



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyfrifon Cyhoeddus **The Public Accounts Committee**

Dydd Iau, 6 Mehefin 2013
Thursday, 6 June 2013

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Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir

trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Jocelyn Davies	Plaid Cymru The Party of Wales
Mike Hedges	Llafur Labour
Sandy Mewies	Llafur Labour
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Julie Morgan	Llafur Labour
Jenny Rathbone	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Piers Bisson	Pennaeth yr Is-adran Diwygio Gwasanaethau Cyhoeddus, Llywodraeth Cymru Head of Public Service Reform Division, Welsh Government
Gillian Body	Swyddfa Archwilio Cymru Wales Audit Office
Paul Dimblebee	Swyddfa Archwilio Cymru Wales Audit Office
Owen Evans	Cyfarwyddwr Cyffredinol, Addysg a Sgiliau, Llywodraeth Cymru Director General, Education and Skills, Welsh Government
Melanie Godfrey	Cyfarwyddwr Rhaglen Ysgolion ar gyfer yr 21ain Ganrif, Llywodraeth Cymru Programme Director, 21st Century Schools, Welsh Government
Abigail Harris	Cyfarwyddwr Strategaeth a Pholisi, Llywodraeth Cymru Director of Strategy and Policy, Welsh Government
Maureen Howell	Pennaeth y Gangen Newid Ffyrdd o Fyw, Llywodraeth Cymru Head of Lifestyle Change Branch. Welsh Government
Dr June Milligan	Cyfarwyddwr Cyffredinol, Llywodraeth Leol a Chymunedau, Llywodraeth Cymru Director General, Local Government and Communities, Welsh Government
Matthew Mortlock	Swyddfa Archwilio Cymru Wales Audit Office
Sonia Reynolds	Dirprwy Gyfarwyddwr, y Rhaglen Drawsnewid, Addysg a Sgiliau, Llywodraeth Cymru Deputy Director, Transformation Programme, Education and

Skills, Welsh Government

Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru Auditor General for Wales, Wales Audit Office
Yr Athro/Professor Jean White	Prif Swyddog Nyrsio, Llywodraeth Cymru Chief Nursing Officer, Welsh Government
Val Whiting	Pennaeth Cyfalaf, Ystadau a Chyfleusterau, Llywodraeth Cymru Head of Capital, Estates and Facilities, Welsh Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Dan Collier	Dirprwy Glerc Deputy Clerk
Tom Jackson	Clerc Clerk

*Dechreuodd y cyfarfod am 2.04 p.m.
The meeting began at 2.04 p.m.*

**Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Darren Millar:** Good afternoon, everybody, and welcome to today's meeting of the Public Accounts Committee. I remind Members that the National Assembly for Wales is a bilingual institution, and we should feel free to contribute to today's meeting in Welsh or English. If there is an emergency, or if an alarm sounds, we should follow the instructions of the ushers, who will guide us to the nearest assembly point. I also remind people that headsets are available for translation and sound amplification. Mobile devices can sometimes interfere with this equipment, so it would be great if we could all ensure that we have switched them off. We will now move straight on to the next item on our agenda.

2.05 p.m.

**Y Diweddaraf gan Lywodraeth Cymru ar Weithredu'r Argymhellion a
wnaed yn Adroddiad y Pwyllgor Cyfrifon Cyhoeddus 'Arlwyo a Maeth
Cleifion mewn Ysbytai'**

**Update from the Welsh Government on the Implementation of
Recommendations made in the Public Accounts Committee Report 'Hospital
Catering and Patient Nutrition'**

[2] **Darren Millar:** We published the report back in February. I welcome Professor Jean White, the chief nursing officer, back to the committee. I also welcome Maureen Howell. I understand that you are the head of the lifestyle change branch, Maureen. I am interested in what that is; you can tell us a little about it in a moment. Finally, I welcome Val Whiting, head of capital, estates and facilities. We really appreciate the fact that you are here today to give us an update. We have lots of questions. We have received a written note on where things are, but if you could make a few opening remarks, we will then go on to Members' questions; over to you, Professor White.

[3] **Professor White:** Thank you all for inviting us here this afternoon. We have been on an interesting journey to do with nutrition and hospital catering. When we came to look at this area a few years ago, there was an awful lot of work to be done; I think that we would all

agree with that. In the intervening years, there has been a huge amount of progress right across Wales to bring us to this point. We are seeing a real commitment from health organisations to get a grip on this agenda. There is still some more work to be done, which I am sure that we will tease out as the afternoon goes on, but from our perspective in Welsh Government, we have been rather pleased with how the health service has responded to the challenges that we have been putting to it. We have seen some real improvements in performance.

[4] **Darren Millar:** Thank you for that. We have, obviously, tried to look back at the recommendations that the Auditor General for Wales made and at the recommendations that we made as a committee. We have tried to benchmark where things are in terms of implementation. It appears that there has been quite a bit of slippage in terms of anticipated timescales with some of the recommendations. Can you explain why there has been slippage in some areas?

[5] **Professor White:** To talk about specifics, certain things like information technology procurement would be a fair one to which to refer. When we go out to get a national IT programme, it is very important that we do proper research. The work to date has involved undertaking a proper review of other programmes to ensure that the correct programme has been selected. Val may have something to add on that particular issue if you want to delve into it at this point, but that is one example. Some things around how the research has gone to get to a particular point have caused some time delay.

[6] In terms of things like compliance with e-learning, we have evaluated the first year of introduction and have found that there are some barriers that we had not fully anticipated. We now have a programme of work to tackle those barriers. In each case where there has been slippage, there has been a particular reason that is appropriate to that item. I am happy to pick an example if you want to delve into it.

[7] **Darren Millar:** We will delve into some specifics. We will leave IT until later, if that is okay. One issue that was raised with the committee previously was the inconsistent approach across Wales. Some of the documentation that people were using, in terms of care planning and nutritional screening, was inconsistent. One of the clear recommendations was to get a national set of documents. You seem to indicate that you now have this, but it is not clear in the updates that we have received as to whether it has been fully rolled out or fully implemented across Wales. Can you tell us roughly where you are with that?

[8] **Professor White:** The work that we initiated from the recommendation that the committee made to us was to develop an all-Wales food chart and to revise the input and output chart, which is the fluid balance chart. These were distributed right across Wales, and to the residential care home sector. The Government made a budget allocation of £10,000 for that, because we have a lot of clients or patients who move between the residential care home sector and hospitals. We wanted to have consistency in the forms. They are available electronically, so anybody can download and use them. We sent them out to the NHS in Wales as good practice, noting that this is the requirement of the Government and that it is what should be used. We have been monitoring to see how different organisations have picked them up. I think that it would be fair to say that there is not 100% usage across Wales, but I would say that the majority of people use the standard forms that have been set out.

[9] **Darren Millar:** How are you monitoring that? I know that the nutritional care pathway is monitored through the fundamentals of care audit processes, but that is all self-evaluated, is it not? There is no external validation process to check that what you are seeing in the documents in front of you is actually being delivered on the ground. What do you plan to do to make sure that you have a robust system for making sure that these things are being implemented?

[10] **Professor White:** I will talk about the fundamentals of the care audit tool for a moment. That tool is now completely used across Wales in every in-patient ward area. We have expanded it to other areas such as theatres and out-patients and that sort of thing. There is still a rolling out of additional areas on top of the wards. It is true to say that the ward staff themselves do the compliance on the staff side of it. On the patient side of it, usually, the health boards get people like the community health council representatives to ask a sample of patients. They do not normally do it all themselves. So, the evidence that you have is from the wards.

[11] When we talk to the health boards, I ask them about their governance arrangements. They use a form of peer support, so, occasionally, ward sisters will do each other's wards and the senior nurses in charge of those units—say, a whole medical unit—will do a quality check to make sure that what the ward staff are using is accurate. There is no externality in that particular bit of the process. However, it is important to say that we do not just use the fundamentals of care audit in isolation as the only performance indicator. It is the one most widely used across Wales, but we do have some other tests as well. For example, Healthcare Inspectorate Wales, which measures against the healthcare standards, will look at standard 14 within the healthcare standards and will review it when it does its inspections. We are trying to move away from relying solely on just having one-off audits at a point in the year.

[12] We have an initiative across Wales that is moving to real-time data collection. We are calling that the care metrics. Each clinical area has an IT platform where it does its audit work and enters data into it. We have developed it so that they can do it every day of the week if they want and they can do runs of information. I have brought with me, as an example, one of the runs that we do to do with nutrition assessment. Every month, wards across Wales look at how many of their patients, on admission, have had a nutrition assessment within the first 24 hours. They can generate a monthly return for their area. This forms part of a dashboard that the board looks at. This particular indicator is done on a national basis. So, we know for the whole of Wales how many people every month have had a nutritional assessment. I have brought an example for the committee to have a look at.

[13] **Darren Millar:** That is great; we appreciate that.

[14] **Professor White:** There is a run chart that goes along with it, going back to last June when this was introduced. It is there for your information.

[15] **Darren Millar:** However, you are, effectively, still relying on internal audit functions.

[16] **Professor White:** Mostly, yes. There are governance arrangements within hospitals to make sure that grass-roots staff are included.

[17] **Darren Millar:** You are relying on that challenge being there from within the organisation itself. You referred earlier to Val's role on the IT infrastructure. One complaint that has been made is that there is a very slow connection in some hospital facilities, which is an impediment to making good use of those resources. Can you give us a very brief update on that, and then I want to get on to other questions?

[18] **Ms Whiting:** There has been a significant amount of work to look at the IT infrastructure underpinning the catering system. Jean mentioned that there had been some delay in our earlier estimates of how long it would take to look at putting a more defined IT structure in place to underpin the catering function.

2.15 p.m.

[19] What we have been doing over the past year is scoping and planning that work, undertaking some research and looking at different suppliers and solutions to be able to take that work forward. That research is culminating at the moment in a number of visits. We have been to Sheffield hospital and the team is going to Guy's next week. It has been to Caerphilly County Borough Council and visits to Scotland are also planned. That research will be completed by mid July. Then, a specification and business case will be written. That will be undertaken by the NHS Wales Informatics Service, in conjunction with our professional advisers at the shared services partnership. We expect that business case to come to us around October of this year. That business case will look at the options and recommendations for looking at a catering costing system and the associated functions that can be attached to that.

[20] **Darren Millar:** Mike has a question on costs.

[21] **Mike Hedges:** You have talked about computerising. Everybody is computerising everything; perhaps you are a little bit behind on this in catering. You mentioned a business case. Everybody does all these things. Do you produce a cost-benefit analysis? Are you able or prepared to share that with us?

[22] The second point is: when we get this system up and running and it tells us what is happening, what are we going to do next? It may tell us that our costs are x or that so much is being thrown away, but a computerised system is just a tool to provide you with information. What happens next is the question. You get this information, who is going to get it and what do you expect them to do with it?

[23] **Ms Whiting:** To answer your first question on cost-benefit analysis, the business case will be written in the format that has been adopted as best practice by the Welsh Government, and following best practice developed by the Treasury. That is the five-case business model, which you are probably aware of. Part of that option appraisal has a full cost-benefit analysis of each option, which then allows you to select the preferred option, taking account of qualitative factors as well. So, that business case will probably be developed by October this year. Business cases produced by NHS bodies are published, so that will be available, but we can make a copy available to the committee if required.

[24] In terms of who uses that information and what actions will take place, since the Wales Audit Office report in March 2011, we have set up an all-Wales group of catering managers and facilities managers to look at the information that is being generated in terms of cost and wastage. As a result of some of the common problems identified by that group, and the sharing of best practice and lessons learned, improvements are starting to come through the system. We have been proactive in the Welsh Government, with our partners in shared services, in trying to facilitate that partnership and collaborative arrangement. I mentioned earlier some of the research that we have been undertaking into different service solutions. Part of the rationale for making a lot of these visits is to look at how the benefits are being generated at the local level, where these different IT solutions are being implemented. So, part of the learning is about seeing how different organisations have managed to reap those benefits.

[25] **Julie Morgan:** I wanted to ask you about the protected time that is available for nurses to learn and train from the e-learning package. Some of the work by the auditor general has shown that there is not full compliance with that. Could you comment on that first?

[26] **Professor White:** It has been just over a year since we wrote out to services—it was February of last year—to say that everybody should undertake the e-learning tool to support the introduction of the all-Wales pathway. When we met in February with the all-Wales group, we found that there was a lot of evidence that people were not able to get access to IT

systems, and they were not necessarily able to find the time to do that. The challenge for us has been to tackle that particularly. We have a very good example from Betsi Cadwaladr University Local Health Board, where the lead officer in that organisation has been able to arrange for staff to have dummy e-mail accounts, as having an NHS e-mail account is the first stumbling block to get over to be able to access the e-learning tool. We have asked her to share with the other leads in each of the health boards how she has found a way to use the existing IT system in a more useful way to allow more people to have access.

[27] It would be fair to say that it would be quite challenging for staff to be released to have the time while they were on duty, when you have some areas with, say, only two computer terminals, and people need to enter patient information on them. Being able to organise the time of day when they are not being used for patient records, to actually use them for learning, is quite a challenge. What we found in Betsi Cadwaladr's case is that she was able to organise it for people to access the training from their home computers, for example, so they could choose to do some of the learning in their down time. It is not ideal, but it is a way around it. We are working with the leads in each of the areas to find solutions to some of these challenges, but I recognise that it is quite difficult for some staff.

[28] There is quite a large amount of mandatory and statutory training that all staff have to do. This is but one piece of it. We are doing a piece of work at the moment to review the breadth and range of activities that people are required to do, and to look at this issue, because it is not just this piece of training that is a challenge; it is in all other areas as well.

[29] **Julie Morgan:** If you are using this way of training, it seems fairly basic that people should be able to access it.

[30] **Professor White:** Certainly. It is for the band 5 staff nurse grade; they are the ones who do not necessarily have e-mail accounts. The higher bands, the ward sisters and so on, all do, so they find it reasonably easy to access it. It is about getting on to the computer, as well as having an entry portal, because they do not have an e-mail account. Those have been some of the sticking points. Betsi Cadwaladr is a good example of where they have found a way through all of that to improve uptake. When we have monitored uptake, it has been quite slow, but Betsi Cadwaladr is a long way ahead of the pack because of this particular work. Lyndsey Anton, who is the lead up there, will work with the rest of the organisations to share what she has done.

[31] **Julie Morgan:** What is the percentage uptake in Betsi Cadwaladr?

[32] **Professor White:** I have numbers rather than percentages in my head. It has around 2,000-and-something staff, which is not a huge proportion; it is not like it is 100% of its population, but it is much more than the rest. I am not quite sure how many—

[33] **Darren Millar:** You would be able to get those figures.

[34] **Julie Morgan:** It would be useful to have the percentages for all the LHBs.

[35] **Professor White:** Certainly. There is a challenge for us in monitoring as well as in access. What we have found is that the electronic staff record has not been very user-friendly in gathering some of these statutory, mandatory training levels. We do not have a huge amount of confidence in what we have had up to this point. Earlier this year, NWIS put a patch on to the record, so it is testing improvement, and from now on, hopefully, we will be able to have a much more accurate picture. Part of our challenge has been that the monitoring of this by the health boards has been difficult for them. The system that they were using was causing problems. I am hoping that the patch that was put in in April will fix the problem, but certainly at some point we will be able to give you a much better picture about this.

