

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 6 January 2020

Meeting time: 13.00

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

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1 Introductions, apologies, substitutions and declarations of interest

(13.00)

2 Paper(s) to note

(13.00 – 13.30)

2.1 NHS Wales Informatics Services: Letter from the Welsh Government (22 November 2019)

(Pages 1 – 2)

2.2 Inquiry into Regulatory oversight of Housing Associations: Letter from the Welsh Government (25 November 2019)

(Pages 3 – 4)

2.3 Public Procurement: Letter from the Welsh Government (4 December 2019)

(Pages 5 – 8)

2.4 Local Government and Elections (Wales) Bill: Correspondence from the Auditor General for Wales (5 December 2019)

(Pages 9 – 14)

2.5 Waste Management: Additional information from Natural Resources Wales (December 2019)

(Pages 15 – 16)

2.6 Scrutiny of Accounts 2018–19: Letter from the Permanent Secretary, Welsh Government (9 December 2019)

(Pages 17 – 18)



- 2.7 Scrutiny of Accounts 2018–19: Letter from the Permanent Secretary, Welsh Government (10 December 2019)**
(Page 19)
- 2.8 Waste Management: Letter from the Welsh Government (10 December 2019)**
(Pages 20 – 21)
- 2.9 Medicines Management: Letter from the Welsh Government (10 December 2019)**
(Pages 22 – 35)
- 2.10 Financial Management and Governance in Community Councils: Letter from the Welsh Government (11 December 2019)**
(Page 36)
- 2.11 Committee Correspondence: Assembly Electoral Reform (16 December 2019)**
(Pages 37 – 38)
- 2.12 The Welsh Government’s relationship with Pinewood: Letter from the Deputy Minister for Culture, Sport & Tourism (23 December 2019)**
(Pages 39 – 41)
- 3 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**
(13.30)
Items, 4, 5, 6 & 7
- 4 Primary Care Services in Wales: Briefing from the Wales Audit Office**
(13.30 – 13.45) (Pages 42 – 53)
Auditor General for Wales Report – [Primary care services in Wales](#) (October 2019)
PAC(5)–01–20 Paper 1 – Welsh Government response to the Report
Research Briefing
- 5 Cardiff Airport: Letter from the Welsh Government (13 December 2019)**
(13.45 – 14.00) (Pages 54 – 55)

PAC(5)-01-20 Paper 2 - Letter from the Welsh Government

6 Welsh Government Financial Support for Business: Consideration of draft letter

(14.00 - 14.30)

(Pages 56 - 61)

PAC(5)-01-20 Paper 3 - Draft letter

7 Ministerial Direction - NHS pension arrangements for 2019/20

(14.30 - 15.00)

(Pages 62 - 67)

PAC(5)-01-20 Paper 4 - Welsh Government correspondence

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
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Our Ref: AG/DP/SB

22 November 2019

Dear Mr Ramsay

NHS Wales Informatics Services

Thank you for your letter of 8 November.

I am pleased that the Committee noted progress the Welsh Government has made in taking forward the Committee's recommendations, and that you are supportive of our approach to establishing the new SHA, whilst mindful of the timescale.

I agreed to provide the Committee with further information on the following areas:

- Share the job specification for the Chief Digital Officer when finalised and advise on the successful candidate, when appointed;
- Explore the availability of My Health Online when GP practices merge; and
- Keep the Committee informed about the procurement for GP informatics systems following the recent cancellation of the contract.

Chief Digital Officer for Wales

The work to take forward the advertising of the new CDO is underway. At Committee, I stated the work to complete this process had commenced and that I hoped the recruitment process would be completed by the Spring. I am unable to share with the Committee the draft client's job description as my team is currently working through the NHS evaluation and recruitment process to ensure the job description is ready for advertising early in the New Year. As soon as this process is completed I will arrange to provide Committee with the final published version.

When I attended Committee you will recall, I stated the importance of ensuring we are able to attract the right individual with the right skills and experience. The Committee may have seen the Welsh Government's announcement on 31 October regarding the appointment of a CDO for Local Government in Wales. This appointment is also scheduled to be in place by the Spring. These appointments are key to supporting digital transformation across the public sector. To ensure our recruitment attracts strong candidates for both roles, I have asked my team to work closely with internal and external stakeholders, including the Welsh Government's CDO, to ensure alignment between the two recruitment processes. Once the recruitment process for the new CDO for Health and Social Care is completed, I will advise the Committee of its outcome.

Keep the Committee informed about the procurement for GP informatics systems following the recent cancellation of the contract; and explore the availability of My Health Online when GP practices merge.

The contract to deliver clinical systems to Welsh GP practices from January 2019, was originally envisaged for a five-year period, with the option to extend for up to a further two years. The decision to terminate one of the providers, leaves one remaining provider on the framework. In light of this, a period of review with GP stakeholders will be undertaken to determine the suitable options to proceed. This review is anticipated to conclude in January 2020, in order to fully assess the options of how NHS Wales can continue to offer a choice of clinical system to GP practices. Following this review with stakeholders we will agree the next stage of the procurement strategy.

An issue for patients can occur when two practices using different clinical systems merge, this is not a technical issue, the movement to a single clinical system for the patients of the merged practice currently requires patients to re-register to use MHOL when moving on to a new system. I have asked NWIS to look at how this process can be made easier for patients.

I have noted you would appreciate regular updates as this work progresses, particularly on how the roles of the Chief Digital Officer, the Chief Information Officer and the Chief Clinical Information Officer will fit together. It is also noted you require a detailed update on the implementation of the remaining recommendations from the Committee's Report by 31 October 2020.

Yours sincerely



Dr Andrew Goodall CBE



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
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25 November 2019

Dear Mr Ramsay

Inquiry into the Regulatory Oversight of Housing Associations – Update

Thank you for your letter of 29th October informing me that the Committee were pleased that all the recommendations have been completed; and that the Minister had committed to reviewing the scope of the regulations regarding tenant services; and also welcomed the Minister's statement in relation to social housing tenants.

In your letter you requested clarification on how the question of skills and capacity of the Regulation Team is being addressed in the short term. As the Minister for Housing and Local Government commented in her reply to the Regulatory Board for Wales' (RBW) report, *resource matters are kept under constant review in the context of ongoing resource constraint across the Welsh Government*. This remains the case.

Specially, in response to the concerns raised by the Committee and RBW, a number of initiatives have been put in place. The RBW, in its report, "... *welcomed some planned changes to the structure of the regulation team and the approach to implementing the framework...*" The changes referred to were designed to ensure the regulatory function continues to be robust and effective, built around the current resource and skills base. The team has been transitioning to the new operating model over the last few months and, as a result, the commitment to deliver at least one regulatory judgement for each Registered Social Landlord (RSL) in Wales continues to be provided and cases of regulatory concern are being effectively managed.



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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

In addition, recognising that there are different skills and experience in the team, the Minister approved funding for an externally facilitated development programme which has commenced and will run over the coming five months or so. As well as further developing the approach to assessing governance, in our experience the underlying cause of most problems we have encountered in RSLs, the programme also includes an extensive training and development phase for all staff in the team to help to resolve the skills deficits. The development programme will be extended to staff in other branches of the Division with the aim of ensuring there are people with knowledge of regulation outside of the team, who can contribute in the event of any significant work/capacity pressures.

Looking to the future, the Committee can be assured that any changes or developments to regulation, as a result of initiatives which are planned or underway, will be very carefully analysed in terms of the implications for the regulation resource base. Appropriate arrangements will also be put in place to ensure a fit for purpose regulatory regime is maintained that protects tenants and public investment in social housing.

Yours sincerely



Tracey Burke



**Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group**

Cyfarwyddwr Cyffredinol - Director General



**Llywodraeth Cymru
Welsh Government**

Nick Ramsay AM
Chair
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4 December 2019

Dear Chair

I wrote to you on 29 April to follow up on a number of important procurement-related points raised in your letter of 29 March.

At that time, I gave an indication of the work that was to be taken forward over the summer months and that I would share progress with the Committee thereafter. I am pleased to provide an update now.

In my letter, I mentioned a future procurement programme was under development and would be driven by a new strategy that was being shaped by consultation with stakeholders. Work on the strategy is progressing well with nine headline strands providing the architecture that will provide the necessary structure to drive major change. The architecture supports delivery of procurement commitments set out in the Written Statement issued by the then Cabinet Secretary for Finance in September 2018, in addition to the manifesto commitments. A short summary of the nine strands is attached at Annex 1.

Strand 9 covers the evolution of the National Procurement Service (NPS). This work is taking place in close collaboration with stakeholders such as the WLGA. The WLGA are finalising their overall procurement strategy, one element of which will be the future support they receive from the new national contracting body.

