

# Agenda – Public Accounts and Public Administration Committee

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Meeting Venue:	For further information contact:
Committee room 4 and video conferencing via Zoom	Fay Bowen
Meeting date: 14 September 2023	Committee Clerk
Meeting time: 09.15	0300 200 6565
	<a href="mailto:SeneddPAPA@senedd.wales">SeneddPAPA@senedd.wales</a>

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## (Private pre-meeting)

(09.00–09.15)

### 1 Introductions, apologies and substitutions

(09.15)

### 2 Papers to note

(09.15–10.00)

#### 2.1 Letter from the Chair of the Children, Young People and Education Committee to the First Minister – Ministerial appointments

(Pages 1 – 2)

#### 2.2 Letter from the Chair of the Finance Committee to Auditor General and Chair of the Wales Audit Office Board: Notification of audit deadlines

(Pages 3 – 7)

#### 2.3 Letter from the Children's Commissioner for Wales to the Minister for Social Justice – PAPAC Report on Review of the Welsh Commissioners

(Pages 8 – 10)

#### 2.4 Letter from the Future Generations Commissioner for Wales to the PAPAC Chair

(Pages 11 – 12)



- 2.5 Welsh Government Response to PAPAC Report on Review of the Welsh Commissioners**  
(Pages 13 – 24)
- 2.6 Letter from Minister for Health and Social Services to the Chair of PAPAC and Chair of the Health and Social Care Committee – Betsi Cadwaladr University Health Board**  
(Pages 25 – 31)
- 2.7 Response from Digital Health Care Wales to the report of the Health and Social Care and Public Accounts and Public Administration joint Committee on "Scrutiny of Digital Health and Care Wales"**  
(Pages 32 – 58)
- 2.8 Written Response by the Welsh Government to the report of the Health and Social Care and Public Accounts and Public Administration joint Committee on "Scrutiny of Digital Health and Care Wales"**  
(Pages 59 – 66)
- 2.9 Letter from Fiona Stewart –Managing Director of Green Man to Chair of PAPAC**  
(Pages 67 – 76)
- 2.10 Letter from the Chief Executive of Cardiff Airport to the Chair of PAPAC**  
(Pages 77 – 80)
- 2.11 Welsh Government organisational response to Auditor General – Report of the Auditor General for Wales: 'Cracks in the Foundations' – Building Safety in Wales**  
(Pages 81 – 91)
- 2.12 Letter from the Permanent Secretary to the Chair of PAPAC – Public Accounts and Public Administration Committee – Welsh Government Annual Report and Accounts 2020–21**  
(Pages 92 – 102)

**3 Maximising EU Funding – Evidence Session with Welsh Government**

(10.00–11.15)

(Pages 103 – 128)

Peter Ryland – Chief Executive WEFO

Hugh Morgan – Head of Rural Payments Division

Research Brief

**4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the remainder of today's meeting**

(11.15)

**Break**

(11.15–11.30)

**5 Consideration of the evidence received**

(11.30–11.50)

**6 Report of the Auditor General for Wales: 'Cracks in the Foundations' – Building Safety in Wales**

(11.50–12.15)

(Pages 129 – 210)

'Cracks in the Foundations' – Building Safety in Wales Report of the Auditor General for Wales, August 2023

Welsh Government – Organisational Response Form (ORF) to 'Cracks in the Foundations' – Building Safety in Wales Report of the Auditor General for Wales (see PTN 11)

Attached Documents:

'Cracks in the Foundations' – Building Safety in Wales Report of the auditor General for Wales, August 2023

Briefing Note\_Cracks in the Foundations



Mark Drakeford MS

First Minister

6 July 2023

## **Ministerial appointments**

Dear First Minister,

We recently held a pre-appointment hearing for preferred candidate for the Chief Executive of the new Commission for Tertiary Education and Research. This was not a public appointment as listed in the agreement between the Senedd and the Welsh Government. However, we held a pre-appointment hearing following a commitment given by the Minister for Education and Welsh Language during Stage 2 and 3 scrutiny of the then Tertiary Education and Research (Wales) Bill. We appreciated the Minister's commitments and the opportunity for our involvement in this appointment.