[36] **Aled Roberts:** Was there a five-case business assessment carried out when you decided to adopt this particular toolkit? It seems rather extraordinary that you adopted a methodology where it would appear that a large proportion of your staff has no access to it, and neither the health boards nor yourselves can monitor it. Why bother adopting that system? We cannot have any confidence that it is working.

[37] **Professor White:** I do not believe that a five-case study was put forward for this when it was adopted. There are—

[38] **Aled Roberts:** When was it adopted?

[39] **Professor White:** It was rolled out in September 2011, I believe, and we wrote out to the service in February 2012 to say, ‘This tool is now available to support the all-Wales documentation’. Is that correct, Maureen?

[40] **Ms Howell:** That is correct. The work was led by the all-Wales nutrition coordinators forum, which has representatives from each of the LHBs in terms of nursing, dietetics and catering staff. It was its proposal to develop it as an e-learning tool, which was then commissioned, but, you are right, the five—

[41] **Aled Roberts:** What was the cost of this learning tool?

[42] **Ms Howell:** I would have to come back to you on that.

[43] **Darren Millar:** I think that you said that you had no confidence or little confidence in the record keeping of staff records for training purposes at the moment. Does that apply to all mandatory training in terms of your being able to monitor whether it has been undertaken or just this particular part of it?

[44] **Professor White:** It would be unfair for me to make a blanket statement that it applies to all training, because I have not looked at all training. However, the problem is with the system, so I would suggest that there is probably some difficulty with monitoring in-service training. I would have to come back to you with an absolute as to ‘all’ or ‘some’, because the answer to that is that I do not know.

[45] **Darren Millar:** It would be quite worrying if there is a mandatory list of training in all sorts of different areas and the only way that the Welsh Government monitors it is through this IT system, and you have no confidence that the IT system is right.

[46] **Professor White:** I can only refer to this bit with any confidence, because, in fairness, I have not looked at the other parts. There might be other reporting and recording mechanisms that are used that are perfectly valid and in which we have confidence. I can only talk about this and say that it is of concern. It was recognised a few months ago, and a patch has been put in to fix the problem. So, as far as I am concerned, it is being sorted, but it has been an issue up to this point in relation to this.

[47] **Darren Millar:** We would like a note on it in relation to other areas.

[48] **Mike Hedges:** Surely, there are a number of areas in which continuing professional development is necessary and people have to do a certain number of days.

[49] **Professor White:** Indeed.

[50] **Mike Hedges:** Is that information collected accurately?

[51] **Professor White:** The issue that you are talking about is around professional requirements. So, as a nurse, I have to do so many days of continuing professional development in order to maintain my registration. The requirement is an individual's responsibility as a registrant, so, each year, when I as a nurse have to come to re-register, I have to make a declaration to the Nursing and Midwifery Council. So, it is not a matter for the Government to monitor that; it is more of a professional issue for the person to maintain their registration.

[52] The way that the organisations are monitoring it is through annual appraisal and personal development plans. They monitor how many of their staff have had annual appraisals, and the numbers have been steadily increasing, not just for nurses, but for the whole workforce. Everybody, from a porter to a consultant, should have an annual appraisal. We are seeing an increase in the number of people doing that. I am sorry, that was a slightly complicated answer.

[53] **Mike Hedges:** It was not at all a complicated answer; it just failed to meet the requirement of being an answer, in some respects. What I am trying to say is that if data are being collected on the professional development that people are doing, and some of that professional development may well include this, why not collect those data once and use them many times? If it is being collected for one use, why cannot the same information be collected for other uses? Is that clear?

[54] **Professor White:** Indeed. Things to do with registration, however, are between the individual and the regulator, rather than the organisation. So, it is not the organisation that would be gathering these data for training purposes that would inform the regulator. It is the method of reporting that causes some of the challenges, which does not make it easy to gather once and use many times.

[55] **Sandy Mewies:** Good afternoon. We are told that 86% of wards now have protected mealtimes, which means that 14% are not implementing them. Are there particular reasons why they are not implementing them or are there barriers to doing so? If that is the case, are there particular hospitals or wards where this is causing a problem, geographically or otherwise? Is allowance being made for carers to, where they wish to, be included in the process so that, if they are able to help, they can do so?

2.30 p.m.

[56] **Professor White:** We have been monitoring compliance with protected mealtimes and, as you say, we have seen an increase. It is now at 86%. All organisations have some areas; so, it is not one patch in Wales where someone is not doing it. It is spread geographically across Wales. All of the health boards are committed to ensuring that protected mealtimes are introduced; so, we are expecting a move towards 100% compliance under this indicator.

[57] In respect of carers being able to help, we wrote in March 2012, I believe, to remind the health boards that when we put out the guidance around protected mealtimes it was not to exclude family members or carers who wished to come in to support their relative in eating and drinking. We re-enforced that. Our understanding is that it is fully understood now that that is not a barrier. In fact, all of the health boards in Wales are now adopting volunteers and inviting other people to come in at mealtimes to support the patients and clients. Whatever misconception was there when we last came to give evidence—and I agree that there was some misconception—we have worked hard to make sure that that has been removed. When I have walked around—and I go on visits all across Wales—they have all reassured me that it is not a problem at all, and that all relatives are welcomed at mealtimes and, in fact, are

encouraged to come in to spend time to help their loved ones at that time. I am comfortable, if you like, that that is being addressed.

[58] **Sandy Mewies:** It is a very simple question, really, but protected mealtimes are a jolly good idea. I am sure that other people can empathise with my own experience of when my father, who was quadriplegic, was on a hospital ward and was left to try to feed himself. That was a long time ago, I am glad to say; so, it is very heartening to see that things have improved. Therefore, you have your protected mealtimes and you have people there to help, but is it working and does someone just wander around afterwards to check that food is still not sitting on the tray? If food is still sitting on the tray, do staff then ask, 'Why?' and 'What is the reason for this?'

[59] **Professor White:** Yes. We want to monitor wastage of food. So, there is a requirement, if you like, to have less than 10% wastage of food. It is around 6% in Wales at the moment. So, there is a requirement, if you like, to make sure that we are not throwing away food. A lot of the areas that have protected mealtimes also have a thing called intentional rounding, where staff go around every hour to make sure that the patients have everything that they need. It is often picked up under that kind of arrangement. So, it is part of what I would say are the changes in practice that we are seeing across Wales about being much more focused on the needs of the individual, and being much more patient-centred. So, I have seen this in practice and we talk, through the transforming care programme, about whether ensuring that staff are freed up to give more hands-on care is tackling that area.

[60] **Sandy Mewies:** Thank you for that. The all-Wales menu framework was launched at the end of January 2013. How will the Welsh Government evaluate the framework based on patient feedback?

[61] **Ms Howell:** Over the next few weeks, we will be undertaking a baseline survey—a customer or patient satisfaction survey. Approximately 20% of patients in Wales will have an identical questionnaire to assess what they think of the food at the moment. As you know, most of the LHBs are just about rolling out the new framework. This survey will then be repeated on an annual basis, and we are looking at putting the same questions into the fundamentals of care audit so that we can follow and monitor patient acceptance and enjoyment of their food.

[62] **Darren Millar:** Jenny, you wanted to come in on something.

[63] **Jenny Rathbone:** I just want to know how you know that only 6% of the food is being thrown away.

[64] **Ms Whiting:** We collect information on waste through an annual audit, which is undertaken by colleagues in the NHS. It is done over a seven-day period, and—

[65] **Jenny Rathbone:** Is it always over the same seven-day period across the Welsh estate?

[66] **Ms Whiting:** Yes, it is. The results from that are then sent to our colleagues in shared services, to the facilities team, and an average result is produced for each major acute site, and then for each particular health board, taking all of its hospital sites into consideration.

[67] The actual measurement that we take is of untouched meals, so, these are meals that are sent up to the wards but not served to patients. There is recognition of the fact that other waste is being produced; there is waste on the plate itself, and there could be waste in the kitchen through production. At the moment, those are not measured through this data collection exercise, but we are in discussion, through this all-Wales catering group, about

potentially extending that in the future. Some organisations do those kinds of exercises now. For example, Cwm Taf measures the production waste at its central production unit, and our colleagues in Powys have introduced an audit tool, based on tools developed by our colleagues in the Wales Audit Office, that looks at plate waste. They undertake that on a more regular basis. Neither of those has been rolled out across Wales as yet; at the minute, it is just untouched meals.

[68] **Jenny Rathbone:** So, the untouched meals is really measuring whether or not the ordering systems are appropriate, so that we know that we have x number of patients on the ward and we therefore need x number of meals. So, that would not capture whether patients are having a meal placed beside them that they are then not touching, because they would not be untouched meals in the context that you have described. So, we do not really know what progress has been made, apart from in places such as Cwm Taf and elsewhere—

[69] **Ms Whiting:** Powys.

[70] **Jenny Rathbone:** It is quite a big issue, because there is the wellbeing of the patients and whether they are being nourished sufficiently while they are in hospital, and then there is the waste of food, which is ethically disturbing for all sorts of reasons. In addition, there is the cost, in terms of all the stuff that we will have to dispose of. I see that you have given yourselves some targets for the recycling, composting or sending for anaerobic digestion of food waste, but not until 2015. Why is it taking so long? It is not rocket science.

[71] **Ms Whiting:** The target that you refer to has been set by a number of bodies, the Welsh Government included. There are others—the Scottish Government and some voluntary sector bodies—and it is a voluntary arrangement.

[72] **Jenny Rathbone:** But it is all costing money in terms of landfill, so why are you not doing it now?

[73] **Ms Whiting:** The Welsh Government target in relation to waste was set following the recommendation of Wales audit colleagues in March 2011. It was that there should be less than 10% waste across all of the hospital sites for each health board by the end of 2012-13. Clearly, 2012-13 finished at the end of March, but we are at the moment going through the data collection process for that year. We have data for 2010-11 and 2011-12, and they show that, by the end of 2011-12, all organisations were meeting that target, with the exception of Powys, and we have been working with Powys subsequently to put an action plan in place. So, we will have the data for 2012-13 collected by the end of June, and we will have the results in the autumn. At that point, we will be able to assess whether the target has been met and what the next stage is in terms of target setting to bring waste down even further.

[74] **Jenny Rathbone:** Okay, but at the moment, we are not really clear about how much waste we have got, because we are measuring only the number of meals that go up and are not taken.

[75] **Ms Whiting:** That is a valid point. As I said, at the local level, some are collecting production waste figures, and some are collecting figures for waste on the plate. We have not had data collection on an all-Wales basis for that, but it is something that we are exploring.

[76] **Jenny Rathbone:** So, we still have quite a long way to go to ensure that we are not wasting money on food that is not eaten.

[77] **Darren Millar:** A couple of Members want to come in on this particular issue.

[78] **Aled Roberts:** Gofynnaf fy **Aled Roberts:** I will ask my question in

nghwestiwn yn Gymraeg. O ran y targed o lai na 10% o'r bwyd yn cael ei wastraffu, a yw hwn yn darged yng Nghymru'n unig, neu'n darged ar lefel Brydeinig? A yw'r targed hwnnw'n cael ei ddiffinio? O fy mhrofiad i o lywodraeth leol, y ffordd yr ydych yn curo targed yw trwy ei ailddiffinio. Felly, rydych dim ond yn mesur y bwyd nad yw'n cael ei gyffwrdd er mwyn sicrhau eich bod yn cyrraedd y targed o 10%. Mae'n amlwg, petaech yn mesur popeth sy'n cael ei wastraffu, y byddai'r ffigur llawer iawn yn uwch na 10%. Bu ichi sôn bod Cwm Taf yn mesur yn wahanol; beth yw'r ffigur o ran Cwm Taf?

Welsh. With regard to the target of less than 10% of food being wasted, is this a target in Wales alone, or is it a Britain-wide target? Is that target defined? From my experience in local government, the way that you hit a target is to redefine it. So, you just measure the food that is not being touched in order to ensure that you meet the 10% target. Obviously, if you were to measure everything that was wasted, the figure would be much higher than 10%. You mentioned that Cwm Taf measures in a different way; what is the figure for Cwm Taf?

[79] **Ms Whiting:** To pick up your first point, it is a Wales-only target. It was set as a result of the recommendation of the Wales Audit Office report in 2011. In terms of the way that you then measure your data to see that the target has been reached, that is a valid point. I do not know whether the Wales Audit Office has conducted any follow-up work to its audit that informed its 2011 report, because that was something that it raised as a concern at the time. However, I do not know whether any follow-up work has been done on that. I am sorry, what was your final point?

[80] **Aled Roberts:** I asked about Cwm Taf's figure.

[81] **Ms Whiting:** The point that I made earlier was that it measures production waste. It has a centralised production unit that produces all of its food and it also now supplies a number of other organisations. So, it supplies some to Powys and Velindre. It has a cook-freeze facility and the raw ingredients come in ready prepared. It says that there is no waste from that facility, because, for example, potatoes come in peeled and chopped and the meat is already prepared. So, it is able to assemble that food, cook it, then freeze it ready for redistribution and regeneration at a ward level. Using that methodology, its waste, in terms of production, is minimal.

[82] **Aled Roberts:** However, the problem is that it just measures the production waste; it does not measure the end result, where 25% of it could have been put in food bins at the hospital.

[83] **Ms Whiting:** What happens then is that that food is taken to the wards. In Cwm Taf, they regenerate in the ward, which means that patients are able to order their meals within a relatively short time of them having the meals. They are finding that there is less waste in terms of untouched meals because there is a shorter time between the patient ordering and the patient receiving their meals. So, they can take account of the patient's condition.

[84] **Darren Millar:** And the patient's preference.

[85] **Ms Whiting:** Yes.

[86] **Aled Roberts:** May I ask a short question?

[87] **Darren Millar:** Very briefly, Aled, because we have a number of other questions to ask.

[88] **Aled Roberts:** We are moving on to public service delivery in the next session, and it

is staggering that in 2013 we have local authorities that have been paid by the Welsh Government to collect food waste from every home in the county. Most authorities have put that in place now for their schools and yet, from my own experience, the NHS still has commercial contracts for food waste, which lead to that food waste being dumped in landfill sites. That does not seem very joined-up to me.

[89] **Professor White:** We will have to look into that. That is a fair point.

[90] **Darren Millar:** Could you send us a note on that, as it would be interesting to see the end destination of the food waste? You made reference to composting et cetera; it is an important point. I call on Oscar, very briefly.

[91] **Mohammad Asghar:** Professor White, I get constant complaints from the Royal Gwent Hospital regarding the food. Patients get great care and treatment by the doctors and nurses, but one patient who was there, despite being nicely treated, died after two weeks. The family complained to me about the food standards. They were not allowed to take food from home and the standard of the food in hospital was diabolical.

2.45 p.m.

[92] Another patient came to me—she survived, but she did not eat the hospital food either. She said that a beef burger was worse than horse meat. My colleague will ask a question on this, but how do you monitor the people who do not eat hospital food, because nutrition is very important after an operation? Why are some patients not being properly cared for in that way? Only one tray is dumped on you, and whether you take the food or not, no-one asks why you have not eaten it and no-one even asks if you want something else to help you in another way. There is no such thing in the hospital.

