# Agenda – Public Accounts Committee

Meeting Venue:

**Committee Room 3 – The Senedd**

Meeting date: 16 July 2018

Meeting time: 13.00

For further information contact:

**Fay Bowen**

Committee Clerk

0300 200 6565

SeneddPAC@assembly.wales

## (Pre-meeting)

(13.00 – 13.45)

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

(13.45)

## 2 Paper(s) to note

(13.45 – 13.50) (Pages 1 – 3)

**2.1 Speak my language: Overcoming language and communication barriers in public services: Auditor General for Wales Report**

(Pages 4 – 56)

**2.2 Housing Adaptations: Letter from the Welsh Government (10 July 2018)**

(Pages 57 – 58)

**2.3 The 21st Century Schools and Education Programme: Letter from the Welsh Government (10 July 2018)**

(Pages 59 – 62)

**2.4 The 21st Century Schools and Education Programme: Additional information from the WLGA (12 July 2018)**

(Pages 63 – 64)

## 3 Implementation of the NHS Finance (Wales) Act 2014: Evidence Session 4

(13.50 – 14.50) (Pages 65 – 100)

Research Briefing

PAC(5)-21-18 Paper 1 – Welsh Government

Dr Andrew Goodall – NHS Chief Executive/Director General – Health and Social Services, Welsh Government
Simon Dean – Deputy Chief Executive NHS, Welsh Government
Steve Elliot – Deputy Director of Finance, Welsh Government

## (Break)

(14.50 – 15.00)

## 4 NHS Wales Informatics Services: Evidence Session 4

(15.00 – 15.45) (Pages 101 – 121)

Research Briefing
PAC(5)-21-18 Paper 2 – Welsh Government
PAC(5)-21-18 Paper 3 – Correspondence with Velindre NHS Trust

Dr Andrew Goodall – NHS Chief Executive/Director General – Health and Social Services, Welsh Government
Andrew Griffiths – Chief Executive, NWIS

## 5 Valedictory session: Auditor General for Wales

(15.45 – 16.45) (Pages 122 – 143)

Research Briefing
PAC(5)-21-18 Paper 4 – Auditor General for Wales: Valedictory Reflections

Huw Vaughan Thomas CBE – Auditor General for Wales

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

(16.45)

Items 7 & 8, the meeting on 17 September 2018 and Items 1 & 2 of the meeting on 24 September 2018

## 7 Implementation of the NHS Finance (Wales) Act 2014: Consideration of evidence received

(16.45 – 17.00)

## 8 NHS Wales Informatics Services: Consideration of evidence received

(17.00 - 17.15)

# Concise Minutes – Public Accounts Committee

Meeting Venue:

**Committee Room 3 – The Senedd**

Meeting date: Monday, 9 July 2018

Meeting time: 14.01 – 16.42

This meeting can be viewed on Senedd TV at:

http://senedd.tv/en/4752

## Attendance

| Category | Names |
|---|---|
| Assembly Members: | Nick Ramsay AM (Chair)<br>Mohammad Asghar (Oscar) AM<br>Vikki Howells AM<br>Lee Waters AM |
| Witnesses: | Lynne Hamilton, Abertawe Bro Morgannwg University Health Board<br>Sian Harrop-Griffiths, Abertawe Bro Morgannwg University Health Board<br>Tracy Myhill, Abertawe Bro Morgannwg University Health Board<br>Bob Chadwick, Cardiff and Vale University Health Board<br>Len Richards, Cardiff and Vale University Health Board |
| Wales Audit Office: | Huw Vaughan Thomas CBE – Auditor General for Wales<br>Mark Jeffs<br>Dave Thomas |
| Committee Staff: | Fay Bowen (Clerk)<br>Claire Griffiths (Deputy Clerk) |

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

1.1 The Chair welcomed the Members to the Committee.

1.2 Apologies were received from Neil Hamilton AM, Rhianon Passmore AM and Adam Price AM. There were no substitutes.

## 2 Paper(s) to note

2.1 The papers were noted.

2.2 The Chair agreed to reply to the Welsh Government seeking clarification on the agreed commitment that they would publish details of the per passenger subsidy annually alongside passenger numbers.

**2.1 NHS Wales Informatics Services: Letter from Steve Ham, Chief Executive, Velindre NHS Trust (28 June 2018)**

**2.2 Intra-Wales - Cardiff to Anglesey - Air Service: Letter from the Welsh Government (3 July 2018)**

## 3 The Welsh Government's initial funding of the Circuit of Wales Project: Consideration of the Welsh Government's response to the Committee's Report

3.1 Members considered the response and agreed that the Chair would write to the Welsh Government seeking clarification on a number of issues.

## 4 Implementation of the NHS Finance (Wales) Act 2014: Evidence Session 2

4.1 Members received evidence from Tracy Myhill, Chief Executive;

Sian Harrop-Griffiths, Director of Strategy; and Lynne Hamilton, Director of Finance, Abertawe Bro Morgannwg University Health Board as part of their inquiry into the Implementation of the NHS Finance (Wales) Act 2014.

4.2 Tracy Myhill agreed to:

- Speak to the Board Chair regarding the remuneration package received by the former Chief Executive when he left the Health Board and advise the Chair of her discussion; and
- Share some of the Health Board's digital plans with the Committee.

## 5 Implementation of the NHS Finance (Wales) Act 2014: Evidence Session 3

5.1 Members received evidence from Len Richards, Chief Executive and Bob Chadwick, Director of Finance, Cardiff and Vale University Health Board, as part of their inquiry into the Implementation of the NHS Finance (Wales) Act 2014.

5.2 Len Richards agreed to check and send a note as to whether the Health Board provided an impact statement regarding the outage incident that occurred in January 2018.

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

6.1 The motion was agreed.

## 7 Implementation of the NHS Finance (Wales) Act 2014: Consideration of evidence received

7.1 Members considered the evidence received.

Archwilydd Cyffredinol Cymru
Auditor General for Wales

# Speak my language: Overcoming language and communication barriers in public services

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

This report has been prepared for presentation to the National Assembly under the Government of Wales Act 1998 and Public Audit (Wales) Act 2004.

The Wales Audit Office study team comprised Philippa Fido, Claire Flood-page, Rachel Harries, James Ralph, Nigel Blewitt, with additional input from our good practice and communications teams. Matthew Mortlock directed the team's work reporting to Anthony Barrett, Assistant Auditor.

**Wales Audit Office**
**24 Cathedral Road**
**Cardiff**
**CF11 9LJ**

The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

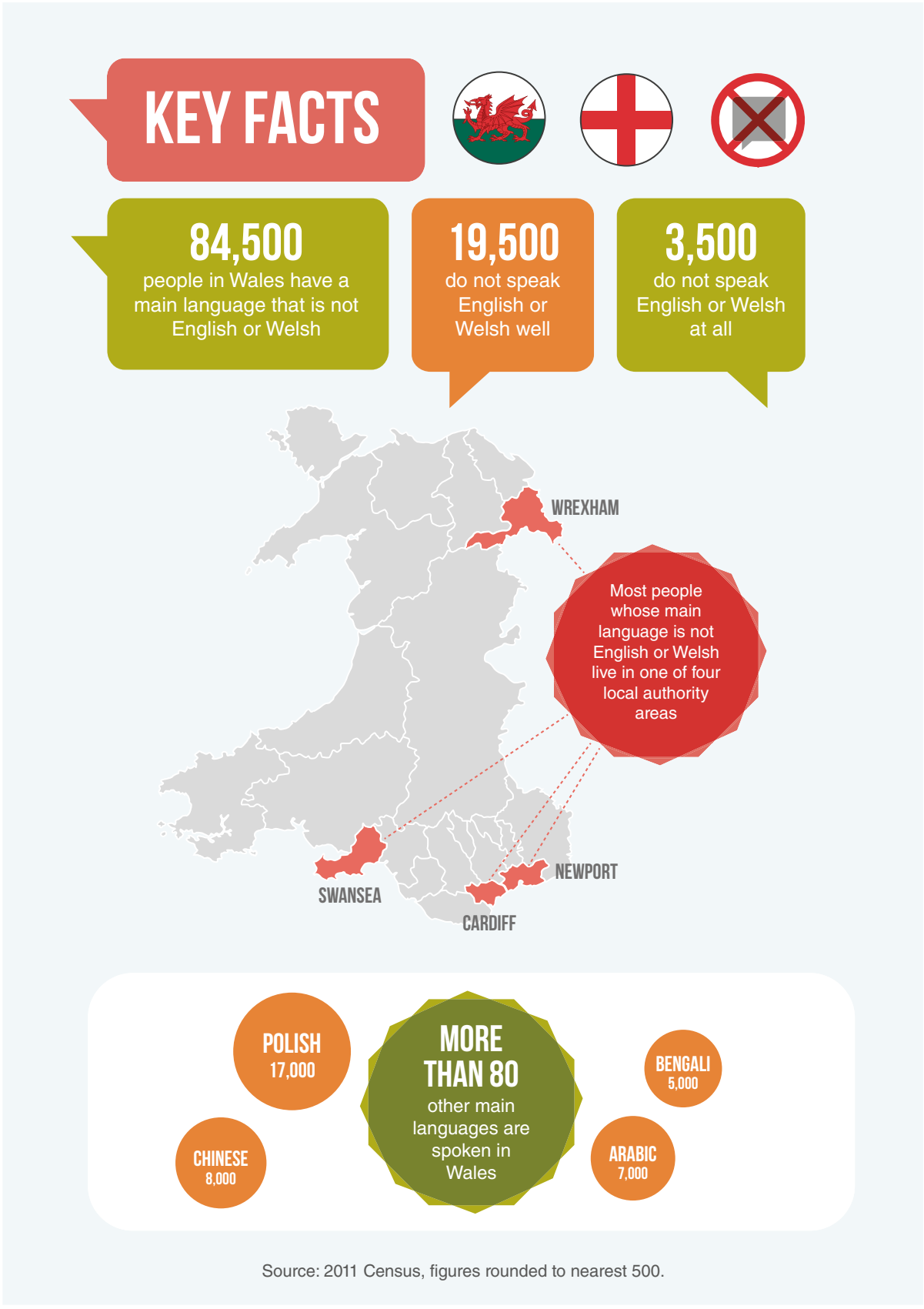
The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.



For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

**Mae'r ddogfen hon hefyd ar gael yn Gymraeg.**

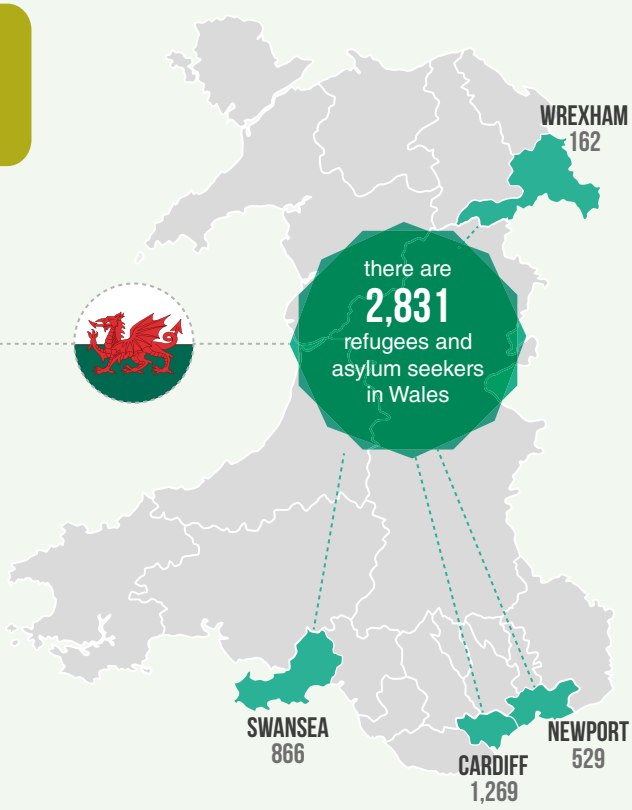
# Contents




Source: 2011 Census, figures rounded to nearest 500.

# REFUGEES AND ASYLUM SEEKERS

there are **2,831** refugees and asylum seekers in Wales




Most research suggests that asylum seekers do not have good English/Welsh skills on arrival

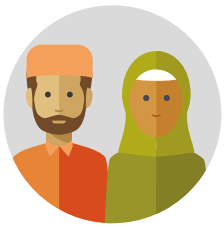
**96 PEOPLE** settled in Wales under the Syrian Vulnerable Persons Resettlement Programme.

The number of refugees and asylum seekers has doubled in Wales since 2011

**1,398** Q1 2011 → **2,831** Q1 2017

The terms 'asylum-seeker' and 'refugee' refer to people with a different legal status.

Asylum-seekers are people who have lodged a claim for asylum in the UK under the 1951 Convention relating to the Status of Refugees.



Refugees are people whose claim for asylum has been approved.

Source: Home Office Immigration statistics, last quarter 2017

# SENSORY LOSS

The term 'people with sensory loss' refers to:

- People who are Deaf; deafened or hard of hearing;
- People who are Blind or partially sighted;
- People who are Deafblind: those whose combined sight and hearing impairment cause difficulties with communication, access to information and mobility.

**7,200 BSL USERS**
in Wales, of whom, 4,000 are deaf.
(source - British Deaf Association, 2017)

**1,118 PEOPLE**
said sign language was their main language
(source - 2011 Census)

**100,000 PEOPLE**
are blind or partially sighted
(source - RNIB Cymru)

**575,000**
people experience deafness or hearing impairment
(source - Action on Hearing Loss Cymru, 2017)

British Sign Language is a visual language unrelated to English. The Deaf community in the UK who use sign language are a distinct cultural and linguistic group with several regional dialects. During our work, we found that many people including service deliverers had little understanding of Deaf culture or sign language.

Sign language interpreters help Deaf people to communicate. Other support includes lip speakers, palantypist who convert speech to text and note takers.

# Summary

## Background

1 Around 20,000 people living in Wales do not speak English or Welsh as a first language. Of these, around 3,500 have little or no knowledge of English or Welsh. This figure, taken from the 2011 Census, includes 1,138 people whose main or only language is British Sign Language. However, charities working with D/deaf[1] people suggest that there are around 4,000 people using British Sign Language.

2 Public bodies must ensure that everyone, regardless of their language and communication needs, can access services. Relevant duties are set out in the Equality Act 2010, the Social Services and Well-being Act (Wales) 2014 and the Well-being of Future Generations (Wales) Act 2015. If public bodies do not meet these duties, they risk complaints and legal action. Moreover, people will have poorer outcomes and experiences.

3 Providing effective interpretation and translation services for people who do not speak English or Welsh as their first language or are Deaf and use sign language is one way that public bodies can look to meet their equality-related duties. Box 1 provides information about interpretation and translation.

**Box 1 – About interpretation and translation**

The terms **'interpretation'** and **'translation'** are often used interchangeably but are different activities:

- **Interpretation** is to translate orally or into sign language the words of a person speaking one language to another. It can be face to face; by telephone if the interpreter joins a conference call; or Video Remote Interpreting where the interpreter can be seen on a PC, tablet or smartphone.
- **Translation** is changing written text from one language to another. Increasingly, translation software is used to provide translation, for example to translate web pages from one language to another.

As well as interpreters, D/deaf people can also benefit from other communication support including lip speakers, note-takers and palantypists who convert speech to text.

Source: Wales Audit Office

1 The term D/deaf includes Deaf people who use sign language and deaf people who are hard of hearing but who have English as their first language and may lip-read and/or use hearing aids.

4 Public bodies can employ staff as interpreters or buy services from third sector and commercial providers. They may ask staff with language skills to help with communication but good practice suggests that this should only happen in an emergency until a professional interpreter is available.

5 There has been concern about the availability of interpreters in Wales for some time: in 2009, the Welsh Government provided a grant of £120,000 to set up the Wales Interpretation and Translation Service (WITS). WITS is a central service available to any public body in Wales. Currently, 30 organisations are WITS 'partners' which gives them a say in the overall management of the service.

6 Initially, Gwent Police hosted WITS and was responsible for its day-to-day management. An audit commissioned by Gwent Police in 2014 identified concerns about the management and governance of WITS, some of which stemmed from the rapid growth of the service. As part of its response to the audit, Gwent Police approached Cardiff Council to take on responsibility for hosting. WITS formally transferred to Cardiff Council in July 2017.

## Our work

7 In 2015, we responded to issues that had been raised with the Auditor General about the procurement of BSL (British Sign Language) interpretation by a Health Board. Based on the work we did at that time, we did not identify any specific concerns about the approach taken by the Health Board. However, we later decided to look more broadly at how public bodies, particularly local government and NHS bodies providing front-line services, provide interpretation and translation services for BSL and other languages to enable people facing these communication barriers to access services. We have not considered as part of our work wider integration and community cohesion policy responses that could support people to learn a different language. Our focus has been on the provision of interpretation and translation services to those who need them.

8 In this work, we carried out research and interviewed people from representative groups, policymakers in Wales and providers of interpretation and translation services. We also drew on information from two shared learning events that we facilitated in early 2017. We reviewed policy documents provided by councils and health boards as well as other relevant strategic documents; strategic equality plans which all public bodies are required to produce; Population Needs Assessments produced by councils and health boards for the first time in 2017; and the well-being assessments produced by Public Services Boards (Appendix 1).