More generally, we have consistently highlighted our concerns about the limited role of Senedd committees in the public appointment process, and in particular the limitations of the pre-appointment hearings since the start of this Senedd. These are outlined in our [recent correspondence to the Public Accounts and Public Administration Committee](#).

We are writing to seek more information on ministerial appointments. This was a ministerial appointment in which Senedd committees do not usually play a role. We believe that our involvement in this appointment has helped put more information in the public domain about the recruitment process. This was particularly important for this role because of the decision to move to a direct appointment after the public recruitment process was not successful.

As a result, the Committee would like more information about the approaches taken in relation to ministerial appointments. We would therefore appreciate information about the different approaches that have been taken for such appointments. Please could you provide us with the total number of ministerial appointments broken down by:

- ministerial portfolio;

**PAPA(6)-12-23 -PTN1**

- whether an open recruitment process was carried out in relation to the appointment;
- whether the open recruitment process was successful (if applicable);
- whether the appointment was a direct appointment; and
- the reason why the appointment was a direct appointment (if applicable).

Please can you also provide details of all posts to which a direct appointment was made, irrespective of the reason for which the direct appointment was made. We would like this data to cover the period of the last five years.

I am copying this letter to Mark Isherwood, Chair, Public Accounts and Public Administration Committee in light of the Committee's ongoing inquiry into public appointments.

We would appreciate a response by 14 September 2023.

Yours sincerely,



Jayne Bryant MS  
Chair

Cc: Mark Isherwood, Chair, Public Accounts and Public Administration Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Adrian Crompton, Auditor General for Wales  
Kathryn Chamberlain, Chair of the Wales Audit Office Board

17 July 2023

Dear Adrian and Kate

### Notification of audit deadlines

I am writing further to the Committee's report on its annual scrutiny of the Wales Audit Office and Auditor General for Wales in November 2022. You will recall that our consideration of the significant delay in laying the Welsh Government's Consolidated Accounts 2020-21 led to us making the following recommendation:

**Recommendation 5.** The Committee recommends that the Auditor General formally notifies the Chair of the Finance Committee in writing if he is unable to complete an audit within the four month statutory deadline.

We revisited the scope of this recommendation at our meeting on 21 June as we had intended the recommendation to extend to the audit of other bodies. However, we recognise that the Auditor General undertakes audit work at over 800 bodies and note that the status of bodies across different sectors, as well as the deadlines for auditing those bodies, are varied.

After careful consideration, we agreed to seek notification when the Auditor General is unable to complete the audit of the following bodies within the statutory deadline applicable to that body (or by the end of November where no statutory deadline applies):

- Directly funded bodies;
- Welsh Government and related accounts;
- WRA;
- WGSBs; and
- NHS bodies.

Based on our current understanding, we have listed in the annex those bodies that will be subject to this reporting arrangement and their respective reporting deadlines.



I hope that this provides clarity as to the scope of our recommendation and the procedure for reporting in relation to the late accounts of audited bodies.

I am copying this letter to Mark Isherwood MS, Chair of the Public Accounts and Public Administration Committee.

Yours sincerely

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

Peredur Owen Griffiths MS, Chair of the Finance Committee



Audited body	Deadline
<b>Directly Funded Bodies</b>	
Public Services Ombudsman for Wales	Audit within four months of submission to AGW or within four months of 30 November
Senedd Commission	Audit within four months of submission to AGW or within four months of 30 November
<b>Welsh Government and related accounts</b>	
Welsh Consolidated Fund	Audit within four months of submission to AGW or within four months of 30 November
Welsh Government Resource Account	Audit within four months of submission to AGW or within four months of 30 November
Welsh Non-Domestic Rating Account	No statutory deadline (report if not complete by 30 November)
Summarised NHS accounts	No statutory deadline (report if not complete by 30 November)
<b>Welsh Revenue Authority</b>	
Welsh Revenue Authority	Audit within four months of submission to AGW or within four months of 31 August
Welsh Tax Statement	Audit within four months of submission to AGW or within four months of 31 August