Under strand 9, the intention is to evolve the NPS into a function that is focussed on category management, delivering real and tangible practical policy integration. This is proceeding well. The design is based on stakeholder preference that the new policy function (described under strand 4) and the new national contracting function should be integrated.

This renewed NPS model – which will see a reduced number of frameworks delivered, but with a greater focus on delivering practical policy interventions – will be a key component in supporting the significant changes proposed through the other work strands.

Subject to continuation of the collaborative co-design approach being implemented, I anticipate being able to provide a further update to PAC next spring.

Please do not hesitate to contact me should you require any further information.

Yours sincerely

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

Andrew Slade
Director General
Economy, Skills and Natural Resources

Procurement Transformation - Architecture

Strand 1 – Leadership

We want the Welsh Government to lead by example in becoming an exemplar of procurement best practice.

We will use Government Commercial Standards to keep the Welsh Government at the necessary levels of awareness and capability.

Strand 2 – Policy initiatives driven by data

We will take a targeted and data-driven approach to policy application to ensure we focus efforts where maximum value can be achieved.

We will use a prioritisation tool to help us identify key policy areas, providing an opportunity to implement initiatives so the full value of procurement can be realised nationally, regionally and locally.

Strand 3 – Capability and profile of the procurement profession

We will build capability and resilience across the procurement profession in Wales to address the skills deficit, empower staff and encourage innovation.

We will deliver a new skills and capability plan to equip existing procurement officers with modern commercial techniques, to raise the commercial awareness of everyone else create a future talent pipeline and to raise the status of the profession across Wales.

Strand 4 - A new policy development and delivery service (with toolkits)

We will strengthen policy development and delivery across the Welsh public sector that helps establish a culture that maximises social, economic, environmental and cultural outcomes.

We will provide support, training and tools to help buying organisations maximise the outcomes achieved through procurement.

Strand 5 – Supply chain intervention and analysis

We will implement Cabinet priorities (such as creating local jobs) by analysing data and applying interventions to supply chains throughout Wales.

We are working with supply chains to help them restructure to include local suppliers that will benefit the local economy.

Strand 6 – Marketing and engagement programme

We will join up the Welsh public sector procurement community across Wales.

We will showcase success and share good practice using modern digital technology.

Strand 7 – Digital implementation plan

We will develop a modern infrastructure for digital procurement by collaborating with our colleagues throughout the integrated Welsh public services.

We are developing a progressive future digital procurement strategy, which will include plans to maximise our investment in eSourcing, Procure 2 Pay, spend analysis, contract lifecycle management and strategic supplier management tools.

Strand 8 – New governance process

We will implement a refreshed and overarching governance process for Welsh public sector procurement that supports the delivery of Welsh Government priorities (such as Prosperity For All), as well as other public sector priorities.

Strand 9 – Evolution of NPS

We will evolve NPS into a function that is focussed on specific category management delivering practical policy integration.

We will support the development of a pipeline of contracts for Wales, and ambition to purchase innovative solutions for the Welsh public sector.

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Reference: AC/170/caf
Date issued: 5 December 2019

Dear John

Consultation on the Local Government & Elections (Wales) Bill

1. Thank you for your letter of 22 November 2019 in which you invite views on the Local Government and Elections (Wales) Bill. I understand that you would like comments particularly in relation to the provisions of the Bill that concern the role of the Auditor General. In the time available, I can only provide preliminary views, but I hope that they are helpful. My colleagues will provide further views and clarification at your session on 11 December 2019, and we will provide a further submission by 3 January 2020.

Performance assessment arrangements: performance requirements

2. I welcome the Bill's intended improvement of performance assessment arrangements. The duty to keep performance under review, provided by section 88, appears to me to be a more realistic and coherent approach than the improvement principles and duties set out in the Local Government (Wales) Measure 2009.
3. My predecessor and colleagues at the Wales Audit Office have long had concerns at the onerous complexity of the 2009 Measure. The numerous functions and principles imposed by the 2009 Measure have led to performance improvement work being seen as burdensome and bureaucratic by some authorities. At the same time, it is not clear that the performance improvement requirements of the Measure have actually led to improvement in authorities' performance, though it is difficult to identify particular effects given the complex environment that local government operates in, especially with reductions in funding. It is clear that legislation is needed to repeal the requirements of the 2009 Measure and to replace them with more realistic and coherent requirements.

4. I would also note that the current Bill is much more realistic and proportionate in this respect than the November 2015 draft local government bill.

Self-assessments

5. While acknowledging the benefits of encouraging greater self-awareness, I am somewhat sceptical about whether the requirements of section 90 in themselves will improve the quality of self-assessment. The experience of the “Best Value Reviews”, which authorities were required to do under the Local Government Act 1999, and more recently of the 2009 Measure, demonstrates the potential weaknesses in the approach. These were a lack of consistent objectivity and rigour; a reluctance to be critical and a tendency to be superficial in gathering and assessing evidence of performance; and shortages of the necessary skills and capacity to undertake comprehensive assessments. I have no reason to believe that the appetite and capacity for objective self-appraisal have increased in the past decade, and I am also not convinced that new requirements in themselves will lead to an improved situation.
6. The new provisions for self-assessment are, however, more streamlined than the requirements under the 1999 Act and the orders and guidance made under that Act and are more coherent and comprehensive than the requirements of the 2009 Measure. This should be helpful in connecting performance assessment with the audit consideration of arrangements for securing economy, efficiency and effectiveness (required by section 17(2)(d) of the Public Audit (Wales) Act 2004).
7. Finally, it would be helpful if there were a deadline for producing self-assessments in respect of each financial year: perhaps four months after the end of the year. Without a deadline, it would seem that a self-assessment for a financial year could be undertaken at some indefinite time in the future.

Panel assessments

8. I also have some reservations about whether panel assessments (section 91) will achieve Welsh Ministers’ intended objectives. As panel members are to be appointed by the councils that they are to assess, there is a risk of self-interest undermining the objectivity of the panel members. I am also concerned that the supply and availability of appropriately skilled panel members may be rather limited given the number and timing of panel assessments required in any given year. I note that section 93 provides for the Welsh Ministers to make regulations concerning the appointment of panels. Such regulations could be used to set appropriate requirements in terms of skills, knowledge and experience of panel members. I am nonetheless sceptical that a sufficient pool of suitably qualified and capable potential panel members will be available.

Special inspections

9. The Bill's provisions for special inspections by the Auditor General (sections 94 to 99) appear appropriate in themselves. While these new provisions seem generally similar to the special inspection provisions of the 2009 Measure, as the focus of the inspections is to be assessing whether councils are meeting the performance requirements of section 88, rather than the various requirements of Part 1 of the 2009 Measure, these new provisions are necessary. And the clearer focus of the new provisions should be helpful in scoping and delivering inspections.
10. I am, however, concerned at how, under section 128 of the Bill, the receipt of a report of a special inspection is to be the first condition (along with the alternative of an abolition request) for Welsh Ministers making restructuring regulations. I realise this is not a simple trigger, as the fourth condition is that the Welsh Ministers must be satisfied that, unless they make restructuring regulations, effective and convenient local government is not likely to be achieved in the area. Nevertheless, with such a link to restructuring regulations, I think that there is a real danger of the arrangements compromising the Auditor General's independence and so undermining wider audit effectiveness and public trust and confidence in the management of public money.
11. This is particularly likely in a case where the Welsh Ministers request an inspection in relation to a council about which there has been speculation as to the possibility of restructuring. Having a received a request, the Auditor General may be put in an invidious position: be seen as the agent of Welsh Ministers in facilitating change against local opposition or side with local interests against the wishes of Welsh Ministers.
12. I also do not think that the conditions set out in section 128 are sufficient or helpful in providing a sound basis for deciding on restructuring regulations. Aside from special inspection reports (or abolition requests), there is only consultation, notice and the Welsh Ministers' judgement. Focus on these conditions seems likely to lead to neglect of consideration of broader relevant matters, such as the views of the population of the area.
13. With the inclusion of special inspections as a condition for making restructuring regulations, undertaking a special inspection may become a rather difficult process. There is the possibility of reduced co-operation and extensive challenge of the inspection process, which may extend to judicial review. This would cause the Wales Audit Office to incur significant costs.
14. I am also concerned that the fee provisions in section 100 of the Bill include a strict prohibition on fees exceeding the full cost of the activities to which they relate. This adds to the existing problems caused by the Public Audit (Wales) Act 2013 prohibiting fees from exceeding the full cost of each function at each body to which they relate. As the work of the Auditor General involves many different statutory functions—more than a dozen in the case of a single local government audit—this leads to a large administrative burden in terms of time recording and invoicing. The

Committee will be aware of the Finance Committee's separate consideration of the "no more than full cost" rule, which currently governs the charging of audit fees, and whether it should be replaced with a more practical requirement for fees and expenditure to broadly match over time in aggregate so as to reduce the complexity of fees and their administration.