9 We did not review English/Welsh interpretation and translation. The Welsh language has official status in Wales, and particular standards and legislation apply[2]. The Welsh Language Commissioner oversees compliance with the Welsh Language Standards.

10 We recognise that many people experience communication barriers in accessing public services for reasons other than language. This includes people who are hard of hearing, people with sight loss, people with dual sensory loss (a combination of sight and hearing loss) and people with learning disabilities, learning difficulties or autism[3]. While not included in the scope of this report, initiatives to improve communication – such as simplifying language, raising awareness of communication needs and developing accessible websites – will benefit this much wider group of service users.

## Our findings and conclusions

11 Although we did not look in depth at the services offered in councils or NHS bodies, it was clear that organisations varied in the degree to which they understood the needs of their communities and ensured their services were accessible to people needing interpretation and translation services. Of the 15 councils and seven NHS bodies that responded to our request for information, only half had a formal policy on the use of interpretation and translation services. However, all respondents said they had provided training for some or all of their staff on language needs and/or sensory loss. We did not assess the uptake or effectiveness of this training.

12 We do not know the full cost of interpretation and translation services for languages other than Welsh. However, public bodies spent £2.2 million through WITS in 2016-17. They also spent £55,000 with other companies through UK Government framework contracts. These figures do not include contracts with commercial companies or third sector organisations not procured through the frameworks or the costs of employing staff as interpreters or translators.

2 The Welsh Language Measure (2011) builds on previous Welsh language legislation. Organisations should not treat the Welsh language less favourably than English and they have a duty to promote and facilitate the use of Welsh. The Welsh Language Commissioner has responsibility for monitoring and enforcing the Welsh Language Standards in Wales.

3 For example, it has previously been estimated that there are about 100,000 blind and partially sighted people in Wales (NHS Wales, All Wales Standards for Accessible Communication and Information for People with Sensory Loss, July 2013). There are around 31,000 autistic people in Wales (Welsh Government, Refreshed Austic Spectrum Disorder Strategic Action Plan, December 2016). The British Dyslexia Association (2018) estimates that 10% of the population (310,000 people in Wales) have dyslexia, the commonest learning difficulty, 4% (124,000 people) severely so.

13 Public bodies need to make sure that people who do not speak English or Welsh as a first language can access interpreters and translation to enable them to use public services. Organisations should also ensure that they are taking steps to inform people of their right to request interpreters and information in an accessible format. We have developed a checklist to help public bodies review their provision of interpretation and translation services (Box 4). We also identified a number of challenges for interpretation and translation services that public bodies need to take account of when they plan and procure such services.

## Recommendations

### Ensuring that people who face language and communication barriers can access public services

R1 Public bodies are required to ensure that people can access the services they need. **To take account of the requirements of the 2010 Equality Act and other legislation, we recommend that public bodies regularly review the accessibility of their services to people who do not speak English or Welsh as a main language including Deaf people who use sign language. This assessment can include using our checklist.**

### Developing interpretation and translation services in Wales

R2 Our work with public bodies, interpretation and translation service providers and service users has identified some challenges for interpretation and translation services. **We recommend that the Welsh Government work with public bodies, representative groups and other interested parties to make sure that:**

- **the supply of interpreters is sufficient especially for languages in high demand such as BSL and Arabic;**
- **interpreters with specialist training are available to work in mental health services and with people who have experienced trauma or violence; and**
- **quality assurance and safeguarding procedures are in place.**

## Recommendations

### Accessible Information Standard

R3 The NHS Wales Accessible Communication and Information Standards for People with Sensory Loss published in 2013 apply only to the health service. Similarly, the new Accessible Information Standard requires GP surgeries to ask about, collect and flag the communication needs of patients with sensory loss. From March 2018, information can be shared in an e-referral within NHS Wales. **We recommend that the Welsh Government consider:**

- **widening the scope of both the 2013 All Wales Accessible Communication and Information Standards for People with Sensory Loss and the new Accessible Information Standard to:**
  - a **patients whose main language is not English or Welsh;**
  - b **patients who have language and communication barriers due to disability, learning difficulties or autism; and**
  - c **parents and carers who have language or communication barriers.**
- **if the 2013 All Wales Accessible Communication and Information Standards could be adapted to cover other public services.**

# Part 1

# Making services accessible to people who face language and communication barriers

1.1 In this part of the report, we look at the legislative requirements facing public bodies to make their services accessible to people who do not speak English or Welsh as their first language. We also report our findings about the ways in which public bodies are ensuring that their services are accessible to these language communities.

# Legislation and policy

## The Equality Act 2010 and the Public Sector Equality Duty

1.2 Public bodies are at risk of complaints and legal action if they fail to communicate effectively with people who do not speak English or Welsh. The Public Services Ombudsman for Wales has dealt with some such complaints in the NHS. Cases include one where the Ombudsman found that the lack of an interpreter during a birth contributed to errors and several where people have received an incomplete explanation of their care. In another case, the Ombudsman found that a Deaf patient received less good care at the end of their life because a Health Board failed to make reasonable adjustments to meet their communication needs.

1.3 The Equality Act 2010 placed a statutory responsibility on public service providers to promote equality of opportunity and eliminate discrimination. This responsibility is known as the Public Sector Equality Duty (Box 2).

**Box 2 – The Equality Act 2010 and the Public Sector Equality Duty**

The Equality Act 2010 brought together all previous anti-discrimination legislation and introduced the Public Sector Equality Duty. The Duty requires public bodies and those providing services on their behalf in England, Scotland and Wales to have regard to:

- eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advancing equality of opportunity between people from different groups; and
- fostering good relations between people from different groups – this involves tackling prejudice and promoting understanding between people from different groups.

Research for the Equality and Human Rights Commission Wales in 2016[4] concluded that the Public Sector Equality Duty works effectively in Wales and that the Wales-specific duties support progress on equalities work.

Source: Wales Audit Office

4 Martin Mitchell, Kelsey Beninger, Nilufer Rahim and Gareth Morrell, **Review of the Public Sector Equality Duty in Wales**, July 2016.

1.4 The Equality Act requires public bodies to publish a Strategic Equality Plan setting out their equality objectives and the actions to meet them. More than half (24 of 41) of the Strategic Equality Plans we reviewed discussed actions for people who are D/deaf or use British Sign Language and 20 of 41 mentioned issues connected with sensory loss. More than half (26 of 41) included references to providing services in languages other than Welsh or English. Ten out of 41 Strategic Equality Plans referred to refugees or asylum seekers specifically. These included the areas covering the four councils where most asylum seekers reside. For example, in their joint Strategic Equality Plan, the Gwent Police and the Gwent Police and Crime Commissioner commit to working with new migrants and asylum seekers to improve confidence and trust in policing within the community. Others – including the dispersal areas of Swansea, Cardiff and Wrexham – referred to the language needs of Black and Minority Ethnic Communities more generally.

## Other relevant Wales-specific legislation

1.5 Other legislation introduced by the Welsh Government should influence the way in which public bodies engage with and respond to the specific needs of people facing language barriers.

### Well-being of Future Generations (Wales) Act 2015

1.6 The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to work together to meet the needs of their communities to meet seven well-being goals including building a more equal Wales and inclusive cohesive communities. One of the Act's requirements is that Public Service Boards must publish a well-being assessment of their communities' needs. Each Public Services Board decides what issues to include in its needs assessment. In reviewing the contents of the first assessments published in May 2017, we found that nine of 19 Public Services Boards[5] referred to the needs of D/deaf people, those with sensory loss more generally or to BSL. Twelve Public Services Boards' assessments referred to language needs (other than Welsh) of some communities and seven to the needs of migrants, asylum seekers or refugees. These included the assessments covering the four areas with the most asylum seekers and refugees.

5 Generally, PSBs cover single local authority areas. Anglesey and Gwynedd councils and Denbighshire and Conwy councils chose to form joint PSBs.

## Social Services and Well-being (Wales) Act 2014

1.7 The Social Services and Well-being (Wales) Act 2014 aims to improve the way in which individuals' care needs are assessed and met. Local authorities are required to provide information, advice and assistance to a person in a way that is accessible to them to enable them be actively involved in their assistance and support plan. They are also required to have a register of those who live locally and are sight impaired, severely sight impaired, hearing impaired, severely hearing impaired or have both sight and hearing impairments that, in combination, have a significant effect on their lives. We did not assess the extent to which local authorities are meeting these requirements in this work. The Welsh Government had identified sensory loss as a core theme in its guidance for the assessment. All seven Population Needs Assessments published in April and May 2017[6] included references to the needs of and services for people with sensory loss.

1.8 Two of seven Population Needs Assessments referred to the language needs of refugees, migrants, or asylum seekers when accessing public services. For example, the Cardiff and Vale of Glamorgan Integrated Health and Social Care Partnership outlined key issues facing asylum seekers and refugees when accessing public services in its Population Needs Assessment. Issues included lack of accessible information and limited use of interpreters in mental health settings. The Assessment also includes areas that need further action, such as improved access to specialist mental health services for people who do not speak English or Welsh. The Greater Gwent Health, Social Care and Well-being partnership also included an assessment of the needs of refugees and asylum seekers in its Population Needs Assessment.

## NHS Wales, All Wales Standards for Accessible Communication and Information for People with Sensory Loss 2013

1.9 In 2012, a working group set up by the Welsh Government reported on the communication barriers experienced by people who experience sensory loss in healthcare. Its recommendations led to the publication of NHS Wales standards for accessible communication and information in November 2013[7]. The standards set out what people with sensory loss should expect when they access healthcare. The standards apply to adults, young people and children and cover communication, workforce and training, healthcare standards and complaints.

6 Population Needs Assessments cover the communities living within the area encompassed by each of the seven local health boards.

7 NHS Wales, **All Wales Standards for Accessible Communication and Information for People with Sensory Loss**, July 2013.

1.10 The Welsh Government monitors NHS bodies' progress towards meeting the standards each year. Its unpublished reviews for 2015-16 and 2016-17 concluded that all NHS bodies were working towards achieving the standards[8]. Progress however is variable; it has generally been greater in secondary care than in primary, and emergency and unscheduled care (Appendix 2). A report by Action on Hearing Loss Cymru in March 2018[9] on access to GPs for people with hearing loss highlighted some of the issues that remain. For example, 54% of 380 survey respondents said that they had left the GP surgery unclear about their diagnosis or how to take their medication. The report demonstrated difficulties around making appointments in particular: 29% of survey respondents had to ask someone to call the GP surgery for them and 36% had to visit the surgery to make appointments because they could not use the phone and online access or other forms of communication were not available.

## Welsh Government policies on refugees and asylum seekers

1.11 The Welsh Government is responsible for policies such as health, education and housing that are essential for the effective integration of asylum seekers and refugees[10]. The UK Government is responsible for immigration and asylum policy, including asylum decisions.

8 Welsh Government, Update on Accessible Communication and Information for People with Sensory Loss, May 2016, unpublished report.

9 Action on Hearing Loss Cymru, **Good practice?: Why people in Wales who are deaf or have hearing loss are still not getting accessible information from their GP**, March 2018.

10 The terms 'asylum seeker' and 'refugee' have precise meanings. An asylum-seeker has exercised their legal right to claim asylum under the 1951 UN Convention relating to the Status of Refugees. A refugee is a person who 'owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to or, owing to such fear, is unwilling to avail himself of the protection of that country'. It also includes people not recognised as refugees but who have been granted indefinite leave to remain, humanitarian protection or discretionary leave to remain.

1.12 The Welsh Government's **Refugee Inclusion Strategy** (Circular 14/2008, June 2008) set out its vision in which refugees are supported to become fully active members of society, taking part in and contributing to Welsh life. The strategy recognised that language is vital to inclusion and included proposals to address the shortage of interpreters working in Wales and plans to monitor and evaluate interpretation services. Successive Refugee and Asylum Seeker Delivery Plans have supported the strategy[11]. The Welsh Government is currently consulting on a new plan[12]. The Strategic Migration Partnership for Wales, set up in 2001 by the Home Office and hosted by the Welsh Local Government Association, supports the Welsh Government, councils and other local partners delivering services to refugees and asylum seekers.

# Different approaches to providing interpretation and translation

## Employing staff who can act as interpreters and translators when needed

1.13 Where there is enough demand, public bodies can employ staff who can act as interpreters or translators. For example, Newport City Council set up the Gwent Education Minority-Ethnic Service where staff employed to support pupils who do not speak English in schools are also trained to act as interpreters across public services more generally. GEMS interpreters are the first-choice interpreters for some public bodies in the Gwent area, including Newport City Council and Aneurin Bevan University Health Board.

1.14 As described in Case Study 1, Cardiff Council listed speaking a community language as a desirable criterion when it recruited staff to work in its community hubs providing information and advice services. Other public bodies keep a register of staff able to work in other languages. For example, health boards will publish details of general practitioners able to work in other languages as well as through the medium of Welsh.

11 Welsh Government, **Refugee and Asylum Seeker Delivery Plan**, March 2016.

12 Welsh Government, **Nation of Sanctuary – Refugee and Asylum Seeker Plan**, March 2018.

### Case Study 1 – Cardiff Council recruited staff who could speak community languages for its advice services

Five years ago, Cardiff Council reorganised advice and community services on a neighbourhood model. Eleven Hubs across the city now provide library services, housing advice and council tax queries, free school meals and bus pass applications, work skills training and information about adult community learning.

Cardiff Council realised that its diverse community needed advice services in languages other than English and Welsh. It listed knowledge of a second community language as 'desirable skill' when it recruited staff to work in the Hubs.

The Council reports that it incurred no additional costs by employing some people able to act as interpreters when required as part of their role as many high calibre applicants also had the desired language skills. Rather, it suggested to us that it has saved money on interpreters as well as providing a better service to citizens. The Council believes that the initiative has raised the Council's profile as a good employer within the language communities.

Source: Cardiff Council, 2017

1.15 In total, six of the 12 councils that provided information told us that they employed staff to provide some form of service in languages other than English or Welsh. None gave precise numbers but included staff employed in social services and education such as teaching assistants and teachers for pupils who do not speak English or Welsh. Some public bodies may not have sufficient demand to justify employing staff. However, even where there is sufficient demand or they have staff with language skills, public bodies will need to use external organisations to provide interpretation and translation services to meet peaks in demand, staff being unavailable or for rarer languages.

# The Wales Interpretation and Translation Service

## Background to the Wales Interpretation and Translation Service

1.16 The Wales Interpretation and Translation Service (WITS) was set up after concern about the quality and number of interpreters available to public bodies in Wales (Box 3). Research for the Welsh Government's Making the Connections Fund in 2004 recommended setting up a one-stop shop for interpretation and translation for public bodies and third sector organisations in Wales. The aim was to provide a quality service with standard costs, which would become self-funding.

1.17 While it took some time for the 2004 Making the Connections recommendation to be realised, Cardiff Council and Gwent Police established WITS as a public sector collaboration in November 2009, using an initial grant of £120,000 from the Making the Connections Fund. Under the terms of the grant, WITS was expected to become self-funding within three months. The Welsh Government has had no further direct involvement in the funding or management of WITS.

**Box 3 – The Equality Act 2010 and the Public Sector Equality Duty**

WITS provide a one-stop booking service for face-to-face interpretation and translation through a register of self-employed interpreters. WITS provide telephone interpretation through contracts with Language Line and The Big Word, both multi-national companies providing a full range of interpretation and translation services. These arrangements allow WITS to provide a 24-hour, seven days a week service.

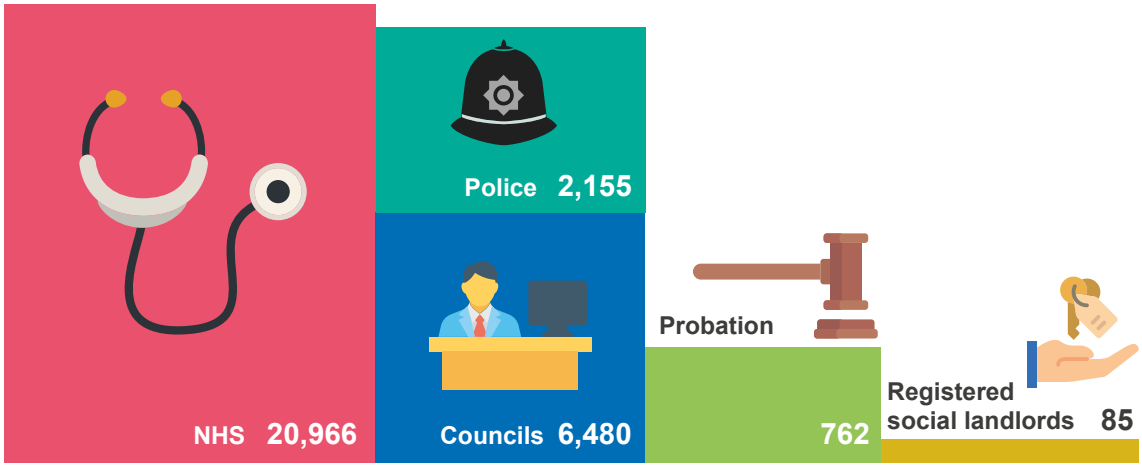
Public bodies can enter partnership agreements with WITS. Attending quarterly Partnership Board meetings gives them a say in managing the service. Currently there are 30 WITS partners: 14 of the 22 local authorities in Wales; all seven health boards and two NHS trusts; all four police forces; and three housing associations.