[93] Finally, do you keep a record of people who do not eat hospital meals? You have data on people who eat the meals, but what about the people who do not?

[94] **Jocelyn Davies:** Are patients routinely—*[Inaudible.]*

[95] **Darren Millar:** There are a number of points there. There is one about what you are doing to make meals appetising, and the second one is what you are doing to make sure that people are consuming them, so that they do not suffer ill health as a result of not having a decent meal.

[96] **Professor White:** On the first question about the quality of food being put in front of people, the all-Wales menu work should help to address that, because, as part of developing the menus, they are looking to see what a nutritional meal is—what the ingredients are and how it should be prepared. We have appointed a national nutritionist—I will turn to Maureen in a moment, who knows more about this—whose work is to try to tackle some of these things.

[97] It is important to say that, when we introduced the all-Wales nutrition pathway, the whole point of having the food record was to make a record of what people have eaten. Although we are not able to have it on an electronic database so that I can tell you what people have eaten, the record monitors what the individual has eaten and drunk. The whole point of the record is to help that. If you remember, the last time that I came before the committee, I brought the posters that are put up on walls that tell you what a plate of food is. If you are trying to make an assessment, you want to make sure that everyone is assessed in the same way, whether they have a whole plate of food, half a plate of food or a bit of a plate of food. They use that as a recording. I just wanted to note that for the record, because I did not want you to think that no monitoring is going on. All mealtimes are supervised by a

registered nurse—they are not just left to support and catering staff anymore. So, mealtimes are overseen by a registered nurse. Checking to make sure that someone has eaten something is very important.

[98] All areas now have the availability of snacks, and we are working to look at the quality of snacks. I went on a visit last week to the Royal Gwent Hospital, and I visited a number of areas. One of the places that I went to was the emergency department. As you know, we have had a very tough winter during which lots of people had to wait quite a long time before getting placed on wards permanently. Snacks for people to eat have been introduced, and hot meals for those people who will be there for a period of time have also been organised. So, I am seeing a real positive change within that hospital, because it is looking to see how it can make sure that people have something to eat, even when they are in places in which regular meals are not normally provided for people.

[99] **Mohammad Asghar:** Did you go to the public canteen in the Royal Gwent, which has better food, rather than the wards?

[100] **Professor White:** I was given a sandwich from there, which tasted fine, thank you. *[Laughter.]*

[101] **Julie Morgan:** Oscar said that relatives are not allowed to bring in food. Could you explain whether that is the policy? I have always taken food into hospital for people.

[102] **Professor White:** It is not part of the all-Wales nutrition pathway. People do bring food into hospital. For some people who may be on a restricted diet or who are having particular treatments, you would discourage that. For example, if you have someone who is having a particular bowel preparation before going into surgery, you would not want relatives to start rocking up with trays of scones and things, because that might affect their care. It is more around the patient—it is not a blanket bar.

[103] **Julie Morgan:** What about specific ethnic cuisine?

[104] **Professor White:** I will turn to Maureen on this point.

[105] **Ms Howell:** In terms of nutritional standards and the hospital menu framework, the needs of all specialised diets are taken into account. The aim is to make the food available appropriate and familiar in terms of normal diets. That includes special diets for cultural and religious needs, and diets that meet normal personal preferences.

[106] In terms of the quality of the food, the idea of the hospital menu framework is to standardise food across Wales. There is a lot of good work already going on by caterers across Wales and they have all contributed to that. What we have produced is a standardised set of recipes with ingredients lists, and we are working through procurement with the new procurement dietician to ensure that the good-quality ingredients that meet the nutritional standards that are required are there. It is not just about nutritional requirements; we also look at the palatability and acceptability of the food.

[107] **Jocelyn Davies:** I was going to ask about the procurement dietician. Do you expect financial savings to be made because of that? Perhaps you could also say something about local sourcing, because we know that that was in the auditor general's report, certainly in relation to ethnic menus. Where are they being sourced from and what is the quality of the food? I can tell if I have made a nice meal because I do not throw it away and my family does not throw it in the bin. If a lot goes in the bin, I know that it was not very good.

[108] **Ms Howell:** I will try to answer all those questions. The procurement dietician is

jointly funded by all the local health boards and was appointed in February. Her role is to work closely with procurement to develop the all-Wales contract specifications so that we can contract on a larger scale and introduce some economies of scale. What she has done to date, as Jean mentioned, is to look at snacks. That is a new element of the requirements of hospital food that was laid out in the standards to be introduced. So, she is working with manufacturers across Wales to look at how we can develop snacks to fulfil the nutritional requirements. She is also looking at work around soups. A lot of soups that are produced on site now adhere to the recipes that we develop that meet our nutritional specification. However, sites that do not have the facilities to produce soups have to procure them through suppliers. At the moment, there are no soups on the commercial market that meet our requirements. So, she is working with manufacturers on that. Certainly, as far as possible, within European Union guidelines, we are involving as many Welsh suppliers as we can and local suppliers to fulfil some of those contracts.

[109] In terms of ethnic food, at the moment, the areas that need that food procured do it through special suppliers and the procurement dietician has not yet moved on to that. However, that is part of her next work. That work will not necessarily just look at ethnic food but at all the other specialised diets. There is a separate group looking at textured modified products for those people who have swallowing difficulties. So, we are looking firstly at the standard menu and at getting that right and then at the more specialised needs, but it does not mean that those needs are not already being addressed.

[110] **Jocelyn Davies:** Are those who have been assessed as having nutritional problems weighed when they go into hospital?

[111] **Professor White:** That is part of the assessment within the first 24 hours.

[112] **Jocelyn Davies:** It is included.

[113] **Professor White:** Yes. Part of the research has shown that one in four people coming into hospital are actually malnourished, so part of the assessment is to work out what their actual weight is. So, yes, weighing is part of that.

[114] **Darren Millar:** Are they weighed on a regular basis once they are in hospital?

[115] **Professor White:** If it is determined that they have a problem and need to have their food and fluid monitored, then, yes, that is ongoing. However, you have to remember that a lot of people are not in hospital for any great lengths of time now, so it tends to be more for those people who are on longer stays. We would not do it every day, for example.

[116] **Aled Roberts:** O ran y pwysu, cawsom dystiolaeth fod yr arfer yn wahanol o fwrdd i fwrdd. Rwy'n cofio gyda bwrdd ieuchyd y gogledd bod problemau mewn rhai manau. A yw'r sefyllfa wedi gwella ers i ni gael y dystiolaeth honno? **Aled Roberts:** We received evidence in terms of weighing that the practice was different from board to board. I remember that there were problems in some areas with the north Wales board. Has the situation improved since we received that evidence?

[117] **Professor White:** I am afraid that I do not know what the state of play is in every board and what their practice is. I know generally that it is part of the compliance with assessment when people go into hospital and our dashboard would indicate that around 90% of people are assessed. So, they have to have a mechanism in order to weigh them. I am not sure, to be honest, whether the 10% who have not been weighed is a problem area that is related to how they are weighed.

[118] **Aled Roberts:** Rwyf am symud **Aled Roberts:** I will move on to food

ymlaen at sgoriau hylendid bwyd. Ym mis Chwefror 2012, ysgrifennodd y cyn Weinidog at y byrddau iechyd yn gofyn i'r prif weithredwyr wneud yn siŵr bod y sgoriau'n cael eu harddangos yn yr ysbytai. Mae ymateb y cyrff o fewn y gwasanaeth iechyd braidd yn siomedig, gan ddweud mai dim ond ar safleoedd lle mae ystafelloedd cinio neu ar wardiau lle mae ceginau mae'r arfer yn cael ei weithredu. Byddai'n ddiddorol gweld faint o wardiau gwasanaeth iechyd yng Nghymru sydd â cheginau. Fy mhrofiad i yn Wrecsam yw nad ydynt yn bodoli yn y rhan fwyaf ohonynt. Felly, ar hyn o bryd, mae'n ymddangos nad yw'r gwasanaeth iechyd wedi derbyn yr hyn a fynegwyd gan y cyn Weinidog. Nid yw'n gwneud yr hyn a ofynnodd iddo ei wneud.

hygiene ratings. In February 2012, the former Minister wrote to health board chief executives asking them to make sure that the ratings were displayed in hospitals. The response from bodies within the health service is somewhat disappointing, saying that that practice is only implemented on sites where there are dining rooms or in wards where there are kitchens. It would be interesting to know how many NHS wards in Wales have kitchens. In my experience in Wrexham, most of them do not. So, at present, it appears that the health service has not accepted what was expressed by the former Minister. It is not doing what she asked it to do.

[119] **Professor White:** If I understand your question correctly, certainly, some wards will not have kitchen facilities. Most of them were taken out a few years ago. I am sure that Val will give you further evidence. In those hospitals that have on-site kitchens that supply the wards, they are required to show their hygiene rating. That has been introduced right across Wales. We have evidence of those hospitals that are at a particular rating, whether it is 5, 4, 3, 2 or 1. Can I be clear about what you are asking me?

[120] **Aled Roberts:** When the Minister responded to our recommendations previously, my understanding was that she had written to the chief executives of all the health boards, asking them to ensure that food hygiene ratings were displayed in prominent positions on NHS sites. In district general hospitals—certainly in my area—the vast majority of wards do not have kitchen facilities. I have not checked recently, I must admit, but I cannot remember seeing a hygiene rating certificate on the main entrance to the hospital. It would appear from this response that the chief executives in those health boards are saying that they would only think that they need to display them where there are dining rooms or kitchens on wards, which was not my understanding of what the previous Minister indicated that she had instructed the health boards to do.

[121] **Professor White:** The whole issue around food hygiene rating is also subject to the Food Hygiene Rating (Wales) Act 2013. There will be more statutory requirements around this—I think that the Act had its Royal Assent back in March—and there will be certain statutory requirements coming in from this November. All hospitals have to have a food hygiene rating, and we know which hospitals have which rating, because we are informed of that. I do not know where in the hospitals they are required to display it. I do not know whether my colleagues—

[122] **Darren Millar:** It would be helpful if you sent us a note showing why you are content that they are meeting their obligations in terms of the food hygiene rating display. Perhaps you could also indicate where the NHS is at in terms of 5, 4, 3, 2 and 1 ratings.

[123] **Aled Roberts:** Or, more importantly, 0.

[124] **Professor White:** We have those data with us now if you want to know that—

[125] **Darren Millar:** Put it on the record, by all means.

[126] **Professor White:** We had one hospital that was given a 0 rating earlier this year—it was in the media, so it is known about—which was Llandough hospital. There has been an urgent order put on it to make changes and improvements. The local authority is about to go back to re-audit and re-score it to make sure that it has moved off that 0 mark. One other hospital was on a 1, which was Maindiff Court Hospital in Abergavenny. When we reviewed the audit process to do with that hospital, it would suggest that only part of the requirements were in place. It probably should not have been audited at that time. Giving it a rating of 1 is somewhat misleading. When we went back, it was to do with the nature of one of the wards; the patients there are required to be self-caring as much as possible, and are encouraged to do their own cooking and so on. The way that the audit was carried out gives a very misleading outcome.

3.00 p.m.

[127] Llandough hospital is the only one that we know of at the moment that is of concern. The Minister wrote to the chief executive of Cardiff and Vale University Local Health Board to take immediate action. We are about to have the re-audit mark, and we expect it to be much higher. Most of the others—well over 86%—have either ‘good’ or ‘very good’ ratings across Wales. There are three that are generally satisfactory and three that need to make some modifications. It was only Maindiff Court and Llandough hospitals about which we had concerns.

[128] **Jenny Rathbone:** I need to clarify whether we have any hospitals where we have in-patient facilities where we do not have a kitchen that can prepare soup or basic meals. Something that Maureen said indicated that there were some places where we could not prepare soup, which is hardly a very complicated process. I am not suggesting that we need to have kitchens on every ward, but where there is a hospital site, surely we have a kitchen that is capable of delivering food; is that the case?

[129] **Professor White:** That is my understanding; yes.

[130] **Jenny Rathbone:** Under what circumstances would they not be able to prepare soup?

[131] **Ms Howell:** There are some hospitals that are looking at capacity. To go suddenly from what they were doing previously to start to make soup for large numbers of patients will either take some changes to the system that they are using or a reallocation of the time that is allocated to preparation. Traditionally, hospitals have purchased soups from manufacturers. In most hospitals, there is a mixture of what they produce on site and what they buy in. With the introduction of the all-Wales hospital menu framework, where there are specific requirements for the soups made, we are working with hospitals to look at how we can release some time from other areas of food preparation. We are also looking at kitchen space for preparation and whether we should buy in ready-prepared vegetables that are already chopped and ready to be cooked. There is some manoeuvring in terms of time and capacity in those kitchens that are on site.

[132] **Jenny Rathbone:** There is, obviously, a huge amount of work to be done.

[133] **Darren Millar:** I am afraid that the clock has beaten us. You have been very helpful today; we are very grateful for your attendance at committee. You have undertaken to give us a little more information about the timetable for ICT procurement and on the take-up of training, in terms of your confidence regarding the robustness of the data that you have for the mandatory training. We would appreciate that information very much, as I think that that was an important point. Thank you very much. You will be sent a copy of the transcript, and we will have those bits of information from you.

[134] We are going to go into private session for a couple of minutes before the next part of our meeting.

*Gohiriwyd y cyfarfod rhwng 3.03 p.m. a 3.11 p.m.
The meeting adjourned between 3.03 p.m. and 3.11 p.m.*

**Y Diweddaraf gan Lywodraeth Cymru ar Weithredu'r Argymhellion a
wnaed yn Adroddiad y Pwyllgor Cyfrifon Cyhoeddus 'Darlun o
Wasanaethau Cyhoeddus'
Update from the Welsh Government on the Implementation of
Recommendations made in the Public Accounts Committee Report 'A
Picture of Public Services'**

[135] **Darren Millar:** I apologise for the slightly late start for this item, and for keeping you waiting as witnesses. I welcome to the table Dr June Milligan, director general, local government and communities in the Welsh Government, Piers Bisson, head of public service reform division, and Abigail Harris, director of strategy and policy. We appreciate your coming before the committee to give us an update.

[136] It is some time since the committee produced its report, which was back in April of last year. A lot has happened since then. The latest projections seem to indicate that the public spending squeeze, as far as the UK Government's spending review periods are concerned, is likely to continue for a number of years yet, up to perhaps 2016-17. What are your latest projections as far as Welsh public finances are concerned, June? You can give us an update and make a few opening remarks.

[137] **Dr Milligan:** Thank you for the welcome. We are pleased to be here today. This is an important programme of work. That is borne of a recognition, partly prompted by the 'A Picture of Public Services' report and the committee's work, of the seriousness of the challenges facing public services in Wales—challenges that, since we were first here on this subject, have increased through the continued austerity, and also through choices made around the impacts of welfare reform.

[138] I have some figures that I can offer you—they will be familiar to you, in terms of the budgetary position. Would you like me to do that?

[139] **Darren Millar:** Yes, please. While you are finding those figures, one of the things that we noted in our previous report was that local government, in particular, felt that it had done better from Welsh Government settlements than it had anticipated. It certainly appeared to be doing better than local government in other parts of the United Kingdom. Is there capacity for a bit more of a squeeze on local government, perhaps, over the next few years? Should it expect a bit more of a squeeze, or is that something on which you cannot comment?

