

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 28 January 2019

Meeting time: 13.00

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

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(Pre-Meeting)

(13.00 – 13.15)

1 Introductions, apologies, substitutions and declarations of interest

(13.15)

2 Paper(s) to note

(13.15)

2.1 Implementation of the NHS Finance (Wales) Act 2014: Letter from the Welsh Government (7 January 2019)

(Pages 1 – 2)

2.2 Scrutiny of Accounts 2017–18: Letter from the Permanent Secretary, Welsh Government (14 January 2019)

(Pages 3 – 4)

2.3 The Welsh Government's Supporting People Programme: Letter from the Welsh Government (15 January 2019)

(Pages 5 – 16)

3 Governance Review of Betsi Cadwaladr University Health Board: Lessons learnt – Evidence session with the Welsh Government

(13.20–15.00)

(Pages 17 – 46)

Research Briefing

PAC(5)–02–19 Paper 1 – Paper from Welsh Government

PAC(5)–02–19 Paper 2 – Letter from the Older People's Commissioner for Wales (22 January 2019)



Dr Andrew Goodall – Director General HSS/Chief Executive NHS Wales

Simon Dean – Deputy Chief Executive NHS Wales

Jo Jordan – Director of Mental Health, NHS Governance & Corporate Services,
Welsh Government

Alan Brace – Director of Finance, Welsh Government

(Break)

(15.00 – 15.10)

4 Care experienced children and young people: Welsh Government response to the Committee's Report

(15.10 – 15.25)

(Pages 47 – 59)

PAC(5)-02-19 Paper 3 – Welsh Government response

PAC(5)-02-19 Paper 4 – Letter from the Auditor General Auditor on the Welsh Government response

5 Natural Resources Wales: Responses to the Committee's Report

(15.25 – 15.40)

(Pages 60 – 63)

PAC(5)-02-19 Paper 5 – Welsh Government Response

PAC(5)-02-19 Paper 6 – Natural Resources Wales Response

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

(15.40)

Items 7, 8 & 9

7 Governance Review of Betsi Cadwaladr University Health Board: Lessons learnt – Consideration of Evidence Received

(15.40 – 16.00)

8 The Welsh Government's relationship with Pinewood: Consideration of draft Report

(16.00 – 16.20)

(Pages 64 – 101)

PAC(5)-02-19 Paper 7 – Draft report

9 Scrutiny of Accounts 2017–18: Consideration of draft report

(16.20– 17.00)

(Pages 102 – 164)

PAC(5)-02-19 Paper 8 – Draft report

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
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

7 January 2019

Dear Mr Ramsay

Implementation of the NHS Finance (Wales) Act 2014

Thank you for your letter of 4th December 2018. I am pleased that the Members agreed that my earlier response of 31st October 2018 was positive.

Your letter noted that the Committee still had a number of concerns relating to the review of the funding formula and welcomed further clarification.

- Timescales

As noted in the evidence to the Public Accounts Committee session on 16 July 2018 revised funding formula is planned to be ready for the 2020-21 funding round. To align with Welsh Government and Annual Allocation letters annual cycle this means that the formula will need to be ready, tested and assured by autumn 2019.

- Scope of Review

My earlier letter of 31st October confirmed that the work is a full formula review that will lead to a replacement of the existing formula, the "Townsend" direct needs formula, with a new funding formula. The intent, as with the arrangements for the existing formula, has always been that the formula would be used to distribute additional growth funding between health boards. Accordingly the initial focus of the formula review work will be around developing and implementing a formula to replace the existing formula to distribute additional growth funding between health boards.

It is worthwhile noting the approach we have adopted for the 2019-20 health board revenue allocation to support implementation of *A Healthier Wales*. As well as additional



core funding to meet unavoidable cost growth, we have provided health boards with additional growth funding, totalling £60 million, to progress transformation of local services, and a further £30 million for Regional Partnership Boards to support development of integrated services. This is in addition to the £30 million that has been allocated direct to local authorities to support sustainable social services. The 2019-20 health board revenue allocation contains additional funding totalling £187 million which has been distributed through the existing formula, the "Townsend" direct needs formula.

The Committee report, February 2013, rightly raised concerns on the identical general uplifts provided to five of the seven health boards. Since that report a formula has been applied to more appropriately distribute the general uplifts to health boards.

Developing a formula to distribute additional growth funding is the essential first stage of this review work programme. Once this first stage has been completed, the subsequent work will cover the broader issues raised in your letter, around the fairness and appropriateness of the total allocations to each health board. This will encompass not only the total discretionary allocations, but also the various ring fenced allocations.

It should be noted that while formulas have been applied, over the years, to elements of the Discretionary Hospital, Community and Health Services and Prescribing (HCHS&P), no formula has ever been applied to ring fenced allocations such as:

- HCHS Ring-Fenced Revenue Allocations
- Revenue Allocation for GMS Contract
- Revenue Allocation for Community Pharmacy Contract
- Revenue Allocation for Dental Contract

The earlier letter of 31st October indicated that, following the full development of the formula, all potential implementation options to shift resources in line with target formula shares will need to be considered taking account of the need to maintain and sustain quality services across Wales. Implementation will need to allow for health boards to plan and manage any consequent resource changes, over time, through their integrated plans. In taking this part 2 work programme forward it is essential that there is an appropriate balance between pace of implementation and minimising any additional risk to services from any resource shifts.

I hope the clarification in my letter provides you with the additional assurance that my earlier letter did not suggest a narrower review.

Yours sincerely



Dr Andrew Goodall

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

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

Dear Mr Ramsay,

14 January 2019

During the meeting of the Public Accounts Committee on 18 October, I was asked to confirm whether the Welsh Government had offered any form of guarantee, headlease or other contingent liability in relation to any other company similar to that entered into with Aston Martin. I agreed to take advice on this point before responding to the Committee.

I can confirm that the Welsh Government has guarantee arrangements in place in relation to three projects, including Aston Martin, and these were all included as contingent liabilities in our April 2018 accounts. These guarantees are captured under the heading 'Other potential contractual obligations'. I can also confirm there are no headleases in the contingent liabilities section of the Welsh Government's accounts.

The arrangement with Aston Martin is the only guarantee that relates to rental payments and it is the only guarantee that extends over a 30-year term. The other two are loan guarantee arrangements over shorter terms, with both expected to come off our accounts as contingent liabilities by no later than July 2024.

We have consulted the companies with whom we have guarantee arrangements and they have requested that we do not publish full details of the arrangements as they consider them to be commercially sensitive. On that basis, I do not intend to provide any further information in this letter. However, I would be willing to explore the possibility of lead officials briefing members of the Committee on these arrangements in




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a private session, so that we are able to give the Public Accounts Committee greater clarity in confidence on the sums involved and how these guarantees are accounted for.

If this would be of help to the Committee, I will ask the appropriate officials to make themselves available to provide an oral briefing to you on that basis.

Yours,


Shan Morgan
Ysgrifennydd Parhaol/ Permanent Secretary
Llywodraeth Cymru/ Welsh Government



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Llywodraeth Cymru
Welsh Government

Tracey Burke

Cyfarwyddwr Cyffredinol / Director General
Y Grŵp Addysg a Gwasanaethau Cyhoeddus
Education and Public Services Group

Nick Ramsay AM
Public Accounts Committee Chair
National Assembly for Wales
Cardiff Bay
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15 January 2019

Dear Mr Ramsay

Welsh Government's Supporting People Programme

I am writing in response to the questions raised during my appearance before the Committee on 3rd December and the Committee's subsequent letter of 13th December.

Evaluation of the Flexible Funding Programme

The budget for the current evaluation contract, awarded to Wavehill in April 2018, is between £90,000 - £100,000 (exc. VAT). Whilst the specific focus of the final phase of evaluation work will be agreed early in 2019, it is likely to consider:

- reviewing pathfinder delivery against their plans and the factors that have contributed to success (and/or failure) to learn lessons for future programme roll-out;
- further consideration of the efficacy of the two-grant option;
- assessing how appropriate specialisms around the most complex needs might be maintained amongst staff as they move into potentially more generalist roles;
- reviewing impacts and outcomes of further roll-out of the programme for local authorities and their staff, stakeholder and partner organisations (strategic and delivery), regional structures and PSBs, and particularly whether service users are beginning to see impacts from service redesign; and
- Further work to consider an outcomes framework approach aligned to Welsh Government work assessing outcomes across existing grants.



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

The ongoing evaluation will provide helpful and valuable information to support the introduction of new grant arrangements. In line with your advice on ensuring the final report is as clear as possible in highlighting good practice, we will ask Wavehill to consider how this might be achieved as part of our ongoing discussions.

Quantifying efficiencies

We will continue to work with the Society of Welsh Treasurers to see how we might quantify efficiencies and savings made from aligning programmes and reducing administration. A key part of facilitating these savings will be the design of the grant mechanisms and the extent to which they ensure accountability and effective administration. The very clear co-productive approach we are taking to the development of both grants is intended to achieve just this result.

Progress against outstanding Committee recommendations

Annex B sets out progress against the outstanding Committee recommendations. Specifically in relation to Recommendation 10 it is worth highlighting the challenges created by making any changes to the allocation formula and that this could impact on the delivery of services to vulnerable individuals. Given the impact could be quite severe, we are committed to a very engaged process to developing a way forward. We anticipate completing our analysis and developing proposals for consultation by the autumn of 2019. This will also include consideration of the necessary timescales for a phased implementation.