Source: Wales Audit Office and WITS, January 2018

## Use of the Wales Interpretation and Translation Service

1.18 In 2016-17, WITS received 31,107 requests for interpreters, a substantial increase on the previous year (25,000). WITS interpreters fulfilled 30,448 bookings, over two-thirds (69%) of which were at NHS bodies (Figure 1). In total, 28 organisations used WITS in the year, although ten accounted for 90% of the bookings[13].

Figure 1 – Number of fulfilled WITS bookings by sector, 2016-17




Note: These figures include some bookings (less than 94) for the Welsh language.

Source: WITS

13 Cardiff and Vale University Health Board, Cardiff County Council, Betsi Cadwaladr University Health Board, South Wales Police, Aneurin Bevan University Health Board, Swansea Council, Abertawe Bro Morgannwg University Health Board, Newport Council, Cwm Taf University Health Board and Wales Community Rehabilitation Company.

1.19 WITS received bookings for interpreters in 82 languages during 2016-17, most commonly Polish, Arabic and BSL (Figure 2). There were 21 languages where WITS received 10 or less requests for interpretation over the year including eight languages with only one request.

Figure 2 – Wales Interpretation and Translation Service, languages requested, 2016-17[1]

| Language | Number of requests | % of total requests |
|---|---|---|
| Polish | 4,420 | 14.2 |
| Arabic | 4,381 | 14.1 |
| British Sign Language | 2,773 | 8.9 |
| Mandarin | 1,940 | 6.2 |
| Czech | 1,885 | 6.1 |
| Bengali | 1,829 | 5.9 |
| Romanian | 1,415 | 4.5 |
| Farsi | 1,100 | 3.5 |
| Slovak | 1,099 | 3.5 |
| Kurdish Sorani | 980 | 3.2 |
| Other[2] | 9,285 | 29.8 |
| **Total** | **31,107** | **100** |

Note:

1. This figure shows the number of requests rather than the number of bookings fulfilled (the lower number in Figure 1).
2. 'Other' includes 94 requests for Welsh language interpretation. WITS will also provide note-takers or palantypists (speech to text) on request. It told us that it has not had a request for lip-speakers recently.

Source: WITS

1.20 WITS has reported an annual turnover of around £2.2 million for both 2015-16 and 2016-17. The 2016-17 turnover represents an average cost of £72 per booking including travel costs.

## Governance and management challenges for WITS

1.21 Gwent Police initially hosted WITS and was responsible for its day-to-day management. An audit commissioned by Gwent Police in 2014 identified several management and governance issues, some of which stemmed from the rapid growth of WITS. These included clarifying the responsibilities and liabilities incurred by operating WITS, providing evidence that interpreters had up-to-date security and professional checks in place and updating the terms of reference for the Partnership Board. Gwent Police developed an action plan to address the findings of the audit report.

1.22 As part of its response, it approached Cardiff Council to take on responsibility for hosting WITS. WITS formally transferred to the Council in July 2017. Some temporary WITS staff employed by Gwent Police applied successfully for permanent WITS posts and became Council employees. The Council has introduced performance indicators and quality control measures for the WITS call-handling service similar to those used in its other call centres. The Council has also started to develop an e-booking service and a portal through which interpreters will access booking information rather than sharing information by insecure email.

1.23 WITS now has a formal governance structure, managed by an Advisory Board, chaired by a Director from Cardiff Council (Figure 3). Formalising the changed partnership arrangements has taken longer than originally estimated. At the time of writing (March 2018), each partner organisation was being asked to sign new partnership agreements detailing the roles and responsibilities of partners and the liabilities incurred by partners and the host body (Paragraph 1.28). Until finalised, WITS operates under interim arrangements agreed by partner organisations.

Figure 3 – WITS governance structure (March 2018)

WITS' objective is to meet the population's linguistic needs by providing a service that:

- Caters for the whole of Wales
- Addresses the different service needs of each organisation
- Addresses all foreign language needs
- Addresses relevant Welsh language needs
- Addresses relevant British Sign Language needs
- Is available 24/7
- Offers training and employment opportunities to local people
- Is cost effective for local public service providers

All partner organisations are represented on the Advisory Board. Not all attend regularly: it has been agreed that meeting will go ahead if seven partners – including three from the top quartile of spend – are present. The Board oversees WITS' development and progress and sets its strategic direction. It approves the budget and annual plan and fees. It considers serious breaches of the code of conduct and complaints.

The host organisation (currently Cardiff Council) is responsible for implementing the Advisory Board's recommendations. The host organisation employs a WITS manager who reports to the Board and whose costs are met by the partners.

Day-to-day management of WITS is delegated to the WITS management team.

Source: WITS (December 2017)

## The challenge WITS faces in growing its business

1.24 By 2014, various third sector and private organisations were using WITS. WITS stopped providing services to these organisations after the 2015 audit questioned if this practice was lawful as the Police are not able to enter commercial relationships with private companies. This concern contributed to Gwent Police's decision to approach Cardiff Council to take on hosting WITS as councils are able to run profit-making services. The Council recognises that in future there will be potential to expand WITS by developing services for third and private sector organisations as well as by expanding its share of the public sector market.

1.25 The fees and charges for WITS services have remained the same for several years. Cardiff Council recognises that there is scope to review charges on an annual basis in line with practices for other council fees. In recent years, a shortfall in fees has been made up from reserves. However, under current arrangements, the Advisory Board would need to agree any increase in fees. It is unclear if partners will be prepared to raise costs that, ultimately, will affect their own budgets. Generally, it is important that the cost of services remains competitive although benchmarking by Gwent Police in 2015-16 suggested that costs were lower or equal to those of other third-sector and commercial organisations.

## The challenge WITS faces in employing interpreters

1.26 At the time of the 2015 audit report, WITS had a register of over 1,000 self-employed interpreters. The auditors found that very few interpreters had undergone the required level of security vetting to work with vulnerable children and adults. Subsequently, Gwent Police identified only around 400 of those registered were regularly working for WITS. It employed a temporary member of staff to conduct security clearance and Disclosure and Barring Service checks retrospectively for these interpreters. WITS also checked the interpreters' qualifications. This retrospective vetting work cost £15,000. Cardiff Council procured an agency to manage the recruitment, vetting and payment of interpreters from July 2017.

1.27 In summer 2017, a dispute arose between the Council and interpreters about payment. Specifically, interpreters were unhappy about the Council's decision that tax and national insurance contributions should be deducted at source. Previously, interpreters had been paid in full and had been responsible for their tax and National Insurance Contributions[14]. The Council believed that this change in practice should not result in interpreters paying more tax or National Insurance overall. However, some BSL interpreters refused to undertake work for WITS under these arrangements. WITS was unable to fulfil 35 bookings in July and August 2017. The Council has provided information to HM Revenue and Customs on the terms of employment and is waiting for a response to clarify this matter. In the interim, tax is not being deducted at source. The Council reports that all of the interpreters have returned to undertaking WITS bookings.

1.28 Another important issue identified in the 2015 audit report was that neither Gwent Police nor WITS partners were clear about their liabilities in relation to WITS. Few interpreters had professional liability insurance; sometimes this was because they were unqualified and could not obtain insurance whereas others did not do sufficient work to justify the cost of insurance. Under the new collaboration agreement drawn up by Cardiff Council, WITS will have to carry the insurance risk and be responsible as a partnership should any claims be made. This means that partners will extend their professional indemnity and public liability insurance policies. Longer term, WITS wants interpreters to have their own professional indemnity insurance and public liability insurance.

14 The HMRC regulations in question (Inland Revenue 35) ensure that people who are not on an organisation's payroll but are employed through an intermediary pay broadly the same tax and National Insurance contributions as an employee would do. Public bodies are required to decide if these regulations apply to anyone employed in this way.

## Services provided by private companies and third sector bodies

1.29 Many commercial companies also offer interpretation and translation services. Any public body can contract with them directly or through several UK Government framework contracts for interpretation and translation services. Courts, the Prison Service and the Department for Work and Pensions in Wales use these framework contracts but other public bodies can do so. The Welsh Government, councils and health boards spent £55,000 through these frameworks in 2016-17.

1.30 Our information request found that all but one of the 15 councils and all seven NHS bodies that responded had contracts with at least one organisation for interpretation and translation other than WITS. In total, seven organisations other than WITS were mentioned as currently contracted to provide interpretation and translation. However, we could not identify how many bookings were made through these companies or the cost as detailed information was not consistently available.

1.31 Some public bodies also contracted with third sector organisations for BSL interpretation. These operating in Wales include Action on Hearing Loss Cymru, Centre of Sign-Sight-Sound (formerly North Wales Deaf Association) and Wales Council for Deaf People. Each employs interpreters from a small pool of about 40 people working regularly in Wales[15]. Faced with a large number of requests for BSL interpretation, WITS experimented by directly employing a BSL interpreter at one point. However, WITS found that the post did not provide value for money: although costs were reduced for organisations based in South Wales, the demand did not cover the cost of the post. We did not identify total expenditure on BSL interpretation by public bodies although the number of organisations involved suggests that there may be scope to investigate whether public bodies are getting value for money from this spend.

15 The National Register of Communication Professionals working with Deaf and Deafblind People (NRCPD) estimates that there are around 900 BSL interpreters in the UK. Figures about Wales are from personal correspondence.

# Part 2

# Challenges for interpretation and translation services

2.1 This section of the report considers some of the challenges faced in providing interpretation and translation services. This section addresses some of those problems and reflects issues raised with us during the course of our work.

## Ensuring interpreters are available

2.2 People we spoke to during our work told us that interpreters are not always available when needed. Recent research[16] found that 42% of Deaf sign languages users said that communication was inadequate at their last GP appointment because an interpreter was not available. Organisations can maximise the likelihood that an interpreter will be available by providing as much notice as possible of appointments and offering some flexibility on timings. Sometimes this can allow the interpreter to undertake more than one appointment with different people and reduce interpreters' travel costs.

2.3 There can be particular problems ensuring that interpreters are available for languages for which there is high demand:

a) BSL – The small number of BSL interpreters working in Wales means that it can be difficult to meet demand and, as a result, BSL interpreters can attract premium rates from the various organisations that provide BSL interpretation. For example, WITS pay BSL interpreters a slightly higher rate than other language interpreters. BSL interpreters are paid for a minimum of three hours whereas other interpreters are paid on hourly basis.

b) Arabic – The number of asylum seekers arriving in recent years from Syria, the Middle East and North Africa has increased demand for Arabic interpreters across the UK. WITS is responding to this by fast tracking applications from Arabic speakers.

2.4 Getting interpreters at short notice or in emergencies is a long-standing concern. Many organisations use telephone interpretation in these circumstances although, increasingly, charities and commercial organisations are investing to develop Video Remote Interpreting (see for example Case Study 2). Some representative groups of the D/deaf community are cautiously welcoming this initiative for emergencies but do not want it to replace face-to-face interpretation in most situations.

16 Action on Hearing Loss Cymru Good practice?: **Why people in Wales who are deaf or have hearing loss are still not getting accessible information from their GP**, March 2018.

## Case Study 2 – Centre of Sign-Sight-Sound – DAISY project

The Centre of Sign-Sight-Sound is developing the DAISY (Digital Accessible Information System) project to provide remote access to interpreters and other communication support. DAISY enables quick access to a BSL/English Interpreter for Deaf service users and to a lip speaker or note taker for people who are hard of hearing. It aims to help Deaf people to live independently and make informed choices.

The service uses Skype software on tablets, laptops and smartphones so the service could be widely available at low cost. Avoiding travel costs for the interpreter makes BSL interpretation or other support more affordable. This helps the Deaf community access interpreters and other communication support more readily than now.

The Centre of Sign-Sight-Sound is working with Betsi Cadwaladr University Health Board to develop DAISY. However, the Centre believes that DAISY could be used much more widely wherever people need BSL interpreters or note-takers.

Other organisations in Wales are developing different video remote interpreting for sign language services. Cwm Taf University Health Board is working with the Centre of Sign-Sight-Sound on Video Remote Interpreting. Abertawe Bro Morgannwg University Health Board has also introduced Video Remote Interpreting. NHS Wales 111 Service has a contract with a private company to provide telephone interpreting or video remote interpreting for people who do not speak English or Welsh. NHS 111 Wales is reviewing its service for people who are D/deaf with representative groups.

Source: Centre of Sign-Sight-Sound, July 2017 and the Wales Audit Office

2.5 Some organisations (including the Department for Work and Pensions) use telephone or video remote interpreting for most situations, other than for BSL or if people are otherwise vulnerable. In Scotland, the Scottish Government has procured a tele-interpretation app for the public sector (Interpreter Now). The app gives widespread access to video remote interpreting in sign language and other languages through a smartphone, tablet or computer. These types of technologies are developing rapidly and may be more widely used in future.

## Ensuring interpreters are booked for every appointment when needed

2.6 Service users and providers told us that interpreters are not always booked when needed. Sometimes this is unavoidable, for example, a person may believe themselves proficient in English or Welsh but as an appointment unfolds, they can find their language skills are not sufficient for a conversation about specialised care. Mostly, councils and health boards place the onus on the person to say if they need an interpreter when they make an appointment. This requires individuals to know that they are entitled to have an interpreter and to be able to ask for one to be booked. This opportunity may be made clear in the appointment letter or on the organisation's website (Case Study 3). However, several organisations pointed out to us that this approach could fail if the person or their representative cannot read the letter or website in English or Welsh in the first instance. People are often expected to telephone, which is difficult for many people who do not speak English or Welsh or who are D/deaf.

### Case Study 3 – Communication cards – Betsi Cadwaladr University Health Board and Welsh Ambulance Service NHS Trust

Betsi Cadwaladr University Health Board created an **Accessible Health Communication Card** for D/deaf people who need communication support to use in primary care and hospitals. The Card allows patients who are Deaf, deafened or hard of hearing to record their communication needs, prompts staff on what action to take and gives some communication tips. The card is part of Betsi Cadwaladr UHB's Sensory Loss Toolkit to help staff meet the communication needs of people with sensory loss.

The Welsh Ambulance Service NHS Trust introduced a bilingual **Medical Information Card** in 2013. It helps Deaf and hard of hearing people relay important information such as their preferred method of communication, next of kin, medication and medical history. The card is the size of a credit card and can be kept in a purse or wallet.

Source: Betsi Cadwaladr University Health Board, Welsh Ambulance Service NHS Trust and NHS Wales Centre for Equality and Human Rights

2.7 Another commonly expressed frustration was that a person's language and communication needs are not routinely recorded, for example by placing a flag or note that an interpreter is required on the person's case notes or electronic record. Therefore, unless the person realises that they need to book an interpreter for each separate appointment, they may attend a second appointment expecting the interpreter to be there but find that one has not been booked. Having to get an interpreter at short notice reduces the chance that the original interpreter is available. This means that the relationship between interpreter, individual and professional does not develop in the same way and that second and subsequent appointments take longer than they might otherwise do.

2.8 A new Accessible Information Standard for people with sensory loss was introduced into GP surgeries in November 2017. This national initiative, led by the Welsh Government, builds on the 2013 All Wales Standards for Communication and Information for People with Sensory Loss. The Standard requires GP surgeries to capture, record and flag electronically the communication and information needs of patients with sensory loss. The second phase of the project means that from March 2018, information on communication needs will be shared with any e-referral to secondary care. However, these requirements do not extend to speakers of other languages, people with other communication difficulties or to social care providers. The Accessible Information Standard in England[17] by contrast extends to publicly funded adult social care as well as NHS England and is for service users, patients, carers and parents with a disability, impairment or sensory loss.

## Developing a common understanding of the interpreter's role

2.9 Interpreters and the organisations that employ them can have a different understanding of the interpreter's role. Strictly speaking, interpretation is simply telling one person what another person is saying. However, we heard of examples where interpreters go beyond this, for example making appointments for the individual or checking their understanding after an appointment. In these cases, the interpreter is moving beyond their role into providing support or advocacy.

17 The Health and Social Care Act 2012 (section 250) introduces an Accessible Information Standard in England. The Standard applied from 31 July 2016.

2.10 While interpreters will do this with the best of intentions, there are risks for them and for service users. Firstly, the service user can become overly dependent on an interpreter who may not always be available. Secondly, an interpreter can encourage the person to become overly dependent on them to create more work. Finally, professional liability insurance is unlikely to cover costs arising from advice given inappropriately in the event of a claim against the interpreter.

## Offering people a choice of interpreter where practically possible

2.11 Representative groups of both the D/deaf community and asylum seekers and refugees stress that people want to be able to express a preference for an individual interpreter. This enables trusting relationships to build over time notwithstanding the risks noted above. Initially, WITS did not offer the opportunity for people to ask for a particular interpreter. After representations from the D/deaf community in particular, WITS does now offer this in most circumstances but partners must request the person when making a booking. WITS cannot guarantee that the chosen interpreter will be available though as interpreters are self-employed and can choose when and where they will work.

## Matching people with an interpreter of the same gender where practically possible

2.12 Due to the sensitive nature of many of the interactions that people have with public bodies, they may feel more comfortable with an interpreter of the same gender. For example, many female refugees and asylum seekers will have experienced violence in their country of origin or in the UK. Specialist training is available for interpreters working with people who have experienced sexual or violent crimes and research has shown that women are more likely to disclose being a victim of violence if the interpreter is also female[18]. Men may also feel more comfortable talking about health issues to another man.