Welsh Government Sponsored Bodies	
Arts Council of Wales	Specified audit deadline - 31 January
Citizen Voice Body for Health and Social Care (Llais)	Audit within four months of submission to AGW or within four months of 31 August
Higher Education Funding Council for Wales	No statutory deadline (report if not complete by 30 November)
Local Democracy and Boundary Commission for Wales	Audit within four months of submission to AGW or within four months of 31 August
National Library for Wales	Specified audit deadline - 31 January
National Museum Wales	Specified audit deadline - 31 January
Natural Resources Wales	Audit within four months of submission to AGW or within four months of 31 August
Qualifications Wales	Audit within four months of submission to AGW or within four months of 31 August
Social Care Wales	Audit within four months of submission to AGW or within four months of 31 August
Sports Council for Wales (Sports Wales)	No statutory deadline (report if not complete by 30 November)
NHS	
Aneurin Bevan University Health Board	
Betsi Cadwaladr University Health Board	
Cardiff and Vale University Health Board	
Cwm Taf Morgannwg University Health Board	



Hywel Dda University Health Board	<p>1. Administrative deadlines agreed annually with Welsh Government for audit of accounts.</p> <p>2. Later annual deadline for full annual report as set by Welsh Government direction.</p>
Powys Teaching Health Board	
Swansea Bay University Health Board	
Velindre University NHS Trust	
Welsh Ambulance Services NHS Trust	
Public Health Wales	
Health Education and Improvement Wales (HEIW)	
Digital Health and Care Wales	



To: Jane Hutt

Minister for  
Social Justice

Via email only

31 July 2023

Dear Jane,

I write in support of the recommendations made by the Senedd Public Accounts and Public Administration Committee in their recent inquiry report entitled *Review of the Welsh Commissioners*.

Several of these recommendations speak to issues we have raised with you and Welsh Government colleagues previously and some were raised in our submission to the aforementioned Review. These include:

- The restrictions placed on our use of reserves due to our inclusion within the accounting boundary; and associated risks to our independence. The Committee recommends that the Welsh Government reviews the impact of the changes after they have been in operation for two years and provides an update to the Committee by September 2024;
- The timeliness of confirming funding allocations for Commissioners;
- The need for a post-legislative review of the legislation governing all Commissioners including a review of the funding allocated to them. Our own review of Welsh Government in 2021 noted that:

*"The powers of the current legislation will require review and revision ... A further flaw in the legislation can also be corrected by a comprehensive review. The Government, as the body*



Tŷ Llewellyn/Llewellyn House  
Parc Busnes Glan yr  
Harbwr/Harbourside Business Park  
Heol yr Harbwr/Harbourside Road  
Port Talbot  
SA13 1SB  
01792 765600

**comisiynyddplant.cymru**  
**childrenscommissioner.wales**

[post@comisiynyddplant.cymru](mailto:post@comisiynyddplant.cymru)  
[post@childrenscommissioner.wales](mailto:post@childrenscommissioner.wales)

Croesawn ohebiaeth yn y Gymraeg yn ogystal â'r Saesneg ac mewn amryw o fformatau  
We welcome correspondence in the medium of Welsh and English as well as alternative formats

*that appoints and funds the Commissioner's office, is able to effectively block and delay the legitimate attempts of the Commissioner to examine their conduct and this cannot be right or acceptable in a democratic society. Further, this arrangement does not conform to the international standard of the Paris Principles and it is therefore extremely disappointing that, during the course of this Review, the Government rejected the calls of the Senedd Children, Young People and Education (CYPE) Committee in their Children's Rights in Wales report to transfer the appointment and accountability of the office to the Senedd."*

- Whether new legislation may impact upon the remit of Welsh Commissioners, ensuring there are adequate resources to incorporate extensions to their roles and responsibilities.