[140] **Dr Milligan:** I am happy to address both of those questions; thank you for bearing with me. Let me just offer you those spending review figures. The spending review in 2010 was the most difficult settlement for Wales since devolution. You will be aware that, in real terms, the Welsh Government's budget will be £1.4 billion lower than in 2010. Since the spending plans were published, we have seen further revenue reductions coming through of £32 million in this financial year, and £81 million for 2014-15. That is before we know the announcements that will flow from the spending round announced by the UK Chancellor, and expected in the last week of June. So, the position is particularly difficult.

3.15 p.m.

[141] We have also done work to show the impacts of welfare reform. The most recent figures there, which have been worked by Sheffield Hallam University, indicate over £1 billion lost to spending power in Wales as a result of those reforms. So, those figures too, as our research has gone on, just keep getting worse and worse, and compound the challenges.

[142] In terms of the future for local government, I could reiterate what the First Minister has already said about the challenges that Ministers face. He has indicated publicly that, in looking at the spending decisions that they will have to make, Ministers face very difficult choices. He has specifically said that not all current spending lines will be able to be sustained. So, within Government we are being encouraged, and indeed are heavily engaged in work, to look at each individual spending line, looking again at the value for money, looking in particular at the circumstances that we face now and to see what can have the most impact on those particularly vulnerable groups that are heavily affected by the compounded effects of recession, austerity and welfare reform.

[143] **Darren Millar:** Thank you for that. I now call on Jocelyn.

[144] **Jocelyn Davies:** Your paper sets out in some detail the financial leadership network, which seems to be limited to finance professionals. You know that the committee has broader concerns about improving financial management across the public sector among managers and officials who are not financial experts. What are you doing to address those concerns?

[145] **Dr Milligan:** The response that we provide, I think, is in respect of your first recommendation. It relates to the particular work that has been done in strengthening the finance professionals. Strengthening the financial professionals' own capability, of course, has a much wider impact because the senior leaders, whether political leaders or chief executives across the public service, are reliant on that financial capability to inform their decision making to do a lot of the analysis that underpins the strategic choices that we will make. So, I do not think that we would make any apologies for focusing on that financial leadership work. We are getting a very good buy-in across the public sector from senior leaders encouraging people to be part of it.

[146] Perhaps I could just offer you some of the practical workings of that. The network forum has 303 professional members across public services in Wales. They have organised themselves around a website where they show information, not just about the network's own activities but, for example, information from accountancy bodies, so, professional information that keeps them up to date with best practice. That website—and I know that this is not a perfect indicator—has had 2,067 site visits in the last 12 months. So, there is quite a significant level of use and reliance upon that. They are also having their own exchanges of best practice through regional networks and then come together nationally fairly frequently with national conferences that are held on specific topics, going beyond just a brief, 'How is it going?', into some of the things that they can do in terms of financial projections. The other thing that they are doing significantly is their own continuous professional development; so, leadership programmes within the financial community, many of whom come through to the most senior leadership positions. So, 57 participants have already attended that financial leadership programme, with 59 more to come.

[147] **Jocelyn Davies:** So, your focus is on financial professionals and not a wider focus on public officials and managers within the public sector. Your strategy is to upskill and to create excellence among financial professionals. You know that—

[148] **Dr Milligan:** I am sorry, but may I clarify something? I did not mean to suggest that it was to the exclusion of everything else. I was focusing on what we felt was the strongest response to this particular recommendation, but, of course, financial leadership work sits within the whole of the Academi Wales programme, which is offering accredited programmes

for leadership across the public service, including for recently elected councillors. There was a determined effort to move it so that joint work was done between officers and members.

[149] **Jocelyn Davies:** So, you are able to demonstrate that improved financial management is spreading out across the public sector from the work that you are doing.

[150] **Dr Milligan:** Yes, it is a programme that is supported by European funding. You will know that the Welsh European Funding Office has strict monitoring criteria where it makes an investment, so we have quite a lot of data about specific activity, and not only about the inputs, but the outcomes. So, for example, they are capturing the number of people who have advanced in terms of their professional development, but also in terms of progression within organisations from participation in those programmes.

[151] **Jocelyn Davies:** Are you able to let us have figures on that?

[152] **Dr Milligan:** Yes, we could offer a note if that would be helpful.

[153] **Jocelyn Davies:** There was one thing that I wanted to raise with you. You mentioned in your introductory comments austerity, welfare reform and so on, but I put to you that surely there should be excellent financial management even when budgets are not being squeezed.

[154] **Dr Milligan:** Absolutely.

[155] **Jocelyn Davies:** The consideration of value for money and looking at spending lines are surely things that should have been routine work anyway.

[156] **Dr Milligan:** Absolutely, and that is at the core of public service delivery. However, this is a particular focus, and, apologies, but we have drawn out the things that we thought were appropriate to specific recommendations, but it sits as part of a wider programme.

[157] **Mr Bisson:** May I add one element on finance skills? In addition to what is reported here, many of the individual organisations would have their own programmes to help to train their staff. So, in the Welsh Government, we have just established a training package of finance skills for all, and there would be similar types of approaches in other organisations.

[158] **Jocelyn Davies:** That is available to non-financial officials, is it?

[159] **Mr Bisson:** Yes, absolutely.

[160] **Mike Hedges:** May I talk about reserves? Reserves vary quite a lot. In difficult times, there may be opportunities to use reserves to support capital or one-off expenditure rather than building it in to long-term revenue expenditure. Does the Welsh Government intend to give advice on the minimum level of reserves that local authorities should hold, so that those that have money above that will be coerced, pushed or enthused to start spending it? My experience is that I have never known an auditor to say, 'You've got too much money in reserve'. They always tell you to be prudent. I think that there should be advice to try to get some of those reserves spent, because that is what they are there for.

[161] **Dr Milligan:** That is an interesting observation. I will let the auditors answer for the advice that they offer. It is local authorities that are responsible for determining those levels of reserves, advised by auditors and by their finance directors, who have a statutory responsibility in that regard. However, the levels of reserves are matters of public interest and, therefore, they are matters of Government interest. So, a year ago, in March 2012, we commissioned a study from the Wales Audit Office to look at the levels of reserves and how

they were used across Wales. You have probably seen the published report. That identified that there was scope for improved reporting on the management of reserves, so not just reporting on the overall levels, because they are reported and we know what they are, but reporting them locally and having an understanding of what they were used or earmarked for. They vary across local authorities. The overall level is some £1 billion held in reserve in local government at the moment, but that is a slightly misleading figure, because some £850 million of that figure is earmarked for things such as capital expenditure that has been committed through private finance initiatives where revenue streams are required or for capital expenditure that is foreseen, for example, on twenty-first century school programmes. So, that is in addition to the general reserves, which are held against contingency and for service provision.

[162] You asked about coercion. I am not sure that we are into coercion, but we were encouraged in one of the recommendations to prompt the use of reserves for transformation. The Minister has recently written again to all local authorities urging that, in the light of the financial position, they look again and see whether they are utilising the reserves as effectively as possible for transformation. As part of that exercise, we are collecting some more information to supplement the WAO study on the current policies on the management of reserves.

[163] **Mike Hedges:** I would like to come back to you on two questions. One is: can you identify any auditor's report produced anywhere in Wales for local authorities that says that their reserves are too high and they ought to start reducing them? If you can, I am sure that I and the rest of the committee would like to see that. Secondly, on the earmarked reserves, in a previous life I un-earmarked a large number of them, and you have to have something down for IT replacement, whereas if you go into leasing, you can remove that from the earmarked reserves. We had reserves earmarked against insurance claims, which we reduced by spending the money on pavement and road maintenance, which reduced the claims. So, not only can reserves be earmarked, but some of them can be un-earmarked, if there is such a word, or removed from the earmarked reserves and used, in some cases, to reduce the cause of having to have them. Has any advice been given on that?

[164] **Dr Milligan:** I cannot answer your question on whether there has ever been a report, I am afraid.

[165] **Mike Hedges:** Have you ever seen one?

[166] **Dr Milligan:** I have never seen one, no, but that would not mean that there is not one out there. In terms of the management of reserves, what we are doing is urging people to look at them for transformation that would make services more sustainable. So, it stops short of saying what you should not do with them, or offering those things, but I think that the WAO report, which is still available in published form, drew out some examples of where more innovative use was being made of them, which people could learn from.

[167] **Darren Millar:** You said that there was £1.1 billion in reserves, and about £850 million earmarked, so that is £350 million that is un-earmarked, and which you think might be available for investment in public services in Wales through local authorities—by your assessment.

[168] **Dr Milligan:** Not quite. The general reserves are held for the purpose of managing services across the financial years. So, general reserves, for example, would be held to avoid what people sometimes refer to as March madness, to save people feeling that they would have to spend at the end of a financial year. Money in general reserves is sometimes held for those good financial management reasons. The other reason that general reserves would be held would be around contingencies where local government has important responsibilities—

for civil contingencies, for example. As Members have drawn attention to, it would not necessarily only be general reserves, but also some earmarked reserves that can be used rather differently and released for transformation activity.

[169] **Darren Millar:** How do you test how genuine the earmarking of a reserve is? You have heard some examples of things that are earmarked, and, sometimes, local authorities will no doubt be encouraged to earmark something just in order to say that it is earmarked, rather than it genuinely being needed and potentially being called upon. How do you test that as a Government? Do you test it at all?

[170] **Dr Milligan:** That is a matter for local democratic scrutiny and for the financial staff there. What we are doing is taking an interest, which reflects the public interest, and trying to bring greater transparency to this so that people can understand better how that money is being used, and what the alternatives—

[171] **Darren Millar:** So, you do not ask those questions yourself.

[172] **Dr Milligan:** We have not gone back to ask specific questions about the validity of an individual authority's policies, because those are matters that we have asked to be articulated—

[173] **Darren Millar:** But if you are giving the majority of the funding to that local authority, is that not something that you should take an interest in? It is something that the Welsh Government has done in education, for example, with the reserves held by schools.

[174] **Dr Milligan:** We are certainly very interested in it, and we are asking them to articulate it. Very soon, we will have the latest round of responses to that. So, we will have 22 expressions of how those are being used, and we will have to look at those. If there was cause for concern on the back of those, or if there were good things that we were hearing through some of that correspondence that we thought should be shared, then we might feel that there might be a role for us there.

[175] **Darren Millar:** That is for local authorities. In terms of minor authorities such as community councils, some seem to have significant reserves, while others seem to have very small reserves, but there is nothing that you do to monitor the scale of those, is there?

3.30 p.m.

[176] **Dr Milligan:** No, there is not.

[177] **Darren Millar:** Okay. Thank you.

[178] **Jenny Rathbone:** Given the extent of the austerity measures coming down the line—which are getting worse by the hour, it would appear—and the Government's emphasis on improving delivery, there is obviously huge pressure on all public bodies to do things differently in order to do things better. We have several different initiatives: the reform delivery group, the public services leadership group, the partnership council, Academi, and the new commission on public service governance and delivery. How do these all fit together without duplicating effort?

[179] **Dr Milligan:** I can believe that that is very confusing, particularly because we tend to refer to them by acronym. If I can, I will just explain the hierarchy.

[180] **Jenny Rathbone:** Your little annex, will it help us?

[181] **Dr Milligan:** It should help you, yes.

[182] **Jenny Rathbone:** Fine.

[183] **Dr Milligan:** The political direction for this programme is provided through the partnership council, which is the statutory relationship between the Welsh Government and public service. It was recently reformed, as you will be aware, after the last election to include representation from health bodies, which previously had not been represented there—representatives from fire and police bodies had always been a part of that body. We further strengthened the political oversight of what, up to then, had pretty much been an executive-led, public service reform programme through the formation of the reform delivery group, which the Minister chairs. It involves the leaders from each of the six collaborative regions that have been established in Wales. That is a new forum that is taking decisions. For example, it took decisions on the latest round of projects for the regional collaboration fund. So, those two arrangements provide political leadership for the public service leadership group, which is the group of local authority leaders, health leaders, fire and police, as well as the voluntary sector, who have been providing over the period the stimulus for the public service leadership programme and its work streams.

[184] Each of the individuals at that table who comes from an executive background also has a leadership role for one of the main work programmes. So, that is where the engine room for the executive leadership of the programme sits. It sits within the political direction provided by the partnership council and reform delivery group, and then there is a programme management structure beneath the public service leadership group, focused on the four main programmes of procurement, assets, effective services for vulnerable groups, and the organisational development and Simpson implementation programme. So, that is the hierarchy.

[185] If it helps, just to get a sense of the different decisions that are taken at those different levels, the partnership council in October last year signed off the proposal for the national procurement service, for example, and it also signed off a proposal that there would be local authority champions for the tackling poverty work that the Welsh Government leads on. The reform delivery group takes the work stream programme reports, and it signed off the closure report for the organisational development and Simpson implementation programme in January this year. It also signed off the regional collaborative fund criteria, whereas the public service leadership group, operating at a more executive level, gave approval in March for the Gwent missing children project. So, it is taking project proposals within the overall structure, and the political group is considering them and then taking them into activity that will deliver on those projects. I have other examples, but I hope that that has helped to illustrate—

[186] **Jenny Rathbone:** Well, the public service leadership group, as you said, is a political group, but actually, the regional chairs—

[187] **Dr Milligan:** No, sorry; the public service leadership group is the executive group that sits within the partnership council and the reform delivery group.

[188] **Jenny Rathbone:** Okay.

[189] **Dr Milligan:** It is chaired by the Minister—it is ‘ministerially’ chaired, and therefore, in that sense, it has political leadership elements to it. The auditor general and trade unions come and sit alongside that group as well, so we try to make it a partnership right across the whole public service in Wales, with people from all different sectors leading different programmes that are to the benefit of the whole of the public service.

[190] **Jenny Rathbone:** Okay, but where does the Commission on Public Service

Governance and Delivery fit into all of this?

[191] **Dr Milligan:** The Commission on Public Service Governance and Delivery is a programme for government commitment. That has recently been brought forward by the First Minister and will report at the end of the year. It is looking at the shape of public services in Wales.

[192] **Jenny Rathbone:** The shape. So, is that governance and accountability?

[193] **Dr Milligan:** Yes, and delivery. It has a fairly wide-ranging remit. I attended a presentation that the chair made the other day and he identified six blocks of work that the commission will take forward, or the way that it will organise its work. It is going to look at performance, skill and capability, complexity, culture and leadership, Government scrutiny and delivery, and the role of the Welsh Government in public service in Wales. So, it is beginning to shape its work within the remit that the First Minister has given it.

[194] **Jenny Rathbone:** It will do all of this while reduced public spending is hitting us.

[195] **Dr Milligan:** Yes, indeed.

[196] **Jenny Rathbone:** It all sounds very tight. Can you demonstrate how these different initiatives are helping to join up rather than fragment the approach to public service delivery? The education partnerships are of particular interest to me.