Regional Working

We have begun the work with Regional Collaborative Committees to consider what the best governance arrangements for the Housing Support Grant might be. How to ensure a positive set of relationships, reporting mechanisms and accountability to other structures such as Regional Partnership Boards will form a large part of our discussion with stakeholders on this matter.

In respect to our wider work on regional arrangements, the Local Government Working Group has asked for some work to be done to consider overlap between different regional structures and scope for rationalisation. This work will be presented to the Working Group in the New Year and they may wish to make recommendations for change. Our mapping work will illustrate the overlap and distinctiveness visually. Any recommendations will need to be considered by the relevant Ministers and Welsh Government collectively, as well as through discussion with local government colleagues.

I can confirm our intention to discuss re-tendering with the Auditor General. Any necessary clarification will be included in guidance for the new Housing Support Grant.

We expect the development of guidance for the Housing Support Grant and Children and Communities Grant to be a two-stage process. Local authorities will use the current programme guidance, with supplementary guidance being provided at the end of January 2019. This will set out any departures from the existing guidance designed to streamline administrative process. Our intention is to provide more substantive guidance for 2020/21. The co-productive approach we are taking requires extensive engagement with stakeholders and a longer period to develop.



Grant arrangements for 2019-20

Indicative grant offer letters were issued before Christmas and a final grant award letter will be issued in March 2019. As previously, the Housing Support Grant will require local authorities to submit Spend and Delivery Plans before the end of January 2019.

As for the Outcomes framework, the Interim Evaluation Report outlined proposals for an outcomes framework. Further consideration of the framework will form part of the next phase of the evaluation in early 2019. This will be an iterative process and will involve specific consultation with stakeholders. It will also take into account the internal work already undertaken on developing a framework that has involved two of the Pathfinder local authorities.

There were a number of additional matters you wanted clarification on and I have set these out below.

Overall Budget

The draft budget in 2019-20 appeared less than previously published as three programmes were included in the original EIPS budget line but did not form part of the 10 grant pathfinder. These were:

- Violence Against Women and Domestic Abuse grant (£2.438m);
- Equality and Inclusion (£360k); and
- Advocacy grants (£550k).

These three grants total £3.348m and account for the difference between the 2018-19 budget line of £265.553m and the 2019-20 budget line of £262.205m.

These three grants now sit in different Main Expenditure Groups (MEGs).

In total we are restoring £13.4m to the programmes supporting early intervention, prevention. This £13.4m is made up of £5m previously earmarked for the childcare offer, and allocating an extra £8.4m from reserves.

The Flexible Funding Grant for 2018-19 consists of the following programmes:

Promoting Positive Engagement for Young People at Risk of Offending
Childcare and Play
St David's Day Fund
Legacy Fund
Families First
Flying Start
Communities for Work Plus
Supporting People
Homelessness Prevention
Rent Smart Wales Enforcement

A full list of grants and budget allocations for 2019-20 can be found at **Annex A**.

Children and Communities Grant Budget (CCG) 2019-20

The published CCG budget is £135.442m, an additional £1m has been agreed to be transferred from Homelessness Prevention to St David's Day Fund which will form part of the Children and Communities Grant funding. Therefore, the budget available is now £136.442m for 2019-20.

Housing Support Grant (HSG) Budget 2019-20

The budget for the Housing Support Grant is £126.763m, which is made up of Supporting People (£123.688), Homelessness Prevention (£2.8m) and Rent Smart Wales enforcement (£275k).

For 2018-19 and 2019-20, in line with the Budget agreement with Plaid Cymru, local authorities are expected to allocate funding to the Supporting People (SP) programmes at least at the level of the SP allocation, unless they can demonstrate that they are delivering the same, or improved, services for less money as a result of efficiencies.

Feedback on the judgement of local authorities arising from the interim evaluation and communication to local authorities

Local authorities have been provided with the interim evaluation to assist them in understanding how to manage the change programme that lies behind our grant structure decisions.

This change management programme is about creating a new, integrated approach to for the planning and delivery of services for vulnerable people, where needs often extend beyond the traditional structures of our grant mechanisms. To this end, we have provided opportunities through regional meetings for authorities to come together and share learning. In particular, the learning that pathfinder authorities can offer to non-pathfinders has been at the core of the design of these meetings and a number of links/buddying relationships have been established through the engagement we have made so far.

Reflect and discuss with the evaluators about whether the seven local authorities involved in the pilot can be named to enable non-pathfinder local authorities to discuss the approaches taken.

This was conducted as an independent evaluation. Our aim was to ensure that the work carried out ensured information given to us was rich and purposeful. Our evaluators, Wavehill, agreed the following with interviewees.

Any comments that you make will be confidential and the information you provide will only be used for research and evaluation purposes. Comments that you make will not be attributed to you, or your organisation. This means it will be impossible for anyone to identify you from any published reports because information will be anonymised.

It is also important to note that the team undertaking the evaluation does not work for the Welsh Government, your employer or any of the organisations that are involved in the delivery or funding of this project.



On this basis, we are unable to provide further details on the seven pathfinder local authorities, as the integrity of this rider is seen as an important part of a robust methodology by researchers. We would understand less if we could not make this commitment. However, as with the previous question we have created regional opportunities for authorities to come together and share learning and in those regional meetings the pathfinders have shared their lessons learned with non-pathfinders.

Preparations undertaken regarding the impact of assessment Brexit may have on the Supporting People Programme.

The risks relating to EU Exit have been considered within the Senior Management Team planning of the Housing and Regeneration Directorate. A broad set of risks have been identified across the Group, although none exclusive to the Supporting People Programme.

The identified risks for the Group as a whole are in areas such as resilience, budgets, legislation, workforce, housing supply and digital infrastructure. The situation regarding EU Exit, of course, remains unclear. However, the mitigating actions currently in place include:

- Clear governance arrangements including the establishment of the European Transition Group.
- Additional EU Exit posts secured within Welsh Government.
- Active engagement in the European Transition Officials Group as the situation develops. Work with the Cabinet Office and Home Office to ensure we share a consistent approach to risk assessment.

I believe I have addressed all of the issues raised with me during the evidence session and in your follow-up letter, but if you require any further information or clarification, please do let me know.

Yours sincerely



Tracey Burke

ANNEX A

List of all the grants involved in the two-grants together with the budget allocated for 2019-20

Housing Support Grant

Programme	£m	Description
Supporting People	123.688	Enable vulnerable people, at risk of homelessness, to live as independently as possible, by providing housing-related support services
Homelessness Prevention	2.800	Fund services and research that alleviate homelessness and rootlessness by either: a. Assisting homeless, potentially homeless people to prevent them losing their homes; b. Providing specialist housing, advice, support and/or accommodation not readily available elsewhere.
Rent Smart Wales Enforcement (formerly Independent Living)	0.275	This grant provides support to local authorities to help them raise awareness and enforce Rent Smart Wales – the landlords and agents licensing scheme.

Children and Communities Grant, 2019-20, budget allocations

Programme	£m	Description
Flying Start	73.772	A prescriptive programme, based on international evidence of what works, Flying Start is targeted at 0-3 year olds in Wales most disadvantaged communities
Families First	35.978	Designed to improve outcomes for children, young people and families, with an emphasis on early intervention, prevention and providing support for whole families, rather than individuals.

Legacy Fund	6.000	The aim of the fund is to maintain the most effective aspects of the Communities First programme to support the development of resilient communities.
Communities for Work Plus (formerly Employability Grant)	11.967	The grant is one of the mitigating measures following the decision to phase out CF. It principally will fund the infrastructure (including revenue for key community buildings) to enable the ongoing delivery of Communities for Work. In addition the grant provides greater flexibility to meet local priorities and ensure that employment support is provided to all individuals at risk of poverty, not just those eligible for ESF funds.
Promoting Positive Engagement for Young People at Risk of Reoffending	4.425	Reduction and prevention of youth crime.
Childcare and Play	2.300	Offering sufficient out of school childcare and play opportunities within a local authority area.
St David's Day Fund	2.000	Supporting young people who are or have been in local authority care. An additional £1m from Homelessness Prevention has been recently added to CCG and won't yet be shown in the published budget.

ANNEX B PAC Recommendations Update

No.	Recommendation	Status – December 2018 update
1	We recommend the Welsh Government publish revised guidance for the Programme quickly to provide the required clarity on the overall Programme aims and objectives. At the very least this guidance could be provided short-term, in the context of the proposals for a new integrated grant and the implications of the UK Government's Supported Accommodation Review	<p>Completed</p> <p>Guidance published on 30th July 2018</p> <p>https://gov.wales/topics/housing-and-regeneration/services-and-support/supporting-people/publications/sppgguide/?lang=en</p>
2	We recommend that the Welsh Government engages closely with key stakeholder organisations in evaluating the impact of the flexible funding pilots and to determine the scope and timing of any further grant integration affecting the Supporting People Programme beyond 2018-19	<p>Completed</p> <p>The Ministerial statement of 3 October 2018 set out the two grant decision and the basis on which it was formulated.</p> <p>The statement can be found here;</p> <p>https://gov.wales/topics/people-and-communities/communities/flexible-funding-programme/?lang=en</p>
3	Recommendation 3 - We recommend that the Welsh Government pause and reflect on its approach to evaluating the feasibility of an integrated grant proposal. We recommend that the Welsh Government considers extending the timescale of the flexible funding pilot project to ensure that a thorough and detailed examination of their impact can take place.	<p>Rejected</p>
4	We recommend that, as part of its evaluation work, the Welsh Government identifies clearly the extent to which individual local authorities have taken	<p>Ongoing</p> <p>The interim evaluation demonstrated the potential for improved</p>