These are long-standing concerns and, as such, I hope that the Welsh Government will give full consideration and respond positively to the Committee's recommendations.

I would be happy to further discuss these issues with you

Yours sincerely,



Rocio

Rocio Cifuentes MBE

Comisiynydd Plant Cymru  
Children's Commissioner for Wales



cc. Mark Isherwood MS, Chair, Public Accounts and  
Public Administration Committee

Jo Stevens, Head of Children's Branch, Welsh  
Government





Comisiynydd  
**Cenedlaethau'r  
Dyfodol**  
Cymru

**Future  
Generations**  
Commissioner  
for Wales

By email

24 August 2023

Dear Chair,

I am writing to express my thanks to you and the Committee for your recent report on the 'Review of the Welsh Commissioners'. I appreciate the comprehensive work put in by the Public Accounts and Public Administration Committee, following the Senedd Equality and Social Justice Committee's recommendation. Your examination of the resourcing arrangements of Commissioners is helpful and timely.

In particular, I welcome the report's findings and recommendations that are especially pertinent to my role and designed to help improving the setting and evolution of our annual budgets:

- Recommendation 4 – Your call for Welsh Ministers to confirm the funding allocations for Commissioners in a well-defined and consistent manner is welcome to give us sufficient time to plan our budgets for the following years.
- Recommendation 14 – I look forward to an update from the Minister for Social Justice about the review by officials into the scope of the Future Generations Commissioner's work.
- Recommendation 16 - It is essential that the Welsh Government reviews the potential impact of new legislation on the remit of Welsh Commissioners. There is a need to ensure we have adequate resources to deliver extensions to our roles and responsibilities.

As I am preparing to set the priorities for my term, this year only, I have sent an indication of my budget needs to Welsh Government prior to the summer recess and will send my full estimate by the statutory deadline of the 31<sup>st</sup> of October. I anticipate that the findings from the Committee's report will be considered during budgetary deliberations and the setting of my budget for 2024-25. From my recent engagement with leaders of Welsh public bodies over the last few months, it is clear they welcome the expert support and advice provided by my team. Whilst I acknowledge the extremely tough budgetary circumstances facing the Welsh Government in the upcoming budget, I hope that I can retain my current team and that the value provided by my office will be recognised during the budget discussions.

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Comisiynydd Cenedlaethau'r Dyfodol Cymru  
Tramshed Tech, Heol Pendyris  
Caerdydd, CF11 6BH  
[cystylltwchani@cenedlaethaurdyfodol.cymru](mailto:cystylltwchani@cenedlaethaurdyfodol.cymru)  
[cenedlaethaurdyfodol.cymru](http://cenedlaethaurdyfodol.cymru)

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Future Generations Commissioner for Wales  
Tramshed Tech, Pendyris Street  
Cardiff, CF11 6BH  
[contactus@futuregenerations.wales](mailto:contactus@futuregenerations.wales)  
[futuregenerations.wales](http://futuregenerations.wales)



I wish to reassert my commitment to working collaboratively with other Commissioners. We already work closely together, and I anticipate being able to build on this further in the years to come.

I note and welcome the Committee's intention to return to further scrutiny of the Commissioners' work as part of its annual accounts scrutiny. I look forward to working with officials on this in due course.

Once again, thank you for sending me a copy of your report and for the supportive recommendations.

Yours sincerely,

A handwritten signature in black ink that reads 'D. Walker'.