Co-ordination between regulators

15. Having regard for the need for co-ordination is clearly desirable. However, the extensive requirements in section 118 of the Bill, particularly the requirement to produce timetables for each council for the exercise of functions, are over-prescriptive, largely impractical and unnecessary. For example, many inspections by CIW and Estyn are on short notice in order to be effective, and it is therefore not appropriate to explicitly timetable these. I already have a strategic agreement in place with CIW, Estyn and HIW in pursuit of cooperation and coordination through "Inspection Wales". This operates well at both a strategic and operational level, and I therefore view prescription of section 118 as unnecessary.
16. I am also concerned that section 118 may be outside the Assembly's legislative competence. This is because the section requires the Auditor General to have regard to the need for co-ordination in the exercise of functions, which amounts to a modification by way of an implied amendment to section 8(1) of the Public Audit (Wales) Act 2013. Section 8(1) of the 2013 Act says that the Auditor General has complete discretion in the exercise of his functions and is not subject to direction by the Welsh Ministers. Section 118 therefore seems to fall foul of the prohibition found in section 108(6)(a) and para 5 of Part 1 of Schedule 7B to GOWA 2006, which protects section 8(1) of the 2013 Act from amendment. I recognise that section 118 of the Bill is in part a restatement of section 23 of the 2009 Measure. However, the 2013 Act is subsequent to the 2009 Measure, so its provisions prevail—section 23 of the 2009 Measure was no longer valid following the commencement of the 2013 Act, so cannot be restated.

General power of competence

17. The provision for a local authority general power of competence is in principle, I think, appropriate. There has been confusion in both community councils and unitary authorities in Wales as to whether the general power of competence provided by the Localism Act 2010 applies. Welsh provision should help prevent such confusion in the future.
18. I do, however, think that expectations of the flexibility of the general power of competence should not be too high. It is not simply a power to do anything that individuals may do; it is subject to significant constraints, such as limitations on charges, pre-commencement power restrictions, pre- and post-commencement limitations, and the principles of public law. Authorities will need to spend expert time on checking limitations. That said, the general

power of competence does provide some additional freedom of action that can be useful in some circumstances.

19. I am, however, somewhat concerned that as community councils have limited affordable access to suitably qualified and expert advisers in public law there may be an increase in inappropriate projects undertaken by such councils. The committee may be aware that I have issued several public interest reports in 2019 regarding unlawful expenditure on projects.
20. I note that section 43 of the draft Bill requires community councils to have regard to guidance issued by Welsh Ministers in relation to the exercise of general power of competence. I think this is appropriate: such guidance will be very important, as many community councils are not familiar with the limits of competence set out in Chapter 1 of Part 2 of the Bill and by principles of public law.
21. In relation to the draft Bill's provision for the use of audit opinions in determining community council competence (section 37), I should note that while such opinions are of relevance to the abilities of bodies in terms of financial management and governance, audit work is not designed to provide assurance as to whether a council meets competency requirements. The audit provisions in section 17 of the Public Audit (Wales) Act 2004 do not require audits to address fitness for general competence.
22. If audit opinions are to be fully appropriate to determining whether a council has competence, it will be necessary to amend the scope of audit work. This will increase community council audit fees (or they will need to be funded by other means). Rather than making this a blanket requirement for all audits, it may be more cost-effective if provision were made to require community councils to obtain specific reports on fitness for competence. Such reports could be provided on an agreement basis under section 19 of the Public Audit (Wales) Act 2013.

Corporate Joint Committees

23. It seems to me that Corporate Joint Committees fall within the definition of joint committees set out in section 12 of the Public Audit (Wales) Act 2004. However, the Bill and the Explanatory Memorandum do not make this explicit. It would be helpful if this were clarified. In any event, and especially as they are to hold assets. Corporate Joint Committees will need to prepare accounts and be audited.
24. The Committee may want to note that I, and my predecessor, have frequently commented on the complexity of structures and governance in the public service landscape in Wales. I am not clear from the provisions of Part 5 of the Bill, or the explanatory memorandum, whether this will improve or worsen complexity. Careful consideration will need to be given through guidance and regulation to ensure that there is proper coherence, integration and efficiency in the exercise of these provisions.

25. The appropriateness of powers to make subordinate legislation, and the financial implications of the Bill
26. It not possible in the time available to provide properly considered comments on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation. Likewise, it is not possible in the time available to provide proper consideration of the financial implications of the Bill as set out in the Explanatory Memorandum. We will, however, endeavour to provide such comments by 3 January 2020.
27. Given the Public Accounts Committee's interest in issues such as community council competence and my comments on the proposed fee regime for special inspections, I am copying this letter to the Chairs of the PAC and Finance Committee.
28. My colleagues and I should be happy to support the Committee further, and I hope that this material is helpful to you.

Yours sincerely



Adrian Crompton
AUDITOR GENERAL FOR WALES

cc: Mr Llyr Gruffydd AM, Chair, Finance Committee
Mr Nick Ramsay AM, Chair Public Accounts Committee

Public Accounts Committee: Inquiry into Waste Management

Additional information from Natural Resources Wales: Distributed Modular Gasification technology.

During the evidence session with Natural Resources Wales on 4 November they agreed to send some additional information on Distributed Modular Gasification technology.

NRW understand that Distributed Modular Gasification (DMG) is an emerging technology for the treatment of waste. It operates in a similar way to a traditional gasification plant. Gasification is an Advanced Thermal Treatment technology that is characterised by the partial oxidation of the feed stock. Oxygen is added, but not in sufficient quantities to allow the substance to be completely oxidised and full combustion to occur. The partial combustion results in the production of 'Syngas' which can be used to substitute natural gas, chemicals, fertilisers, transportation fuels and hydrogen. The gas in the DMG technology is then subjected to further treatment to extract hydrogen for commercial purposes.

Under the Environment Permitting Regulations; certain activities are regulated by Natural Resources Wales for example, Part A(1) installations and Part A(2) installations and Part B activities are regulated by the relevant local authority. The information currently available for this technology does not contain sufficient detail to identify who is the most appropriate regulatory authority.

NRW do not offer an opinion on one type of plant over another. The recently published Waste Incineration and Energy from Waste Best Available Techniques Reference Document sets out minimum standards operators must adhere to. This guidance applies to gasification plants and other emerging technologies, as well as traditional incineration processes. If an application for an Environmental Permit that we are responsible for regulating is received, we would assess technology against the standards set out in the relevant guidance as part of our determination process, in line with the Environmental Permitting Regulations. We will continue to work with local authorities to share technical understanding and ensure an appropriate level of regulation is applied.

The introduction of restrictions on certain types of separately collected materials going to Energy from Waste facilities, such as proposed in the Wales Environment Bill may impact on the viability of this kind of technology. As highlighted in our evidence to the Public Accounts Committee whilst recycling and recovery of

unavoidable waste generated is important, preventing and reusing waste is the most sustainable option. Energy from waste initiatives can form part of an integrated network of waste installations for disposal of residual waste and the recovered energy can make a useful contribution to our energy needs, however they should not be viewed as a substitute for the prevention or minimisation of waste.

December 2019



Llywodraeth Cymru
Welsh Government

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary

N Ramsay AM
Chair of the Committee
Public Accounts Committee
National Assembly for Wales

09 December 2019

Dear Mr Ramsay,

The Internal Use of the Welsh Language in the Welsh Government

At the Committee's meeting on 11 November I offered an update to the Committee on our work to develop the use of the Welsh language internally within the Welsh Government.

Over recent months considerable work has gone in to developing our policy in this area. A strategy has now been created in draft form and this will be presented to the First Minister and the Minister for International Relations and the Welsh Language. We will, once we have their consent, consult with the trade unions and our staff networks, seek their response and further develop the strategy. My management team will then discuss the strategy in order to give it final approval. In the meantime, trade union representatives and representatives from our staff networks have been instrumental in developing the strategy from the outset, and have contributed significantly to the discussions that have shaped the policy.

In addition, work streams have been meeting over the last few months to develop different elements of the strategy. These have included a recruitment work stream, a training work stream, an information technology work stream, a behaviour change work stream and a statistical and external factors work stream. We have drawn on expertise



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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. Dilynwch y ddolen i gael arweiniad ar sut fyddwn yn trin a defnyddio'ch data, yn unol â'r Rheoliadau Diogelu Data Cyffredinol. <https://gov.wales/about/welsh-government-privacy-notice/?skip=1&lang=cy>

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Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

from across the organisation to lead these strands, and this work has come together to form the draft strategy.