No.	Recommendation	Status – December 2018 update
	<p>advantage of the funding flexibility provided and how this has supported better outcomes.</p>	<p>outcomes arising from better integrated services and highlighted a variety opportunities for alignment between the grants included in the pathfinder arrangements. After carefully reviewing the findings of the evaluation and considering the views of stakeholders, Ministers decided that the Early Intervention and Prevention Grant should be split into two, separating the housing-related grants from non-housing elements.</p>
5	<p>We recommend that the Welsh Government report back to the Committee on the outcomes of work to facilitate comparable outcomes monitoring for different client groups. The Committee would also like to hear about the outcomes of the Welsh Government's wider evaluation work and recommend the findings are reported back to us on a formal basis.</p>	<p>Ongoing</p> <p>On 3 October 2018, the interim evaluation report into the flexible funding pathfinder work was published.</p> <p>https://gov.wales/statistics-and-research/evaluation-flexible-funding-programme/?lang=en</p> <p><u>Outcomes work</u> Wavehill will further consider an outcomes framework approach as part of the next phase of the evaluation and will provide recommendations. This work will involve input from local authorities and other interested parties, as part of our continuing co-production approach.</p>
6	<p>We recommend that the Welsh Government reconsider the grants it proposes to include in an integrated funding stream, and particularly considers, as part of future development, the relative merits of integrating Supporting People solely with housing and homelessness grants.</p>	<p>Completed</p> <p>On 3 October 2018, the Cabinet Secretary for Local Government and Public Services and Minister for Housing and Regeneration made a Written Statement (link below) announcing the publication of the interim evaluation report into the flexible funding pathfinder work and also setting out their decision on future funding arrangements.</p> <p>https://beta.gov.wales/written-statement-early-intervention-</p>

No.	Recommendation	Status – December 2018 update
		<u>prevention-and-support-grant</u>
7	Recommendation 7 – We recommend that the Welsh Government clearly quantifies the extent of the financial savings that can be accrued through reduced administration costs and more efficient delivery of services through its integrated grant proposals. This evaluation should include assurances that efficiency savings that may be delivered in the Pathfinder areas can be delivered elsewhere.	Rejected
8	We recommend that Welsh Government clarifies the role of Regional Collaborative Committees in the context of the flexible funding pilot projects and in the event of any future rollout of an integrated grant	<p>Completed</p> <p>The guidance relating to the single grant that was issued to the pathfinder local authorities states that local authorities should “continue to engage with Regional Collaborative Committees in the same way as at present”. We expect that local authorities should continue to submit their assessments and plans to the RCCs and take part in the joint arrangements with other authorities as they have been doing to date.</p> <p>The independent evaluation has included RCCs in the survey work to ensure their views are captured.</p> <p>A SPNAB Development day held on 3 December 2018, which included Chairs and Vice Chairs of RCCs, provided the opportunity for RCCs to input/provide feedback on the development of the Housing Support Grant.</p> <p>We will continue to work with RCCs to ensure we identify best</p>

No.	Recommendation	Status – December 2018 update
		practice that can contribute positively within any new grant arrangements.
9	Alongside its evaluation of the flexible funding pilot projects, we recommend that the Welsh Government carries out an urgent review to explore whether commissioners are struggling to attract bids for Supporting People services due to funding uncertainties.	<p>Completed</p> <p>Local authorities' Supporting People teams have been contacted for their experiences. The exercise did not highlight any significant cause for concern in attracting bidders due to funding uncertainties</p>
10	We recommend that the Welsh Government provide the Committee with an update on its response to the Auditor General's recommendation on the funding formula to clarify its intent. This update should include details of how the Welsh Government intends to allocate the overall budget to local authorities for any integrated grant while also ensuring that it is needs based	<p>Ongoing</p> <p>We anticipate having completed our analysis and to have developed proposals for consultation by the autumn of 2019 and that these will include consideration of the necessary timescales for a phased implementation.</p>
11	We recommend that the Welsh Government confirms its commitment to the actions that it set out previously in response to the Auditor General's recommendations about learning disability services and benchmarking of service costs.	<p>Ongoing</p> <p>We are happy to confirm this commitment and the timescales.</p> <p>Welsh Government will work with Regional Collaborative Committees to review Learning Disability services as part of the project to deliver the Housing Support Grant. This will facilitate decisions about the future arrangements for this funding by April 2020.</p>
12	We also recommend that the Welsh Government looks in a similar way at the issue of the variation between local authorities in Supporting People	<p>Ongoing</p> <p>The ongoing work to develop the Housing Support Grant</p>

No.	Recommendation	Status – December 2018 update
	provision for other specific groups, including any obvious differences in the types of support i.e. fixed or floating	<p>includes a work-stream to consider the distribution issues within Supporting People and now the wider set of grants given the decision to suspend application of the 'Aylward formula' in 2015.</p> <p>This work will be completed by the Autumn of 2019 in order to allow clarity to be established for implementation from April 2020.</p>
13	We recommend that the Welsh Government provides comprehensive guidance and training to ensure any revised outcomes framework, for the Supporting People Programme, or for any new integrated grant, is clearly understood and used consistently across wales from the outset	<p>Ongoing</p> <p>We recognise the importance of achieving consistent and accurate use of the framework and will support commissioners and providers to deliver this with guidance and training. The improvements we seek to make to the funding of support and preventative services are predicated on improving the focus of all on the outcomes achieved and it is essential that we are able to use outcomes frameworks to hold parties properly to account through robust and credible information. The development and implementation of the framework will be designed to achieve this.</p> <p>The Interim Evaluation Report produced by Wavehill and published in October 2018 outlined their proposals for an outcomes framework. Further consideration of an outcomes framework approach will form part of the next phase of the evaluation in early 2019. This will be an iterative process and will involve further consultation with stakeholders. It will also take into account the internal work undertaken on developing the framework such as the internal workshop (involving two local authorities) that took place in October.</p>

Document is Restricted

Public Accounts Committee - Governance Issues at Betsi Cadwaladr University Health Board (BCUHB)

Evidence Paper

The first section of this evidence paper sets out the timeline of events at Betsi Cadwaladr University Health Board leading up to it being placed in special measures. The second section outlines the reports and progress post being placed in special measures that includes details on mental health services and intervention support and the third section presents updates in relation to specific recommendations in previous PAC reports the Committee had noted were still to be implemented.

SECTION 1

➤ Timeline of events at Betsi Cadwaladr University Health Board leading up to being placed in special measures:

2009-2012

The **reorganisation of the Welsh NHS in 2009** led to the development of larger and integrated health boards. Betsi Cadwaladr University Health Board (BCUHB) came into being to deliver health services for the North Wales area following the amalgamation of two former trusts and six local health boards.

Concerns started to emerge during its formative years that the leadership arrangements at BCUHB were not driving the organisational and cultural integration that was necessary for the new organisation at sufficient pace. In 2012 this was further impeded by challenges associated with the financial position; the need to reconfigure services and on-going instability at senior Board leadership levels due to staff turnover and sickness absence.

2012-13

Meetings were held between The Wales Audit Office (WAO), Healthcare Inspectorate Wales (HIW) and Welsh Government to discuss and share concerns about BCUHB. As a result, it was agreed that HIW and WAO would undertake a joint review - *An Overview of Governance Arrangements – Betsi Cadwaladr University Health Board (BCUHB)*, which was published in **June 2013**.

The report is available to view on the link below:

https://www.audit.wales/system/files/publications/BCUHB_Joint_Review_English_2013.pdf

The joint report found that:

- the BCU governance arrangements and procedures did not adequately address the gap between the ward and the Board;
- routine governance arrangements within BCU had not paid sufficient attention to infection control;
- the effectiveness of the Board had been significantly compromised by a breakdown in working relationships between some senior leaders in the organisation; and
- the Board collectively lacked the capacity and capability to provide appropriate levels of scrutiny in relation to service delivery.

The National Assembly for Wales Public Accounts Committee (PAC) undertook an inquiry into the governance arrangements at BCU and how they were being addressed during 2013.

During this time there was a change in senior leadership with Peter Higson appointed as the Chair of the Health Board in September 2013. He led on the recruitment for a new Chief Executive who came into post in June 2014.

PAC published its report in December 2013 and received regular written and oral updates on progress against the recommendations from Welsh Government and BCUHB, taking account of further reporting by the WAO and HIW.

The Tawel Fan Ward, an older people's mental health ward in the Ablett Unit at Ysbyty Glan Clwyd, was closed in December 2013 following concerns being raised about the quality and safety of care provided. The Health Board had undertaken internal investigations resulting in some staff being removed from clinical duties. As a consequence, patients were transferred to other care settings.

As a result of Tawel Fan and wider concerns Mental Health Services in BCUHB were formally placed under enhanced monitoring by Welsh Government in December 2013.

2014

In January 2014, BCUHB commissioned an independent external reviewer, Donna Ockenden, to look at the concerns raised on patient care on the Tawel Fan ward

The **NHS Wales escalation and intervention arrangements** were reviewed and new more formal tripartite arrangements introduced in April 2014, responding to a recommendation from the 2013 PAC report. The advice and trigger to changes of escalation status is now managed through a tripartite process involving HIW, WAO and Welsh Government together. Under these arrangements, the Welsh Government meets with the WAO and HIW twice a year to discuss the overall position of each health board and NHS trust and this information is published. Ad hoc or special meetings are also arranged in between these meetings if necessary.