2.13 None of the organisations' policies that we have reviewed stated that gender matching is standard practice or mentioned circumstances in which staff may want to consider seeking a gender-match for interpreters. The ability to request an interpreter of the same gender could be stated in policies and in public information more explicitly as WITS and other interpretation providers will try to match interpreters on request.

18 Hubbard A., Payton J. and Robinson A., **Uncharted territory: Violence against migrant, refugee and asylum-seeking women in Wales**, Wales Strategic Migration partnership and Cardiff University, 2013.

## Making sure that interpretation services are good quality

2.14 Generally, public bodies need to know that the service they provide is good quality. This can be inherently difficult for interpretation and translation services: for example, staff will find it difficult to judge the quality of any interaction between an interpreter and a patient if they do not understand the language. Nevertheless, this is an important way of monitoring quality. Only nine of the 22 NHS bodies and councils who responded to our information request monitored the quality of interpretation services by requesting feedback from staff and/or service users.

2.15 Cardiff Council carried out a customer satisfaction survey of organisations using WITS at the end of 2017. WITS undertook workshops in November and December 2017 and March 2018 in North and South Wales with members of the D/deaf community to seek for feedback on their experiences of WITS' services. Previously WITS relied on discussions at its quarterly Partnership Board meetings or complaints to identify issues or concerns about its service. Cardiff Council also surveys WITS' interpreters on their views and experience of working for WITS. These surveys will provide a benchmark against which to measure improvement. Currently, WITS does not carry out routine quality control of its interpreters' work or ask service users for their views.

2.16 Complaints are another way of improving service quality. However, the 2012 working group's report on Accessible Health Care for People with Sensory Loss[19] noted that people with sensory loss are often reluctant to make a complaint. Sometimes this is because they cannot access the complaints system, for example if they would have to telephone or if they need support make a complaint. Sometimes people are reluctant to complain because of issues involving personal dignity or respect. Another issue raised with us is that the tight knit nature of many language communities can make it hard to complain about interpreters especially if they are highly regarded people in the communities. These factors may limit the usefulness of complaints as an indicator of service quality.

2.17 We are aware that Cardiff Council has recognised that WITS needs to make its own complaints system accessible following concerns raised in meetings with representatives from the D/deaf community in late 2017 and early 2018. WITS has recently discussed an action plan with its Advisory Board that includes introducing a more accessible complaints process. WITS is also responding to other concerns to improve its service to Deaf people in the context of the wider statutory duties on public bodies (Paragraphs 1.2 – 1.7).

19 Accessible Health Care for People with Sensory Loss Working Group, **Accessible Health Care for People with Sensory Loss in Wales: final report 2012.**

## Developing interpreters' professional and language skills

2.18 One of the aims in establishing WITS was to increase the number of qualified interpreters working in Wales. Cardiff Council reports that all of the BSL interpreters working with WITS have interpretation qualifications. All are registered with the National Register of Communication Professionals working with Deaf and Deafblind People (NRCPD).

2.19 However, many interpreters of other languages do not have formal qualifications. They can choose to register with the National Register of Public Service Interpreters (NRPSI) but this is not compulsory to work as an interpreter in the UK and carries a fee. WITS told us that it is not always possible to use a registered or qualified interpreter because of the scarcity of some language interpreters. WITS has worked with Cardiff University to put on accredited training for those wishing to be public-service interpreters. However, the primary interpretation qualification takes a long time to achieve and is quite costly. This can be off-putting to some interpreters, particularly if they do not do a lot of interpreting perhaps because there is little demand for their language or because they have other employment.

## Specialist interpretation for mental health services

2.20 Deaf charities estimate that D/deaf people are at least twice as likely to experience depression and anxiety than the general population[20]. The British Society for Mental Health and Deafness received a grant from the Big Lottery Wales' People and Places Programme to provide mental health awareness training for D/deaf people. It is working in partnership with the British Deaf Association Wales and Public Health Wales NHS Trust to make an accredited Mental Health First Aid programme accessible for D/deaf people, including interpretation for BSL users. The programme aims to help D/deaf people and those involved with the community gain the skills to identify mental health problems and respond fittingly.

2.21 Mental illness is common among refugees and asylum seekers, many of whom have experienced trauma and loss in their country of origin. Furthermore, after arriving in the UK, many migrants, asylum seekers and refugees are cut off from social support, especially if they are dispersed to an area with few people from the same community. For those who seek treatment for mental illness, effective talking therapies such as cognitive behaviour therapy are impossible without an interpreter.

20 The deaf health charity SignHealth estimates that D/deaf people are at least twice as likely to experience depression and anxiety than the general population. Some research has estimated an even higher prevalence of mental illness, especially among people with acquired hearing loss (Matthews L. Hearing Loss, tinnitus and mental health: a literature review, Action on Hearing Loss, January 2013).

2.22 The Welsh Government and NHS bodies as well as WITS are aware of the need to train interpreters to work in mental health settings. In February 2017, the Welsh Government issued guidance to health boards[21]. It has provided funding of £40,000 to train mental health practitioners in child and adolescent and adult mental health services in relation to the delivery of trauma focused care to asylum seekers and refugees. The Welsh Government's current consultation document 'Nation of Sanctuary – Refugee and Asylum Seeker Plan' proposes actions that would help people access mental health services in their asylum journey. Several initiatives are trying to make mental health services more accessible to adults, children and adolescents who do not speak English or Welsh. For example, MIND Cymru's Vulnerable Migrant Programme ran for three years to March 2018 to explore how services can be accessible to asylum seekers and refugees. This has included overcoming language barriers and understanding how treatment programmes can be changed to take account of cultural differences in understanding mental health[22].

21 NHS Wales Welsh Health Circular, Good Practice Guidance on the Provision of Mental Health Support for Asylum Seekers and Refugees Dispersed to Wales, February 2017.

22 Mind Cymru, Improving mental health services for vulnerable migrants in Wales: changing context, emerging practice, Report of the Second Year, November 2017.

# Part 3

# Developing interpretation and translation services

3.1 In summer 2017, we asked councils and NHS bodies to tell us about the actions they have taken to make services accessible to people who face language barriers. The areas we asked about included policy documents, information and training for staff, information for service users and digital communication. This section of the report provides details from the 15 councils and seven NHS bodies that responded. Based on this and other information, we developed a checklist to help organisations in their planning for services.

## Actions underway in Councils and NHS bodies in Wales

3.2 Our work showed that, while all councils and NHS bodies are providing interpretation and translation services for people who do not speak English or Welsh, the extent to which they have developed formal policies and procedures varies. This was in line with the findings of the Welsh Government's assessment of NHS bodies' progress towards meeting the NHS All Wales Standards for Accessible Communication and Information for People with Sensory Loss (Appendix 2).

3.3 All of the 15 councils and seven NHS bodies that responded to our information request had provided some training for at least some of their staff such as face-face training and guidance as well as displaying posters, e-training and putting information on their intranet. Examples include a sensory loss e-learning module produced by NHS Wales that is available through the NHS Wales learning platform. Velindre NHS Trust has introduced a BSL programme tailored to reflect the work of staff in the Trust providing cancer services. The Welsh Ambulance Service NHS Trust has also developed a BSL learning package for its staff. Betsi Cadwaladr University Health Board produced a Sensory Loss toolkit that provides information for staff about how to communicate with and help people with sensory loss in their hospitals. It also has step-by-step instructions about how to organise communication support. The toolkit won an Excellence Wales award from Action on Hearing Loss Cymru.

3.4 However, less than half of the organisations responding had a formal policy detailing their duties and/or citizen's rights in relation to interpretation and translation. The policies differed in detail but all provided information about the process for booking interpretation and translation.

3.5 Around half (7 of 15) of councils that replied to our information request have carried out work to make their websites more accessible. Most often, this was by incorporating an e-translation[23] tool or screen readers[24] (Case Study 4).

3.6 We reviewed the home pages of health boards and trusts at the beginning of 2018. Four of the seven health boards and Public Health Wales NHS Trust have adopted a standard format for their websites developed by the NHS Wales Informatics Service. This follows Government accessibility and web-content accessibility guidelines. Users can alter the font size easily and use screen-readers. Other health boards have developed formats that are more individual although still follow the guidelines. Cardiff and the Vale University Health Board have incorporated an e-translation tool (Google Translate) into their home page. This makes it easy to for users to translate web pages into many of common languages. The home page for the Welsh Ambulance Service NHS Trust has a link 'Deaf and Hard of Hearing' on its Home Page that has BSL content as well as information about the emergency text service and the medical information card (Case Study 3) to help people communicate in an emergency. The ability to translate the site into the other main languages spoken in Wales is clearly indicated at the bottom of the home page.

3.7 Where information is relevant to people who do not speak English or Welsh or experience sensory loss, there are good examples of organisations making it available in many formats. For example, the Welsh Government published 2013 NHS Wales Standards for Accessible Communication and Information for people with Sensory Loss (Paragraphs 1.8 and 1.9 and Appendix 2) in BSL, large print, audio, Braille and Easy Read.

3.8 In two other recent reports[25], we have highlighted opportunities for public bodies to improve the accessibility of their public information in specific areas of service delivery. For example, our work on housing adaptations highlighted that while delivery organisations provide information on housing adaptations in both Welsh and English, a significant number do not provide information in other accessible formats.

23 E-translation (or machine translation) is an online or electronic tool that substitutes words or phrases in one language for another. In the past, this has been described as 'clumsy'. However, the accuracy of translations is improving, especially in the most common languages and new applications are emerging such as speak-translate and real-time translation.

24 Screen readers 'speak' text to make it accessible to people with vision impairment, people with learning difficulties including dyslexia and people with poor literacy.

25 Auditor General for Wales, **How Local Government manages demand – Homelessness**, January 2018; and Auditor General for Wales, **Housing Adaptations**, February 2018.

### Case Study 4 – The Wales Audit Office's work to make its public website accessible

The Wales Audit Office wanted to make sure that its public website is accessible to everyone. It commissioned the Digital Accessibility Centre to audit its website in 2015. Their report highlighted several issues and recommended improvements. The website now incorporates software providing text to speech interpretation in 40 languages and translation into 99 languages as well as other features that make it more accessible.

Although work to fix the website took longer than planned, doing it in-house allowed staff to learn how to produce accessible web content. The Wales Audit Office knows that it can do more to make other communications more accessible. Recently it has reviewed its font size for print and is developing new templates so its publications meet best practice for print.

Source: Wales Audit Office

## Checklist for interpretation and translation services

3.9 To support future developments, we have compiled a checklist of issues that public bodies may need to consider when planning how to meet the needs of people who do not speak English or Welsh based on our work (Box 4). In doing this, we have referred to, but do not seek to reproduce, the advice and guidance available elsewhere and in the NHS-specific All Wales Standards for Accessible Communication and Information for People with Sensory Loss (Paragraphs 1.8 and 1.9).

**Box 4 – Checklist for interpretation and translation services**

**1. Understanding the communication needs of the local population**

a Has the organisation assessed the communication needs of the local population to estimate the likely demand for interpretation and translation services including the languages spoken locally?

b Has the organisation reviewed how accessible its services are to people who do not speak English or Welsh, including Deaf people who use BSL, including seeking feedback from service users and representative groups?

**Box 4 – Checklist for interpretation and translation services (cont.)**

## 2. Policy and procedures

a Has the organisation developed a policy covering:

- Legislative requirements to ensure that services are accessible.
- Requirement to use professional interpreters rather than relying on bilingual staff, family or friends.
- Circumstances in which staff may rely on someone other than a professional interpreter such as emergencies.
- Types of interpretation available and the circumstances in which staff should use face-to-face interpreters, telephone interpreters and video remote interpreting.
- The process for booking face-to-face, telephone and video remote interpreting.
- How to access interpreters at short notice or in emergencies.

b Are arrangements in place to monitor the quality of interpreters and translation?

c Is there an accessible complaints process?

## 3. Sourcing interpretation and translation services

a Has the organisation considered the best options for it to source interpretation and translation services (whether through WITS, UK Government frameworks, by contracting directly with other service providers or a mix of these options)?

b Does the organisation monitor the demand for and the cost of interpretation and translation services including any added costs incurred for late notice or emergency bookings, short-notice cancellations or missed appointments?

c Has the organisation considered if it needs to source specialist interpreters, for example for work with people who are mentally ill or who have experienced violence or trauma?

d Does the organisation know which staff – if any – have language skills to provide services in another language or to assist with communication in an emergency until a professional interpreter is available?

**Box 4 – Checklist for interpretation and translation services (cont.)**

**4. Training for staff about working with people whose first language is not English or Welsh**

a Has the organisation considered and responded to the training needs of staff to ensure that they can communicate effectively with people whose first language is not English or Welsh?

b Has the organisation evaluated the effectiveness of its staff training?

c Do staff know how to book an interpreter?

d Do staff know how to work with interpreters, for example booking longer appointment times or what is the interpreter's appropriate role?

**5. Providing information for service users who do not speak English or Welsh as their main language**

a Are service users whose first language is not English or Welsh (including people who may use the services) made aware they can request an interpreter or translation, for example by information on the organisation's website, in posters/letters and through representative groups?

b Are service users made aware they can express a preference for a particular interpreter?

c Does the organisation seek feedback from service users who have used an interpreter?

d Does the organisation clearly tell service users with different language needs how to make a complaint either about the interpreter, lack of accessible information or the service they have received more generally?

e Has the organisation made sure that its website and other digital communication is accessible to those who do not speak English or Welsh?

Source: Wales Audit Office

# Appendices

Appendix 1 – Our methods
Appendix 2 – Performance against the 2013 All Wales Standards for Accessible Communication and Information for People with Sensory Loss

# Appendix 1 – Our methods

This study focuses on people who do not speak English or Welsh including Deaf people who use BSL. We recognise that many other people have different communication barriers, for example people with learning disabilities or people who are deaf or hard of hearing, people with a combination of hearing and sight loss or people with poor literacy. Many of the steps to improve access for people who do not speak English or Welsh as a first language will help these wider groups (for example through using plain English and by increasing awareness of communication barriers generally) but this was not the focus of our work.

Following research and consultation with policy-makers and representatives of people who use interpretation and translation services, we hosted two shared learning seminars in February and March 2017 so representatives of particular groups and staff involved in delivering services could share their experiences and learn from each other. We followed up some case study examples from the seminars (Box 5) and more detail is available on the Wales Audit Office Shared Learning web pages (Making services more accessible to people who do not speak English or Welsh).

**Box 5 – Case studies**

1. Abertawe Bro Morgannwg University Health Board – Health Access Team
2. South Wales Police – Emergency and non-emergency contact, Keep Safe Cymru
3. Dyfed Powys Police – Emergency calls, The Pegasus Scheme
4. Dyfed Powys Police – Non-emergency text number
5. Arriva Trains Wales – Orange Wallet Scheme
6. Welsh Ambulance Service NHS Trust – Pre-hospital app
7. Taff Housing – Supporting people resettling in Cardiff and the Vale of Glamorgan through the Home Office's Syrian Vulnerable Persons Resettlement Programme
8. Cardiff Council – Providing advice services to speakers of other languages in Community Hubs
9. Wales Audit Office – Making the public website accessible

In Summer 2017, we contacted councils and NHS bodies in Wales requesting information about their policy and actions to enable wider access to public services for people who do not speak English or Welsh as their first language or face language and communication barriers due to sensory loss. We had responses from 15 councils, four health boards and the three NHS trusts.

We reviewed the Strategic Equality Plans of 41 organisations – all 22 councils, the seven health boards and three NHS trusts, the three national park authorities, the four police forces and three fire authorities in Wales – to see what reference, if any was made to people who do not speak English or Welsh as a their first language or who experience language barriers because of sensory loss. We searched specifically for references to refugees, asylum seekers, migrants and Black and Minority Ethnic groups as well as language. Also for references to 'Deaf', 'deafened', 'hearing impaired' or 'sensory loss'. We conducted the same review of the seven Population Needs Assessments published by the Joint Health, Social Care and Well-being Partnerships in 2017 and the 19 well-being assessments published by Public Services Boards for the first time in Spring 2017.

We had a number of meetings with officers from WITS. We followed the changes brought in following an audit report in March 2015 and the transfer of hosting responsibilities from Gwent Police to Cardiff Council. We contacted other interpretation and translation services to give them the opportunity to provide information on their services and work in Wales.

During this work, we also met with staff from the Wales Council for Deaf People and the Centre of Sign-Sight-Sound (formerly North Wales Deaf Association) in Summer 2017. We discussed the work with the Wales Council for Voluntary Action's Equalities and Human Rights Coalition and received detailed information on initiatives underway from several organisations.

We also held discussions with officers from the Welsh Government and the Wales Strategic Migration Partnership, hosted by the Welsh Local Government Association.

## Overall expenditure on interpretation and translation services

We know that public bodies in Wales spent £2.2 million through WITS and £55,000 through the UK Government procurement frameworks on interpretation and translation services in 2016-17 (Paragraphs 1.19 and 1.29). Expenditure through WITS includes a small amount (estimated at not more than £7,000) on Welsh language interpretation.

