democracy fit for a strong and confident Wales.

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