As a result of this work, we are developing a strategy that will be a central part of our corporate people strategy for the next five years, 2020-2025. This approach will embed the strategy into our vision for the wider organisation, and will ensure that the Welsh language will be a key consideration in our decisions to develop the workforce for the future.

The first strategy will cover the period up to 2025 which will give us an opportunity to evaluate the work during this first phase, before setting out a new strategy for the following five years. But, of course, our vision is for the longer-term. With the help of our statisticians and the relevant work-stream, we are also looking to 2050, to set the milestones needed to achieve our goal of transforming the organisation's working practices.

I look forward to presenting this work in more detail to the Committee following our internal processes of receiving consent and consulting with staff. The new strategy will be operational by the end of April 2020.

Ysgrifennydd,

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



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Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary

Llywodraeth Cymru
Welsh Government

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

10 December 2019

Dear Mr Ramsay,

What the antiviral drug Relenza was purchased for in 2008/09?

Relenza is one of two antivirals in the pandemic stockpile that would be used primarily for treatment of people becoming infected with the pandemic flu virus, the other being Tamiflu. Both Relenza and Tamiflu are required because some strains of flu have been shown to be resistant to Tamiflu so whilst Relenza is very much second line it is necessary to stockpile it in the event of specific strains being prevalent in a pandemic.

The clinical assumptions are that antivirals for treatment in a pandemic would result in a 50% reduction in the probability of being hospitalised or dying and would also have moderate effect on the rate of transmission – consistent with a 60% reduction in infectiousness from the start of treatment, with treatment starting 24 hours after the onset of symptoms.

I hope this responds to your concerns.

Yours,

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



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Agenda Item 2.8

Grŵp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group

Cyfarwyddwr Cyffredinol - Director General



Llywodraeth Cymru
Welsh Government

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

10 December 2019

Dear Chair

During the meeting of the Public Accounts Committee on 18 November 2019, I agreed to provide the Committee with additional information as set out below.

The most recent Municipal Waste Statistical Bulletin to enable Members to note the most recent data on the amount of waste and recyclables collected

The published recycling figures for the first quarter of 2019 (April-June) can be accessed via the following link. At 67%, the recycling rate is the highest quarterly municipal recycling ever reported in Wales.

<https://gov.wales/local-authority-municipal-waste-management-april-june-2019>

I also attach a link to the annual statistical recycling data for 2018-19.

<https://gov.wales/sites/default/files/statistics-and-research/2019-10/local-authority-municipal-waste-management-april-2018-march-2019-253.pdf>

Details of the approach taken by Swansea Council in issuing notices to householders under Section 46 of The Environmental Protection Act 1990

Details of Swansea Council's "Keep it out" scheme, including the leaflet used by the Council, can be accessed via the following link.

<https://www.swansea.gov.uk/keepitout>

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E-Bost/E-Mail: andrew.slade@gov.wales

In case of interest, I also attach a link to an article about the scheme reported in The Guardian earlier this year.

<https://www.theguardian.com/environment/2019/mar/10/rubbish-police-check-bin-bags-drive-up-recycling-rates-swansea-fines>

If my team or I can assist with anything further, please do not hesitate to get in touch.

With my best wishes for the festive season.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Slade', written over a faint horizontal line.

Andrew Slade
Director General
Economy, Skills and Natural Resources Group

Agenda Item 2.9

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

10 December 2019

Dear Mr Ramsay,

Medicines Management

Further to your letter of 15 February, you asked me to write again to the Committee with an update on a number of the Welsh Government's responses to the Medicines Management Inquiry report.

The enclosed document provides an update on progress on the remaining actions.

Yours sincerely

Dr Andrew Goodall

cc: Andrew Evans, Chief Pharmaceutical Officer, Welsh Government
CGU Mailbox
Cabinet Mailbox



Response to the recommendations contained in the report from the National Assembly for Wales Public Accounts Committee entitled Medicines Management



Llywodraeth Cymru
Welsh Government

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|--|--|---|---|
| <p>Recommendation 1. The Committee recommends that the Welsh Government produce an annual report detailing information of improvements in medicines management across all the Health Boards, to increase accountability and ensure that the profile of medicines management remains high on the agenda of Health Boards.</p> <p>Accept</p> | <p>We do not consider an additional annual report published by Welsh Government is the most appropriate means to achieve the Committee’s objectives. As an alternative to an additional annual report published by the Welsh Government, we will require the All Wales Medicines Strategy Group (AWMSG) to undertake work to inform and develop their existing annual report and quarterly reporting of progress against national prescribing indicators to ensure the content and format is more relevant and accessible to Board members of NHS bodies. This work will be completed in time for the publication of AWMSG’s 2018-19 annual report.</p> <p>In addition we will continue to develop medicines management indicators as part of the NHS Wales Delivery Framework and hold NHS bodies to account for performance against the Framework.</p> | <p>The Chief Pharmaceutical Officer (ChPO) and the Deputy Chief Medical Officer (DCMO) wrote to health board Chief Executives on 16th October advising the reports had been published on the WAPSU website https://www.awttc.org/annual-prescribing-reports-2018%E2%80%932019. These reports provide a summary of each health boards’ progress to improve prescribing against eight measures in the four priority areas identified by the Welsh Government i.e.: safe prescribing; antimicrobial stewardship; cost efficiency; and access to medicines. An individual comparative report is available for each health</p> | <p>Completed</p> <p>(WAPSU will continue to provide this report on an annual basis)</p> |