However, these figures do not include the cost of interpretation or translation procured through contracts with other private companies or third sector organisations. Overall, we were unable to establish the total expenditure on interpretation and translation for languages, in part because we only received information on expenditure from 12 councils, four health Boards and three NHS Trusts bodies. Some of the figures provided were either incomplete or inconsistent; for example, some paid a fee for each booking while others had a fixed contract for interpretation services. Information provided by councils did not include interpretation and translation for asylum seekers settled in Wales under the Syrian Vulnerable Persons Resettlement Programme as these costs are met from the Home Office's block grant to the host authority.

No information was provided on the number of employees whose primary role was interpretation or translation. Organisations also did not provide any assessment of the opportunity costs incurred by staff doing interpretation work rather than their primary role.

# Appendix 2 – Performance against the NHS Wales' 2013 All Wales Standards for Accessible Communication and Information for People with Sensory Loss

The Welsh Government monitors health bodies' progress towards meeting the All Wales Standards for Accessible Communication and Information for People with Sensory Loss annually. Its unpublished reviews of information provided by the Health Boards and Trusts for 2015-16 and 2016-17 concluded that all have made progress towards achieving the Standards but performance is variable. All apart from Public Health Wales had an action plan towards achieving the Standards by March 2016. All could show that they had undertaken some form of needs assessment in hospital care. The following paragraphs summarise some of the findings from the reviews.

## Secondary health care

All of the health boards and trusts except Powys Teaching Health Board have rolled out some form of awareness raising and/or training to staff. Various initiatives include how to use specialised equipment; information to raise awareness of the needs and issues faced by people with sensory loss and training staff in BSL. In 2016, the University Dental Hospital won an award in the Cardiff & Vale UHB's Staff Recognition Awards for its awareness and training for front line staff in sensory loss.

All have put measures in place to improve their communication with people with sensory loss. Four health boards were piloting or rolling out text messaging for appointments and one health board is piloting a buzzer system to call patients for their outpatient appointment. Most have installed communication mechanisms such as hearing aid loops, Sondio amplification units, sensory mats, BSL interpreters and guidance on written patient information. Some have systems to alert staff to patients' sensory needs such as sensory loss symbols on patient records/status boards and documenting communication needs in referral letters. Powys Teaching Health Board's initiative to flag the access and linguistic needs of patients via e-referral and the Patient Admission System has been adopted as an exemplar.

## Primary health care

Generally, primary care providers had done less to implement the Standards than secondary care. Initiatives underway and completed include:

a **Raising staff awareness** of sensory loss issues and/or the Standards through training, awareness raising sessions and guidance documents;

b **Introducing communication tools** for people with sensory loss who want to use primary care services. Examples include communication cards, booking BSL interpreters and piloting the use of awareness raising symbols. More specifically, the Accessible Information Standard for people with sensory loss was introduced into GP surgeries from November 2017.

It is a national, Welsh Government led, project that enables GP surgeries to capture, record, transfer and flag the communication and information needs of sensory loss patients. An additional phase will be added to the project by the end of March 2018 to enable those identified communication and information needs to be shared via e-referral when the GP refers patients to secondary care; and

c **Making information about health and wellbeing accessible** for example by including BSL video clips on websites and adapting education programmes so that participation is inclusive. In regards to the latter, Abertawe Bro Morgannwg University Health Board has won an NHS Wales Award (Citizens at the Centre of Service Redesign & Delivery) in 2015 for its redesigned health and wellbeing courses that are now accessible to Deaf BSL users.

Issues identified as needing to be addressed in March 2017 included ensuring that appointment systems are more accessible to people with sensory loss. One health board noted an on-going problem with interpreters for emergency appointments. A more general concern in three of seven health boards was making public and patient areas in primary health buildings more accessible especially in older buildings and ensuring hearing loops are available.

## Emergency and unscheduled health care

NHS bodies vary in the extent to which they have taken action to improve access to emergency and unscheduled care. Initiatives include:

a staff training/awareness sessions;

b using equipment such as listening devices, information cards, updating websites to assist people with sensory loss and identifying a lead or champion for sensory loss issues; and

c the Welsh Ambulance Service NHS Trust has developed an app to help communication with patients and others who do not speak English or Welsh or who have sensory loss or other communication needs (Case Study 6, Speak My Language Shared Learning).

However, in March 2017, three health boards reported that they needed to address the issue of access to unscheduled and emergency care and especially outside of core hours.

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg.

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

**Tracey Burke**
Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Addysg a Gwasanaethau Cyhoeddus
Education and Public Services Group

Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair of the Public Accounts Committee

10 July 2018

Dear Nick,

**THE PUBLIC ACCOUNTS COMMITTEE INQUIRY 25 JUNE 2018 – HOUSING ADAPTATIONS**

Following to the evidence session on 25 June 2018, you requested we provide information on gaps in Welsh Government data collection and further information on the importance of evidence in the measurement of the impact of interventions.

**Addressing the gaps**

Firstly, it might be helpful if I clarified the engagement of Large Scale Voluntary Transfer Organisations (LSVTs) in data collection and policy development. The Enable data collection is collecting information on adaptations from *all* organisations this includes LSVTs. In addition, the Aids and Adaptations Steering Group (formally the Enable Steering Group) did not previously have representation from the LSVT sector. However, to ensure we have a good understanding of this sector and in recognition of their unique position in providing housing adaptations, an LSVT representative has been asked to join the group.

As discussed in the evidence session, we agree that data collection and monitoring is a key area of work which we are taking steps to improve. The Enable data collection has been in place since January 2017. We are currently analysing data from the first year's returns, which includes data on the experience of over 12,000 individuals. The final report on this data collection is expected in autumn 2018. Our analysis has already highlighted a number of inconsistencies in the way service providers are recording data. We have taken steps to improve the consistency of returns for year two, including addressing gaps. The final report will help inform the next iteration of the data collection methodology and further improve our understanding of service provider performance and impact of these services.

A sub group of the Aids and Adaptations Steering Group has been established to update the guidance and templates, this will further improve consistency of data returns. The group

BUDDSODDWYR MEWN POBL | INVESTORS IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 0300 0258047
tracey.burke@gov.wales
Gwefan • website: www.wales.gov.uk

will meet in July with the aim of having improved data collection arrangements in force by the end of summer 2018.

**Measuring impacts**

In terms of capturing the impacts and measuring the preventative aspects of housing adaptations, as we indicated at Committee, these are areas that are more difficult to measure. Work is being taken forward, but we need to be aware of the challenge of measuring preventative impacts. One approach currently underway is the work Care and Repair Cymru are undertaking with Swansea University's SAIL databank to establish evidence of the impact of their work on use of NHS services. The Secure Anonymised Information Linkage (SAIL) Databank is a national data bank of anonymised health and administrative datasets about the population of Wales. The databank is used to inform and provide evidence to policy makers to improve health, well-being and services. For example it can track anonymised people using a range of data sets to determine how interventions impact on use of NHS services.

The data linkage study is expected to increase our understanding of the impact of adaptations on health service usage, in particular emergency admissions to hospital. This has the potential to be a powerful tool to help us measure and clearly evidence the preventative impact of providing adaptations. Before extending this approach beyond Care and Repair data, more work with the sector is needed to ensure current data capture is suitable for matching with the SAIL dataset. We will continue to work through the Aids and Adaptations Steering Group to further develop our understanding of the impact of interventions and the potential to use SAIL evidence.

Yours sincerely

Tracey Burke

**Tracey Burke**
Cyfarwyddwr Cyffredinol / Director General

Y Grŵp Addysg a Gwasanaethau Cyhoeddus
Education and Public Services Group

Llywodraeth Cymru
Welsh Government

10 July 2018

Dear Mr Ramsay,

**Re: Auditor General for Wales Report: 21st Century Schools and Education Programme**

Thank you for inviting me to provide an update to the Public Accounts Committee on the 21st Century Schools and Education Programme on 25 June.

During the session I agreed to provide further information and clarification on some of the points discussed. Please find this in the annex attached.

Yours sincerely

**Tracey Burke**
**Director General, Education and Public Services**

BUDDSODDWYR MEWN POBL | INVESTORS IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 0300 0258047
tracey.burke@gov.wales
Gwefan • website:
www.wales.gov.uk

## 21st CENTURY SCHOOLS AND EDUCATION PROGRAMME

### 1. Details of the differences between the five business case treasury model used to approve Mutual Investment Model and the model used to approve Private Funding Initiative (PFI) Funding

Welsh Ministers have made clear that the investment undertaken using the Mutual Investment Model (MIM) must promote the public interest, including value for money. To that end all MIM schemes will be assessed using the Five Case Model.

The Five Case Model is co-owned by the Welsh Government and HM Treasury. It is a core part of the Better Business Case (BBC) programme, which also includes internationally accredited training at foundation, practitioner and reviewer levels. The Five Case Model provides a framework for effective decision-making with respect to a project's strategic, economic, commercial, financial and management cases. Value for money is subject to the discipline of the economic case, which includes, *inter alia*, the quantification of costs and benefits, the undertaking of an options appraisal, and the inclusion of optimism bias. More information about the Five Case Model and the BBC programme is available at:

https://gov.wales/funding/wales-infrastructure-investment-plan/better-business-cases/?lang=en

As the Welsh Government was not party to historic PFI contracts undertaken by HM Treasury, I am unable to comment on the value for money appraisals that HM Treasury undertook. However, I can assure the Committee that the value for money assessments have evolved over the years since the early PFI schemes, with lessons learned, which will be applied to the scrutiny of MIM projects.

### 2. Clarification of the Welsh Government's written evidence on how the 21st Century Schools and Education Programme will contribute to the Welsh Government's commitment to one million Welsh speakers by 2050

Growth in the Welsh medium sector is a key aim of the 21st Century Schools and Education Programme and we are working positively with our partners to deliver that. It is now mandatory for the business case for each individual project to provide details about how the proposal will contribute to the Welsh Government's commitment to one million Welsh speakers by 2050 or clarify why this is not appropriate and note the evidence base to support that decision. This information is scrutinised as part of the business case assessment process.

Where a local authority brings forward a proposal for an English medium school we would expect to see evidence both that there is sufficient Welsh medium provision in the area and why English is the appropriate language of instruction in this case. Officials from the Welsh Language team scrutinise each proposal and provide assurance as to whether the evidence is soundly based.

**3. Details on how the Welsh Government will ensure the requirements of the Active Travel Act (2013) will be considered and implemented as part of future school builds**

The Active Travel (Wales) Act 2013 seeks to increase the numbers of everyday journeys made on foot and by bike, such as the journey to school. As a result of the Act, local authorities need to plan and develop integrated active travel networks, connecting key trip generators, including schools. This change to legislation is referenced in our business case guidance. This guidance is used by local authorities and further education institutions when preparing business cases for capital investment in their education infrastructure to ensure that they comply with Welsh Government policies and legislation.

The Welsh Government expects any 21st Century Schools and Education project to include provision of safe and convenient walking and cycling access. Transport and education officials scrutinise business cases for 21st Century Schools and Education projects. Business cases that show poor consideration of active travel access are required to ensure that this is addressed before proceeding further. This is an area where we will be applying greater scrutiny and challenge going forward.

**4. Further on information on what safeguards the MIM model has in place to ensure high quality building standards for school buildings**

Strict building standards are applied to projects successful in securing programme funding. This will continue into Band B for both capital and MIM funded schemes. MIM schemes in particular will employ standardisation of design, with a standard output specification for works and services. Payment will not commence until an Independent Tester has signed off the building as complete.

The Committee asked in particular about our response to the Report of the Independent Inquiry into the Construction of Edinburgh (PPP) Schools in February 2017. Following release of the report an exercise was undertaken within Welsh Government to consider how the MIM could apply the Inquiry's key recommendations around the role of the contracting 'Authority' in relation to quality assurance of the design and construction of PPP facilities.

As a result of this exercise, it was concluded that the MIM Standard Form Project Agreement would be complemented with published guidance to extend the Independent Tester scope of services. This guidance is now available at:

https://gov.wales/docs/caecd/publications/171215-independent-tester.pdf

It was also concluded that further guidance concerning *Authority Assurance during the Construction Phase* would be issued to MIM project teams. This guidance sets out the Authority's rights and requirements under the MIM Standard Form Project Agreement). An Authority Construction Manager must be appointed to undertake quality assurance activities on behalf of the Authority, including, if required, the monitoring and inspection of day-to-day construction activities.

In brief, our response to the Inquiry:

- Addresses the recommendation that Authorities require investment to be made in appropriate expertise for the proper scrutiny of projects;
- Addresses the concern that the level of service provided by Independent Testers needs to be reviewed and contracts of appointment written to reflect what clients actually require of the role;
- Re-emphasises the need for thorough diligence during the procurement in respect of construction quality processes, and the ongoing monitoring of those activities;
- Mandates the appointment of an Authority Construction Manager to act on behalf of the Authority;
- Includes detailed construction completion criteria, e.g. relating to building standards, warrants and fire regulation;
- Achieves a move away from limited sample testing/audits toward a more bespoke completion testing approach; and
- Uses BIM (Building Information Modelling) to ensure that ‘as built’ drawings and other documentation is easily available through accurate and thorough record keeping.

Agenda Item 2.4

**Ein Cyf /** Our Ref:
**Eich Cyf /** Your Ref:
**Dyddiad /** Date:
**Gofynnwch am /** Please ask for:
**Llinell uniongyrchol /** Direct line:
**Ebost /** Email:

**Cc: Public Accounts Committee**

CLILC • WLGA

Nick Ramsay AM
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Mr Ramsay,

**Additional Information: PAC Inquiry into 21st Century Schools and Education Programme**

Many thanks for the invitation and the opportunity to give evidence to the Public Accounts Committee part of the inquiry into 21st Century Schools and Education Programme. During the evidence session I gave a commitment to provide further information concerning the Mutual Investment Model (MIM) element of Band B. During the course of the discussion and in the WLGA's written evidence I indicated that there were some anxieties within local government regarding a revenue funded approach to 21st Century Schools and the fact that several authorities had had less than favourable experiences of the Public Finance Initiative (PFI) which had been used as a vehicle for building schools in the past. There is no doubt that authorities would prefer a traditional capital funding approach if that was available but that is not the case. The Welsh Government and the 21st Century Schools Programme Board were determined from the outset therefore to learn the lessons of past experiences.

Despite initial anxieties, there are several potential benefits to the MIM proposal: They include:

- It provides an additional source of funding for the Programme which enables greater investment in school buildings beyond the capital funding available.
- It ensures that the school buildings that are delivered are maintained for their *lifetime* and over a long period of time than would otherwise be the case.
- If there are failures on the part of the contractor in terms of provision of the services and availability of areas in the building, then MIM provides the public sector with a route of redress. Deductions can be levied against the contractor for such failures.

Steve Thomas CBE
Prif Weithredwr
Chief Executive

Cymdeithas Llywodraeth Leol Cymru
Tŷ Llywodraeth Leol
Rhodfa Drake
CAERDYDD CF10 4LG
Ffôn: 029 2046 8600

Welsh Local Government Association
Local Government House
Drake Walk
CARDIFF CF10 4LG
Tel: 029 2046 8600

wlga.cymru
wlga.wales

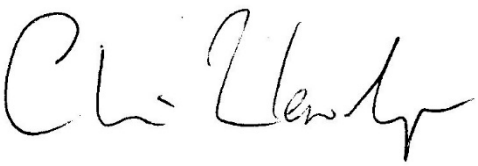
@WelshLGA

- Local authorities might have to borrow to match fund the Welsh Government contribution to the traditional capital model whereas the MIM approach is unlikely to require additional borrowing.

Additional beneficial features of the MIM approach include the transfer of many risks currently borne by local authorities to the private sector. These include, the ongoing availability of the building; the efficient performance of the services on an on-going basis; the energy efficiency of the design of the building; asset replacement and the timely delivery of the facility and associated cost overruns. If the authority can't use the school building or if it is defective, then they are compensated through a deduction to the monthly payment.

As has already been stated, many aspects of the 21st Century Schools and Education Programme are contestable and authorities will consider all the evidence and come to different conclusions about which is their preferred funding approach. There are several potential benefits to adopting the MIM model and while some of these might be contestable, it is evident that MIM provides an additional source of funding that can be invested in the school estate resulting in new and improved school buildings.

**Yours sincerely,**



**Chris Llewelyn**
*Dirprwy Brif Weithredwr - Cyfarwyddwr Dysgu Gydol Oes, Hamdden a Gwybodaeth*
*Deputy Chief Executive - Director of Lifelong Learning, Leisure & Information*

# Agenda Item 3

Document is Restricted

**Public Accounts Committee**
**Scrutiny session on the NHS Finance (Wales) Act 2014**
**16th July 2018**

**Evidence paper from the Director General, Health and Social Services**

## Introduction

We are now four years into the operation of the NHS Finance (Wales) Act 2014. The financial year just ended has been the second time we have reported on the three-year financial duty and was the fourth year that organisations were required to submit integrated medium term plans for approval. This is a good opportunity to update the Committee on the progress we have made since our evidence session in July 2017 in embedding the integrated planning approach and improving financial discipline in NHS Wales. While there is still clearly work to be done to ensure all organisations meet the requirements of the Act, I believe we are able to demonstrate that 2017-18 has been a year of stabilisation and improvement.