The framework has four escalation levels:

- Routine arrangements

- Enhanced monitoring
- Targeted intervention
- Special measures

The Board were updated on the Donna Ockenden review progress in July 2014. In September 2014, the Ockenden Report was shared with North Wales Police who confirmed that they would formally investigate.

BCUHB were aware of the need for a more formal, clinical investigation to take place to consider the need for formal disciplinary/professional sanctions processes against members of staff and to meeting the requirements of the “Putting Things Right” regulations.

The more formal clinical investigation could not begin until the North Wales Police investigation had been concluded.

In November 2014 BCUHB moved from ‘enhanced monitoring on mental health’ to ‘the whole organisation being under targeted intervention’ under the new escalation and intervention arrangements. The reason for the escalation related to significant challenges to the financial plan for 2014/15, significant concerns around the delivery, safety and quality of mental health services and the management and control of capital schemes and governance concerns

The first stage of BCUHB targeted intervention was a diagnostic review undertaken by Ann Lloyd between December and February 2015 (published June 2015). The report is available on the following link:

<http://www.wales.nhs.uk/sitesplus/documents/861/Ann%20Lloyd%20Report.pdf>

2015

The Ockenden report was published in May 2015 and attracted intense media interest. The report provided a view of care on the ward, drawing on information from 40 members of staff and 18 family members and close friends. The report concluded that there was a culture on the ward that resulted in institutional abuse. The report was accepted by the Health Board, who determined that Ockenden’s findings warranted further investigation to achieve a full picture of the care provided on the ward prior to its closure.

North Wales Police also in May 2015 advised that no criminal charges were to be brought in relation to the concerns raised regarding care on the Tawel Fan ward. Investigation and enquiry process in relation to Tawel Fan is outlined in more detail in the introduction section of the final HASCAS report.

<http://www.wales.nhs.uk/sitesplus/documents/861/HASCAS%20report%2C%20May%202018%20%28eng%29.pdf>

On 8 June 2015, the Minister for Health and Social Services notified the Chair of the BCUHB that it was being placed in special measures due to failings in service delivery, organisational effectiveness, and the quality and safety of care in a range of

areas, including the provision of mental health services, maternity services and primary care including out-of-hours services. This was in line with the NHS Wales Escalation and Intervention Arrangements and intervention powers contained in sections 26 and 27 of the NHS (Wales) Act 2006. This was the first time Welsh Government had placed a health board in Wales in special measures. Under the special measures arrangements in place for BCUHB the Board has remained responsible for progress and actions, led by the Chair and Chief Executive and Welsh Government has not taken over the operational management of the Health Board. The Minister statement to the National Assembly on the 9 June is available on the link below:

<http://www.assembly.wales/en/bus-home/pages/rop.aspx?meetingid=3169&assembly=4&startDt=01/06/2015&endDt=15/06/2015#C223738>

Following the Minister's decision, BCUHB suspended its Chief Executive with immediate effect. The Minister asked Simon Dean, Deputy Chief Executive of the Welsh NHS, to undertake the interim chief executive role.

SECTION 2

➤ BCUHB Special Measures Reports and Progress

Following being placed in special measures BCUHB updated the public and the Welsh Government regularly updated the National Assembly on arrangements and progress.

A series of 100-day plans, commissioned by the interim chief executive, were put in place across the health board in June 2015. As a result extra 27 midwives were appointed following a recruitment drive and all the key milestones in the GP out-of-hours services plan were delivered. A report on the end of the 100 day period was reported and published by BCUHB in September 2015 and is available to view on the link below:

<http://www.wales.nhs.uk/sitesplus/documents/861/100%20Day%20Update%20-%20September%202015.pdf>

In August 2015, BCUHB in recognition of the need for further investigation and review of the care and treatment provided on the Tawel Fan Ward, commissioned an independent comprehensive investigation from HASCAS Consultancy Limited. This encompassed thematic lessons for learning report, individual patient reports to support the Putting Things Right process and individual staff reports to support employment processes. Alongside the HASCAS investigation, a governance review was commissioned from Donna Ockenden. The review was to focus on the governance arrangements relating to the care of patients on Tawel Fan Ward prior to its closure and current governance arrangements in older people's mental health services within the Health Board.

The Deputy Minister for Health issued a statement on the 22 October 2015. This informed Assembly Members BCUHB would remain in special measures for a minimum of two years recognising that longer term plans were needed to build on the initial phase of stabilisation in order to tackle the more fundamental challenges, particularly to improve mental health services in North Wales.

<http://www.assembly.wales/ministerial%20statements%20documents/bcuhb-special-measures-update/151022%20betsi%20eng.docx>

A further statement by the Deputy Minister in November 2015 outlined the intervention support being provided under special measures

<http://www.assembly.wales/ministerial%20statements%20documents/betsi-cadwaladr/151104betsien.docx>

The support included:

:-

- Ann Lloyd, former Chief Executive of NHS Wales, providing oversight and supporting board governance work, including work on behaviours and etiquette; the development of the board assurance framework and review and restructuring of the committee structures;
- Specialist planning expertise commissioned to scope the planning requirements to develop a medium term plan;
- Peter Meredith-Smith providing advice on progress under mental health and also focussing on ensuring BCUHB kept pace with the Wales-wide child and adolescent mental health service (CAMHS) improvement programme;
- Dr Chris Jones, former Chair of Cwm Taf University Health Board, providing advice in respect of out-of-hours improvement and support some specific cluster development opportunities;
- Provision of resources to develop the engagement capacity and capability within the organisation. Ann Lloyd would also provide oversight on evaluating the success of BCUHB engagement activity.

In January 2016, a statement was published on the special measures improvement framework setting out the milestones for BCUHB to achieve by May 2016, November 2016 and November 2017.

<http://www.assembly.wales/ministerial%20statements%20documents/betsi-cadwaladr-university-health-board-special-measures-improvement-framework/160129specialmeasuresen.docx>

BCUHB published its first progress report on meeting the special measures milestones in May 2016;

http://www.wales.nhs.uk/sitesplus/documents/861/16_91%20Special%20Measures%20Improvement%20Framework%20End%20Phase%201%20Report%20v1.0.pdf

On 24 June 2016, the Deputy Minister for Health issued a statement on progress under the first phase of the improvement framework and conclusions from the discussions at the tripartite meeting under the escalation and intervention

arrangements. This noted significant progress in maternity, primary care and out-of-hours services. The statement also set out expectations on the further progress needed in transforming mental health services, especially on the development of the longer-term strategy and more immediate assurance on implementation of recommendations from HIW reports including shared learning across North Wales.

<http://www.assembly.wales/ministerial%20statements%20documents/betsi-cadwaladr-university-health-board/160624%20vg%20betsi%20-%20english.doc>

The BCUHB progress report on the second phase of milestones set out under the special measures framework was published in November 2016:

<http://www.wales.nhs.uk/sitesplus/documents/861/Special%20Measures%20Improvement%20Framework%20End%20Phase%202%20Report%20v3.0%20website.pdf>

In January 2017, the Cabinet Secretary for Health, Well-being and Sport wrote to North Wales Assembly Members, Health spokespeople and Chair of Health, Social Services and Sport Committee on his decision to set up an independent oversight panel for the HASCAS investigation and the independent governance review relating to the care and treatment of patients on Tawel Fan ward. The panel was established to provide assurance on the integrity of the investigation and governance review and ensure they were concluded in a timely way.

The follow up review by HIW/WAO published in June 2017

<http://www.assembly.wales/laid%20documents/agr-ld11088/agr-ld11088-e.pdf> recognised there was evidence of progress under special measures against the milestones set in the special measures improvement framework. This included successful recruitment to improve medical and midwifery staffing levels in maternity services, delivery of a new model of primary care in Prestatyn, improved governance arrangements and working in partnership to develop and agree a mental health strategy *Together for North Wales*. The review also noted that BCU continued to face a number of significant challenges including its financial position, its plans for service change and concerns relating to mental health services.

BCUHB published its third progress report under the special measures improvement framework milestones in January 2018:

<http://www.wales.nhs.uk/sitesplus/documents/861/BCU%20Special%20Measures%20Improvement%20Framework%20End%20of%20Phase%203%20Report%20v2.0%20Final%20Approved%20subsequent%20submission%207.2.181.pdf>

Review of progress made by BCUHB under special measures was considered with the external review bodies under the escalation arrangements in early December 2017. On February 1 2018 the Cabinet Secretary for Health and Social Services announced due to progress made, maternity services was to be de-escalated as a specific special measures concern but finance and some areas of performance would now come under the 'special measures' arrangements. The statement <http://www.assembly.wales/ministerial%20statements%20documents/update%20on%20escalation%20status%20review%20of%20health%20organisations%20and%20additional%20support%20for%20betsi%20cadwaladr%20university%20health%20boa/180201%20update%20on%20escalation%20status%20review%20of%20health%20organisations%20-%20english.doc> also reported on the further support being put in

place for the organisation and detailed the key milestones to April 2018 against which BCUHB would be measured to ensure it was making adequate progress.