Pack Page 23

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|---|---|---|
| | | <p>board, giving their rank and progress since the previous year, relative to the other health boards, against a common set of measures</p> <p>The reports have been designed to provide a snapshot of health boards' progress, providing a summary of the quality and safety of prescribing against a number of measures. In their letter to Chief Executives, the CPhO and DCMO stated that in all cases the expectation, as a minimum, would be for the reports to be disseminated to members of the board and provide opportunities are provided for them or the Quality and Safety committee, to scrutinise its content.</p> | |
| <p>Recommendation 3. The Committee recommends that the Welsh Government sets</p> | <p>We will work with the NHS Wales Informatics Service and health boards to develop further modules within Choose</p> | <p>Funding of £0.7m has continued to be made available to health boards</p> | <p>Ongoing – funding provided to March 2020</p> |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|---|---|-----------------------|
| <p>out a plan to maximise the use of pharmacy resource, including developing the modules for delivery in choose pharmacy and enabling independent pharmacists. This plan should build on the recommendations in the Royal Pharmaceutical Society report.</p> <p>Accept</p> | <p>Pharmacy which support community pharmacists delivering an increased range of clinical services. To that end further modules are in development within Choose Pharmacy to support the national emergency contraception service and a sore throat test and treat service from community pharmacies. It is intended that both modules will be available later in 2018-19. In addition to modules supporting service commissioning,</p> <p>Choose Pharmacy is being developed to improve communication between community pharmacies and other NHS providers, these developments include the transfer of electronic letters from pharmacies to GPs and secondary care (to be delivered by March 2019), and systems to allow Wales' NHS 111 service to refer appropriate patients to a community pharmacy.</p> <p>Independent prescribing by pharmacists has grown considerably in recent years, facilitated by the increase in GP practice based roles. In January 2018 in primary care, 65 pharmacist independent prescribers issued 50,484 prescriptions</p> | <p>under the Community Pharmacy Contract Framework again in 2019-20 to support existing IP sites and increase the number of IP pathfinders across Wales.</p> <p>A service specification has been agreed with Community Pharmacy Wales (CPW) and the first IP pathfinder sites went live in Betsi Cadwaladr University Health in October 2019. Services in other health boards are anticipated to start before the end of 2019-20 once pharmacists have completed their IP training.</p> <p>In addition to the 45 pharmacists commencing IP training in 2018-19 funding is available to support up to 50 more in 2019-20.</p> <p>Choose Pharmacy is now available in 98% of community pharmacies</p> | |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|----------------|--|---|-----------------------|
| | <p>from 111 GP practices. This represented an increase of 150 percent in the number of active pharmacist independent prescribers, a 640 percent increase in pharmacist prescriber prescriptions and a 171 percent increase in GP practices utilising pharmacist independent prescribers in the two years since January 2016.</p> <p>In April, we confirmed funding for up to 100 community pharmacists to take up independent prescribing courses in the next two years and to provide funding to health boards to support establishing up to 40 independent prescribing pathfinder sites in community pharmacies.</p> <p>We will ask the Welsh Pharmaceutical Committee to work with stakeholders including the Royal Pharmaceutical Society to develop a plan describing the future roles of pharmacy professionals in Wales and the steps to be taken by all stakeholders to maximise their use. The plan will be completed in the early part of 2019-20.</p> | <p>across Wales and developing and rolling out new services such as the Sore Throat Test and Treat service.</p> <p>The Welsh Pharmaceutical Committee has completed its work to describe the pharmacy professions' ambitions for future roles. The report Pharmacy: Delivering a Healthier Wales describes actions to be taken by the pharmacy profession between now and 2030. The Minister for Health and Social Services has agreed to establish a Delivery Board to coordinate the necessary actions from across the pharmacy profession in Wales. The Board will meet in early 2020.</p> | |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|--|---|-----------------------|
| <p>Recommendation 6. The Committee recommends that the Welsh Government amends the Community pharmacy contract to achieve the necessary changes to release the full potential of the pharmacy sector and realise the aim of moving from a quantity to a quality based set of arrangements, and implementation timescales.</p> <p>Accept</p> | <p>In October 2016, I announced the Welsh Government's intention to make new contractual arrangements for community pharmacies which ensure in future they provide a greater range of clinically focused services and demonstrate a commitment to improving service quality. In 2017-18, we introduced new contractual arrangements which included 1) increased and ring-fenced funding for local commissioning of additional clinical services by health boards; 2) funding to support collaborative working between pharmacists and other healthcare professionals; and 3) a new quality and safety scheme for community pharmacies. Changes were funded through redistribution of £3.5million of contract funding from volume driven arrangements (i.e. dispensing) to the new quality focused elements.</p> <p>For 2018-19, agreement has been reached with Community Pharmacy Wales to redistribute a further £3million to support further service commissioning, to strengthen and expand the collaborative working and quality and safety schemes</p> | <p>The funding to support commissioning and delivery of value adding clinical services from community pharmacies increased by 130% since 2016-17 (from £3.9m to £9.0m by the end of 2019-20).</p> <p>This has resulted in both the delivery of a wider range of services from pharmacies; and more consistent access to established services including the national common ailment, influenza vaccination, and smoking cessation services, which are now routinely available in all health boards, as well as transformative IP pathfinder services which are being initiated in 2019-20.</p> <p>By March 2020 the Welsh Government will have funded the training of more than 80 community pharmacists as independent prescribers to</p> | <p>Completed</p> |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|--|--|-----------------------|
| | <p>and to support developing the community pharmacy workforce.</p> <p>We will continue to transition to new community pharmacy contractual arrangements through annual negotiations with new arrangements fully in place by the end of 2020-21.</p> | <p>improve access to treatment for an extended range of minor ailments and to routine contraception from community pharmacies across Wales.</p> <p>Changes to the pharmacy collaboration and quality and safety schemes, which we introduced in 2017-18, continue to provide pharmacists with more opportunities to work with other healthcare professionals to improve the patient experience and improve the safe and effective dispensing and use of medicines.</p> | |
| <p>Recommendation 8. The Committee recommends that the Welsh Government investigates ways of harnessing the academic expertise in Wales to understand the scale of</p> | <p>In January 2018, the Chief Pharmaceutical Officer established a short life working group (SLWG) comprised of medicines safety experts from across Wales to advise on the overall approach and programme required to drive improvements in medicines safety in the NHS in Wales.</p> | <p>In response to the recommendations of the SLWG, “safer medicines management” was included one of the six quality areas within a Healthier Wales.</p> | <p>Completed</p> |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|---|--|-----------------------|
| <p>Medicine Related Admissions and how to reduce them.</p> <p>Accept</p> | <p>The SLWG, which brings together experts both from practice and academia, met in January and March and further meetings are planned for 2018.</p> <p>The SLWG is currently examining sources of data, including but not limited to admissions to hospital, to determine an appropriate suite of measures of medicines related harm as the focus for a programme of work to improve medicines safety in Wales.</p> <p>We recognise significant harm results from medicines related admissions (MRAs) but are concerned that a focus on <i>post hoc</i> quantification of MRAs would detract from actions to stop harm before it occurs. The identification of MRAs is made difficult by the presence of confounding factors in many cases, and robust assessments of the prevalence of MRAs have been limited to research studies. There is however, a good understanding of the medicines and situations most frequently associated with MRAs; the priority for reducing medicines related harm will be to address these.</p> | <p>The Welsh Government has been working with Improvement Cymru (IC) and partners at Health Education and Improvement Wales (HEIW), the NHS Wales Informatics Service (NWIS) and the Welsh Analytical Prescribing Support Unit (WAPSU) to put in place the components of a programme to support improving medicines safety. These include:</p> <ul style="list-style-type: none"> - Developing a medicines safety dashboard which combines data on medicines related admissions in the areas of bleeds, acute kidney injury and falls, with data on the prevalence of risk factors for harm by health board and primary care cluster (available since summer 2019); - A stronger focus on reducing medicines related | |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|--|---|--|-----------------------|
| | The SLWG will conclude its work by October 2018 after which it will perform the role of steering committee for the national medicines safety Programme. | harm in primary care contracts through the Quality and Safety Scheme for community pharmacies and the Quality Assurance and Improvement Framework (QAIF) for GPs (implemented in 2017 and 2018 respectively); and - A planned national medicines safety collaborative delivered by IC to oversee quality improvement activity by NHS organisations with the aim of reducing medicines related harm (to be launched in November 2019). | |
| Recommendation 12. The Committee recommends that the Welsh Government produces a report on best practice on repeat prescription ordering by cluster groups within the care home settings to help inform | The work of the prudent prescribing implementation group (PPIG) was instrumental in identifying areas where repeat prescribing systems could be improved. Subsequent to Welsh Government officials giving evidence to the Committee in March 2016, the PPIG was stood down and responsibility for implementing the recommendations of | The AWTTTC has undertaken work collating evidence of the outcomes of various initiatives being undertaken in Wales to improve repeat prescribing, including work within care homes. This has included engaging with health boards and Community | Completed |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|--|---|---|-----------------------|
| <p>policies and actions on repeat prescriptions. And</p> <p>Recommendation 13. The Committee recommends that the Welsh Government provides an update on the work of the prudent prescribing group in relation to its work on the various models for repeat prescribing systems in September 2018 to allow the Committee to monitor progress on this.</p> <p>Accept</p> | <p>the group and testing the various approaches recommended to improve repeat prescribing and reduce waste passed to the NHS Chief Pharmacists' peer group.</p> <p>The Welsh Government will collate, from each health board and Community Pharmacy Wales, evidence of the outcomes of various pieces of work being taken forward to improve repeat prescribing, including work to improve repeat prescription ordering within care homes, and provide the committee with an update on this work in January 2019.</p> | <p>Pharmacy Wales to identify suitable examples for inclusion. This work has concluded and will be made available to all health boards in Wales before the end of the calendar year.</p> | |
| <p>Recommendation 14. The Committee recommends that the Welsh Government evaluates the roll out of Medicines Transcribing and e-Discharge system to consider the progress and the benefits of this approach.</p> <p>Accept</p> | <p>There is a substantial body of evidence that shows when patients move between care providers the risk of miscommunication and unintended changes to medicines are a significant problem. Improving the transfer of information about medicines across all care settings reduces incidents of avoidable harm to patients, improves patient safety and contributes to a reduction in avoidable medicines related admissions and readmissions to hospital.</p> | <p>The uptake and evaluation of MTeD across NHS Wales is being monitored as part of routine progress reports.</p> <p>MTeD has been implemented across the majority of LHBs; the remaining LHBs operate existing medicines discharge systems but are working toward MTeD implementation.</p> | Completed |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|----------------|---|--------|-----------------------|
| | <p>Evaluations of the benefits of the Medicines Transcribing and e-Discharge (MTeD) system have been undertaken previously by NWIS¹ and by Cwm Taf University Health Board² which demonstrate improvements in the quality and timeliness of discharge information being shared with patients' GPs. During the course of the Committee's inquiry the availability of MTeD across NHS bodies in Wales has increased significantly with MTeD implemented in five and pre-existing e-discharge solutions in place in two health boards. Further enhancements to the MTeD system are planned which will then facilitate its implementation in the two remaining health boards starting later in 2018-19.</p> <p>We expect NWIS and health boards to have appropriate evaluation arrangements in place which ensure the anticipated benefits of the MTeD system are being realised. We will work with NWIS to ensure these evaluation</p> | | |

¹ NHS Wales Informatics Service. Medicines Transcribing & e-Discharge Project Evaluation Report. January 2014

² Davies C. e-Discharge Advice Letter Project – End Project Report. Cwm Taf University Health Board, November 2017.