[197] **Dr Milligan:** The strategic framework that we have in place—and, indeed, this was reflected in the Simpson compact—recognises that, within the programme for government, there are a number of very large service-specific reforms in place. So, education consortia would be one of them, and the twenty-first century school programmes would be another, and the social service work, which is also reflected in the legislative programme proposals, would be another. Those are reflected in the compact work and, indeed, are a part of the overall public service reform programme. The work that we do, which Piers's team leads within this public service reform part, is to complement those individual service or sectoral arrangements with a cross-public service set of initiatives, actions, leverage and proposals. So, the whole thing comes together as a co-ordinated way of looking at the service-specific proposals that meet specific challenges—very often, challenges about the level of performance in individual sectors.

[198] **Jenny Rathbone:** So, comparative data are used to ask why X is not doing as well as Y.

[199] **Dr Milligan:** Yes. So, for example, although education is not my area, I know enough about it to know that the Programme for International Student Assessment data were a major driver for the school improvement initiatives that are now being taken forward through the consortia programme. So, yes, those are very often driven by a performance concern or, indeed, an aspiration that things could be better if organised differently—and I think that the social services work would probably be characterised in that way, as we can see that there are demographic pressures here and we could do it better if we organised it differently. Those programmes tend to have their own governance arrangements within ministerial portfolios. We connect with them through a cross-departmental group, which Reg Kilpatrick chairs as director of local government and public services. Then, our programme, the one that we are focusing on today, provides the cross-sectoral join up and leadership for the complementary initiatives. So, for example, we would focus on such things as assets and procurement, where the whole of the public sector can act together and do something that could not be done as well in individual sectors. I think that Abi wanted to offer some information.

[200] **Ms Harris:** I was just going to add that there has been real benefit from having the NHS represented on the partnership council, because, from our point of view, some of the key agendas are around such things as health improvement, and making sure that across all of the public services we are looking at how all of the different agencies have a contribution to make in terms of health improvement. Indeed, when I was working in Bridgend some really interesting issues were raised by the fire service with regard to how it could engage with a particular cohort of young people who are difficult to engage with and deliver some of the health improvement messages that we wanted to pass out.

[201] Jean has touched on another area, namely health and social care integration. That is a really important, key programme of work that we are taking forward. Having a conversation about that at that level is really helpful. Chris Martin, who I think is still the representative, the chair of Hywel Dda Local Health Board and the chair of the confederation at the moment, sits around that table, which is really helpful for NHS boards.

[202] **Mr Bisson:** Could I offer a couple of examples?

[203] **Darren Millar:** Be brief, because we are up against the clock.

[204] **Mr Bisson:** Good practice was identified in Swansea and Wrexham in relation to supporting young people into education and employment, where they had significant gains. That was identified as good practice and cascaded up to the public services leadership group. It looked at the characteristics that supported those improvements and, in turn, that has helped shape Welsh Government policy in relation to youth engagement and employment, and it has been rolled out through a set of pilot areas and will be extended in due course. That is an example, linking back to your point on education, that is about benefits to individuals as well as in relation to the lifetime cost to the public sector from avoiding people becoming disengaged, particularly early in their adult lives. That is one example.

[205] The other example is around how we better support victims of domestic abuse, where they would commonly have contact with health and social services, local authorities and the police. How do you encourage those organisations to pool their information earlier and better provide a more proactive wrap-around support, rather than waiting for things to reach crisis point? Again, there are big human benefits immediately, but there are also potentially significant financial savings further down the track.

[206] **Darren Millar:** Thank you. Sandy is next.

[207] **Sandy Mewies:** I am just mulling over what I have just heard, Chair. The public services leadership group is the overarching group. It looks at good practice, as you have just said. Do you think that the challenge of collaborating in this way will deliver the £25 million in savings that were said to be possible? That is a one-off question.

[208] My other question is more complicated—for me anyway, probably not for anybody else. You talked about Wrexham and the social care implications there and in other authorities, and we have had the Gwent missing children project mentioned here. I have no doubt that they are cheaper, but that is not necessarily better. Does the public services leadership group also look at whether the services being provided are better as well as cheap? I would assume that to be the case. I do not know about the Gwent missing children project at all, but I am well aware of the cost of the same young person continually running away. One thing that has to be done is to identify the cause. That would be the good practice that would have to be incorporated into anything that was cost saving. If you did not do that, you might have a cheaper way of doing things to start with, but it would not last and, in the end, it would be very costly. It is very easy, with a process, to say, 'That saves us £x millions. Great'. However, whether it will go on saving you millions of pounds in the future depends on what

underpins it. How are you monitoring that?

[209] **Dr Milligan:** You are absolutely right. Just being fixed on a savings target is not what we are about. We have maintained that approach. We have said that we are interested in where savings can be found and, very often, that is in the supporting services around assets and procurement. We are interested in where services can be improved and we have already provided some examples. However, there are many examples where people are motivated by improving services to do things differently, either at the huge scale of social services as a whole, or at a very local level where operational practitioners see that something could be done better. The other key factor, which I think is what you were hinting at, is around preventative work. The Gwent missing children project is interesting, because it has elements of all of that. That project has been brought forward—it is a fairly new idea, and fairly recently developed—and led by the police. In the report that we are basing this session on, we were urged to pick up more experience from the emergency services. So, they have come forward and this is a project that they are now leading, but with a multi-agency team. We are establishing a multi-agency team that is co-located—it is not virtual—which pools information as soon as there is a report of a child going missing. It was based on some research that showed that a number of children go missing tens of times, even more than 100 times in one year—a quite shocking statistic—which is very costly to the public purse, not only in terms of the immediate effort to find the child, but the longer-term damage as a result of experiences that happen during those episodes.

3.45 p.m.

[210] Interestingly, alongside the significant funding that those organisations have put in to co-locate this team and the pump-priming money that we have offered, a significant sum—£0.5 million—has been secured from the Big Lottery Fund to provide an independent listening service, so that there is engagement with those who are helped through the project. It is bringing to bear what they are learning from that whole wrap-around of the services that would normally be engaged and others that would not normally be engaged, and so it is trying to understand what is happening to change the situation. Some examples have been given, such as children who were not attending school and their parents did not know where they were, or children who were in relationships while they were missing that were not necessarily helpful to them. All of the information was brought together, along with the insight from the independent listening service, and from that it is crafting its approach to preventing those things from happening again. That goes back into the mainstream services and stops the harm that occurs from children repeatedly going missing. So, it is still fairly early days for that project, but early evidence is already coming out of the benefits of the preventative approach, which means much more than cost savings. I do not think that it would say that it was making savings now; it would say that it is making an investment.

[211] **Sandy Mewies:** I am quite heartened to hear that. I was thinking about children in care in particular in that respect. That leads me on to Julie's question about the fact that you have the academy and you have this and that; I do not know how anybody remembers them all. We have people all over the place doing all sorts of things. I think that you said that there is a forum of about 400 people. How they keep track of what they are doing, I have no idea—

[212] **Dr Milligan:** That is the financial—

[213] **Sandy Mewies:** How they keep focused, I do not know. However, given that you have all these people—the fire service, the police, local authorities, health boards, and so on—are you now satisfied that that collective approach has captured all the possible players, or are you still adding to it?

[214] **Dr Milligan:** I would like to say a couple of things in response to that. First, there are

a lot of people—this is a huge effort. Almost every senior public leader and chief executive has a role somewhere in taking forward some of this work. What is important is that there is clarity of role. That is why we have taken the care and we keep trying to strengthen the arrangements by clarifying and looking at the individual component parts. So, we are changing the nature of the partnership council, making sure that the academy and the work that is done on the workforce partnership are all brought in, alongside the main work stream, and we have groups that try to join it all. So, we have very distinct roles for parts of it, which are then part of a whole.

[215] Does it encompass everything that we would need to do? I think that it would be bold to say that it does. I think that the programme is strengthening and gaining traction, and all of those things. However, no one organisation or programme could meet the challenges that we face. This is the responsibility of not just one organisation or programme, but of every organisation. So, we are seeing significant efforts for individual organisational efficiency, as you would expect of individual local authorities, and I am sure that the same is true in health. We are seeing them join forces to scale up to try to make some efficiencies, and they are joining up across the public services to try to do something new and to try out a new approach in the hope of getting ahead of the demographic pressures.

[216] **Sandy Mewies:** I think that what you have indicated is what I wanted to know. It is a work in progress in many ways. It is being looked at, and it is not a matter of saying, ‘Right; we’ve done that now. It’s great’. That was really what I was looking for. Thank you.

[217] **Darren Millar:** I am very conscious of the time. I would appreciate it if Members and witnesses could be brief and to the point in their questions and responses. I now call on Aled.

[218] **Aled Roberts:** I accept that it is work in progress, but when does it put you all in a position to actually quantify the costs and benefits of all this collaboration? I want to pick up on two instances there. First, you mentioned the Gwent missing persons project—I do not know how much you have put in by way of pump-priming; you also mentioned that there was funding from the Big Lottery Fund. Secondly, you mentioned the Gwent frailty project, and I think that there was over £7 million of Welsh Government funding. However, when other local authorities went to look at implementing that type of project, they found that it could not be done because there was no money available to pump prime. When do we actually have some analysis of what the costs are against the benefits?

[219] There is also another issue. I was involved with the NEETs project in Wrexham. There was no outside funding, but, to be honest—and to pick up on a point that Jocelyn made earlier—some of that work should have been happening in any case. Some of it was rather simple, for example you had one publicly funded body that was not willing to share information with another publicly funded body. I will give you another example: North Wales Police has been involved in a project with Wrexham County Borough Council to data-share on safeguarding. The police hold the data on one system and the councils hold the data on another. The project has not got anywhere in three or four years. It looks good on paper, but where do we have the cost and benefit analysis? There is a huge cost to all of this, with 404 people jetting around Wales doing this collaboration. I think that we are more interested in actually seeing some benefits.

[220] **Mr Bisson:** Perhaps I could pick up on a couple of those points. You started in relation to costs and benefits coming out of the work. Some of the areas lend themselves better to quantification of the financial savings. So, procurement, for example, has an established track record there. If you looked at some of the framework contracts that had been entered into collaboratively, you would see that over the period of 2006 to 2010, those delivered savings and efficiencies of around £130 million. We have also had the

xChangeWales programme, which, over a five-year period, delivered £80 million-worth of efficiencies. Then, beyond what is done just purely through the Value Wales umbrella, there are individual and regional purchasing consortia. In 2011-12, I think, they achieved savings of around £43 million just through their activities alone. A number of layers build up here. Procurement is the one that tends to lend itself best to savings. In terms of benefits more widely, you talked about the missing persons project. With the help of experts in knowledge and analytical services, we have ensured that evaluation is built in at the very start of that project so that, as the months go by, we should actually have a very good position on the effect that it has had, relative to the status quo.

[221] Finally, in relation to—

[222] **Aled Roberts:** So, how much are you putting into that?

[223] **Mr Bisson:** In relation to the missing persons project, we put in around £60,000, I think. That was to help gain that capacity to set up that multi-agency team. The partners themselves, I think, put in significant sums so that experts from the different services could come together in that co-located team. Through the programme, we tend to help to build that initial capacity, which can then be mainstreamed. There is usually a need to overcome the initial capacity issues or expertise issues to set up some of those collaborative ventures.

[224] **Aled Roberts:** What is the split on these collaborative programmes between invest-to-save, where there is an expectation that the money is paid back, and what is, in effect, grant aid by the Welsh Government—just money to transfer? A CCTV project in north Wales received over £800,000 of Welsh Government funding. I am not clear whether that was invest-to-save funding or whether the authorities that appear to be throwing it into the long grass will actually pick up the bills if they decide not to proceed.

[225] **Mr Bisson:** In terms of the best routes for individual projects, we would look, with colleagues from across the office, at the different potential schemes and support available. So, invest-to-save works well, particularly where there are identifiable saving streams that follow. Some of the collaborative projects are set up more around service resilience, and you do not necessarily have a very clear saving stream that follows. So, those projects might be more suitable for grants. Projects that are testing something might require a wide range of partners, so rather than having them predicated on repayment, you can establish the initial capacity upfront.

[226] In relation to the CCTV project and the figure that you quote, I think that, yes, a bid was approved from invest-to-save, and that is what that money relates to. I think that the partners are now discussing with invest-to-save, because a different approach is being taken.

[227] **Ms Harris:** In relation to the frailty initiatives, I think that there are now four invest-to-save frailty schemes of some description—the Gwent frailty scheme being the biggest one. As part of one of the work streams under the effective services for vulnerable groups programme, through the knowledge transfer partnership that we have funding for, we have been able to make sure that those things are being looked at together. They clearly need to pay back the money that has been invested as part of invest-to-save. Any characteristics are looked at, given that the models are slightly different, for example in whether they have worked well or not, as well as in terms of the perspective of the citizen in particular. For example, the outcomes for individuals, in terms of their experience of this model of care, rather than the traditional model, are also looked at. That work is being undertaken at the moment, and it will give us some very rich data on how those models are working.

[228] **Aled Roberts:** Will that information be made available to us?

[229] **Ms Harris:** I am sure that we can make it available. I am not quite clear on the timing, but I can clarify that. That work is ongoing.

[230] **Aled Roberts:** Moving on, there is some detail in your update regarding lean systems thinking. I am aware from a past life that some authorities were given funding to adopt lean systems, but that they were not implemented because the cost of introducing them was too great for the authority to bear at a service delivery level. Can you give us some indication as to how widely lean systems thinking has been used within the Welsh Government?

[231] **Dr Milligan:** I am not sure that I can give you many practical examples of that today, although I could arrange for someone to send some information because we have a lean programme. However, I do not have examples from that programme today. I know quite a lot about how it is being used within this programme, if that is of interest to you. We have tried to embed within it the lean approach. Sometimes, that is in terms of individual projects where you can see that transferable savings and simplifications have been made. At other times, it is in terms of an approach that can be taken and used by practitioners.

[232] For example, under the organisational development aspect of the Simpson implementation work stream within this programme, we have been supporting something that we have not called 'lean', but what we have called a 'continuous improvement' network for practitioners who have started an exchange of practice. Those lean practitioners from right across public service who have come together in that network have started a library of case studies that they wish to share with each other. These are grass-roots initiatives; they are not ones that we are funding. These are initiatives that practitioners are proud of, which they think that someone else could learn from. At the last count, 61 of those case studies had come from the lean practitioners themselves.

[233] We do not claim to be the ones who have initiated all of that lean work, so we are trying to find a way to broaden that connection from the grass-roots level, linking with their websites and at a strategic level to the work that the Wales Audit Office has published about lean systems thinking, on the back of research undertaken there. We believe that we have around 2,000 accessible examples through the websites that support this programme, where people can connect and see what is happening. It is not necessarily an area that one would want to impose one arrangement, but it is one that has to be sensitive to local circumstance, and one where people have to be able to pick from a menu. That menu, ideally and increasingly, is a menu that is validated by professionals such as them who have done it in their own authority or organisation.

[234] **Aled Roberts:** It might be helpful if you could provide us with examples from within the Welsh Government of where the process has been adopted.

[235] **Dr Milligan:** I will arrange for a note to be sent to you on that.

[236] **Aled Roberts:** Could you also give us an idea of whether the Welsh Government has funded any consultants as part of any collaborative projects for lean systems that have never been implemented?

[237] **Mike Hedges:** Regarding education, every teacher in Wales is paid on exactly the same scale. Can you identify any area where there is collaboration or joint working between local authorities to pay teachers from one computer system, rather than having one in each authority? Secondly, can you tell me where the best example is of joint working between health and social care services in Wales?