On May 8 2018, the Cabinet Secretary for Health made an oral statement <http://record.assembly.wales/Plenary/4981#A43428> on the findings of the HASCAS report, progress being made in mental health services and also published the special measures improvement framework May 2018 – September 2019. You can view the framework on the link below:

<https://gov.wales/docs/dhss/publications/180508bcu-improveen.pdf>

A further oral statement outlining progress was made on 5 June 2018 at the third anniversary of BCUHB being placed under special measures arrangements <http://record.assembly.wales/Plenary/4987#A43885>. The statement noted the improvements made in maternity services that had resulted in the service being removed from special measures and continued investment in the estate and services with the major on-going significant refurbishment work, involving over £160million investment on the Ysbyty Glan Clwyd site due to be fully completed in December this year and the Sub Regional Neonatal Intensive Care Centre (SuRNICC) opening in summer 2018. This has repatriated specialist care from other regional areas and involved a successful recruitment campaign to attract specialist doctors and nurses. A further £2.2 million of funding has also been provided from Welsh Government to convert a theatre at Ysbyty Glan Clwyd to a hybrid theatre capable of performing complex vascular surgery. This will bring patient benefits and is already increasing the attractiveness of the Health Board in terms of recruitment of consultants and improvements in surgical training. It is important to note the Health Board has continued to recruit and currently at its highest level of workforce (on record) despite the special measures category and this has helped reduce areas of spend in agency and locum posts materially. The statement also focused on the ongoing challenges in finance and some areas of performance.

The Cabinet Secretary for Health also made a statement on the 17 July 2018 in the National Assembly following the publication of Donna Ockenden's Governance Review. <http://record.assembly.wales/Plenary/5000#A45073>. The statement noted the findings that had drawn on other reports, reviews and inspections of the Board since 2009. It also reported on recent improvements in mental health services especially in relation to the management structure and findings from the latest HIW annual report that noted areas of continuing concern, but also, overall, patients were happy with the care they received, staff felt supported, and there was good evidence of patient-focused care. It also highlighted that BCUHB had been open and responsive throughout its involvement with HIW and, importantly, that the leadership has strengthened since 2013 and is more effective following fundamental changes to its structure.

In July 2018, the Cabinet Secretary agreed a further £6.8 million investment under special measures arrangements to strengthen governance and accountability through joint working with clinicians and partners to deliver substantial improvements in planned and unscheduled care, across all acute specialties.

The funding will increase the health board's capacity and capability in the following areas:

- £4.6m (£2.3m per annum) will be used to strengthen delivery, planning and service improvement capacity in the operational secondary care structure;
- £1.7m (£892,000 in 2018/19 and £826,000 in 2019/20) will support the turnaround process by strengthening programme management and analytical demand capability;
- £0.5m will increase capacity within the mental health and learning disabilities division by extending the pilot project 'Right Care and Repatriation Programme'. This will ensure patients receive the care they need through the correct care package, in the right environment and that timely transfer or discharge occurs when clinically appropriate to do so.

The new Chair, Mark Polin, took up post in September 2018 having evidenced a good appreciation of the challenges faced by the organisation through the appointment process. Early observation would suggest that he is already bringing clear direction and leadership for improvement. The recruitment of a new Vice-Chair and independent and executive appointments has renewed the Board and will provide more rigorous and consistent oversight at Board and Committee level

BCUHB reported on progress on the expectations set out in its current improvement framework at its Board meeting on the 1 November. The report is available on the link below:

<http://www.wales.nhs.uk/sitesplus/861/opendoc/334794>

The Cabinet Secretary for Health updated Assembly Members on progress in an oral statement on the 6 November, 2018:

<http://record.assembly.wales/Plenary/5361#A46441>

He highlighted the improvements led by the new Chair in renewing and realigning Board business and committees work and establishing a more robust appraisal and assurance system. He also noted the increased commitment to and impetus on partnership working from the board to support 'A Healthier Wales' and the transformation agenda and the results of the NHS staff survey 2018 showing positive changes since 2013 and 2016, most notably in staff engagement. That includes an 18 per cent increase from 2013 of staff who say that they are now proud to work for BCUHB. Improvements reported in mental health services included confirmation of a new and visible senior management team, appointment of a new mental health nursing director, creation of listening leads across front-line staff and the launch of the 'Today I can'.

Further updates are required in April and October 2019. To be considered for de-escalation from special measures the Welsh Government will need to be assured that progress is being made in key areas and that they are sustainable, these include:

- Sustainable improved performance in areas of quality, unscheduled and planned care;

- Progress in delivering the mental health strategy and actions agreed in response to the recommendations in the Deloitte, HASCAS and Ockenden reports;
- Approved three year plan for 2019-2022 developed in partnership with staff and partners;
- Continued improvements in compliance with relevant mental health targets including those set out under the mental Health Act and Mental Health (Wales) Measure;
- Financial plans are delivered as agreed and demonstrating an improved position as set out in the three-year plan.

On a strategic level, the Welsh Government continually reviews progress in regular oversight meetings with BCUHB. Recent meetings have highlighted the most recent statistics show that there 6,574 patient pathways over 36 weeks which is a decrease of 3,034 (32%) compared to October 2017 and no one is waiting over 14 weeks for therapies treatment.

It is also important that in focusing on areas of improvement needed under special measures we do not overlook and report on areas of good practice, including work on population and public health, for example immunisation measures and Ysbyty Gwynedd being the first acute hospital site in Wales to be awarded the status of being a dementia friendly site.

SECTION 3

- **Update on progress against the recommendations from the previous two PAC governance issues at BCUHB Reports during the Fourth Assembly.**

The Committee has asked specifically for an update on recommendations 18 and 19 of the first report on 'Governance Arrangements at Betsi Cadwaladr University Health Board' published in December 2013 and paragraphs 104 – through to the conclusions and recommendations on page 42 of the follow up review on the 'Wider issues emanating from the governance review of BCUHB'.

Recommendations 18 and 19 in the first report focused on the importance of sharing findings of external reviews so they are widely utilised to learn lessons and improve processes and that senior leaders set a clear vision for their organisations to respond to the three challenges of developing service, workforce and financial plans. Recommendation 19 also noted 'given the issues around governance arrangements at BCUHB, it is imperative that the new senior management of the Board renew and reunite the Executive and non-Executive leadership team, and close the gap between the Board and wards'.

I can confirm the sharing of findings of external reviews are routinely disseminated to the wider NHS in order to ensure we learn lessons and drive improvements. This has included the Trusted to Care, HASCAS, Ockenden and the Deloitte financial

governance reports being shared with all NHS bodies and Chief Executives specifically asked to consider the findings and recommendations in respect of their own organisations. In the case of learning from Trusted to Care, the programme of unannounced independent spot checks to all district general hospitals across Wales provided an opportunity to identify a number of wider system improvements. The Learning from Trusted to Care – One Year On report published in September 2015 made further recommendations at a national level and these continue to help inform our approach in delivering high quality care.

We also disseminate information and seek assurance on concerns prompted at an organisational level, for example, this was done following the recent concerns regarding maternity services at Cwm Taf University Health Board.

'A Healthier Wales' also in the drive for transformation sets out how we will use 'design principles' to align, learn and deliver change in health and social care. The 'design principles' include evidence in learning from and working with others and ensuring that good practice scales up from local to regional to national and across teams and organisations. As a learning system, the 'design principles' will be reviewed in three years and refined as needed.

Welsh Government is also ensuring lessons learnt from placing the first health board in Wales under special measures inform our future thinking and plans in relation to the escalation and intervention arrangements. We will during 2019 work with HIW and WAO on reviewing the escalation and intervention arrangements introduced in 2014.

Our planning guidance has moved on considerably since the previous PAC reports were published with the statutory framework provided in the NHS Finance (Wales) Act 2014 requiring all LHBs to produce IMTPs against national guidance and the need for formal approval. The improved guidance and development of the NHS Wales Planning Framework has supported a growing understanding of what integrated planning looks like and how it can sustain and deliver services now and in the future. The Parliamentary Review also called for the IMTP planning process, as the bedrock of our planned system in Wales, to be strengthened. *A Healthier Wales* therefore provides a commitment to better align IMTPs with Area Plans, and wider Well-being Plans, as well as setting out the challenge to streamline the IMTP process itself. We need to ensure the end point is not the physical development of a plan, but rather an engrained planning philosophy and process and the work to strengthen this is ongoing.

In BCUHB, since the publication of the reports, there has been significant change at a leadership level at both Executive and non-Executive on the Board to renew and drive improvement. The new Chief Executive started in post in February 2016 and during the same year a new Director of Mental Health, Medical Director and Executive Director of Nursing was appointed. Further changes to the Executive team has included a new Executive Director of Public Health and in 2018 an Executive Director of Workforce and OD started in post in April an Executive Director of Primary Care in September and Executive Director of Planning and Performance in November. Eight of the nine Executive Director positions on the Board have changed since BCUHB was placed in special measures. On a non executive level a new

Chair and Vice Chair started in post in September 2018 and six new non executive members have also been appointed since June 2015.

Since starting in post the new Chair has introduced improved governance arrangements that include a new appraisal system with more frequent (quarterly) appraisals for Independent Members and the Chief Executive and a requirement for Committee Chairs to submit Assurance Reports to the Board that include mitigating actions for concerns and risks identified. He has also led on revising the schedule of Board meetings, mainstreaming of special measures expectations into committee business, and committee membership in order to support good governance.

A new schedule of Board member walkarounds commenced in November 2018. In addition, some Board members have also attended Board meetings at other organisations deemed to be high-performing, for good governance benchmarking purposes.

Paragraph 104– through to the conclusions and recommendations on page 42 of the follow up review report focuses on mental health services. BCUHB has provided regular updates on progress in mental health services in its reports on the milestones set under the special measures improvement framework and its response to the recommendations in both the HASCAS and Ockenden Reports. Links to the special measures progress reports are provided under section 2 of this paper. BCUHB in its recent progress update published in November 2018 under mental health services notes ‘improvement actions initiated during the three phases of the first improvement framework have been built upon, to ensure a fully operational management structure, the implementation of the ‘Together for Mental Health’ Strategy, compliance with targets, quality improvement, appropriate responses to Health & Social Care Advisory Service (HASCAS)/Ockenden recommendations and the elimination of service user out of area placements.’