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|---|--|---|-----------------------|
| | measures form part of routine progress reports in relation to MTeD roll out. | | |
| <p>Recommendation 16. The Committee recommends that as part of the Welsh Government's commissioning and roll out of a new e-prescribing system, it develops a supporting plan of action to help achieve the cultural shift that needs to accompany the introduction of a new system.</p> <p>And</p> <p>Recommendation 17. The Committee recommends that the Welsh Government shares its action plan and key milestones for the Electronic Prescribing and Medicines Administration (EPMA) system with the Committee.</p> <p>Accept</p> | <p>NWIS has established the Welsh Hospital Electronic Prescribing, Pharmacy and Medicines Administration (WHEPPMA) project to develop and implement the national plan for electronic prescribing in secondary care.</p> <p>The project team is currently working with stakeholders to complete the business case for procurement of a replacement hospital pharmacy system and an electronic prescribing and medicines administration solution. The business case will be considered by the Welsh Government in due course. Subject to the completion of a satisfactory business case, it is expected that the procurement of these systems will be initiated during 2018-19 with implementation beginning in 2019. The action plan, including the actions required by NHS bodies to deliver the necessary business change to maximise the benefits of e-prescribing, and key milestones will be established by NWIS through the WHEPPMA project and subject to approval of the business</p> | <p>The Final Business Case for the WHEPPA project has been submitted to the Welsh Government and is currently undergoing the scrutiny process.</p> <p>e-Prescribing Outline Business Case is being developed by WHEPPMA and is expected to be submitted by December 2019.</p> | Ongoing |

| Recommendation | Welsh Government response | Update | Completed/ Ongoing |
|----------------|---|--------|-----------------------|
| | case, we will ask NWIS to share their plans with the Committee. | | |

Agenda Item 2.10

Tracey Burke

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



Llywodraeth Cymru
Welsh Government

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

11 December 2019

Dear Mr Ramsay

Action Point – Public Accounts Committee - Town & Community Councils

During my attendance at Public Accounts Committee on 25 November, I was asked to provide details of the number of uncontested seats from the town and community councils elections held in 2017.

Following the last town & community elections in 2017, of the 7,954 council seats available:

- 1,531 (19 per cent) were contested;
- 5,075 (64 per cent) were uncontested; and
- 1,348 (17 per cent) were not filled.

Yours sincerely

Tracey Burke



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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

Committee Chairs
National Assembly for Wales

16 December 2019

Dear Chair,

Committee on Assembly Electoral Reform

As you will be aware, the **Committee on Assembly Electoral Reform** was established by the National Assembly for Wales in September 2019 with a remit to examine the recommendations of the **Expert Panel on Assembly Electoral Reform**. I am writing to invite your views on the potential implications for Assembly committees of any change in the size of the Assembly.

In particular, we would welcome the views of your Committee on:

- Whether the current size of the Assembly has given rise to any implications or limitations for your Committee's work or the way in which you approach policy, legislative and financial scrutiny of the issues within your remit.
- How any recent or anticipated changes to the Assembly's powers or responsibilities, or the broader constitutional context, might affect your Committee's remit or how you undertake your role.
- Any implications an increase in the size of the Assembly might have for the work of Assembly committees, including the support services they receive.

We would also welcome information about how your Committee assesses the impact of its scrutiny work, and examples of effective scrutiny or missed opportunities. It would be helpful to receive your response **by Monday 27 January 2020**.



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☎ 0300 200 6565

I will be making an oral statement in Plenary on Wednesday 8 January 2020 to provide an update on the Committee's work. In the meantime, if you have any questions about the work of the Committee, or would find it helpful to meet to discuss these issues, please contact the Committee clerk, Helen Finlayson, at seneddreform@assembly.wales or on 0300 200 6341.

Yours sincerely,



Dawn Bowden AM
Chair, Committee on Assembly Electoral Reform

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Yr Arglwydd Elis-Thomas AC/AM
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

Agenda Item 2.12

Llywodraeth Cymru
Welsh Government

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

23 December 2019

Dear Chair,

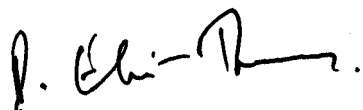
**PUBLIC ACCOUNTS COMMITTEE REPORT ON THE WELSH GOVERNMENT'S
RELATIONSHIP WITH PINWOOD – Updates on Media Investment Budget and
Pinewood Studios**

In the Welsh Government response to the report on the Welsh Government's relationship with Pinewood, we committed to providing an update on both the Media Investment Fund's performance, and financial performance and income projections for Pinewood Studios in December 2019.

I have pleasure in enclosing these updates for your consideration.

This letter is being copied to the Culture, Welsh Language and Communications Committee, in advance of my appearance at the Culture, Sport and Tourism draft budget session.

Yours sincerely,



Yr Arglwydd Elis-Thomas AC/AM
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

CC: Culture, Welsh Language and Communications Committee

Bae Caerdydd • Cardiff Bay
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Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Dafydd.Elis-Thomas@llyw.cymru
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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.

UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

Update on the Media Investment Fund's performance (response to recommendation 2 of the Public Accounts Committee report on the Welsh Government's relationship with Pinewood) – Figures as at November 2019

| Project | Investment Value £m | Amount recouped £m | Net Gain / (Loss) to date £m | Welsh spend to date £m |
|---|---------------------|--------------------|------------------------------|------------------------|
| Under Pinewood Management | | | | |
| Take Down | 3.144 | 1.113 | (2.031) | 1.089 |
| Their Finest | 2.000 | 2.050 | 0.050 | 1.618 |
| The Collection | 1.750 ¹ | 0.250 | (1.500) | 5.187 |
| Show Dogs | 1.566 ² | 0 | (1.566) | 4.338 |
| Journey's End | 0.850 | 0.631 | (0.219) | 0.903 |
| Don't Knock Twice ³ | 0.630 | 0.612 | (0.0186) | 0.641 |
| Minotaur | 0.026 | 0 | (0.026) | N/A ⁴ |
| Lionel the First | 0.025 | 0 | (0.025) | N/A ⁵ |
| Total | 9.991 | 4.656 | (5.335) | 13.776 |
| Under Welsh Government Management | | | | |
| Trampires ⁶ | 2.000 | 0 | (2.000) | 1.621 |
| Eternal Beauty | 1.050 | 0.770 | (0.280) | 1.255 |
| Bang | 0.350 | 0 | (0.350) | 2.562 |
| Tiny Rebel | 0.318 | 0 | (0.318) | 0.260 |
| Goose Green | 0.025 | 0 | (0.025) | N/A ⁷ |
| Almost Never (formerly True Believers) ⁸ | 0.622 | 0 | (0.622) | 2.118 |
| Six Minutes To Midnight ⁹ | 0.750 | 0.075 | (0.675) | 3.520 |
| Total | 5.115 | 0.845 | (4.270) | 11.336 |
| Overall Total | 15.106 | 5.501 | (9.605) | 25.112 |

¹ The investment value includes £600,000 of grant funding from the Media Investment Budget

² The investment value includes £362,000 of grant funding from the Media Investment Budget

³ Don't Knock Twice also received £75,000 of grant funding under the Welsh Government's Business Finance scheme.

⁴ Development funding does not include a Welsh Spend commitment

⁵ Development funding does not include a Welsh Spend commitment

⁶ Trampires also received £652,572 of grant funding under the Welsh Government's Business Finance scheme.

⁷ Development funding does not include a Welsh Spend commitment

⁸ In production or production has only recently completed.

⁹ In production or production has only recently completed.

UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

Update on financial performance and income projections for Pinewood Studios (response to recommendation 6 of the Public Accounts Committee report on the Welsh Government's relationship with Pinewood)

| | FY 2017/18 (Starts 1 Nov 2017) | FY 2018/19 | FY 2019/20 | 2020/21 |
|--------------------------------------|--------------------------------------|------------------|-------------|-------------|
| Income from primary tenants ex VAT | - | £379,382~ | £1,247,000* | £1,247,000* |
| Income from media hub tenants ex VAT | - | - | £87,468* | £87,468* |
| TOTAL | | £379,382 | £1,334,468 | £1,334,468 |
| Running costs ^ | £588,199 | £1,176,398 | £1,096,000 | £898,398 |
| Operational profit & loss | -£588,199 | -£797,016 | £238,468 | £436,070 |

(~) this is an aggregated figure consisting of all income from the studio rentals up to March 2019

(*) projected figures, a rent review is due in January

(^) an ongoing reconciliation of utility billing and rebilling at site is underway and there may be some further downward adjustments following completion in March 2020.

Comments:

Running costs decreased in 2019/20 due to planned adjustment figures received from Pinewood relating to operational costs.

Projected running costs for 2020/21 are based on the studio transferring to WG management.