Derek Walker  
Future Generations Commissioner for Wales



Rebecca Evans AS/MS  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



Mark Isherwood, MS  
Chair – Public Accounts and Public Administration Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1NA

29 August 2023

Dear Mark,

**PUBLIC ACCOUNTS AND PUBLIC ADMINISTRATION COMMITTEE REPORT  
REVIEW OF THE WELSH COMMISSIONERS  
RESPONSE TO THE REPORT**

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

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

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

Yours sincerely,

**Rebecca Evans AS/MS**  
Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Correspondence.Rebecca.Evans@gov.wales](mailto:Correspondence.Rebecca.Evans@gov.wales)  
[Gohebiaeth.Rebecca.Evans@llyw.cymru](mailto:Gohebiaeth.Rebecca.Evans@llyw.cymru)

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

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

**Response to the Report of the Senedd Cymru/Welsh Parliament  
Public Accounts and Public Administration Committee Report on  
Review of the Welsh Commissioners, July 2023**

**Provided by: Rebecca Evans MS, Minister for Finance and Local Government**

**Date: August 2023**

The Welsh Government welcomes the findings of the report and offers the following response to the sixteen recommendations contained within it. Where a response relates to more than one recommendation, the relevant recommendations have been grouped together.

***Recommendations 1 and 4 have been grouped together for response.***

**Recommendation 1**

**We recommend the Welsh Government agrees a timetable for providing information each year to inform the Commissioners' budget preparation process. The Welsh Government should provide an update to the Committee when it has agreed the timetable it intends to adopt.**

***Accept***

**Recommendation 4**

**We recommend the Welsh Ministers confirm the funding allocations for Commissioners according to a defined timetable, which provides sufficient time for Commissioners to plan their following years' budgets accordingly, and it takes a consistent approach in doing so.**

***Accept***

Welsh Ministers are required to write to the Business Committee to agree a timetable for the following financial year's budget timetable before the summer recess. However, the dates on which the draft and final budgets will be tabled cannot be confirmed until the UK Government has announced the date of its autumn fiscal event. It is only at this point, late in the autumn term, when Ministers currently learn precise details of the Welsh budget settlement.

The timing of these events since 2017 has impacted adversely on Welsh Ministers' budget planning. We recognise and share the Commissioners' concerns in devising spending plans for the following financial year when learning details of our final budget settlement at such a late stage. Public sponsored bodies, local authorities, and our partners in the third sector face similar challenges.

As a result, the precise details and timing of funding allocations for the Commissioners depend on the progress of the overall budget process for the appropriate budget round. As noted in the evidence submitted to the Committee, Commissioners have been invited to submit early estimates to Ministers in August each year, earlier than the statutory deadline of 31 October. This allows for discussion of the potential funding available while the budget-setting process takes place.

Where possible, the Welsh Government will provide indicative budgets for future years. However, Ministers are unable to commit to precise levels of funding for the Commissioners until they can consider the allocation in the wider context of the total funding available to them. As stated by the First Minister in his Statement of 9 August, our financial position after the UK Spring Budget in March, was up to £900m lower in real terms than when that budget was set by the UK Government at the time of the last spending review in 2021. This has an impact on all budget areas and policies, including Commissioners. However, in practice the budgets for the Commissioners have remained stable or increased in recent years. This should allow the Commissioners to estimate their income and expenditure based on existing budget limits.

## **Recommendation 2**

**We recommend the Welsh Government provides, to the Committee and Commissioners, information about the process for modifying the estimates submitted by Commissioners.**

### ***Accept***

Under the legislation governing each Commissioner, the responsibility rests with the Commissioner to provide their statutory estimate of the income and expenses of the Commissioner and the Commissioner's staff. They are required to submit their estimate to the Welsh Ministers at least five months before the beginning of the financial year to which it relates (31 October).

As Accounting Officers, Commissioners are expected to plan to use their resources on an affordable and sustainable path, within agreed limits. The budget limits for each Commissioner give an indication of the budget Commissioners should plan to for the year ahead.

Once submitted to the Welsh Government, the Commissioners' estimates are reviewed and considered alongside other funding requirements across the budget. Welsh Ministers have encouraged Commissioners to provide their statutory estimates earlier than the statutory deadline to inform the budget process.