Comisiynydd Pobl Hŷn Cymru Older People's Commissioner for Wales

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22 January 2019

Dear Nick,

Inquiry into Mental Health Services for Older People in Betsi Cadwaladr University Health Board

I'm writing to provide an overview of my ongoing concerns in relation to the progress being made by Betsi Cadwaladr University Health Board in relation to improving mental health services for older people.

As you will be aware, for a number of years my office has been actively involved in supporting older people and their families that have received unacceptable care in north Wales and I am still providing ongoing support to an individual affected by older people's mental health services in Betsi Cadwaladr UHB.

The report compiled by Donna Ockenden in 2015 concluded that patients on the Tawel Fan ward had been subjected to a lack of professional, dignified and compassionate care in an environment that led to them being restrained and possibly breached their individual human rights. It was encouraging that Betsi Cadwaladr UHB accepted

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

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

the report's findings and committed to taking further action to achieve a full picture of the events that happened on the ward.

I am aware of the work that the Health Board has started, including appointing an Older Person's Programme Manager, to review and redesign service models and clinical pathways for older people and develop an older people's strategy. However, given the seriousness of the issues faced and the length of time it has taken to start this work, I still have concerns about the experiences of older people accessing these services.

Whilst the HASCAS report, published in 2018, concluded that 'there is no evidence to support prior allegations that patients suffered from deliberate abuse or wilful neglect, or that the system failed to deliver care and treatment in a manner that could be determined to meet the threshold for institutional abuse', it does clearly point to significant system and organisational failures as having contributed to 'suboptimal care' for individuals on Tawel Fan ward. The impact on individuals from such 'suboptimal care' includes:

- distress and loss of dignity;
- compromised care and treatment that was sometimes provided in clinical environments that were 'suboptimal';
- hospital acquired infections and injuries; and
- compromised levels of health, safety and wellbeing.

Through my case work, I am aware of the devastating impact that this 'suboptimal care' can have on individuals.

The report is clear that these issues arose as a result of a catalogue of fundamental system failures in relation to oversight and governance. In particular, concerns were raised in relation to patient care pathways and service design, patient acuity and restrictions to service provision, evidence-based practice and the care and treatment of the older adult. The report is clear that the impact of these issues was not restricted to Tawel Fan ward but had implications across a range of services used by older people.

Of particular concern is the report's conclusion that these system failures are still unresolved or in a relatively early stage of improvement and development. Furthermore, the report states that there is insufficient evidence to suggest that, in practical terms, the experience of a patient today would be significantly different from the experience of patients from the investigation cohort, and that this is an area which requires urgent action.

I also find it highly concerning that, a number of years on from the closure of the ward, these issues still effectively remain unaddressed across a range of services and that some of our most vulnerable older people may be exposed to unnecessary risk and poor care as a result.

Correspondence between Donna Ockenden and the Cabinet Secretary for Health and Social Services, recently published via a Freedom of Information request, reflects this situation. A letter from Donna Ockenden noted that she and her team continue to be contacted by service users, representatives and Betsi Cadwaladr UHB staff with concerns about how little progress is being made. Furthermore, she has shared concerns that the Betsi Cadwaladr UHB Board and senior management team within mental health do not have the capability and capacity to deliver the root and branch systemic review that is needed to improve older people's mental health services.

Betsi Cadwaladr UHB staff have told Donna Ockenden that they feel staffing is "worse now" and that they are "exhausted" and "on their knees". Staff do not feel listened to and do not believe positive change has happened or will happen in the foreseeable future. They have also shared doubts about the ability of the Board and senior management team to understand and deliver the safe and effective care that older people have a right to.

I will be meeting with the Chair of the Health Board, Mark Polin, and Director of Nursing, Gill Harris, at the end of January to discuss my ongoing concerns and the progress made in supporting an individual through my casework team. Following this meeting, I will decide what further action I may wish to take, and my office will continue to support the families and relatives of those affected.

I hope the Committee will find this useful as part of your Inquiry and if I can support the Committee's work in any other way, please do not hesitate to contact my office.

Yours sincerely,

Helena Herklots

Heléna Herklots CBE

Older People's Commissioner for Wales

Response to Public Accounts Committee recommendations into the costs and value for money of public services for care experienced children and young people

Recommendation 1 - The Committee recommends that the Welsh Government develop a set of indicators to assess the outcomes for care experienced children and make sure they reflect those things that matter to young people. The views of young people must be integral to shaping, informing and evaluating these, and it should be directly informed by the work of the Ministerial Advisory Group and any evaluation of the Bright Spots survey.

Accept – Welsh Government fully recognises the importance of collecting robust data to help inform regular assessments of outcomes for care experienced children. Work is currently well advanced on the development of a Performance and Improvement Framework for Children which will require local authorities to gather data against a set of quality standards, qualitative measures and quantitative measures. Once agreed, the requirements will be introduced from April 2020. We will continue to collect data through the Looked After Children and Children Receiving Care and Support Census.

The Improving Outcomes for Children Ministerial Advisory Group has established a Task and Finish group, led by David Melding AM, to develop a set of indicators to measure progress against its 2017-2020 work programme and improved outcomes for care experienced children. These are currently being refined to ensure they reflect the quality of care being provided and the impact of interventions put in place as part of the Improving Outcomes for Children programme. Additionally, it is important that these indicators do not duplicate those already set out within the draft Performance and Improvement Framework for Children, but provide an enhanced dataset of outcomes that spans the range of policy areas that impact care experienced children, not just children's services. The Ministerial Advisory Group discussed these issues at their December meeting. These indicators, which are in addition to those included in the Framework, will be in place from April 2019.

Following the successful pilot of the Bright Spots survey in six local authorities, we are considering how this valuable survey of care experienced children's experiences and well-being can be rolled out across all local authorities, providing an assessment of care experienced children's well-being across the country. Local authorities will use the learning to improve services for their care experienced children population.

Recommendation 2 - The Committee recommends that the Welsh Government should ensure educational outcomes for Care Experienced Children are measured by “distance travelled” alongside attainment measures, and evaluate the effectiveness of the Pupil Development Grant in obtaining these results.

Accept - As part of the comprehensive programme of education reform underway, the Welsh Government is developing new evaluation and improvement arrangements to be introduced alongside the new curriculum. The central focus of the new arrangements will be an emphasis on the ‘progress’ of individual learners so that they are supported to achieve their best outcomes.

In September, the Cabinet Secretary for Education made a statement in Plenary on the direction of travel for a more intelligent system of evaluation that has the learner at its heart. We will move towards replacing school performance measures with a more rounded self-evaluation process. The Organisation for Economic Co-operation and Development and Estyn are working with practitioners to design this framework and further details will be published shortly. Regional education consortia and local authorities are expected to follow the same self-evaluation process and the Welsh Government will do the same. This system will be designed to evaluate performance in teaching and learning of all young people, including care experienced children, developing them to their full potential, not just academically.

The approach to the Pupil Development Grant for looked after children (PDG-LAC) is currently being reviewed. Work to revise PDG-LAC is being undertaken in partnership with regional education consortia and local authorities and is taking into account the recommendations of the Children, Young People and Education Committee in its recent *On the money?* report as well as the recommendations of the forthcoming independent evaluation of PDG-LAC. This work will ensure that both impact and value for money of PDG-LAC are maximised. The new approach will come into effect from April 2019.

Recommendation 3 - The Committee recommends that the public information on the Ministerial Advisory Group is improved on the Welsh Government's website to increase accountability and allow for scrutiny. We recommend, as a minimum, the following is published:

- Membership;
- Minutes of meetings; and
- Performance against indicators.

Accept – Welsh Government agrees that information published on its website about the Improving Outcomes for Children programme and the Ministerial Advisory Group can be improved to ensure greater transparency and scrutiny of its work. An enhanced web page will also improve communication with stakeholders and the public. Information concerning the membership, operation and implementation of the Improving Outcomes for Children programme will be considered for publication. We are exploring options with Social Care Wales on how best we can communicate our work using other portals available.

Welsh Government has noted the Committee's comments concerning the role, function and accountability of the Ministerial Advisory Group. These however are well established. The Group provides advice to the Minister for Children, Older People and Social Care and is accountable to him. David Melding AM, as Chair, reports to the Minister following each meeting. The Improving Outcomes for Children programme 2017-2020 is led and delivered by Welsh Government and has been co-produced with stakeholders and partners on the Ministerial Advisory Group. The Group is made up of all senior leaders in Wales with a role in supporting care experienced children.

Welsh Government does not agree that the minutes of meetings should be published. The Group has been established to advise the Minister. It is for the Minister to consider the advice provided to help inform decision making. Ministerial Advisory Group meetings are designed to enable robust discussions to take place about the existing operational delivery of children's services to help inform future policy direction and the implementation and delivery of new initiatives. Publication of its minutes may impede the free and frank debate that takes place between members.

Recommendation 4 - The Committee recommends that the Welsh Government commission an analysis of independent agency placement costs examining the different outcomes across the life of a child that are delivered for the additional cost to create an informed evidence base for future decisions in this area.

Accept – The National Fostering Framework has already undertaken an analysis of the relative cost of a local authority foster placement compared with a placement with an independent fostering agency. However, concerns have been expressed as to whether the comparison was accurate and whether the breakdown of placement costs covered the same factors and the full range of back-up functions involved for each.