Primary tenant agreements are not yet confirmed for 2020/21 onwards.

Agenda Item 4

**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

Auditor General for Wales
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Dave.Thomas@audit.wales

*Copied to: Clerk and Chair of Public Account Committee
Nicholas.Ramsay@assembly.wales*

14 November 2019

Dear Adrian,

WAO Report on Primary Care Services

I welcome your report on primary care services in Wales, published on 22 October.

Some of the recommendations are directed at the National Primary Care Board so we have liaised with Judith Paget, as Chair of the Board, to provide a coordinated response to your recommendations. This is set out at Annex A to this letter.

It is encouraging to note that several of the actions recommended in this report are being progressed through our strengthening process for Integrated Medium Term Plans (IMTPs) and the Strategic Programme for Primary Care.

The Strategic Programme is now fully operational and has delivered several notable products in recent months. For example, it has produced specific advice on how primary care can prevent and respond to people's urgent care needs and this has underpinned the Welsh Government's Winter Planning Framework 2019/20. It has drawn up a plan of both national and local action to tackle challenges still facing cluster working. This has led to a national template and guidance for cluster level IMTPs for 2020-23, which I issued on 25 June 2019. The Strategic Programme has also produced a national communication plan to take a coordinated approach to informing the public in their access to and expectations of services.

Your report is helpful in highlighting important whole system issues to inform future work, such as how we further develop the way we manage and fund health bodies,

in ways that incentivise and enable planning and delivery with a focus on preventing illness and keeping people well, recognising the role of wider determinants across economic, social, environmental and cultural well-being.

Yours sincerely

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

Dr Andrew Goodall

Director General/ Chief Executive NHS Wales

Improving Primary Care data

Monitoring of primary care performance and activity is limited. Current performance measures do not give an effective overview of whether patient outcomes are improved by primary care. Activity monitoring and planning is complicated by difficulties obtaining standardised data from independent contractors.

Recommendation 1 - The Welsh Government should work with the National Primary Care Board to agree robust measures of patient outcomes in their suite of performance measures for primary care, and in doing so, they should look to collaborate with experts in measuring whole-systems outcomes.

Response: Accept

In managing the primary care services they contract, health boards use a range of measures, such as those in the Quality Assurance and Information Framework (QAIF) of the General Medical Services contract and the outcomes of clinical audits.

I agree we need more measures for the health and care system as a whole. There is wide consensus that *time spent at home* is a good whole system measure and the Strategic Programme for Primary Care is coordinating work to agree an approach to monitor and report this measure. Whilst led by the Strategic Programme for Primary Care, such measures must be owned by the whole system. We will, therefore, drive this measure through performance management of the wider system and not just primary care.

Recommendation 2 - The Welsh Government should work with independent primary care contractors to ensure the NHS in Wales has ongoing access to standardised information about their activity, to contribute to better planning and design of services.

Response: Accept

Standardised activity data from community pharmacies, dental and optometric practices is already available to health boards.

The Strategic Programme for Primary Care is overseeing action by NHS Wales Informatics Service to implement the necessary changes to IT systems in GP practices to make activity data available. Data on GP practice contacts with people is currently being verified by health boards. The first All Wales report of activity data for the winter period (2019-20) will be available in May 2020.

Implementing the Primary Care Model for Wales

The Primary Care Model for Wales and the strategic programme provide a direction of travel but there is not yet a clear approach to quantifying the extent of progress in implementing these changes, and data on the numbers and roles of staff employed in primary care is limited. The Welsh Government should:

Recommendation 3 - Strengthen its performance management of primary care within health boards by developing a method for quantifying each health board's progress in implementing the Primary Care Model for Wales.

Response: Accept

Primary care forms part of a health and care system. The Welsh Government performance manages health boards through the NHS Delivery Framework which it issues each year. This Framework has and will continue to include measures which primary care contributes to as part of a whole system.

The Strategic Programme for Primary Care is developing a national evaluation framework for use locally in monitoring and reporting progress with implementing the Primary Care Model for Wales. These monitoring reports and progress with the Welsh Government's national delivery milestones for the Model will inform IMTPs at both cluster and health board level and help provide evidence for health boards' reports on the NHS Delivery Framework.

Recommendation 4 - Collect and regularly publish data on the number and type of staff working as part of multi-disciplinary primary care practice teams, with a view to monitoring the implementation of the multi-professional model.

Response; Accept

In March 2019, the National Workforce Reporting Tool (NWRS) was introduced in Wales as our method for capturing the numbers and skills of the multi professional teams in general medical services. This information will inform Welsh Government statistical releases.

The Strategic Programme for Primary Care is considering how this information can be used for workforce planning at practice and cluster level. This will, in turn, inform cluster and health board IMTPs.

Keeping the strategy under review

The Strategic Programme for Primary Care is in its infancy and partnership with social care and the third sector, through Regional Partnership Boards, will be crucial to transformation. The National Primary Care Board should:

Recommendation 5 - Publish a review of progress in delivering the strategic programme in 2020-21. The review should seek opinions on progress from all key partners, including the Regional Partnership Boards.

Response: Accept

The Strategic Programme for Primary Care has formally established a Programme Management Office (PMO) to ensure that proven programme and project methodologies are applied and that the Programme is robustly monitored. As part of

the PMO processes, a defined quality, risk, governance and operating model has been agreed reporting into the National Primary Care Board (made up of representation from wider stakeholders). This will be a continual process, reporting on a quarterly basis and will inform a programme review in 2020-21.

In addition, attendance at all Regional Partnership Boards to promote and discuss the Primary Care Model for Wales is ongoing.

Strengthening clusters

The Health, Social Care and Sport Committee's cluster inquiry made 16 recommendations and the: Public Health Wales subsequently led the development of a good practice guide for cluster governance. Much work remains to be done to ensure clusters have a clear remit, broad membership and are able to drive change at pace and scale. The Welsh Government should:

Recommendation 6 - Undertake and publish a stocktake of progress against the recommendations from the cluster inquiry and in implementing the cluster governance framework, with a view to supporting further development and maturity of clusters.

Response: Accept

Much work at both national and local level has taken place to deliver on the commitments made by the Minister for Health and Social Services in his response in November 2017 to the inquiry into primary care clusters by the Health, Social Services and Sport Committee.

The Strategic Programme for Primary Care has undertaken a stocktake of the challenges still facing cluster working and has put in place a plan of both national and local action to address these challenges. For example, the plan identified the need for national guidance to clusters as they developed their IMTPs for 2020-23. I issued this guidance on 25th July 2019. This plan is monitored and kept under regular review.

The National Primary Care Board will monitor progress with this action plan during 2020-21.

Shifting resources to primary care

From the existing data, it is difficult to quantify exactly how much the NHS in Wales is spending on primary care, and to assess whether health boards are succeeding in shifting resources towards primary and community care. A Welsh Health Circular¹ from July 2018 set out a new financial framework for supporting such shifts.

Recommendation 7 - The Welsh Government should consult with health boards, to

agree an approach to clarifying and standardising the way that primary care expenditure is recorded and reported.

Response: Accept

Welsh Government is working with health boards to clarify and standardise the expenditure recorded in annual NHS accounts as “Other Primary Health Care Expenditure”. Combined with the other elements of primary care expenditure included in note 3.1 of the accounts, this will ensure a more consistent analysis of total primary care expenditure between health boards.

Recommendation 8 - The Welsh Government should work with health boards to evaluate, and if necessary, improve the effectiveness of the financial framework in supporting a shift in resources towards primary and community care.

Response: Accept

Health boards are required to quantify the funding, and also the services and workforce, which they plan to re-provide in the community in their IMTPs. There is a specific template for this purpose. We monitor and evaluate the effectiveness of the financial framework issued (under cover of WHC 025 2018) in strengthening this shift through our IMTP scrutiny and approval process.

The Welsh Government issued the first National IMTP on 20 September 2019. This is a stocktake of the 2019-22 IMTPs and includes commentary on the pace and scale of this shift towards more preventative care closer to home. This National IMTP was issued alongside and sets the tone and context for the NHS Planning Framework for 2020-23. This reflects strengthened requirements designed to increase the pace and scale at which health boards, with their partners, transform the health and care system towards the vision in *A Healthier Wales*. So that people access the majority of the care and support they need at or close to home.

Recommendation 9 – As part of the Joint Executive Team process, the Welsh Government should require health boards to report annually on their progress in shifting resources towards primary care. The coverage of these reports should not be limited to financial resources and should include other resources such as staff and services. Through this process, the Welsh Government should hold to account the entire executive team of health boards, not just the executive directors for primary care.