The final budget allocation is informed by the Commissioners' estimates and is decided in light of the overall budget available to the Welsh Government and, in particular, to the Major Expenditure Group to which the Commissioners' budgets are allocated. This involves discussions within Welsh Government and with the Commissioners or their staff, leading to a final budget allocation for each Commissioner which is presented in the Welsh Government Draft Budget Proposals and the Final Budget (Annual Budget Motion) both laid before Senedd Cymru. The budget for each Commissioner cannot be confirmed until the Senedd has approved the overall Budget for the Welsh Government under the relevant Standing Orders.

### **Recommendation 3**

**We recommend the Welsh Government clarifies why it does not appear to use the modification process to revise the Commissioners' estimates and explains why the estimates, as laid before the Senedd, may not set out the agreed funding for the Commissioners.**

#### ***Accept***

Each Commissioner must for each financial year prepare an estimate of the income and expenses of the Commissioner and the Commissioner's staff. The Commissioner must submit this to the Welsh Ministers who have a power to make modifications they think appropriate. The statutory estimate provided by the Commissioner does not confirm the budget the Commissioner received. As set out in response to Recommendations 1 and 4, it is for Welsh Ministers to determine the budget provided to Commissioners through the draft and final budget process.

Welsh Ministers have not used the power to modify the estimate documentation provided by each Commissioner and therefore those estimates provided by Commissioner are laid before the Senedd unchanged.

The Welsh Government does follow a modification process as detailed in the response to Recommendation 2 above. The Commissioners' initial estimates of income and expenses are considered alongside overall budget pressures facing the Welsh Government and the wider public sector. The Commissioners are notified of their draft budget allocations once the draft Welsh Government budget has been published and will then receive formal notification detailing its budget allocation once approved by the Senedd. The agreed funding for each Commissioner is clearly set out in the budget which is approved by the Senedd. This is likely to be different to the estimate prepared by the Commissioner and submitted to Welsh Ministers.

## **Recommendation 5**

**We recommend the Welsh Government provides an update to the Committee about the progress it has made with its programme to move to Term of Government Remits for its Arm's Length Bodies, together with information about the timescales for completing the exercise.**

### ***Accept***

All Commissioners are champions for the people or policy areas whose interests they represent. As such, they are independent of Government and must have the freedom and discretion to undertake their duties without fear of their work having an impact on their funding. The relationship between the Welsh Government and Commissioners is, therefore, fundamentally different to the relationship that the Welsh Government has with other categories of bodies, such as Welsh Government Sponsored Bodies, Arm's Length Bodies (ALBs) or subsidiary companies.

Despite the policy and operational independence of Commissioners, all are funded by public funds which are provided by the Welsh Government. All Commissioners are Accounting Officers, receive Accounting Officer letters and must attend appropriate training. They are, therefore, personally responsible for the management of the funds allocated to them. The accounts and governance arrangements of all Commissioners must be subject to internal audit and to external audit by the Auditor General for Wales.

The role of the Commissioners is set out in the relevant founding legislation and, due to the operational independence of the Commissioners, Welsh Ministers do not issue them with 'remit letters' as such. Instead, Ministers issue a grant allocation letter to each Commissioner which sets out their funding for the year in question: they will also have in place a protocol or Memorandum of Understanding explaining statutory duties, operational arrangements, guidance, and policies with which they need to comply. Each Commissioner is then responsible for identifying their own priorities and subsequent workplan which is discussed with Ministers.

Further advice on this relationship is set out in *Managing Welsh Public Money*.

Welsh Government Arm's Length Bodies receive remit letters from the responsible Welsh Minister. The majority of such bodies now receive a Term of Government remit letter but, as funding cannot be guaranteed beyond the relevant financial year, Ministers will still agree annual funding letters to each ALB after the Senedd has agreed the Welsh Government Budget each year.