## Integrated Medium Term Plans 2018 to 2021

### Process

The IMTP process has developed incrementally since the introduction of the NHS Finance Act (Wales) 2014. The aim is to strike a balance between robust review and assurance and maintaining ownership and accountability at organisational level. The intention of the review stage is to understand that the ambition, priorities and performance set out by each organisation is credible and supported by appropriate workforce, other resources and is financially deliverable. Details of the process can be seen at Appendix 1.

### Planning Maturity

For the fifth year of integrated planning round, six organisations (Aneurin Bevan, Cwm Taf and Powys Health Boards and Public Health Wales, Velindre and WAST NHS Trusts) have demonstrated a growing maturity and development of their organisational planning processes and have a track record of delivery that provides confidence and credibility in the ability of the organisation and their Boards to implement their plans. They have submitted well developed and approvable final plans that:

- demonstrate evidence that they are “population health” organisations, understanding the need for local primary and community care to be central to transforming the health system;
- understand the need for prevention and public health focus;

- have clear organisational priorities that are, on balance, underpinned by clear descriptions of impacts, actions, milestones and effects on finances and workforce; and

- provide evidence of ownership of plans across their respective organisations, through a bottom-up approach to the development of priorities.

Going forward plans will be aligned to *A Healthier Future*, but for the 2018-21 planning round organisations were able to take account of findings of the Parliamentary Review in preparing their current submissions.

A key feature of the approved plans is that they are set in the context of Board agreed, or emerging, long term clinical strategies that provide clear direction for the delivery of the integrated medium term plans.

It is also evident that those organisations that have succeeded in multiple plan approvals are more advanced in the application of the legislation and national policies that require new approaches to partnership and collaboration such as the Social Services and Wellbeing Act and the Wellbeing of Future Generations Act.

**Developments**

**Planning skills**

The Planning Programme for Learning has continued to evolve and now has a number of strands that support the development of skills and capacity to support integrated planning, and to contribute to improving the quality and maturity of IMTPs.

The Programme includes:

- Bi annual learning events with NHS Planners and officials to learn lessons and share good practice;
- A suite of master-classes to address specific areas, such as demand and capacity planning, to ensure consistency and improve accuracy of planning;
- An Academic Programme is in development to provide accredited learning and enhance professional planning skills.

Collectively this approach is enhancing the planning capabilities and opportunities in Wales and supporting individual and collective learning. The learning events and master-classes are already offered to a broad range of attendees and over time the academic programme will be offered more widely.

**Working with Regional Partnership Boards (RPBs) and Public Sector Boards (PSBs)**

Health Boards are already statutory partners on RPBs and PSBs, where they agree common priorities and strategic objectives that influence their plans. These

arrangements now need to go further with organisations seeking out and implementing further opportunities for joint approaches, new models of care and support and pooled budgets. The next Planning Framework, to be published in autumn 2018, will provide clarity on the expectations set out in the long term plan for health and care to support and where possible accelerate this work, for example through the Transformation Fund and Integrated Care Fund.

### *A Healthier Wales* – our plan for Health and Social Care

*A Healthier Wales* sets out the ambition for transformation of health and care services for people in Wales. Integrated planning and a genuine partnership approach across sectors provides a sound footing for enhancing and delivering the expectations of improved outcomes and seamless care first set out in the Parliamentary review. Over the coming months we will start to implement the plan and look at what needs to be done to further support, align and drive planning arrangements across sectors.

In responding to *Healthier Wales* officials are considering how the Welsh planning system, including IMTPs, can be streamlined. This work has already begun and includes:

- Engaging internally and externally with Planners
- Considering how processes and policy can support and simplify arrangements; for example, timeframes and reducing any duplication.

The next Planning Framework will seek to simplify and clarify matters wherever possible. There is a challenging timeframe over the summer that will start this work, as well as identifying levers for change and opportunities for accelerating existing good practise. In addition, further work is being undertaken to incentivise transformation and enhance performance via dedicated funding streams. In applying these levers it is important to recognise that health boards and trusts have a range of challenges and the support and levers that are needed will vary in order to maximise the resources and funding available. As ever, Welsh Government will strike a balance between escalation intervention and the strategic planning support linked to the levers for change that are in development.

### Review of 2017-18 Financial Outturn

The Cabinet Secretary for Health and Social Services issued a written statement to members on 14th June detailing the financial outturn for NHS Wales organisations in 2017-18. Six out of ten organisations complied with the statutory break even duty by operating within their budgets over the three-year period of assessment from April 2015 to March 2018. In addition to their reported outturns, Aneurin Bevan and Cwm Taf generated surpluses during 2017-18 of £2.4 million and £3 million respectively

which Welsh Government has agreed to carry forward. These amounts were removed from the boards' 2017-18 allocations, and will be re-provided to them in 2018-19.

Four of the ten organisations did not achieve their financial duty to break even over three years. Consequently these four organisations have failed to meet their statutory financial break-even duty for the three-year period of assessment, and as a result have received qualified regularity opinions from the Auditor General for Wales on their 2017-18 accounts.

To confirm our expectation of stabilisation and improvement for the four boards in escalation, for the first time in 2017-18 we set maximum deficit financial control totals for these organisations. The control totals and final outturn are detailed in the table below.

| Health Board | Maximum Deficit Control total<br><br>£m | Final outturn deficit<br><br>£m | Variance to control total - Improved / (worsened)<br>£m |
|---|---|---|---|
| Abertawe Bro Morgannwg | 36.0 | 32.4 | 3.6 |
| Betsi Cadwaladr | 26.0 | 38.8 | (12.8) |
| Cardiff and Vale | 30.9 | 26.8 | 4.1 |
| Hywel Dda | 58.9 | 69.4 | (10.5) |

In terms of Hywel Dda UHB, in 2015-16 and 2016-17, Welsh Government provided the Board with additional non-recurrent funding of £14.4 million in each year as short term structural support in recognition of the financial challenges it faced. During 2017-18, no additional funding was provided, pending the commission by Welsh Government of a zero based review of the Board's cost base. To ensure a consistent trajectory of improvement, the reduction in the Board's allocation was taken into account in setting their control total for 2017-18.

Two organisations– Abertawe Bro Morgannwg and Cardiff and Vale – achieved an improved financial deficit position in 2017-18 compared to 2016-17, and improved upon the deficit control totals set by Welsh Government.

All Local Health Boards reporting financial deficits in 2017-18 have received reports from independent financial governance reviews commissioned by the Welsh Government during 2017-18, and have developed and published action plans for implementation. Progress on delivery of these actions is being monitored by officials through the regular intervention meetings with these boards.

In addition to the financial governance reviews and regular targeted intervention meetings, detailed finance meetings were held with these organisations on specific

financial issues such as savings plans, pay costs and workforce numbers, reporting and financial forecasting. This support to those health boards were both focused on in year improvements and also improvements for 2018-19.

Taking account of the two health board surpluses brokered forward during 2017-18, and the additional non-recurrent funding provided in previous years to Hywel Dda which was not provided in 2017-18, the overall net outturn for NHS Wales in 2017-18 was slightly improved on the 2016-17 position, as demonstrated below:

| | **£m** |
|---|---|
| **NHS Wales 2017-18 reported outturn net deficit** | **167.0** |
| Adjusted for: | |
| Surpluses brokered into 2018-19 | (5.4) |
| Hywel Dda allocation reduction | (14.4) |
| **Adjusted 2017-18 outturn** | **147.2** |
| **2016-17 reported outturn net deficit** | **147.7** |

The NHS net deficit in 2017-18 has been managed within the overall health and social services budget. Subject to audit, the Welsh Government's resource accounts for 2017-18 are expected to show a modest surplus on health and social services revenue budgets. This means that the overall budget has been met whilst maintaining a focus on individual organisations where we wish to see their financial discipline improve.

**2018-19 Financial Year outlook**

On 13th June the Cabinet Secretary issued a statement to members confirming that he had approved the integrated medium term plans from 2018 to 2021 for six organisations based on the submission of balanced and achievable plans. Although the four health boards in escalation were unable to submit approvable plans for this period, and so continue to work to annual operating plans, there is already evidence that Abertawe Bro Morgannwg and Cardiff and Vale University Health Boards are continuing their trend of improvement with a further material reduction in their planned deficit. (Annex 1)

The Cabinet Secretary for Health and Social Services made an announcement in May on the outcome of the zero based review into Hywel Dda University Health Board. The review partially confirmed that Hywel Dda faces a unique set of healthcare challenges that have contributed to the consistent deficits incurred by the Board and its predecessor organisations. In response to these findings the Cabinet Secretary approved the release of £27 million additional recurrent funding. As a consequence of this additional funding, we expect Hywel Dda to operate within a significantly lower planned deficit than previous years.

Betsi Cadwaladr University Health Board continues to cause concerns in areas of financial planning and management. The Board exceeded its control total in 2017-18 by nearly £13 million, and its current plan for 2018-19 shows at this stage limited stabilisation and improvement on last year. We will be increasing our financial intervention in the organisation over the summer with the input of the recently established Finance Delivery Unit, alongside our regular accountability process with their executive team.

We have placed a particular focus on addressing the net underlying deficits in NHS organisations as a key performance indicator in improving financial stability. The indicator adjusts for non-recurrent funding streams and savings actions, as well as removing any non-recurrent spending. Whilst the analysis is still being reviewed and challenged by officials with NHS finance teams, the positive indications are that the risk will be reduced from 3 per cent of spend coming into the current year down to under two percent by the end of the year. This position has been achieved by an increasing focus on planning and financial discipline.

**Efficiency and Value**

The National Efficiency, Healthcare Value and Improvement Group continues to support delivery of the efficiency agenda, with a focus on improving both technical efficiency and allocative efficiency. The Efficiency Group works with, and through, All Wales Director groups on developing and enabling delivery of specific improvement opportunities on a system wide basis, for example:

- Atlas of Variation with Medical Directors
- Optimal Nurse Rostering with Nurse Directors
- Delivering on medicines optimisation working with Chief Pharmacists
- Developing an Efficiency Framework with Directors of Finance
- Through Shared Services procurement and medical directors standardising clinical products such as Hip Prosthesis, and other consumables such as high cost trocars.
- Developing and introducing a system wide cap on medical locum and agency pay rates.

In addition to the Efficiency Group programme, other work in relation to supporting the development of Value Based Healthcare is being progressed, strengthened with the appointment of a Clinical Lead for Value-Based Healthcare in Wales, with continued work to develop the approach to value based procurement, outcome measurement and evaluation. NHS Wales has a strategic partnership with the International Consortium for Health Outcomes Measurement (ICHOM) supporting this work, which includes the development of work in pilot areas such as Lung Cancer.

The above describes significant examples of the system and peer groups developing a co-ordinated and consistent response to emerging challenges and delivering financial improvement. The impact of which include:

- Improving the uptake of Biosimilar medicines through an approach endorsed by the Efficiency Group and led by the NHS chief pharmacists peer group. This has enabled increased use of Biosimilar infliximab across Wales by over 35% from January 2017 to October 2017 and increased use of Biosimilar etanercept by approximately 30% between January and November 2017. The annual saving impact in relation to increasing Biosimilar uptake within one Health Board alone (Aneurin Bevan) is £0.7 million per annum.

- Supporting the development of Medicines Optimisation plans, through Chief Pharmacists maximising the significant additional savings from the availability of generic Pregabalin.

- Through Directors of Finance and shared services procurement identifying and implementing Early Payment Programmes anticipated to deliver an £8 million gain to NHS Wales over a 5 year period

- Introducing a locum & agency rate cap in November 2017. The total expenditure on medical and dental locum and agency workforce paid at a premium reduced for the period November 2017 – March 2018 by £13.4 million from the same period in 2016-17.

- Increasing standardisation of clinical products through shared services procurement working with clinical staff and Health Boards. The improvement potential of the standardisation of Trocars, a key instrument used in laparoscopy procedures, was identified as £0.7 million per annum and progressed by Health Boards.

- Developing a Value Based Healthcare approach through delivering a national Time Driven Activity Based Costing (TDABC) exercise for Cataract surgery identifying significant pathway variation, and developing local TDABC work such as Aneurin Bevan Health Boards work on the Prostate Cancer pathway. Through the National Planned Care Board, Finance Directors are currently supporting the TDABC assessment for Knee Surgery to identify potential unwarranted variation and improvement opportunities.

Through the recently established Finance Delivery Unit, an Efficiency Framework has now been developed in order to systemise and more routinely share and surface opportunities for improvement across organisations within NHS Wales. This is focussed on:

- Population health based analysis to inform allocative efficiency opportunities. This considers variation in expenditure by organisation and disease category, and utilises Health-maps Wales software to identify variation in referrals across clusters and practices
- Technical efficiency & productivity analysis, and opportunities to deliver productivity improvements considering organisation performance against best practice peers
- Comparing savings plans and other bespoke benchmarks across organisations to identify opportunities for further improvement and implementing best practice across the system.
- Co-ordinating a shared view of robust intelligence on a system wide basis to support the continued development of plans and improvement

Through Finance Directors and senior teams, the Framework is being utilised to refine and continue to develop 2018-19 plans, and will continue to be developed to support organisations plans for 2019-20.

Through detailed comparisons of organisations savings plans against agreed and standard definitions, this has enabled:

- Developing a consistent framework and approach across organisations
- Identifying areas for improvement in both approach and content across organisations
- Building an understanding of good and best practice, enabling organisations in Targeted Intervention to consider potential improvements in line with organisations with approved plans.

It is anticipated that the actions and work described above will continue to be developed and delivered at pace over 2018-19 to continue to support improvement in this area going forward.

**Auditor General for Wales' recommendations**

The Auditor General for Wales made two recommendations in his 2017 report and also identified two broad areas for the Welsh Government to focus on. The Welsh Government's initial response and updated position is outlined in Annex 2.

**Annex 1**

## Integrated Medium Term Plans

### Process

The assessment process is intended to be robust and to determine if plans are realistic and affordable. The key components include:

- a cross-departmental / multi policy analysis in February 2018 after the January 2018 submission and again in April 2018, after the March 2018 submissions;
- use of a Planning Board, chaired by the Deputy Chief Executive NHS Wales and with a number of HSSG Executive Director Team (EDT) members, to lead and oversee the assessment and approvals process;
- use of executive-level multi-professional meetings between HSSG and NHS organisations, including as part of the Joint Executive Team (JET) meetings and Targeted Intervention (TI) meetings, to enable challenge, clarity and assurances on the plan.
- Officials have met each Health Board and Trust at least twice between January and March. For some organisations, the number of meetings has been significantly higher
- Significant time investment spent analysing and reviewing the plans. This has been in the form of individual policy lead reviews, policy leads coming together to consider and discuss each organisation and discussions and decisions at the Planning Board. This process is overseen by the Director.
- There has been ongoing communication with organisations as part of the feedback loop in the form of letters from, and meetings with the Deputy Chief Executive NHS Wales. These have been supported in many cases by tailored feedback discussions between HSSG planning and policy leads and organisation service leads.

### High level organisational summaries

#### Aneurin Bevan UHB

Aneurin Bevan has provided a well developed plan for 2018/21 and has a sound record of delivery. As expected, assurances on the delivery of the Grange University Hospital were an important aspect of the plan.

#### Cwm Taf UHB

Cwm Taf has provided a strong plan for 2018/21 that demonstrates a high level of organisational engagement in the development of their plan. The organisation has shown ambition in its plans, in particular around local primary health and care and its

engagement with local authority partners. The health board has expressed a commitment to regional planning that will support the south east Wales region.

**Powys THB**

Powys has provided a sound plan over the three years which continues to develop its integrated approaches. The Chief Executive has a joint role across the health board and local authority, including social services. The Board's IMTP has been explicitly developed through the lens of the Wellbeing of Future Generations Act, sustainable development principles (the five ways of working), and within the context of Powys' recently published Joint Health & Care Strategy. This has enhanced the focus on its integration and collaborative approaches. Development of local primary health and care remains central to its plans. The health board continues to develop commissioning arrangements and monitoring both externally and within Wales to track and understand services for its patients.

**Public Health Wales NHS Trust**

The Trust's IMTP has been explicitly developed through the lens of the Wellbeing of Future Generations Act, sustainable development principles (the five ways of working), and within the context of the Trust's emerging strategic long-term plan.

**Velindre NHS Trust**

Velindre's plan set out an ambitious programme of work for Transforming Cancer Services (TCS) including a new hospital. Their plan provides a mechanism to see the joint commissioning and partnership arrangements necessary for such a complex development. These include:

- ongoing development of the Welsh Blood Service;
- models of care closer to home; and,
- strategies for delivery of new drugs and procedures in partnership with health boards.

**Welsh Ambulance Services NHS Trust**

WAST IMTP for 2018-21 builds on the previous work and engagement with partners and provides a sustainable and balanced plan which has been agreed with the Emergency Ambulance Services Committee (EASC).

**Organisations providing annual plans**

Four organisations were unable to develop IMTPs that were sustainable or financially balanced over three years and therefore they could not be approved by their Boards. These organisations have been required to develop annual plans which include how the Boards will work towards their ambitions to develop a balanced IMTP for the 2019/22 IMTP round.

These organisations are also in higher levels of escalation - Abertawe Bro Morgannwg, Cardiff and Vale and Hywel Dda UHBs (currently in Targeted Intervention) and Betsi Cadwaladr UHB (in Special Measures).