4.00 p.m.

[238] **Ms Harris:** Shall I pick up on the last one, on health and social care? I would say that there are pockets of good practice in lots of parts of Wales. I will give you a couple of examples—sorry to those places that I miss out—in terms of those that I have been thinking about most recently; I am conscious of time. In terms of the layers of what we are trying to do, I would pick up that one of the areas where I have seen really good integration between clinical leadership, in terms of GPs, and social workers working together is in Carmarthenshire. In the locality, clusters of general practices are coming together, and I have seen evidence to the Bevan Commission where the GP lead and the social work lead were talking about how they are using the budget for primary care and older people's social services, and were making decisions about different choices around how they delivered services. So, they were talking about going back to the days of putting social workers attached to general practices, and emphasising those kinds of things. That is one really good example. In my own patch, Bridgend, where I was before, things like reablement services were truly integrated. When I walked into the team, it was made up of health professionals and social care professionals, and I could not tell who was employed by the health board and who was employed by the authority—except that they had two computers on their desks. In terms of how they operated the culture within the teams, it was really one team working together, with staff from both organisations. In terms of some of the initiatives that have come through from regional collaboration, in places like north Wales, where it is difficult across the six authorities and one health board, they are putting together a programme around joint commissioning on health and social care, which I think will lead the way in terms of proactive commissioning, and using the commissioning resource differently. I could give you a lot more examples, but those are a couple that come to mind.

[239] **Mike Hedges:** Could we have that in writing?

[240] **Ms Harris:** Certainly, and we can give you more on that.

[241] **Jocelyn Davies:** You have talked about good examples here, there and everywhere, but they do not spread. From what I have heard today, the complexity of the structures is astounding, in terms of trying to spread this stuff, considering that we are supposed to be lean. How is this going to result in transformation? That is what I want to know. I know that there are good examples, but they do not seem to spread.

[242] **Darren Millar:** When does a good example become general practice? That is the point.

[243] **Jocelyn Davies:** From what you are describing to us, I agree with Sandy—I think that this is what she meant earlier on: it sounds so complicated, I could not follow it. You were not the only one who could not follow it—and this is supposed to be lean. Delivery for the public does not get transformed.

[244] **Darren Millar:** That is not a question, as such, but if you could provide information as to how you anticipate these things being spread and used more widely across the public sector, that would be useful.

[245] **Jocelyn Davies:** I am sure that there are excellent examples that you could give us.

[246] **Darren Millar:** Mike mentioned the low-hanging fruit, which were the back-office functions for payroll et cetera; is there still a lot of opportunity with that?

[247] **Dr Milligan:** There is opportunity, but there are also cautionary tales in terms of shared services across the public sector; audit bodies across the UK have brought some of that

together as well. We are focusing on enabling the profession. So, in the same way that we have financial networks, there is a network within the academy structure called HR Cymru, which draws together the HR professionals—those who deal with the workforce. I could tell you a number of things that it has been doing, but one thing that it has done is to engage in the shared procurement of an employee assistance programme. I do not have details of payroll arrangements with me today, but the employee assistance programme has replaced those that were previously in place in 57 public service organisations with one arrangement for 53,000 public service employees. These networks are not just arrangements for people to come together and talk; ideas are springing from them, and they can implement those within their own professions.

[248] **Mike Hedges:** However, in continental Europe—[*Inaudible.*]—there is one payroll system for teachers for the whole country.

[249] **Darren Millar:** I am conscious of the time. There are two more questions on this, and I will let Members ask them if we can have very brief answers, please.

[250] **Julie Morgan:** The civil service has lost a lot of jobs, and so has local government. The committee has said before that we are concerned about the loss of skills. How do you see that now? Are there gaps in being able to provide a service, and the leadership that is needed?

[251] **Dr Milligan:** The figures published most recently by the Office for National Statistics for public sector employment in Wales show that the sector employs 331,000 people—these figures are from earlier this year. The figure is down 7% on the figure for September 2009, which is a fall of 20,000—a reduction over that period. So, yes; you would expect some loss of expertise as part of that, and that is what some of the skilling up—the collaboration and some of the Simpson work—was very deliberately predicated on, namely the risks of having services that have become too small in any individual authority, and taking them to a scale that you can operate with fewer people.

[252] **Julie Morgan:** So, are there risks in any areas of the Government?

[253] **Dr Milligan:** I think that heads of profession across the public service would tell you that they have concerns in a lot of areas, so they are going through a process of transforming. It is one of the drivers for transformation. Can we carry on doing what we have always done with fewer people and fewer staff resources? Very often, the answer is ‘No, we have to find a different way of doing it’. So, they might use risk language, or they might say, ‘This is now the catalyst to see if we can’t do something different and better’.

[254] **Mohammad Asghar:** I just heard you say that there were two computers for whoever was working for the national health or the council, which seems very strange.

[255] My question on the health service is very straightforward: what lessons have you learned so far from NHS bodies’ efforts to engage the public in the plans for service configuration, and are these lessons being shared among health bodies and wider public services?

[256] **Ms Harris:** Yes, there are lessons. Colleagues around the table will appreciate that the consultation and engagement process for complex service change is a difficult one to deliver. A number of the health boards have now spent a considerable time going through the engagement process, first of all, and then the consultation processes.

[257] We have a programme for working with all of the chief executives, and we meet on a monthly basis to discuss service change under the chairmanship of David Sissling. People give updates around the table on very specific examples of what they have learned. So, those

health boards that are progressing at a slightly different pace or to a different timetable are certainly picking up the lessons of those organisations that have gone early—Hywel Dda was able to share with colleagues the fact that they had used the Consultation Institute to give it advice about its consultation and engagement process, and, certainly, colleagues in the south Wales programme have done the same as a result of that.

[258] Some of the lessons involve reflecting the fact that, yes, we have some very specific service reconfiguration proposals being discussed and debated at the moment, but, for me, it is perhaps that we need to have a wider conversation with the public and local communities about how services will always change. For me, in terms of the financial environment that we are working in at the moment, clearly, there is a need to change much more radically the way that we deliver services, really getting on the front foot of how we use technology to enable services to be more accessible to people, and not just in rural communities, but changing our mode of working, too.

[259] For me, the engagement stretches across, from an individual person with a range of conditions towards much better self-management and self-care, and giving people the skills to do that. I suppose that it is the language around co-production—if you are sitting there with your multidisciplinary team, you are part of that team as an individual, and you can help to shape your own care and take responsibility, and you are supported in doing that, and it goes right the way through to looking at how we can engage whole communities and populations in changing the models of care that are delivered. There are some really good examples.

[260] Some of the big debates are very difficult and challenging, because people are very attached to their local services, and if change is happening on their patch, you can understand how the conversations would be very difficult. I think that it is about being transparent in the debates and the arguments; it is about making information available to people. Where clinical issues are really important, as they underpin a lot of these discussions, it is about making sure that clinicians are available to explain and to work with the public.

[261] So, there are a lot of lessons, and once we have been through this current round of reconfiguration, we will probably take stock. As we referenced in the evidence, we do have engagement in consultation guidance, but we will probably take stock and ask whether it is time to update that and whether we need to make some kind of changes. There have been some elements where we probably do need to learn from aspects of CHC engagement. They have had a very big agenda, responding to the huge amounts of information that have come in. How can we support CHCs differently? I would guess that we have not seen the debate at this level before. I have worked in the NHS and local government for over 20 years, and we have not had this level of engagement before. The number of people who have been to public meetings, and the number of clinicians who have been to meetings, is on a scale that we have not seen, which is good, but it also means that some of the decisions are still difficult at the end of it.

[262] **Darren Millar:** On that note, we come to the end of this session. Thank you for your time; we appreciate it. You will get a copy of the transcript of proceedings, so that you can correct any factual inaccuracies.

[263] **Dr Milligan:** Thank you, Chair.

[264] **Darren Millar:** Thank you. We will take a short break and go into private session.

*Gohiriwyd y cyfarfod rhwng 4.10 p.m. ac 4.16 p.m.
The meeting adjourned between 4.10 p.m. and 4.16 p.m.*

**Y Diweddaraf gan Lywodraeth Cymru ar Weithredu'r Argymhellion a
wnaed gan Bwyllgor Cyfrifon Cyhoeddus y Trydydd Cynulliad ar
'Fuddsoddiad Cyfalaf mewn Ysgolion'**
**Update from the Welsh Government on the Implementation of
Recommendations made by the Third Assembly Public Accounts Committee
on 'Capital Investment in Schools'**

[265] **Darren Millar:** This report was published way back in December 2010. I am pleased to be able to welcome Owen Evans, director general for education and skills, Melanie Godfrey, programme director for twenty-first century schools, and Sonia Reynolds, deputy director of the transformation programme division. Welcome to you all. We have decided to revisit this issue because we had an e-mail from the former programme director saying that he had some concerns about the deliverability of the twenty-first century schools programme. It was Martin Lipson who contacted us. We felt that it was appropriate that we revisit this subject to see where things were at.

[266] We know that the Welsh Government set out an aim in 2003 that all schools would be fit for purpose by 2010. Clearly, things have moved on since then. We have gone beyond that target and there are still things that need to be done and implemented. Of course, we are now in a different financial climate. One thing that you have not included in your update report is a date by which you expect schools to be fit for purpose in Wales. Do you anticipate a certain date being something that you want to work towards, or will you keep having this moveable feast of everything being at some point in the future? Owen, do you want to respond to those questions with some opening remarks and we will then take further questions?

[267] **Mr Evans:** First, thank you for the opportunity to come before you. I will give as good an answer as I can. If there are any matters of detail, I will look to my colleagues on either side of me. The first thing to say about establishing a system that is fit for purpose and considering whether we will ever get all of the schools to be fit for purpose is that it is a little bit like painting the Forth bridge: it is a rolling programme. It will take a while and we will always be looking in future at how this is achieved.

[268] The biggest step that we took was the step in 2009 of commissioning the work to look at the entire stock of schools across Wales, to get a good handle on exactly what improvements we needed to do. In the report that you provided, but also in the report of the Wales Audit Office, the big criticism of the previous programme was that it was rather piecemeal, it was rather small in scale and it was not one that was likely to deliver the type of school system that is needed for the future. So, in doing that, the stock survey that we did in 2009, which we are refreshing this year, gave us four bands with regard to where the schools were.

[269] 'Fit for purpose' is a difficult one to nail down; on the one hand, you do not want to crush innovation, and on the other hand, you do want to set the basics that you expect to be met. There is now guidance on that from a multitude of sources, but it is a fairly clearly understood principle. However, what we have done is to almost flip it over, in trying to identify what is not fit for purpose. The fact that the new programme is strategic means that we can look at which schools and local authorities are most in need, and target investment in that respect. So, to answer the question, 'When do we think this is going to get considerably better?', the current tranches of investment that we have done will take us so far, but we think that, within five years, we will have renovated, adapted or rebuilt all the schools that are in band D, which is the clearly not-fit-for-purpose category.

[270] **Darren Millar:** How many schools would that be?

[271] **Mr Evans:** It is probably about 20 schools in total across the whole estate, out of 200-odd secondary schools and 1,700-odd primary schools. So, it is quite a small proportion.

[272] **Darren Millar:** It does not sound very ambitious: we are going to get 20 schools sorted.

[273] **Mr Evans:** That is 20 schools as part of a programme of other schools that we will be getting from band C into band B, and band B into band A. So, it is a rolling programme across all local authorities. When submissions come in from various local authorities, we look at the quality of the schools that are already there, and we try to target the money appropriately to make sure that we eradicate these category D schools, and that we also promote as many category C schools into category B, et cetera.

[274] **Darren Millar:** Could you give us a breakdown of the number of schools in each category?

[275] **Mr Evans:** I could not. We would have to give you a note on it.

[276] **Darren Millar:** If you could send us a note, I think that would be helpful.

[277] **Mike Hedges:** [*Inaudible.*]—these schools as well?

[278] **Darren Millar:** Yes, I think that would be useful.

[279] **Jocelyn Davies:** It does not sound like the Forth bridge. People use that analogy because, when you finish something, you have to start again. You are never going to finish it the first time to start again.

[280] **Darren Millar:** It is surprising that there is this focus on just 20 schools at the moment. Perhaps you can explain a bit more.

[281] **Mr Evans:** I was focusing on the schools that we absolutely must fix; that is, the 20 schools. One of the reasons why we have instituted this rolling programme of surveys is that we have to keep refreshing this. To say that a survey done in 2009 identified these 20 schools means that that is not current; we need to make sure that we keep on top of it.

[282] **Mike Hedges:** Swansea council did its own survey to decide which schools were in bands A, B, C and D. Is your survey different to that, or are you using Swansea council's survey results? If you are using a different one, surely one set of surveys would be enough?

[283] **Mr Evans:** I would need to look at the Swansea survey. Mel, do you know that?

[284] **Ms Godfrey:** The survey that was completed would have applied the same condition categories applied by Swansea authority. What the survey gave us was a picture on a national scale between authorities, which we have never had before, which would enable us to target our investment.

[285] **Mike Hedges:** I do not have a problem with that. I just think that it is a waste of resources if Swansea goes and surveys every school and then you come along and do exactly the same thing.

[286] **Ms Godfrey:** Where we found surveys that were up to date and done in accordance with industry standards, we just captured those data. However, that was not the case with all authorities.

[287] **Mr Evans:** What was important to us was that we got a survey.

[288] **Aled Roberts:** Did the industry standards include asbestos surveys? You said that a stock survey was done in 2009. I have been in correspondence with some north Wales authorities, and some of them have not updated their asbestos surveys since 2002. So, I am quite surprised that it does not appear that the stock survey done in 2009 looked at asbestos, for example.

[289] **Mr Evans:** Asbestos, at the end of the day, is not a devolved matter—it is a Health and Safety Executive matter. In the light of happenings in Cwmcarn High School, for example, we have written to all local authorities asking them for assurance that they are taking the risks to safety—

[290] **Aled Roberts:** I accept the point that it is not a devolved matter and that it is a health and safety matter, but I was just asking whether the industry standards that you refer to would have included an asbestos survey. For example, in England, a non-visual asbestos survey has to be undertaken. In Wales, most authorities appear to have undertaken only a visual survey. I cannot see whether you have an accurate picture of the condition of your stock and if asbestos is within those schools.

[291] **Ms Godfrey:** The survey that we undertook was a condition survey. A condition survey categorises the buildings in a condition category. It was not an asbestos survey. The expectation is that there is a whole raft of legislation, good practice guidance, and standards and regulations for those who are required by legislation to carry out asbestos surveys and to maintain asbestos management plans. In answer to your question, the national survey was not a specific asbestos-type survey; it was a condition survey.

[292] **Darren Millar:** Given the public interest in asbestos of late, do you have a gauge as to the number of schools in Wales that have asbestos within their buildings, albeit that it could be in a safe environment? Do you have a gauge as to the number of school buildings in Wales that have asbestos?

[293] **Ms Godfrey:** Asbestos is ordinarily found in varying degrees in buildings that were built before the 1980s. We know the age profile of the building stock, so that indicates to us the level of asbestos that could potentially be in those buildings.

[294] **Darren Millar:** Okay. That would be an enormous amount—a large number of buildings—I would assume.