To develop a robust evidence base and an objective comparison between independent agencies and local authority placements, Welsh Government is issuing a research tender as part of a larger exercise about the national commissioning of placements. To examine different outcomes across the life of a child, as the PAC suggests, would require a longitudinal study. Our preferred option is to commission a focussed piece of work, to fully explore the recent pressures on local authority placement availability and the drivers behind the high costs of placements. The outcomes from this initial research will be used to inform recommendations for a national approach for commissioning across the public sector and independent provision. This will cover foster care (mainstream and kinship) and residential care but not secure accommodation, as activity has already been commissioned in this area. A key focus for the work will be on outcomes for the child in placement, as well as on costs and value for money.

Recommendation 5 - The Committee recommends that the Welsh Government undertake an evaluation into the frequency and effectiveness of end of placement reviews with a particular focus on the impact of such reviews on the child concerned.

Accept - The Part 6 Code of Practice requires local authorities to instigate a review of a child's care and support plan following any substantial changes to that plan, such as a placement move or breakdown. The review should set out a comprehensive record of the decisions made and the views of all those consulted including the wishes and feelings of the child about any proposed changes. This includes taking into account the child's wishes and feelings about any proposed changes.

In response to the evidence heard by the Committee concerning the effectiveness and frequency of such reviews, Welsh Government will liaise with Care Inspectorate Wales to ensure this is specifically considered at future inspections of children's services.

We will consider the need to strengthen the Part 6 Code of Practice to include specific guidance on the steps to be followed when it is proposed to move a child to a new placement.

Recommendation 6 - The Committee recommends that the Welsh Government sets out a timeline for the analysis of the delivery of placements. We would not expect this work to take longer than three months to commence and for it to be delivered within twelve months. Following this analysis, the Welsh Government should set out how services should be delivered in line with the ambitions of the Social Services and Well-being (Wales) Act 2014. This could then inform a national strategy for commissioning and managing the full spectrum of placements for Looked After Children.

Accept - The work of the National Fostering Framework and the Children's Residential Care Task and Finish Group has shown the need for a national approach to placement commissioning. We believe that Regional Partnership Boards should have a key role to play in future commissioning arrangements, as this will help ensure an integrated approach across social services, health and education and open up further opportunities for new and innovative approaches to specialist provision (e.g. for children at risk of going into secure accommodation).

The proposed research (set out in recommendation 4) into placements costs and outcomes will provide evidence upon which a national approach to commissioning could be based. This evidence will inform a set of recommendations for a national approach for the commissioning of placements across the public and private sector. We do not believe that a separate piece of work on the delivery of placements is needed. The timeline for moving towards a national commissioning approach will need to reflect the timeline for research. For example, if the research is undertaken during 2019-20, the approach to national commissioning could be developed during 2020-21, with new arrangements coming into force in 2021-22.

Recommendation 7 - The Committee recommends that the Welsh Government commission a review of spending on looked after children across the range of services areas involved in their care for example education, housing and Children and Adolescent Mental Health Service. This is essential to ensure a comprehensive picture of the money invested in supporting this group.

Accept – The strong correlation between the cost of placements and the rate of spend per looked after child in Wales is well recognised. Welsh Government agrees that an assessment of spend on looked after children and the variation between rates of spend between local authority areas in Wales is required. Due to the correlation between spend and placements, an assessment of spend will be built in to the research tender on placement commissioning (see recommendation 4).

Consideration will be given to the scope of this assessment, to ensure a wide range of service areas involved in the care of looked after children are incorporated.

However, the complexities of disaggregating spend per looked after child across the whole range of public services available must be recognised. Due to the way in which local authorities' budgets are set, it is not possible to track funding through the system from Revenue Support Grant payments to service delivery. It is also not possible to disentangle changes in local authority spending that may have arisen from previously-planned decisions, from those that may have arisen from a change in the delivery mechanism of the funding. Many funding streams across housing, education and mental health will be targeted on a child population basis, not solely for care experienced children, meaning that impacts of such funding for care experienced children will be difficult to infer.

Recommendation 8 - The Committee recommend that the Welsh Government undertake a comparative analysis on the variance of spend per looked after child between local authorities to build an information base around variance of cost to drive best practice. This should also reflect the outcomes within each authority and be published once completed. This should be a regular information gathering exercise and having completed this for the 2018-19 period, the Welsh Government should evaluate the information obtained, and set out a timetable for future information gathering.

Accept – As highlighted above, Welsh Government recognises there can be considerable variation in spend per looked after child between local authorities in Wales. This can be for a variety of reasons, including local demographics, the complexity of cases and the cost of placements for those requiring the highest levels of intervention. Local authorities provided evidence to the Committee of only a handful of complex cases placing local authorities under significant cost pressures.

The proposed research into national placement commissioning, costs and outcomes (Recommendations 4, 6 & 7) will include the variation in the cost of different types of placement between local authorities and the link with outcomes and recommendations for future information gathering.

Recommendation 9 - The Committee recommend that at the end of the current financial year, the Welsh Government should review the impact of transferring ring fenced funding for edge of care services into the Revenue Support Grant from April 2018 to assess the impact for care experienced children and edge of care services.

Reject – Following the £5m grant funding in 2017/18, all local authorities in Wales have confirmed they have an edge of care service in place. The Revenue Support Grant is un-hypothecated, meaning that it is up to local authorities how they spend this funding along with income from other funding streams such as council tax, re-distributed non-domestic rates and income from sales, fees and charges.

With regards to service delivery, it is not possible to explicitly assess the impact for care experienced children and edge of care services of transferring this funding into the settlement as these services are now a core part of local authorities' responsibilities.

There is a clear expectation from Welsh Government upon local authorities to focus on reducing the need for care and providing effective support to families to enable them to remain together. This message has been strengthened through the Improving Outcomes for Children programme and further emphasised following the recent announcements of additional funding for local authority children's services. Through our continued engagement with our local authority and children's services partners we expect any concerns to be brought to our attention.

Recommendation 10 - The Committee recommends that the Welsh Government should target ring-fenced funding at edge of care services which, where safe to do so, have the potential to avoid children coming into care. This funding should explore the value of elements such as kinship care. It could also support local authorities to continually monitor outcomes for these individual children and value for money of this preventative spending.

Accept – Since the publication of the Public Accounts Committee report, the Minister for Children, Older People and Social Care has announced an additional £15m for children's services from 2019-20 to help reduce the need for children to enter care. This is on top of the recurrent £5m funding provided to local authorities in 2017/18 for edge of care services announced in 2017/18.

The £15m will be distributed through the Integrated Care Fund to Regional Partnership Boards to help safely reduce the need for children to enter care and supporting children in care. This funding is to support collaborative working between local authorities, local health boards and the third sector to develop early intervention and preventative services for families in need of help and assistance; building on approaches we already know help families avoid crisis situations.

The arrangements for monitoring the impact of this investment will be through a combination of both qualitative and quantitative reports received from the Regional Partnership Boards. Officials are working with regional colleagues to co-design new Integrated Care Fund guidance and reporting processes and exploring Results Based Accountability methodology to better capture and understand the impacts of this investment on the children and young people it supports.

Recommendation 11 - The Committee recommends, that the Welsh Government updates its response to the Children, Young People and Education Committee “Mind over Matter” report by March 2019, providing detailed information about how it intends to address the concerns in that Report in respect of care experienced children as requested by the Chair of that Committee.

Accept - In our response to the Mind over Matter report we accepted the recommendations in relation to care experienced children. We will update the committee on our progress in delivering the commitments set out in our response in the Spring.

Recommendation 12 - The Committee recommends all care-experienced children are routinely made aware of their right to an advocate and provided with clear information about how to access the range of available advocacy services. This should be monitored by the Welsh Government and incorporated into the indicators for the Ministerial Advisory Group.

Accept - The National Approach to statutory advocacy services for children has been in place since June 2017, with Welsh Government providing up to £550k to support the implementation of this approach.

The six collaborative regions are committed to delivering the National Approach in full, each has a regionally commissioned advocacy service along with a standardised performance reporting template for quality monitoring purposes, which includes the ‘active offer’. This information is overseen and monitored by an Implementation Task and Finish Group set up the Ministerial Advisory Group. It is also included in the draft indicators currently being agreed.

An ‘Active Offer’ is a sharing of information about the statutory right and entitlement of a child or young person in particular circumstances to access support from an Independent Professional Advocacy Service.

Children and young people are automatically entitled to a statutory Independent Professional Advocate (IPA) when they become looked after or become subject of child protection enquires (Children Act 1989 section 47). The ‘Active Offer’ is made directly to the child or young person by the Advocacy Service.

The information shared includes an explanation about the role of the Independent Professional Advocacy Service, what it can and cannot do, how it operates based on a child or young person's views, wishes and feelings, its independence and how it works solely for the child/young person, its policy on confidentiality and significant harm – it explains the statutory right of children and young people to be supported to express their views, wishes and feelings as well as their right to make a representation or complaint.

Mr Nick Ramsay AM
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Reference: AC/077/caf
Date issued: 23 January 2019

Dear Nick

Welsh Government Response: Care Experienced Children and Young People

The clerking team invited my comments on the Welsh Government response to the Committee's November 2018 report on care experienced children and young people. While the Committee's inquiry did not flow from a Wales Audit Office report, colleagues have reviewed the response and I have set out a number of observations below.

In some instances, the Welsh Government has accepted the Committee's recommendation where it appears to be responding positively but not exactly as the Committee may have intended. This reflects the approach to acceptance or rejection that the Permanent Secretary has outlined to the Committee previously. Nevertheless, the Committee will need to decide whether it is satisfied with the response provided in those cases.