Annual plans have been submitted following consideration by their Boards but all require varying levels of development in order to produce sustainable and financially balanced plans. The development of the annual plans is being overseen as part of the escalation arrangements and senior officials will continue to work closely with all organisations to support them to finalise the 2018/19 annual plans and to submit IMTPs for 2019 where this is possible.

**Annex 2**

**Welsh Government response to Auditor General's recommendations**

**Recommendation 1**
**We recommend that the Welsh Government:**
**a) sets out more clearly in its guidance how, working in partnership with the Welsh Government, NHS bodies that have incurred a deficit should plan to recover their financial position in order to meet the duty in future years; and**
**b) enhances its monitoring returns to include the position against the three-year rolling periods, not only the annual picture.**

**Welsh Government Response *(provided in July 2017)*:**

***Partially Accepted***
We do not accept that NHS bodies require additional guidance from Welsh Government on the action they need to take to recover a deficit in order to meet the duty in future years. The operation of the duty was detailed in the Explanatory Memorandum to the Act, and also has been set out in Welsh Health Circular (2016) 054 – Statutory Financial Duties of Local Health Boards and NHS Trusts. However, we recognise the need to ensure that all new board members fully understand the organisation's duties, and this requirement will be addressed in the Independent Member's Induction Programme.

We accept the recommendation that our regular monitoring process needs to include a three-year perspective as well as the annual position for those organisations working to approved three-year plans. We will consider the additions we need to make to the monitoring process to include this perspective. This will be completed by 31st October 2017.

**June 2018 Welsh Government update:**

**Independent Members Induction**

Building on the successful Finance Academy arranged Independent Members Finance and Governance development session that took place in June 2016, Welsh Government Health and Social Services officials have been working with Academy Wales on:

- An Induction Guide for Independent Board Members
- A Independent Board Members' Induction Programme

Module 2 of the Induction Programme on "Planning, Resource and Delivery" included a specific session on NHS Wales Financial Duties, both the planning and

break even duty.  Module 2 also included presentations from NHS Director of Finance and Director of Planning, as well as presentation from Wales Audit Office. To support Independent members in their scrutiny and review of the respective draft Integrated Medium Term Plans being presented at the January Board meetings Module 2 was deliberately held on 16 January 2018.

The Academy Wales Independent Board Members' Induction Programme complements the locally arranged induction and development programmes at Local Health Boards and NHS Trusts.

**Monitoring Returns**

Discussions were held with NHS finance staff in October 2017 regarding the potential introduction of three-year monitoring tables. At this stage, no specific requirements for three-year monitoring tables are planned for those organisations with approved medium term plans. The NHS Planning Framework requires health boards and trusts to undertake a Mid Year Review of the plan delivery, with particular reference to a forward look on the implications, consequences and potential changes to years 2 and 3 of the plan. Welsh Government formally reviews progress in the bi-annual Joint Executive Team meetings with each organisation.

**Recommendation 2**

**We recommend that the Welsh Government swiftly completes the review of its funding formula for health boards to ensure that variations in funding levels properly reflect differences in population health needs and other determinants of healthcare costs**

**Welsh Government Response *(provided in July 2017)*:**

***Accepted***

Phase 1 of the resource allocation review was completed within the Finance Regime element of Together for Health. We intend to take forward Phase 2 in due course. Project proposals and timetable are under development and will be shared with the Cabinet Secretary for Health, Well-being and Sport.

**June 2018 Welsh Government update:**

Proposals are being developed for Phase 2 of the Resource Allocation Review. This work will build on the expertise and lessons from Phase 1, the findings from the recent Zero Based Review in Hywel Dda Local Health Board, funding formula approaches in comparative countries, such as New Zealand, Scotland and England, and also Welsh Government policy priorities.

For example the context of the Zero Based Review was that the configuration of services in Hywel Dda generated excess costs for the Board, but the key findings identified that the population characteristics, that is demographics, rather than configuration of services was the main driver of excess cost. The implication, to be tested in the review work, was that the current formula may not adequately recognise and weight the age/sex needs and cost curve. Given the changing demographics, and the projected changes, within the population, both volume and age/sex mix, this will be a critical element of the review and formula development.

**Auditor General for Wales's broad areas**

a addressing the funding cycle that sees significant amounts of funding being provided to NHS bodies towards the end of the financial year; we consider that continuing with this pattern is not sustainable; and

b using the opportunity provided by the Parliamentary Review of Health and Care, the development of a new NHS strategy and the development of local long-term plans by NHS bodies to provide an updated and clearer direction for NHS services, in particular the move to greater regional and national services.

**Welsh Government response:**

a. Welsh Government has moved away from a practice of issuing significant amounts of funding late in the year. In terms of 2017-18, all NHS organisations received a 2% uplift in funding to meet inflationary and other cost pressures which was confirmed before the start of the financial year. Further funding was provided to Aneurin Bevan and Cwm Taf UHBs in June 2017 in support of their approved medium term plans. Subsequent to this, the only additional funding provided to NHS bodies was for specific priorities. This included £50 million announced in August 2017 to improve waiting times, and £10 million announced in January 2018 in recognition of the extreme winter pressures that health and social services had experienced.

b. *A Healthier Wales: our plan for health and social care* was published on 11th June. This sets out our response to the Parliamentary Review published in January, with specific actions that we will implement over the next three years. This includes a commitment to develop a national clinical plan for specialist health services setting out our strategic approach to delivering safe and high quality health services which meet the needs of people across Wales by the end of 2019.

# Agenda Item 4

Document is Restricted

**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

Nick Ramsay AM
Chair
Public Accounts Committee

2 July 2018

Dear Mr Ramsay

**NHS Wales Informatics**

Further to your invitation to attend the Public Accounts Committee on 16 July, I hope the Committee will find this initial response addressing the concerns helpful in advance of the session.

Firstly, I would like to assure Committee members that I understand the nature of the criticism that the Wales Audit Office (WAO) report represents. That report highlighted a number of significant weaknesses that were identified during the WAO's investigations to which I responded in my original correspondence. I have written to provide assurance about our approach, to highlight developments in place since the field work, including changes around the agenda and focus of the NHS Wales Informatics Management Board and new approaches, for example, in terms of prioritisation, which are issues within the report. At the same time, I provided some commentary on progress with information and technology developments, particularly in the context of a country-wide rather than an organisation-only approach. However, I accept that whilst we have made progress, it has been slower than we would have wished as a result of the complexity involved in rolling out new systems, given the range of legacy systems in place. I agree we need to drive improvements in the future and at greater pace.

The recent Parliamentary Review of Health and Social Care in Wales also highlighted challenges faced across the service and called for action in terms of health and social care delivery. Its report set out clearly the need to harness innovation and accelerate technology and infrastructure developments. This also aligns with the WAO assessment.

On 11 June, in response to the Parliamentary Review, Welsh Government published 'A Healthier Wales: our Plan for Health and Social Care' which sets out the long-term future vision of a 'whole system approach to health and social care', focused on health and wellbeing and on preventing illness. The Digital and Data chapter describes how digital is a key enabler of transformational change and sets out a number of priority areas for action, including the commitment to significantly increase investment in digital infrastructure, technologies and workforce capacity. It accepts the assessment made by the Parliamentary Review. I am clear that digital will be a key enabler of service transformation across Wales


Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ
Ffôn • Tel 0300 025 1182
Andrew.Goodall@gov.wales
Gwefan • website: www.wales.gov.uk

and our systems will need to better reflect the way in which citizens use technology in their day to day lives. Having said that, we also have a responsibility to ensure that care can be provided through existing systems whilst we support transition, and critically we must keep data and care records safe and accessible.

Following approval in NIMB last month, we are in the process of setting up reviews to both the system architecture and the governance model for informatics across NHS Wales in light of broader recommendations for governance and NHS Wales functions set out in 'A Healthier Wales'. The system architecture review will need to address the balance between national frameworks and local delivery and accommodate the role of a number of national bodies. The review of informatics governance will consider scrutiny and transparency, together with overall governance and accountability. This will build on the WAO recommendations and align with the commitments made in 'A Healthier Wales' to review specialist advisory and hosted national functions.

I note the letter submitted by the Auditor General for Wales on 8 June concerning the incidents affecting availability of national clinical informatics systems. I recognise that whilst system resilience and business continuity arrangements did not form part of the WAO review these will be of concern to the Committee. I wanted to provide additional commentary in advance of the 16 July.

In January, March and April of the year, the NHS in Wales experienced three national data centre outages, each of which affected access to multiple NHS Wales IT systems. In addition, there have been outages of both the Welsh Laboratory Information Management System (WLIMS) and the Cancer Information System Cymru (CaNISC).

As soon as the data centre outages were identified, action was taken immediately at both a local and national level to bring about a swift resolution, ensuring business continuity plans were invoked as necessary and that systems were brought back online as quickly and safely as possible. Upon receiving notification, Welsh Government immediately sought assurance that investigations were underway to ensure prompt action. The NHS Wales Informatics Service (NWIS) subsequently confirmed that the root causes of the three data centre outages were not the same and occurred for different reasons - the first outage was as a problem with firewalls, the second was a network connectivity issue, and the third was a server issue. Andrew Griffiths wrote to all Health Board and Trust Chief Executives on the 25th June outlining the actions being taken forward by NWIS and the Infrastructure Management Board (where health boards and trusts are represented).

Welsh Government has led on the creation of the 'Wales Cyber Attack and ICT Incident Response Communications Framework' to address a key lesson learned during the outages. This has been developed in conjunction with NWIS and Health Board representatives and it will ensure clear, consistent communications are delivered to all stakeholders when a cyber attack or major ICT incident is underway. This national process described in the framework has already been followed during ICT incidents and feedback from the service has been largely positive. This framework was formally published on the 14 June 2018.

With regards to the stability of WLIMS, the system experienced an outage on the 14 and 15 May as a result of a routine change that was made to test code, despite this having already been successfully implemented within the test environment . The WLIMS Service Board received an explanation of the outages and the Chair of the Board has confirmed they are satisfied with the actions taken. In addition, Welsh Government provided funding of £1.32

million to upgrade the WLIMS infrastructure and last month the data storage was upgraded, replacing hardware which is over seven years old. The complete replacement of the WLIMS hardware will have been achieved by the end of August.

Resilience issues have been experienced with CaNISC and the need to replace this system was recognised in the Cancer Delivery Plan for Wales published in November 2016; as a result Welsh Government provided funding to Velindre NHS Trust to develop options for this. An outline options appraisal was developed throughout 2017, led by the Cancer Implementation Group, which recommended that the Welsh Patient Administration System (WPAS) be adopted at Velindre Cancer Centre and NWIS develop a new electronic patient record for cancer patients in Wales within the national architecture. The business case for the first part of the replacement solution (for WPAS) is currently undergoing scrutiny in Welsh Government. Although there has been a series of outages of the CaNISC system, the Velindre NHS Trust Board paper appended to the Auditor General's letter states there is no evidence that patients have been harmed as a result of the system issues. Nevertheless, replacement remains a key priority.

In the event of ICT incidents involving systems that are used for clinical care, the agreed process is that they are recorded electronically on the patient safety and incident system (Datix) as a 'No Surprise'. A subset of these (where harm may have occurred) will be identified as a "Serious Incident" and reported to Welsh Government.

The NHS is responsible for undertaking a root-cause analysis into any incident, identifying any potential harm that may have occurred and taking forward lessons learnt. The NHS is also required to provide assurance to Welsh Government that this is being carried out. I can confirm this process has been followed in the system resilience issues, referenced above.

Velindre NHS Trust, in its role as responsible body, receives notifications from NWIS when a potential Serious Incident occurs and NWIS notifies the affected health bodies. Quarterly reporting to the Velindre NHS Trust Board on NWIS Serious Incidents is integrated into the Trust's governance arrangements with reporting to Welsh Government through the quarterly Quality and Delivery performance meetings.

The Committee asked for clarification on figures submitted by NWIS on double running costs. Welsh Government has investigated the figures provided and my view is that NWIS reported the costs it held organisationally and has not fully taken into account where a Health Board has alternative legacy systems. Hywel Dda's figure included the cost of two GP Links systems, rather than the one identified by NWIS, and the Health Board states that it will be stopping the maintenance contract on these in September 2018 as the national solution will be available.

Accurate costs, taking into account the correct treatment of VAT, are contained in the table below. This shows the original figures provided by NWIS underestimated costs by a total of £27k:

| Services: | AB | ABMU | BCU | C&V | CT | HD | Powys | PHW | Vel | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Laboratory Information Management System | 79 | 151 | 99 | 73 | 42 | 83 | 0 | 0 | 0 | 527 |
| National GP Links | 0 | 9 | 9 | 9 | 0 | 18 | 0 | 0 | 0 | 45 |
| **Total** | **79** | **160** | **108** | **82** | **42** | **101** | **0** | **0** | **0** | **572** |

Finally, the Committee will be interested to note that the Welsh Technical Standards Board in its meeting of 19 June 2018, adopted the GDS Design Principles, along with the Welsh Government's Digital Service Standard, for use across NHS Wales.

I hope these comments help in advance and I look forward to further discussions with the Committee on 16 July.

Yours sincerely

**Dr Andrew Goodall**

## Public Accounts Committee

## Inquiry into the NHS Wales Informatics Services

## Correspondence with Mark Osland, Director of Finance and Informatics, Velindre NHS Trust

Following the evidence session on 2 July with officials from Velindre NHS Trust, the Clerks wrote seeking clarification on whether or not Velindre NHS Trust have received any incident reports from NWIS and if so whether they clearly identified the problem and outlined how problems have been resolved and whether the Trust has received a final incident report. Mark Osland's response is below:

I can confirm that Velindre has now received a briefing report on all major incidents affecting the organisation since June 2017. The report sets out the description of the incident, the root cause and the remediation action taken by NWIS to resolve the problem.

Just to reiterate and as conveyed to the Committee at the evidence session on 2 July, whilst not all of the formal paper work had been provided, Velindre was kept up to date and informed of the circumstances of each incident and the work that NWIS have been undertaking to resolve the problems, through daily contact, formal SLA meetings and separate meetings with NWIS Directors.

The briefing report which covered all major incidents since June 2017 was received on 11 July 2018. However the Trust had received a previous report in June 2018, which provided a briefing on 3 of the incidents which occurred on 24 January, 21 March and 24 April.

Mark Osland - Director of Finance and Informatics, Velindre NHS Trust

11 July 2018

Document is Restricted

Archwilydd Cyffredinol Cymru
Auditor General for Wales

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 2032 0500
Fax / Ffacs: 029 2032 0600
Textphone / Ffôn testun: 029 2032 0660
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

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

**Reference:** HVT/2869/caf
**Date issued:** 27 June 2018

Dear Nick

## Auditor General for Wales: valedictory reflections

As you are aware, my last day in office as Auditor General for Wales will be Friday 20 July 2018.

As I approach the final weeks of my tenure, I thought that it might be helpful to the Public Accounts Committee if I were to set down in writing some 'valedictory' reflections and observations on my eight-year term of office, and offer my personal perspective on the challenges, risks and opportunities facing all those who strive to improve the governance, scrutiny and delivery of public services in Wales.

I shall be very happy to expand on the contents of this letter when I appear before the Committee to give oral evidence at its 16 July meeting.

## The challenges facing public service delivery in Wales

### Brexit presents both risks and opportunities for Welsh public services

A key part of the challenge facing Welsh public services, and indeed the Welsh economy more generally is the, as yet unclear, impacts of Brexit. The UK's upcoming departure from membership of the European Union poses a massive range of risks and opportunities, many of which are, as yet, either unknown or incompletely understood.

The terms of Brexit itself, both in the transitional period and in the eventual 'steady state' of our new relationship with the European Union are likely to remain unclear for some time yet. However, it is apparent that work is getting underway within the Welsh Government and many other public bodies across Wales to manage some of the more immediate challenges that the Brexit process and its continuing uncertainties are posing, notably in the area of workforce planning, albeit much of this is at an early stage. NHS Wales is, for example, developing plans to address a potential outflow of EU workers from the existing health workforce, and the Welsh universities are assessing how best to mitigate the potential loss of EU-

funded research income that supports the employment of many academic and support staff.

Now that the Welsh Government and UK Government have reached an agreement on the constitutional implications of the EU Withdrawal Bill for the relationship between the National Assembly and Westminster, I am hopeful that this should help all parts of the Welsh Government to turn their attention increasingly to the identification, assessment and management of the practical effects of Brexit on the people of Wales. My staff are currently preparing two related audit reports, for publication later this year, on how the Welsh European Funding Office and Welsh Government respectively are managing the EU Structural Funds and the Rural Development Programme in the context of Brexit.

## The evolving constitutional arrangements in Wales provide opportunities for new thinking and doing things differently

The introduction of the 'reserved powers' model for the devolution settlement under the Wales Act 2015 is having an increasing effect on Welsh administration and politics.

The Welsh Government has taken on responsibility for elements of fiscal policy and the Welsh Revenue Authority commenced operations in April. The National Assembly now has the power to legislate to create new taxes, and the introduction of the Welsh Rate of Income Tax (WRIT) from April 2019 has the potential to generate a very different type of policy debate between the political parties who will be contesting the 2021 Assembly elections.