[295] **Ms Godfrey:** A significant proportion of the stock of school buildings in Wales is of the era when asbestos was used quite significantly as a building material.

[296] **Julie Morgan:** What about disability access? Will the 20 schools that you referred to all be totally accessible after you have done your refurbishment?

[297] **Ms Godfrey:** It is a requirement when they rebuild or refurbish a school that it is done in accordance with the requirements of the Equality Act 2010, which were formerly the requirements of the Disability Discrimination Act 2005 and the Special Educational Needs and Disability Act 2001. Yes, they are required to make schools accessible.

[298] **Julie Morgan:** Would that be totally accessible?

[299] **Ms Godfrey:** Yes, it would, but, obviously, it has to be reasonable work that they can forward plan. One never knows the type of accessibility that might be required in an environment, but physical access to the building is a requirement of the programme and the

funding that we apply.

[300] **Julie Morgan:** This is a big issue when children go to secondary schools. In Cardiff, we have this big issue about non-accessible secondary schools. Is the aim to have all schools accessible within a certain period of time?

[301] **Ms Godfrey:** The aim of the programme is to address where the investment need is greatest. With that comes a whole plethora of issues, which could be asbestos, condition, surplus places or the need for Welsh-medium provision. We try to look at that on a holistic basis, so as the programme moves forward, we are trying to replace the building stock to address all those issues, and with that should come accessibility. With regard to there being a programme specifically for addressing buildings that have accessibility issues at the moment, that is not being encompassed in the programme.

[302] **Julie Morgan:** Right.

[303] **Darren Millar:** Okay. I call Sandy.

[304] **Sandy Mewies:** Thank you for that. On the impact of the reduction in the available capital announced in July 2011 by the Minister, what followed was a need for local authorities to review their capital plans. Did those cuts affect the department's capacity to manage the capital programme? If it did, in what way, and what was the consequence?

[305] **Mr Evans:** The simple answer is 'yes'. When the capital cuts came through, the department had to do a few things, ourselves, but also with our partners in local government. It should be stressed that the twenty-first century schools programme has always been collaborative. A lot of these decisions appeared in front of the programme board, which involves local government, further education and people like that. The main thing that we have had to do is that we moved from the original 70% intervention rate down to 50%. That is something that we did with the sector. It is probably not something that we would have wanted to do, but, given the capital constraints, we had to do it. That was the first thing.

[306] The second thing is that, as a department, we restructured our capital pools, so instead of having a capital fund for higher education, a capital fund for further education and a capital fund for schools, we amalgamated them all into one pot, so that we could prioritise on a strategic basis.

[307] The third major thing that we have had to do is to look at more innovative ways of drawing in further capital. So, for example, the local government investment grant programme is leveraging the ability of local government to pull money in, which means that we, as a Government, are having to put more revenue into the capital programme.

4.30 p.m.

[308] That has meant that some of the investments that would have taken seven years plus for us to achieve have been brought forward to within five years or so. So, a number of schools will be rebuilt because of the intervention of having to leverage extra capital from other sources that, otherwise, would not be the case. We have had to react quite strongly to the reduction in capital. There is still a commitment to deliver the twenty-first century schools programme. We were dealt a bit of a body blow with the capital decreases, but we have had to adapt as best we can.

[309] **Aled Roberts:** A gaf ofyn cwestiwn **Aled Roberts:** May I ask a question on am arian cyfalaf? Rwy'n dallt bod y capital funding? I understand that the cynghorau yn gorfod rhoi 50% i mewn rŵan. councils now have to put in 50%. What is the

Beth yw'r sefyllfa efo ysgolion ffydd, a faint mae'r esgobaethau yn gorfod rhoi i mewn?

situation in relation to faith schools, and how much do the dioceses have to put in?

[310] **Mr Evans:** Dylwn ddweud hefyd, pan newidiodd hyn i gyd, aethom yn ôl at y cynghorau lleol iddynt allu rhoi'r cynlluniau amlinellol strategol i mewn eto. Efo ysgolion ffydd, yr hyn sy'n digwydd yw y caniateir i'r Llywodraeth dalu lan i 85% o'r cyfalaf sydd ei angen, ac wedyn mae 15% yn dod o ryw gronfa arall. Felly, gallai hynny ddod gan yr ysgol ei hun neu'r awdurdod lleol. Fodd bynnag, mae'n bosibl, gydag ysgolion ffydd, i ni dalu lan i 85%.

Mr Evans: I should also say that when all this changed, we went back to the local councils so that they could resubmit the strategic outline plans. In relation to faith schools, what happens is that the Government is allowed to pay up to 85% of the capital that is required, and then, 15% comes from some other fund. So, that could come from the school itself or from the local authority. However, it is possible, in relation to faith schools, for us to pay up to 85%.

[311] **Aled Roberts:** A oes bwriad i leihau hynny?

Aled Roberts: Is there any intention to decrease that?

[312] **Mr Evans:** Ddim ar y funud. Nid oes canran uchel o ysgolion ffydd yn y gyfundrefn. Fodd bynnag, ar y funud, nid oes cynlluniau i newid hynny. Bydd hynny'n cario ymlaen.

Mr Evans: Not at present. The percentage of faith schools within the system is not high. However, there are no plans to change that at present. That will carry on.

[313] **Aled Roberts:** A symud ymlaen i'ch adroddiad, rydych yn cadarnhau y bydd y tîm canolog yn diflannu, i ryw raddau. A ydych yn fodlon bod digon o arbenigedd gan yr awdurdodau lleol i gynnal y rhaglen hon?

Aled Roberts: To move on to your report, you confirm that the central team will disappear, to some extent. Are you content that there is sufficient expertise within the local authorities to support this programme?

[314] **Mr Evans:** Rydym yn edrych ar bob cais sy'n dod i mewn at y Llywodraeth ar wahân. Mae gennym bobl sy'n mynd allan i'r awdurdodau lleol i gwrdd â staff ac edrych i mewn i faint o gapasiti sydd yn yr awdurdodau ac a yw'n ddigonol i ni fod yn gyffyrddus y byddant yn cyflawni. Nid ydym yn arwyddo unrhyw wariant cyfalaf os nad ydym yn siŵr bod y capasiti yn yr awdurdod lleol. Wrth gwrs, mae rhai yn well nac eraill. Mae'n haws, fel arfer, i awdurdod lleol mwy wneud y fath beth, ond rydym yn gweithio yn reit glòs efo awdurdodau lleol lle mae gwendidau mewn ambell fan, fel adeiladu neu reoli prosiectau a phethau tebyg.

Mr Evans: We look at each application that is submitted to the Government individually. We have people who go out into the local authorities to meet with staff and to look into how much capacity is available within the authorities and whether it is sufficient for us to be comfortable that they will achieve. We do not sign off any capital spending if we are not sure whether the capacity is available within the local authority. Of course, some are better than others. It is easier, usually, for larger local authorities to do this type of thing, but we are working closely with local authorities where there are weaknesses in some areas, such as construction or project management and so on.

[315] **Aled Roberts:** Mae'r e-bost gan Mr Lipson yn awgrymu mai dim ond un gwas sifil yn eich tîm sydd ag arbenigedd fel syrfêwr. A yw hynny'n gywir?

Aled Roberts: The e-mail from Mr Lipson suggests that only one civil servant in your team has expertise as a surveyor. Is that correct?

[316] **Mr Evans:** Bydd yn rhaid i mi wirio hynny achos bydd yn rhaid i mi edrych ar sigiliau pobl. Mae Mel, i roi esiampl, yn

Mr Evans: I will have to check that, because I will have to look at people's skills. For example, Mel is a qualified surveyor and then

qualified surveyor ac mae eraill yn astudio ar gyfer hynny. Un o'r pethau sydd yn digwydd nawr yw bod gennym banel cyfalaf ac mae hwnnw'n cwrdd bob hyn a hyn i edrych drwy'r ceisiadau sydd wedi cael eu gwneud. Arno, mae gennym weision sifil sydd ag amrywiaeth o arbenigeddau, gan gynnwys *surveying* a phethau fel hynny. Ar y funud, rydym yn cael dau aelod newydd o staff i edrych ar gostau a hefyd rydym wedi tynnu rhywun i mewn o'r tu allan sydd â chefnidir adeiladu a *surveying* i fod ar y panel cyfalaf hwnnw. Felly, mae gennym rywun sydd yn dod o'r tu fas i edrych ar yr hyn rydym yn ei wneud a rhoi mewnbwn ar hynny.

there are others who are studying for that. One of the things that is happening now is that we have a capital panel that meets every now and again to look at the applications that have been made. On that, we have civil servants who have expertise in a variety of fields, including surveying and so on. At present, we are to have two new members of staff to look at costings and we have also brought in somebody from outside who has a background in construction and surveying to serve on that capital panel. So, we have somebody coming in from the outside to look at what we are doing and to provide feedback on that.

[317] **Aled Roberts:** Mae gennyf un cwestiwn byr arall, oherwydd bod amser yn brin. Efo'r ysgol Gymraeg newydd yn Wrecsam, gwnaethom brynu cynllun i mewn o Loegr ac nid oedd angen i dîm mewnol y cyngor na neb arall gynllunio o'r cychwyn. Gwnaethom brynu un oddi ar y silff. Faint o'r cynlluniau i'r 20 ysgol hyn sy'n cael eu hadeiladau yr ydych yn disgwyl y bydd yn rhaid i chi dalu arian ychwanegol ar eu cyfer o ran cynllunio o ddim yn hytrach na defnyddio'r arbenigedd ar yr ochr arall i Glawdd Offa, lle mae llawer mwy o ysgolion wedi cael eu hadeiladu yn ystod y 10 mlynedd diwethaf?

Aled Roberts: I have one brief final question, because time is against us. For the new Welsh-medium school in Wrexham, we bought in a scheme from England, and there was no need for either the team within the authority or anyone else to plan that school from the very beginning. We bought one off the shelf. How many of the plans for these 20 schools that will be built do you expect that you will have to pay additional money for, in terms of planning from nothing, rather than using the expertise on the other side of Offa's Dyke, where a great many more new schools have been built over the last 10 years?

[318] **Mr Evans:** Mae dau hanner i'r cwestiwn hwnnw. Gofynnaf i Mel ateb un hanner, sef a yw un o'r 20 yn rhan o hynny, ond wedyn dof yn ôl, os yw hynny'n iawn, am—

Mr Evans: There are two halves to that question. I will ask Mel to deal with one half, namely whether one of the 20 is a part of that, but then I will come back, if that is okay, with regard to—

[319] **Aled Roberts:** Rwy'n gwybod bod yr un y cyfeiriais ato yn dod o dan SBIG—y grant gwella adeiladau ysgolion—ac nid eich rhaglen chi.

Aled Roberts: I know that the one to which I referred was SBIG—the school buildings improvement grant—and not your programme.

[320] **Mr Evans:** Dof yn ôl at y cwestiwn ynglŷn â chynlluniau *off the shelf*.

Mr Evans: I will come back to the question about off-the-shelf designs.

[321] Mel, could you answer whether any of the 20 schools will have a standardised, off-the-shelf type of design?

[322] **Ms Godfrey:** I am not aware that any of the 20 category D schools will be replaced by standardised products, but there are authorities that are now looking at alternative procurement solutions to deliver new schools. In addition to the band D, there is a whole host of other projects under the first wave of investment, and certain authorities are looking at standardised products. We approved one a couple of weeks ago in the Vale of Glamorgan for a new Welsh-medium school, funnily enough, which will be using a standardised product.

The expectation is that we may see this grow, because there are efficiency gains in acquiring these products. So, yes, we will be looking across the border.

[323] **Mr Evans:** I ychwanegu at hynny, fel rwy'n siŵr eich bod yn gwybod, mae tystiolaeth sy'n dangos bod buddsoddi cyfalaf mewn ysgolion yn gallu helpu *attainment* a phethau felly. Mae gennym bapurau oddi wrth *building and environments* ac oddi wrth Estyn sy'n dangos hynny. Hoffwn edrych ar hyn a dyma pam, gyda'r ysgol ym Mro Morgannwg, yr ydym yn mynd i wneud arolwg i weld a oes gwahaniaeth rhwng yr ysgolion sydd wedi cymryd rhywbeth a gafodd ei gynllunio ar lawr a'r rhai sydd â rhywbeth sy'n fwy *standardised*.

Mr Evans: To add to that, as I am sure that you know, there is evidence that shows that capital investment in schools can help attainment and so on. We have papers from building and environments and Estyn that show that. We would like to look at this, which is why, with the school in the Vale of Glamorgan, we are going to carry out a survey to see whether there is a difference between schools that have taken something that has been planned on the ground and ones that have something more standardised.

[324] Gan edrych dros y ffin, mae sawl ysgol, fel yr oeddech chi'n ei awgrymu, sydd â *spec* eithaf *standardised*, sy'n meddwl ei bod yn rhatach a chlouach i ni eu hadeiladu, ac felly, rydym yn cael y buddiannau'n glouach. Rydym yn edrych a oes gwahaniaeth o ran galluogi athrawon i helpu gyda chynllunio'r ysgol a rhywbeth sy'n dod i mewn yn *ready built*, bron. Mae tystiolaeth ar y ddwy ochr ar hyn o bryd, ond rydym eisiau gweld a yw hwn yn gweithio mewn sefyllfa Gymreig.

Looking across the border, there are several schools, as you suggested, which have quite a standardised spec, which means that it is cheaper and quicker for us to build and therefore, we get the benefits more quickly. We are looking at whether there is a difference between enabling teachers to help with planning the school and something that is brought in ready built, almost. There is evidence on both sides at the moment, but we want to see whether this works in a Welsh setting.

[325] **Darren Millar:** May I return to the faith school change in terms of the funding arrangement? Could you clarify—I was trying to listen without the aid of translation, and I sometimes miss a few bits—the funding arrangements are going to change from the current 85% investment from Welsh Government to 50%?

[326] **Mr Evans:** No, sorry, they are not changing.

[327] **Darren Millar:** They are not changing?

[328] **Mr Evans:** No. Currently, up to 85% can come from the Welsh Government and 15% has to be found from a local source, be it the school, the faith organisation or even the local authority. That will not change. There are no plans for that to change at the moment. I also said that the percentage of faith schools as part of the entire estate is actually quite small.

[329] **Darren Millar:** Okay, but there were proposals to change the arrangements to 50:50, were there not?

[330] **Ms Godfrey:** I think that there has been slight confusion. The intervention rate of 50% was set at programme level. A programme could consist of 10 projects, so the overall cost for those projects could have 50%.

[331] **Darren Millar:** I see; it is at programme level.

[332] **Ms Godfrey:** Yes.

[333] **Darren Millar:** I understand. That makes me a happy person. Mike is next.

[334] **Mike Hedges:** I have two questions. You talk about category D schools, but I know of a school in my constituency that is probably a category B school, but with category D demountables, which are part of the school but in a very poor state. Returning to the statement about faith schools, I have seen the list for Swansea, and I must admit to being very surprised that Bishop Vaughan Catholic School is not on it, when some of the schools that were built after Bishop Vaughan Catholic School are on it. I have raised that with the local authority and others and there seems to be some discrepancy. There is a school on the list that was built a good 10 to 12 years after Bishop Vaughan school was built, but Bishop Vaughan is not on the list. I do not know whether you know anything about Bishop Vaughan Catholic School in Swansea, but can I tell people that faith schools are being treated equally? The view of whoever has done it is that Bishop Vaughan school is in a much better state than other schools that are included in the rebuild programme.