Recommendation 1: The Committee may wish to clarify the relationship between the arrangements for the Performance Improvement Framework for Children and the indicators that will be in place from April 2019 to provide an enhanced dataset of outcomes spanning a wider range of policy areas and which are in addition to those included in the Framework. The Welsh Government has not explained fully why it will be possible to implement the latter from April 2019 but the former only from April 2020. In addition, the Welsh Government has not addressed the question of how the views of young people have been considered developing these approaches.

Recommendation 2: There has been a range of work undertaken to consider the effectiveness of the Pupil Development Grant based on its current form, with a new approach taking effect from April 2019. The Committee may wish to enquire

about any ongoing evaluation that is planned for those new arrangements, on the assumption that the independent evaluation mentioned in the response relates to the current arrangements.

Recommendation 3: The Welsh Government has accepted the recommendation and has indicated how it intends to put more information in the public domain about the Improving Outcomes for Children Programme and the work of the Ministerial Advisory Group. However, the response sets out the Welsh Government's position that it does not intend to publish the minutes as recommended by the Committee, because of a concern that this may impede free and frank debate. The Committee may wish to consider whether it is satisfied in that regard.

The Welsh Government has noted the concerns expressed in the Committee's report about the Group taking on executive functions but emphasises that the arrangements are now well established and that the Welsh Government is ultimately responsible for the Improving Outcomes for Children Programme. Nevertheless, the Group's delivery role is perhaps emphasised by the response to recommendation 1 which describes the work that the Group has taken forward to measure progress against its work programme. The wording of the response appears to imply that the Group's main purpose is to provide advice to the Minister and that this is the basis on which publication of the minutes is rejected.

Recommendation 4: The Welsh Government accepts the recommendation and is issuing a new research tender. The Welsh Government has noted that the wording of the recommendation referred to examining different outcomes across the life of the child. The Welsh Government has suggested that this would require a longitudinal study but that is not exactly what is proposed, for the reasons set out in the response. The timescale for completing the research is also unclear. The response to recommendation 6 touches on a possible timescale but without a making a definitive commitment.

Recommendation 5: The response notes that the Welsh Government will consider the need to strengthen the Code of Practice that covers reviews of a child's care and support plan following changes to that plan. Rather than undertaking a stand-alone evaluation into the frequency and effectiveness of end of placement reviews, the Welsh Government indicates that it will ensure that this is specifically considered at future inspections of children's services by Care Inspectorate Wales (CIW). The Committee may wish to clarify with the Welsh Government what this means in practice for timescales and coverage across Wales in the context of CIW's wider work programme.

The Committee's report noted its understanding that CIW has been undertaking a thematic review of looked after children's services across Wales. The Committee might have expected that that review could provide relevant evidence about end of placement reviews, but it is not mentioned in the response. This too may merit

clarification. The Committee had been expecting publication of that review in March 2019 and indicated that it would consider the findings as part of its ongoing work.

Recommendation 6: While the substance of the response seems reasonable, given that the recommendation expected completion of an analysis of the delivery of placements within 12 months, the timeline for the research that would provide this analysis – the research mentioned in response to recommendation 4 – is non-committal. Flowing from that, the response suggests that new national commissioning could come into force in 2021-22 but without being clear whether that is a firm commitment. I would have expected that in issuing the research tender set out in response to recommendation 4, the Welsh Government would have set out an expected delivery timetable, although this may be reliant on its discussions with potential suppliers about the scope.

Recommendation 7: The Welsh Government has accepted the recommendation and says that it will consider the scope of the assessment of spend across services areas as part of the research outlined in response to other recommendations. However, the Welsh Government has reinforced that there may be limitations in its ability to assess the proportion of expenditure attributable to looked after children. This may mean that it is not able to address fully the concerns that the Committee set out in its report about the transparency of spending.

Recommendation 8: The comments above about the research described in response to recommendations 4, 6 and 7 are relevant here too. In addition, and despite accepting the recommendation, the response does not deal with the question of whether the Welsh Government intends to gather relevant information on a regular basis rather than simply through a one-off piece of research.

Recommendation 9: The Welsh Government has rejected the recommendation but has emphasised its expectation that local authorities should be focusing on reducing the need for care and providing effective support to families to enable them to remain together. The basis for rejecting the recommendation appears to be the Welsh Government's view that it would not be possible to explicitly assess the impact of transferring the previously ring-fenced grant funding for edge of care services into the Revenue Support Grant.

However, the Welsh Government could perhaps seek assurance on the level of ongoing spending on these services. This may provide an indication of whether there has been any disinvestment from these services since the transfer into the RSG. The Committee may therefore wish to confirm whether the Welsh Government will pro-actively monitor the level of spending on these services through its continued engagement with local authority and children's services partners.

Recommendation 10: While it does not mention kinship care specifically, the response appears reasonable. I am undertaking an examination of the Integrated Care Fund, to be reported this spring. The timing for this work means that it will not be examining the use of the additional £15 million of funding described in the response to the recommendation. Nevertheless, any scrutiny based on the findings of the report would provide an opportunity to explore this in more detail.

Finally, rather than exchanging further correspondence with the Welsh Government, the Committee could consider whether the Welsh Government's response merits a short follow-up evidence session with lead officials to clarify matters. The Committee could also confirm the expected timetable for any update on progress in response to the recommendations, taking account of ongoing plans for work in this area and any further interest in specific areas from the Children, Young People and Education Committee.

I trust that these observations are helpful to the Committee.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P/LG/0056/19

Nick Ramsay, AM
Chair – Public Accounts Committee
National Assembly for Wales

10 January 2019

Dear Nick

PUBLIC ACCOUNTS COMMITTEE REPORT
National Assembly for Wales Public Accounts Committee Report on Natural Resources Wales Scrutiny of Annual Report and Accounts 2017-18
RESPONSE TO THE REPORT

I enclose a copy of the Welsh Ministers' response to the above report which will be laid before the Table Office.

On behalf of the Cabinet, I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

The relevant Additional Accounting Officer will be pleased to provide any further information, explanation or detail if required, following this response.

Regards

Lesley Griffiths AC/AM

Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

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

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

Response to the Report of the National Assembly for Wales Public Accounts Committee Report on Natural Resources Wales Scrutiny of Annual Report and Accounts 2017-18

Provided by: Lesley Griffiths, Minister for Environment, Energy and Rural Affairs

Date: 11 January 2019

The Welsh Government welcomes the findings of the report and offer the following responses to the three recommendations contained within it.

Recommendation 1 - We recommend that Natural Resources Wales share with this Committee the findings of the independent review following its completion, scheduled for late 2018. The review's findings must be made publicly available.

Accept – Natural Resources Wales will respond to the Committee directly on this recommendation. However, it is our understanding NRW will provide the Committee with the findings of the independent review and publish it on their website. . We expect this to be in time for NRW's next session with the Committee in February 2019.

Recommendation 2 - The Committee recommends that Natural Resources Wales produces an action plan with clear timescales and delivery objectives. These plans must set out the changes required to its operation arising from the independent review. Natural Resources Wales must share these plans with the Committee when finalised.

Accept – Natural Resources Wales will respond to the Committee directly on this recommendation. We understand NRW will provide the Committee with an action plan as part of their evidence for their next session with the Committee in February 2019.

Recommendation 3 - We recommend that should the independent review findings on the failures of governance be insufficient, that the Welsh Government ensures that there is an immediate comprehensive review of governance within Natural Resources Wales, examining how these failure were able to occur.

Accept – On receipt of the findings of the independent review, and taking into account the evidence NRW will give to the Committee in February, Welsh Government will consider whether any further action is necessary. I will update the Committee following this.



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

14 January 2019

Response to the Public Accounts Committee Report on Natural Resources Wales: Scrutiny of Annual Report and Accounts 2017-18

Thank you for the Public Accounts Committee Report on the above, published on 26 November 2018. Natural Resources Wales acknowledges and accepts the findings of the report and offers the following response to the three recommendations contained within it.

Recommendation 1 – We recommend that Natural Resources Wales share with this Committee the findings of the independent review following its completion, scheduled for late 2018. The review's findings must be made publicly available.

Accept – The independent review by Grant Thornton will be completed in January 2019. We will provide the Committee with the findings of the independent review prior to the Committee meeting of 11 February 2019. The findings will also be published on the Natural Resources Wales website.

Recommendation 2 – The Committee recommends that Natural Resources Wales produces an action plan with clear timescales and delivery objectives. These plans must set out the changes required to its operation arising from the independent review. Natural Resources Wales must share these plans with the Committee when finalised.

Accept – We will provide the Committee with an action plan as part of our evidence for our next session with the Committee in February 2019.

Recommendation 3 – We recommend that should the independent review findings on the failures of governance be insufficient, that the Welsh Government ensures that there is an immediate comprehensive review of governance within Natural Resources Wales, examining how these failures were able to occur.

Accept – This recommendation is not a matter for Natural Resources Wales directly and we understand that Welsh Government will respond on this recommendation.

The findings and the action plan referred to in the response to recommendations 1 and 2 will be discussed at the Natural Resources Wales Board meeting in January. Due to the timing of the Board, the evidence will be provided to you by the 4th February.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Clare Pillman', with a horizontal line underneath.

Clare Pillman
Prif Weithredwr, Cyfoeth Naturiol Cymru
Chief Executive, Natural Resources Wales

CC. Sir David Henshaw
Cadeirydd, Cyfoeth Naturiol Cymru / Chair, Natural Resources Wales

Agenda Item 8

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

Document is Restricted

Agenda Item 9

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

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