The Welsh Government has also gained substantial capital and revenue borrowing powers for the first time, and it is looking at options to introduce various forms of innovative finance. It is also finalising the extent of its new powers in the transport sector (notably on rail franchising).

All of these enhancements of the powers of the National Assembly and the Welsh Government introduce greater complexity and challenge for policy-makers and legislators alike, but they also pose opportunities to do things differently in a way which works for all of the people of Wales.

## Both austerity and rising service demands are placing increasing strains on the Welsh public finances

Throughout my term of office as Auditor General, the over-riding challenge that has faced all public bodies in Wales has been the need to grapple with the impacts of sustained austerity against a backdrop of rising demand for public services. This has been most notable in health and social care, where the demographic pressures posed by an aging population, coupled with advances in medical technology and significant rises in drug costs etc have continued to place ever-increasing demands on NHS Wales, on our local authorities and also on the third sector. I have covered many of these issues in some detail in my 'Picture of Public Services' reports, in 2011[1] and again in 2015[2].

The Westminster Government's approach to the UK's public finances has resulted in reductions in the Welsh block of around 10.5% in real-terms since 2010, and this has posed some very significant challenges for the Welsh Government in its annual budget-setting process. The share of the Welsh revenue budget allocated to healthcare has risen from 43% to 49% over the last eight years, and such a continuing trend poses significant challenges for the Welsh Government and the sustainability of non-NHS services in Wales.

Part of the response across the Welsh public service to the pressures generated by austerity, in common with the rest of the UK, has rightly been an increased focus on driving efficiency improvements in service delivery. This has helped mitigate some of the effects of annual budget reductions, but there does come a point beyond which further marginal efficiency gains start to diminish, unless either the quantum or quality of service delivery are also reduced. Any such reductions will invariably impact on citizens and may well impact more heavily on those who are most vulnerable. Public services in Wales therefore need to think more radically about how services are delivered, with a focus on outcomes rather than structures.

## For a country the size of Wales, the complex organisational structure of public services hampers co-ordinated service design and efficient delivery

In my view, what has been conspicuously absent so far across the Welsh public service has been a cohesive response to austerity and rising demand pressures that goes beyond the traditional sectoral-based tactics of economy and efficiency. I believe that there are real opportunities to reshape services and re-design delivery models in ways which enable genuine transformation and place the citizen at the centre, through working collectively in ways which transcend our inherited organisational structures. Done well, such joined-up thinking, planning and partnership working can deliver cost-efficient, sustainable and higher quality outcomes for service users. Successful implementation of the Well-Being of Future Generations Act 2015, embodying the five ways of working, will be one of the keys to success here, and my recent 'Year 1' commentary report[3] on the implementation of that Act identified several promising examples of emergent good practice across Wales for others to draw on.

In the past, the debate on doing things differently, whether in health or local government, has generally concentrated on structural changes which have promised much, but which all too often have delivered only in part. Whilst some reforms of public bodies have delivered, too many have simply repackaged the existing problems and people within new sets of organisational boundaries.

There are of course many examples of well-intentioned change. One of these has been the creation of the four regional education consortia, to deliver improvements across schools. This can be viewed as a reasonable approach to tackling issues that prevent children reaching their full potential, and may provide better resilience in the system. However, at present the consortia are adding to the complexity of the picture, rather than necessarily streamlining planning and delivery, as the 22

unitaries have retained their statutory responsibility for these services. I would add that I find it remarkable that our education services are delivered separately by 22 unitary authorities serving a population of 3.1 million people whereas, for example, Kent County Council delivers those same services to a population of 1.5 million people.

In recent years, Wales has certainly not found itself short of diagnostic reports by myself and others (such as the Williams Commission[4]) which clearly set out the nature of the systemic problems that need to be fixed – and these are generally now well understood. But I find myself both frustrated and increasingly concerned that the many clarion calls for action that Wales has heard over the last decade or so have not yet generated the tangible changes that are now urgently needed, and that we have not used devolution as an opportunity for fundamental rethinks.

I shall be watching developments over the next few years with keen interest, and hoping that the right lessons are learned from the many previous reorganisations of health and local government bodies across Wales. Whatever the eventual organisational footprint of local government may be, I strongly believe that the key to the desired 'transformational' change in public service delivery will be effective partnerships and collaboration, underpinned by clear and robust governance and accountability arrangements.

## Conflicting priorities and the existing focus on short-term thinking risk compromising the health and well-being of future generations

Whilst many public bodies have taken conscious decisions to scale back on their activity levels, these have often been driven by short-term financial imperatives at the expense of other considerations such as long-term preventative approaches. The reductions have also tended to fall in those areas of service delivery that are discretionary or non-statutory, such as library and parks facilities. Rationing of service supply, either on a 'first come, first served' or other basis, has also been used as a measure to avoid over-spending. However, all too often this can lead to either the shunting of cost pressures between public bodies (for example from the care sector back into the NHS, via bed-blocking in wards) or, in the case of delays in treating worsening health conditions, to increased overall treatment costs and potentially adverse clinical outcomes.

Earlier this month, the Welsh Government published 'A Healthier Wales: our Plan for Health and Social Care'[5], as its response to the Parliamentary Review of Health and Social Care[6]. It appears to me that implementation of the various actions set out within 'A Healthier Wales' will pose some very real challenges to entrenched attitudes and ways of working across all parts of NHS Wales. Its success will also depend on both politicians and the public being willing to accept and support new and transformative approaches to service design and delivery. I am encouraged to see that the Welsh Government has not shied away from the Parliamentary Review's call for actions to be undertaken at pace, and that there are some challenging delivery targets and milestones within the action plans.

## The importance of independent public audit in supporting effective scrutiny of the executive

Since taking up my post in 2010, I have consistently expressed my support for 'well-managed risk-taking'. Too often in the past, we have all seen reluctance amongst the leaders of public bodies to pioneer new ways of working – both within their organisations and across sectoral boundaries. A fear of scrutiny and criticism has been allowed to permeate executive teams, and an over-cautious mind-set (often expressed as 'the auditor wouldn't like it..!') has possibly held back much-needed improvements and innovations in service delivery. Such misguided fears have on occasion been cited to me as an excuse for inaction and the maintenance of the status quo.

I have been very clear throughout my tenure as Auditor General that whilst independent public audit most certainly has a key role in supporting effective local and national democratic scrutiny by challenging and **holding to account**, it also must play an equally important part in **providing insight** and thereby **supporting improvement**. Whilst I have never held back from the need to 'speak truth to power' (and have sometimes felt like Thomas Becket when doing so), my most critical audit reports have been relatively rare and issued only when I have thought it absolutely necessary. These have tended to relate to poor governance, such as:

- my 2011 Special Inspection Report on Anglesey County Council[7], which resulted in commissioners being sent in by the Welsh Government to take over the operations of an entire local authority for the first time in the UK;
- my 2012 report on AWEMA[8] which, together with several other critical audit reports, prompted wholesale changes to the Welsh Government's management of its £2.6 billion annual grants expenditure;
- my 2013 joint review[9] with Healthcare Inspectorate Wales of the governance arrangements of Betsi Cadwaladr University Health Board, which was a precursor to that body being placed in Special Measures;
- my 2015 report on the Regeneration Investment Fund for Wales (RIFW) [10], which sold public land at a significant undervalue and may have lost the taxpayer tens of millions of pounds; and
- Cardiff and Vale University Health Board's mismanagement of a consultancy contract, on which in 2017 I issued my first Public Interest Report[11] on an NHS Wales body.

However, effective parliamentary scrutiny requires more than simply an independent public audit function that tells it like it is - the National Assembly itself also needs the inherent capacity and capability to scrutinise both expenditure and legislation effectively. We in Wales are very well-served by the Westminster-style committee models and ways of working that the National Assembly has generally adopted. I am also pleased to note that my published audit reports are increasingly being used to inform the work of other committees of the Assembly, as well as by the Public Accounts Committee itself. An excellent recent example of this has been the Finance Committee's consideration of my two reports on fiscal preparedness, published in 2016[12] and 2017[13]. I hope that my 'Guide to Welsh

Public Finances[14]', which I will be publishing before I end my term as Auditor General, will similarly help other scrutiny committees – in the National Assembly and beyond – to carry out their roles in scrutinising budget decisions.

But ever since my membership of the Richard Commission[15] in 2002-04, it has been clear to me that an increase in the number of Assembly Members is necessary in order for the Assembly itself to continue to be able to scrutinise the executive effectively. With the ever-increasing range of powers being devolved to Wales under the 2015 Act, most notably in tax-raising, innovative finance mechanisms and transport, I consider that the need for additional Assembly Members is now becoming acute, a point I stressed in my recent response to the Assembly's February 2018 consultation 'Creating a Parliament for Wales'.

One related area of concern for me is the way in which the Welsh Government has fallen behind the pace being set by Whitehall government departments in facilitating effective Parliamentary scrutiny, via the publication of timely and full performance information. The Welsh Government's 'Annual Report and Accounts' document published each summer has, to date, contained comparatively little information on its achievements against its strategic ambitions and performance measures. In contrast, the annual report and accounts of each UK government department includes a self-assessment of its annual performance against its objectives, which is then used by the relevant House of Commons select committee to inform its scrutiny of the department.

With the advent of fiscal and borrowing powers for the Welsh Government, I believe that more should be done to enhance transparency and to provide a more rounded picture of the Welsh public finances. I therefore repeat my previous call[16] for the preparation and publication by the Welsh Government of an annual 'Whole of Government of Wales' account, to enable the National Assembly and its committees to gain a rounded appreciation of the collective income, expenditure, assets and liabilities of all devolved public sector bodies across the country. I note that my colleague the Auditor General for Scotland has made similar calls in recent years, and in my view her audit report on the Scottish Government's 2016-17 Annual Report and Accounts[17] sets out a clear and well-argued rationale (Note 1) that is equally applicable to Wales, and which would be entirely in keeping with the spirit of the Well-being of Future Generations legislation..

Turning now from the largest of the Welsh public bodies to the smallest, the 743 Town and Community Councils. Whilst many of these bodies spend only a few thousand pounds a year, collectively their reserves exceed £41 million. I have too often seen the conduct of officers and members falling below the high standards that the public has a right to expect.

---

Note 1: See paragraphs 36-46 of this Audit Scotland paper, which articulate the case for a 'Whole of Government of Scotland account'.

In my latest national report on town and community councils[18], my auditors identified that 81 councils did not meet the statutory timetable for submitting their 2016-17 accounts for audit. Of those, 21 had still not submitted their accounts five months after the deadline for council approval. For the same year, I qualified my audit opinion on the accounts of 175 councils. I am currently considering issuing several reports in the public interest where, for example, town and community councils have failed to submit accounts on a timely basis or have failed to register their employees for PAYE. The majority of councils do get this right, but too many still do not. In my view, a move to having fewer, larger community councils would create the capacity and capability that is necessary to deliver meaningful and well-governed services.

## Enhancing the impact, efficiency and effectiveness of the Wales Audit Office

Finally, I should perhaps say a little about my leadership of the Wales Audit Office itself. From the outset, I have been hugely impressed by the energy, talent and commitment of its staff, and I am grateful to them all for the invaluable support that they have provided to me throughout my term of office. Indeed, being Auditor General has in many ways been the high point of my 48 years in public service.

Both I and the Board of the Wales Audit Office are acutely aware that we must indeed 'practice what we preach', in order for my audit recommendations to others to carry due weight and credibility. To that end, I have been pleased to oversee our delivery of significant year-on-year efficiency savings whilst both the quality and impact of our audit work has been maintained and enhanced. The effectiveness of our Good Practice Exchange[19] in promoting public service improvement is highly valued by our audited bodies and is recognised as an exemplar internationally.

Indeed we have increasingly been flying the flag for Wales. Because of our size, audit offices in countries such as Kosovo and Malta find that they relate more easily to us than to larger countries and have looked to exchange experience with us. We have regularly contributed speakers at meetings of EURORAI and other international forums, as well as providing audit services for some smaller Commonwealth countries such as Anguilla.

Our 2017-18 audited accounts, laid in the National Assembly just ten weeks after the year-end, record that the gross operating cost of the Wales Audit Office in 2017-18 was just under £21 million. This compares with over £26 million in the year before I took up my post in October 2010, which equates to a real-terms reduction in operating costs of some 30 per cent during my tenure. With continued support from the Finance Committee, I remain very hopeful that changes to some specific aspects of the Public Audit (Wales) Act 2013 can be made, supporting a drive within the Wales Audit Office for further cost efficiencies and potential real-terms fee reductions.

The introduction in 2014 of the Wales Audit Office Board, including two elected staff members, has undoubtedly helped in strengthening our governance, and we are currently making some significant changes in culture and working practices,

including recent investments in data analytics, finance trainees and apprenticeships which promise well for the future. We have also taken great satisfaction from the results of our latest staff survey, which placed the Wales Audit Office in the top 10 per cent of UK public sector bodies as regards our level of staff engagement.

I should conclude these remarks by making clear that this letter represents my personal views as Auditor General, and not necessarily those of the Wales Audit Office. I am also keen to ensure that I do and say nothing in my final weeks that could be construed to fetter the statutory audit independence and actions of my successor – it will of course be for Adrian to determine his own programme of audit work, and I wish him every success as he commences his term of office. In doing so, I know that he will be able to count on the full support of your Committee, together with the Board and staff of the Wales Audit Office.

I am copying this letter to Simon Thomas AM, Chair of the Finance Committee.

**HUW VAUGHAN THOMAS CBE**
**Auditor General for Wales**

## List of published documents referred to in the Auditor General's letter

1. **'A Picture of Public Services 2011'**, Auditor General for Wales, October 2011
   www.audit.wales/system/files/publications/A_Picture_of_Public_Services_English_2011.pdf

2. **'A Picture of Public Services 2015'**, Auditor General for Wales, December 2015
   www.audit.wales/system/files/publications/POPS_2015_eng-accessible.pdf

3. **'Reflecting on Year One: How Have Public Bodies Responded to the Well-being of Future Generations (Wales) Act 2015'**, Auditor General for Wales, May 2018
   www.audit.wales/system/files/publications/reflecting-on-year-one-2018-english.pdf

4. **'Commission on Public Service Governance and Delivery'**, Williams Commission, January 2014
   gov.wales/docs/dpsp/publications/psgd/140120-psgd-summary-report-en.pdf

5. **'A Healthier Wales: our Plan for Health and Social Care'**, Welsh Government, June 2018
   gov.wales/docs/dhss/publications/180608healthier-wales-mainen.pdf

6. **'A Revolution from Within: Transforming Health and Care in Wales'**, The Parliamentary Review of Health and Social Care in Wales, January 2018
   beta.gov.wales/sites/default/files/publications/2018-01/Review-health-social-care-report-final.pdf

7. **'Special Inspection: Anglesey County Council'**, Auditor General for Wales, March 2011
   www.audit.wales/system/files/publications/Anglesey_Corporate_Governance_Re-inspection_English_2011.pdf

8. **'The Welsh Government's relationship with the All Wales Ethnic Minority Association'**, Auditor General for Wales, October 2012
   www.audit.wales/system/files/publications/The_Welsh_Government%27s_relationship_with_the_All_Wales_Ethnic_Minority_Association_English_2012.pdf

9. **'An Overview of Governance Arrangements - Betsi Cadwaladr University Health Board'**, Healthcare Inspectorate Wales and the Wales Audit Office, June 2013
www.audit.wales/system/files/publications/An_Overview_of_Governance_Betsi_Cadwaladr_UHB_English_2013.pdf

10. **'Regeneration Investment Fund for Wales'**, Auditor General for Wales, July 2015
www.audit.wales/system/files/publications/rifw-2015-english-final_1.pdf

11. **'Audit of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner',** Auditor General for Wales, July 2017
www.audit.wales/system/files/publications/C%26V%20UHB%20PIR-eng.pdf

12. **'Preparations for the implementation of fiscal devolution in Wales',** Auditor General for Wales, December 2016
www.audit.wales/system/files/publications/Fiscal-devolution-2016-English.pdf

13. **'Fiscal Devolution in Wales: An update on preparations for its implementation'**, Auditor General for Wales, December 2017
www.audit.wales/system/files/publications/Fiscal-Devolution-in-Wales-2017-18-English.pdf

14. **'Guide to Welsh Public Finances'**, Auditor General for Wales, to be published July 2018

15. **'Report of the Richard Commission'**, Commission on the Powers and Electoral Arrangements of the National Assembly for Wales, spring 2004
webarchive.nationalarchives.gov.uk/20100404200945/http:/www.richardcommission.gov.uk/content/finalreport/report-e.pdf

16. **Letter from the Auditor General to the Chair of the National Assembly's Finance Committee**, 7 May 2014
senedd.assembly.wales/documents/s27315/FIN4%20%20BPBP04%20Auditor%20General%20for%20Wales.pdf

17. **'The 2016/17 audit of the Scottish Government Consolidated Accounts'**, Auditor General for Scotland, September 2017
www.audit-scotland.gov.uk/uploads/docs/report/2017/s22_170928_scottish_gov.pdf

18. **'Financial Management and Governance in Local Councils 2016-17'**, Auditor General for Wales, January 2018
www.audit.wales/system/files/publications/Financial%20-Management-in-local-councils-2016-17%20-%20English.pdf

19. **'The Good Practice Exchange'**, Wales Audit Office: www.audit.wales/good-practice

**ENDS**