[335] **Mr Evans:** I will bring in colleagues to comment in a moment. At the end of the day, we have had to work with local authorities that are co-ordinating with faith-based organisations and their local school estate. Taking a step back, capital is one tool that we have at our disposal to improve school attainment, which is behind everything that we are trying to do. The reorganisation of the local school stock, which has been the main priority of this programme, is to make it a more strategic decision. Each local authority will have put in their strategic outline plans. We have approved those. We may have different views, but we have left the control and the leadership of those processes with the local authorities. I do not know whether Mel or Sonia would like to say anything.

[336] **Darren Millar:** May I just challenge that? You have this list of 20 band D schools that you are setting strategically at national level, ignoring the local authorities' views, I assume.

[337] **Mr Evans:** Yes, that is true. Sorry, that is a fair point.

[338] **Darren Millar:** So, you do have a national strategy to deal with those schools that you consider to be in the worst situation, and that may be different from the local strategy on the ground of local authorities.

[339] **Mr Evans:** There are five investment principles that we follow. That is one of them. So, when we are taking decisions on the strategic outline plans that come in, there are five categories that we would be looking at. Condition would be one of them.

[340] **Mike Hedges:** May I ask a question, which I am probably asking on behalf of the 59 other Members of this Assembly? Is the list of categories of schools in each local authority area that you have available for us to see?

[341] **Mr Evans:** I think that it is.

[342] **Ms Godfrey:** Yes, it is.

[343] **Darren Millar:** Therefore, you can circulate one to us.

[344] **Mr Evans:** Yes, we can certainly circulate it.

[345] **Aled Roberts:** [*Inaudible.*]

[346] **Mr Evans:** Yes, that is right. So, they would be publicly available.

[347] **Mike Hedges:** No, we are talking at cross purposes. I asked for the Assembly's list. I have the local authorities' list.

[348] **Jocelyn Davies:** Not the Assembly's list, but the Welsh Government's list.

[349] **Mike Hedges:** Well, the list produced by the officials working for the Welsh Government.

[350] **Darren Millar:** Okay; we have a list, but you will give us a copy of your list. However, you are content that there is sufficient consistency between your priorities and local authorities' priorities in terms of dealing with the fit-for-purpose problem that we have in our schools.

[351] **Mr Evans:** I would say so.

[352] **Darren Millar:** How consistent are they?

[353] **Ms Godfrey:** To be clear, we went back out to authorities and we asked them to reprioritise, in light of the cut to the budgets, against the basis of condition, surplus, capacity, but also notwithstanding and not ignoring the voluntary-aided sector investment needs and Welsh-medium education. So, local authorities determine those priorities and the profiling of their programme against investment objectives. When those proposals come in, we actually assess them against an array of checks and against the investment objectives. However, it is actually the local authorities that determine their priorities of spend.

[354] **Darren Millar:** Do you ask them to reprioritise if you feel that they have missed a more important school or a school that is in a worse state that needs to be further up the list?

[355] **Ms Godfrey:** No, we do not, because, obviously, local authorities are best placed to know the local needs and circumstances. They have that grass-roots knowledge of what priorities investment—

[356] **Darren Millar:** So, do their views trump your list of 20 band D schools, or do they all happen to be at the top of the local authorities' lists? I am just trying to understand the tension between them, because there is potential for conflict between the two and it may be a barrier to delivery.

[357] **Ms Godfrey:** The first wave of investment is, in total, £1.4 billion. Within that sits a whole host of projects. Some of them will be new builds to meet the demand for Welsh-medium education, some of them will be to replace old and dilapidated voluntary-aided schools, and some of them will enable rationalisation of schools that may not necessarily be in a category D condition. Within that whole first wave are the 20 category D-type schools. So, the first wave of investment is not just about the category D poorest condition schools; it is also about addressing the investment need to get the right configuration of infrastructure to meet the learning need and provision that is needed in that area.

[358] **Mike Hedges:** [*Inaudible.*—category D demountables in a category B school?

[359] **Mr Evans:** We have many instances of that. What we are seeing from local authorities is that capital investment is quite long-term. Sometimes we will see investment ahead of rationalisation of other facilities. It is not uncommon, although it is not something that we like, obviously, but you might have schools that have demountables present while the local authorities are looking at the overall reorganisation of the school system. A lot of it is tied up with trying to make best use of the estate, particularly with regard to surplus places.

[360] **Darren Millar:** I understand. Aled has a brief question. We will then come to you, Jenny.

4.45 p.m.

[361] **Aled Roberts:** On the time lag, given that these are plans that were prepared in 2009, but which, through no fault of your own, have been pushed back, and given that we have Welsh in education plans, which are on a statutory footing to all intents and purposes, what happens where the increase in demand for Welsh-medium education in the four years since that plan was prepared means that, in an area, it is now totally out of synch? How does your programme take into account a situation where the Minister comes to a conclusion that a local authority is not able to make provision? In Wrexham, for example, there is a new Welsh-medium school opening in September, and all the schools are full at the moment. There is nothing in the forward programme that Wrexham has given to you that offers any solution to that problem. Is there a separate pot, or is all the capital money now included in the twenty-first century schools programme?

[362] **Mr Evans:** It is all included within the programme. I do not know whether Sonia wants to add anything.

[363] **Ms Reynolds:** We have ongoing discussions with the local authority through the transformation programme, working hand in hand with the twenty-first century schools programme. All twenty-first century schools proposals go through a process whereby we bring together heads of teams across Welsh-medium provision, qualifications, the capital programme, schools reorganisation, FE policy, HE, where that is relevant, and various other people, including additional needs, et cetera. They sit round the table, having seen the plans, and comment on them, and the plans are assessed and approved through that mechanism. We are very clear that we are trying to take account of everything for ourselves, but we also maintain that ongoing dialogue with the local authority, and, if it wishes to change its plans, then that can become part of an ongoing discussion.

[364] **Mr Evans:** The only thing that I would add is that the Act will place a significantly higher priority on local authorities looking at whether they have adequate Welsh-language provision. We are looking at the moment at ways of gauging future demographics, and how that will track through into the school system. For example, I have been meeting with Mudiad Ysgolion Meithrin, because it has quite a robust database now on the volume of Welsh-speaking young children coming through into the system. We need to make sure that local authorities are planning on the basis of that.

[365] **Darren Millar:** With new schools, I assume that you plan so that they can be extended in terms of their capacity for the future if necessary, so that there is a sufficient land base around them, et cetera, to be able to do that. I am assuming that that is part of the requirements for any new school project.

[366] **Ms Godfrey:** In some instances, we will look at whether they have additional land capacity to accommodate a phased approach, but we are trying to be slightly more strategic in that we are trying to look at what they are trying to do across the piece. For example, if they are proposing to remodel and reorganise secondary schools, we are trying to say to them, in terms of the size of the build at that time, 'Have you got it right? Are you incorporating learners that you believe could come in the future? Where do you think they are coming from?' As my colleague said, when we get around the table, we do talk about pupil numbers, potential housing developments, and how that will impact on the size of the school that is being built.

[367] **Darren Millar:** That is so important, and it has often been overlooked in the past, certainly.

[368] **Jocelyn Davies:** Just on that point, Chair, I know that you say there is a statutory obligation on local authorities, but there is also an obligation on the Minister, because he has to approve the plans based on the information he has available to him. Do we take it, therefore, that, if a local authority submitted plans that were not meeting the need, then part of this dialogue would be around improving the plan?

[369] **Mr Evans:** That is right. It is also worth mentioning that, whenever we get a submission in for a school, we would never look at schools in isolation. We increasingly look at them not just at a local authority level, but at a regional level, because we have evidence that, in some areas, opening a Welsh-language school in one place is cannibalising something over the border.

[370] **Jenny Rathbone:** I am struggling a little with the equity of these arrangements between one local authority and another. Obviously, local authorities will have their own priorities, and you have your five high-level criteria, some of which are easy to measure—sustainability and carbon dioxide reduction, for example—but others are much more difficult to quantify. How do you know whether a proposal in local authority A has more merit than a proposal in local authority B?

[371] **Mr Evans:** We have a fairly good normalising procedure, I think. We have a capital panel—we have one individual for north Wales and another for south Wales who will go to speak to the various local authorities, testing what plans they have. So, we will have a view on the various merits or demerits of the proposals being put in by competing local authorities. Actually, it is probably one of the strengths of the new system. In the old system, it was just doled out on a local authority basis. Now, we look at the strategic objectives and at the merits vis-à-vis local authorities against each other.

[372] **Jenny Rathbone:** What is the justification for prioritising funding for religious schools? Why are they not required to put in 50% of the funds?

[373] **Mr Evans:** That is largely historic. Rather than waffle on that one, I will look to Mel.

[374] **Ms Godfrey:** It is regulations; it is laid out in statute that the Welsh Government is required to fund up to 85% of capital build projects.

[375] **Jenny Rathbone:** That is of a religious school. That is a bit odd when it is obliged to fund only 50% of a county school.

[376] **Darren Millar:** To be fair, I know that there are discussions—I am perhaps speaking out of turn here, but I know that there are discussions—and it is recognised that they should be approached in a way similar to other schools in terms of a 50:50 split in the future.

[377] **Jocelyn Davies:** But the Minister would like to go—[*Inaudible.*]

[378] **Darren Millar:** Well, yes, or by agreement in some sort of way. There is often the argument about attainment as well. Attainment appears to be better in schools that have a faith character than—

[379] **Jenny Rathbone:** Yes, but that may be to do with the intake.

[380] **Darren Millar:** Quite possibly, but I know that there is recognition of the need for change.

[381] **Mohammad Asghar:** Mr Evans, my question will be on the cost of the programme. In their strategic outline programmes, submitted in July 2011, local authorities estimated a total requirement of just under £5 billion to make all schools fit for purpose. Given the absence of clearly defined standards of fitness for purpose at that time, is this a reliable estimate of how much needs to be spent to bring schools up to the standard?

[382] **Mr Evans:** In the context of the work that was undertaken at the time and the environment that we were in, if we were to bring everything up to almost the gold standard, as requested, based on quite well established frameworks that were available, that would have been the cost—and that would have been the top end of the cost, because we would have expected some value engineering of that. We are not in the same place now; we have had to rationalise. This is why I was mentioning that we had to introduce other initiatives, such as the local government borrowing initiative, to look at innovative ways of finding capital. We do not have the capital that we had then, and so, we are having to cut our cloth, effectively.

[383] **Mohammad Asghar:** What is the total funding required to make all schools fit for purpose, in your opinion, at the moment?

[384] **Mr Evans:** Going back to my previous answer, if I am looking at the category D schools, we will have to get you a figure on that, because I am not sure what the figure will be for category D. However, our ambition is more than category D. We want to get category C to B. The beauty of the system that we have now developed is that we have a strategic programme in place. We know what money we need for various programmes, which is, I think, one of the reasons why we have been supported very generously in some respects from central finance in providing additional moneys every year for us to invest in twenty-first century schools.

[385] I was not trying to be flippant with you with the remark about the Forth bridge, as the matter is one that we are continually looking at, which is why I am saying that we are continually refreshing the list that we have of what investment we need to make in schools. It is not an ideal situation; we do not have the capital that we would like to pursue the programme, but we have to do it as best we can.

[386] **Mohammad Asghar:** Does each authority's revised strategic outline programme represent the cost of bringing schools up to an acceptable standard, or to what the authority feels is affordable? The two are not necessarily the same.

[387] **Mr Evans:** Times change. I do not think that they are the same thing now.

[388] **Mohammad Asghar:** All right.

[389] **Julie Morgan:** Some of this has already been covered, but say that, within five years, all band D schools will be brought up to standard. When can we say that all schools will be brought up to standard?

[390] **Mr Evans:** The plans we have had from the various local authorities range anywhere from 2013 to 2030. We have been working on trying to tranche the capital that we are likely to have available to bring some of those programmes forward. We have roughly programmed about four tranches of work that would get us there, but there are a number of vagaries within that, and I would be loath to give a definitive target, I am afraid, because with capital investment, experience would suggest that whatever I tell you will be wrong. [*Laughter.*]

[391] **Julie Morgan:** That is okay. Thank you.

[392] **Jocelyn Davies:** I ought to say that they have different paint on the Forth bridge now, so they do not have to revisit it for 25 years. So, you will have to ditch that analogy, I am afraid, as it does not work any more. [*Laughter.*]

[393] In relation to the 50:50 split with local authorities, is that likely to change in the future? I would like to know whether any local authorities have indicated that they cannot find their 50% because, obviously, their budgets are being squeezed as well.

[394] **Mr Evans:** I will answer the second part first, if I may. The 50% figure was arrived at with the local authorities. So, it was something that was discussed at the programme board. I do not think that any of them welcomed it, but, in fairness, it was a very collegiate approach and a very mature approach, and we came to the figure that we thought we could both probably meet.

[395] As for the second part of the question—

[396] **Jocelyn Davies:** So, no local authorities have said that they cannot find their 50%.

[397] **Mr Evans:** It was agreed at the programme board among all of the local authorities.

[398] **Jocelyn Davies:** You keep saying that, but we know this Minister and I do not think that he went there and made a decision with anybody else.

[399] **Mr Evans:** The Welsh Local Government Association was represented and it signed up—

[400] **Jocelyn Davies:** I am sure it was.

[401] **Mr Evans:** So, if, behind the scenes, any local authorities are not happy—

[402] **Jocelyn Davies:** None of them has said officially to you in terms of their bids, ‘We cannot find our 50%’.

[403] **Mr Evans:** I have not received anything; I do not know whether officials have.

[404] **Ms Godfrey:** No, we have not.

[405] **Jocelyn Davies:** Is it likely to stay at 50%?

[406] **Mr Evans:** In the current climate, yes.

[407] **Jocelyn Davies:** What I mean is that it is not likely to go down to 25:75 for local authorities.

[408] **Mr Evans:** No. In fairness, this is how we arrived at the 50%. Anything below 50% would make it awfully difficult for local government.

[409] **Jocelyn Davies:** There is no statutory protection for these schools as there is for the faith schools.

[410] **Mr Evans:** No.

[411] **Jocelyn Davies:** Okay.

[412] **Darren Millar:** Are there any further points that you want to make before we close

the session?

[413] **Mr Evans:** No. I hope that we have provided sufficient assurance that we have moved on quite considerably. It is quite a strategic programme now. It is not perfect, but it is investing money that is making a difference on a strategic basis now and adding long-term value to the estate. We are looking at the moment at some innovative approaches to make it even better value for money, but, at the end of the day, we are working with local authorities and with practitioners to try to find the best route out of this.

[414] **Mike Hedges:** This is probably the best programme we have had in Wales for the last 40 years.

[415] **Darren Millar:** On that high, we will thank you very much for the evidence that you have provided to us, which we will consider now. We are very grateful. You will get a copy of the transcript of the proceedings so that you can correct any factual inaccuracies. Thank you.

4.58 p.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public
from the Meeting**

[416] **Darren Millar:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).

[417] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 4.58 p.m.
The public part of the meeting ended at 4.58 p.m.*