Response: Accept

I accept responsibility for planning and implementing the shift of services, funding, financial and workforce resources out of hospitals rests with all members of the Board. From 2020-21 on, I will require specific reports from each health board for the Joint Executive Team process setting out progress with its plans to move services and resources into the community as set out in its IMTP or equivalent plan.

Involving the public

Little has been done to involve the public in primary care changes. There is a risk that people will not understand or agree with the new ways of working. A centrally funded and led communication strategy is now in development and the Welsh Government has allocated each health board £20,000 recurrently since 2018-19 to improve public messaging about the model. The National Primary Care Board should:

Recommendation 10 – Involve the public and/or bodies that represent the public in evaluating the approaches taken by health boards to improve their public messaging on primary care, with a view to sharing learning to inform the forthcoming communication strategy.

Response: Accept

The Strategic Programme for Primary Care has developed a national communication plan, listening and learning from local experience in engaging with the public and/or bodies that represent the public.

This plan includes a campaign to be launched in March 2020 outlining the changes being introduced in the delivery of local health and wellbeing services. Health boards will adapt this national narrative for use locally, building on their involvement with, and learning from the public.

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

Document is Restricted

Agenda Item 5

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

Document is Restricted

Agenda Item 6

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

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Agenda Item 7

Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

20 December 2019

Dear Committee Chairs

I am writing to inform you that as Permanent Secretary and Principal Accounting Officer for the Welsh Government I have written to the First Minister requesting a Ministerial Direction to proceed with proposed changes to NHS Pension arrangements for 2019/20.


The proposal brings NHS Wales in line with NHS England's solution for 2019/20 to address the operational challenges arising as a consequence of current pension tax arrangements. NHS Pension scheme and pension tax legislation is not devolved to us in Wales.

The need for a Ministerial Direction has arisen as the proposed scheme constitutes tax planning and therefore raises an issue of regularity due its incompatibility with paragraph 5.6.1 of Managing Welsh Public Money. The same issue of regularity was encountered in England.

Whilst Directions are rare, this is the exceptionally unusual position in that, as England have issued a Direction on this matter, Wales has little alternative but to follow suit. Failure to implement the proposed change would result in NHS clinicians in Wales being worse off relative to NHS clinicians in England.

The First Minister formally issued the direction on 18/12/2019.

Both I and the First Minister are agreed on the need to address the operational issues being addressed by the NHS and ensure fair and equitable treatment of our NHS staff with those working in England.

Yours,


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



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Shan Morgan
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mark Drakeford
First Minister
PS.FirstMinister@gov.wales

18 December 2019

Dear First Minister

I am writing to you to formally request a Ministerial Direction.

On 26 November 2019, officials in Health and Social Services Group provided advice to the Minister for Health and Social Services in respect of NHS Pension Tax Proposal 2019/20. The proposal sought to bring NHS Wales in line with NHS England's solution to the tax implications of the pension scheme for clinicians who incur tax charges for undertaking work in 2019/20. This recommendation was subsequently agreed by the Minister for Health and Social Services.

A subsequent review of the mechanism for introducing this solution in England, has enabled us to identify that recommendations in the earlier advice should have drawn attention to the fact that this recommendation raises an issue of regularity due to its contravention of Managing Welsh Public Money (MWPM). MWPM specifically states (para 5.6.1) that "*Public Sector organisations should not engage in or conspire at, tax evasion, tax avoidance or tax planning.*"

The same issue of regularity has already been encountered in England (Managing Public Money and Managing Welsh Public Money are aligned on this issue). Therefore, on 22 November the Secretary of State for Health and Social Care issued a Direction to the Accounting Officer for NHS England to proceed with the NHS Pension Tax Proposal 2019/20.

It is my duty as Principal Accounting Officer to ensure the regularity of expenditure within the Welsh Government but the need has arisen for a Direction because tax planning is considered an issue of irregularity. Whilst Directions are rare, this is the exceptionally unusual position that, as a UK Government Minister has issued a



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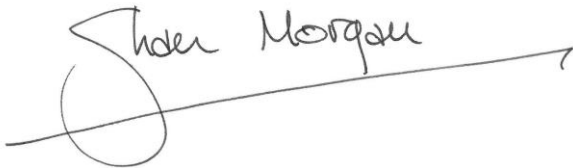
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Direction on this matter in England, I have little alternative but to follow suit and seek one from you for Wales.

Annex A contains the extracts from Managing Welsh Public Money and Managing Public Money regarding tax which give rises to this regularity issue.

Yours,

A handwritten signature in black ink that reads "Shan Morgan". The signature is written in a cursive style and is positioned above a long horizontal line that extends to the right and ends in an arrowhead.

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



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Managing Welsh Public Money - Extract

5.6 Tax

5.6.1 Public sector organisations should not engage in, or conspire at, tax evasion, tax avoidance or tax planning. If a public sector organisation was to obtain financial advantage by moderating the tax paid by a contractor, supplier or other counterparty, it would usually mean that the public sector as a whole would be worse off – thus conflicting with the Accounting Officer's duties (see section 3.3). Thus artificial tax avoidance schemes should normally be rejected. It should be standard practice to consult HM Revenue and Customs (HMRC) about transactions involving non-standard approaches to tax before going ahead.

5.6.2 There is of course no problem with using tax advisers to help meet normal legitimate requirements of carrying on public business. These include administration of VAT, PAYE and NICs, where expert help can be useful and efficient.

Managing Public Money - Extract

5.6 Tax

5.6.1 Public sector organisations should not engage in, or connive at, tax evasion, tax avoidance or tax planning. If a public sector organisation were to obtain financial advantage by moderating the tax paid by a contractor, supplier or other counterparty, it would usually mean that the Exchequer as a whole would be worse off – thus conflicting with the accounting officer's duties (section 3.3). Thus artificial tax avoidance schemes should normally be rejected. It should be standard practice to consult HMRC³ about transactions involving non-standard approaches to tax before going ahead.

5.6.2 There is of course no problem with using tax advisers to help meet normal legitimate requirements of carrying on public business. These include administration of VAT, PAYE and NICs, where expert help can be useful and efficient.

5.6.3 Proposals to create new taxes in order to assign their proceeds to new spending proposals are rarely acceptable. Decisions on tax are for Treasury ministers, who are reluctant to compromise their future fiscal freedom to make decision.



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Our Ref/ Ein Cyf: MA/FM5845/19

Shan Morgan
Permanent Secretary

ps.permanentsecretary@gov.wales

18 December 2019

Dew Shan,

Thank you for your letter of 18 December 2019 setting out your advice as Principal Accounting Officer on the proposed 'Scheme Pays' arrangements to counter staffing issues in the NHS for this winter period.

I am grateful for the scrutiny which you and other officials have given to this matter.

I note the advice that the scheme proposals involve tax planning and, depending upon the approach to implementation, could be deemed by HMRC to constitute tax avoidance. The proposed measure is therefore incompatible with paragraph 5.6.1. of Managing Welsh Public Money, and is a matter of regularity. In these circumstances I am able to bring to bear a wider consideration of the public interest, and you have requested I consider whether to grant a Direction to proceed with the proposals.

NHS Wales report that senior clinical staff are unwilling to take on additional work and sessions due to the potential tax liability which could in some circumstances lead to tax charges in excess of any additional income earned. This has led to some appointments and operations being delayed. In a recent Written Statement, the Minister for Health and Social Services noted that, between April and August 2019, over 2,000 outpatient, diagnostic, inpatient or daycase sessions have been lost affecting over 15,000 patients.

Let me be clear that I have fundamental disagreements with the solution which has been implemented in England. The tax problems should be resolved by the Treasury, not left to the health budget to absorb. Done properly, the HMRC uncertainties which now arise would have been resolved before, not after a solution was implemented. However, given the pressures experienced by the Welsh NHS following a decade of austerity, we cannot allow a position to develop in which our staff are denied access to arrangements available to their counterparts across our border. I very reluctantly see no option therefore but to put in place

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temporary solutions while the UK Government is consulting on NHS pension legislation changes from April 2020.

I have considered your advice carefully in the context of the need to protect patient care over the winter, and the wider reforms to NHS pension arrangements expected from April 2020. I will therefore follow the course of action taken in the Department for Health in England and formally to direct you to proceed with the NHS Pension Tax Proposals for 2019/20 so that the same arrangements in England can apply in Wales.

I am copying this letter to Adrian Crompton, Auditor General for Wales and Nick Ramsey AM, Chair of the Public Accounts Committee, Llyr Gruffydd AM, Chair of the Finance Committee and Dai Lloyd AM, Chair of the Health, Social Care and Sports Committee. I also note that your letter and this reply will be published on gov.wales

Best wishes,

Mark.

MARK DRAKEFORD