## **Recommendation 6**

**We recommend that the Welsh Ministers lay Welsh Commissioners' estimates before the Senedd on a timely basis and at the earliest opportunity each year following their decisions about funding allocations for the next financial year.**

### ***Accept***

Whilst Welsh Ministers do not have a prescribed timetable in legislation on when they lay the Commissioners estimates before the Senedd, in practice the estimates are laid as soon as reasonably practical after the Senedd has approved the Final Budget. The agreed funding for each Commissioner is clearly set out in the final budget which is approved by the Senedd. The final funding allocation for Commissioners is unlikely to be the same as the amount requested for the financial year in question, as is the same for other organisations and spending priorities across the Welsh Government portfolio. Where possible, the Welsh Government will provide indicative budgets for future years but, as stated above, Ministers cannot commit to precise levels of funding for the Commissioners until that year's budget is approved. The timescale for publication varies according to the Senedd's procedures for approval of the overall Welsh Government budget. The Welsh Government does not control this timetable but is guided by Standing Orders.

## **Recommendation 7**

**We recommend that, for openness and transparency, the Welsh Government publishes the Welsh Commissioners' estimates on its website pages for the Commissioners.**

### ***Reject***

Under each of the separate pieces of legislation governing the Commissioners, Welsh Ministers are required to lay the estimates before the Senedd with any modifications they think appropriate. They are therefore publicly available via the Senedd website. Commissioners will also publish their annual reports on their own website which will include details of their budget, income, and expenditure.

## **Recommendation 8**

**We recommend the relevant Welsh Minister confirms whether the Future Generations Commissioner for Wales' Estimate for 2022-23 was laid before the Senedd, with details of the date on which it was carried out.**

### ***Accept***

The Welsh Government received the statutory estimate for 2022-23 from the Future Generations Commissioner on 29 October 2021, five months prior to the financial year. The Commissioner requested a budget of £2,322,173 for 2022-23, a proposed 53 per cent increase to the budget of £1,509,000 which the Commissioner had received in 2020-21 and 2021-22.

The Welsh Government laid its Draft Budget Proposal for 2022-23 before the Senedd on 20 December 2021. This outlined a draft budget for the Future Generations Commissioner of £1,509,000 for 2022-23 and an indicative budget of £1,509,000 for 2023-24. The Final Budget was laid before the Senedd on 1 March 2022 which confirmed the budget for the Commissioner for 2022-23 as £1,509,000. Following further discussions for funding in 2023/24, the actual budget for the Commissioner for that year was set at £1,685,000.

However, it appears that the Future Generations Commissioner for Wales' estimate of income and expenses for 2022-23 was not laid before the Senedd at the time. This has now been rectified and I would like to apologise for this oversight. I can confirm that this had no impact on the resources provided to the Commissioner in that financial year.

## **Recommendation 9**

**We recommend the Welsh Government provide the Committee with information about the additional funding allocations, announced in July 2022, for pay parity at the Arm's Length Bodies. This should include the evidence on which the expected and actual allocations were determined, well as assurance that the funding allocated is meeting the associated costs.**

### ***Accept***

The pay parity funding agreed by Welsh Ministers in June 2022 was the result of nearly three years of discussions in the Devolved Sector Group, which includes management and unions from devolved Welsh public bodies, the Commissioners' offices and the Welsh Government. The total sum was based on the number of staff (full-time equivalent), as at 31 March 2022 who were paid below the Welsh Government minimum, and the difference between their pay and the Welsh Government minimum, using the pay scales in place for the 2021-22 financial year. This was increased by the employers' pension contributions and the employers' National Insurance contributions to give an estimate of total cost for each employer.

Each body made an additional claim for pay parity costs as part of their grant-in-aid claim process for financial years 2021-22 and 2022-23. Additional funds were made available to each relevant BEL from previous underspends. A summary of the payments made available to and claimed by the two Commissioners directly affected is below.

Commissioner	Staff affected (FTE)	2021-22 pay scales		Claim for 2021-22	Claim for 2022-23	Total claimed
		Salary cost (staff x pay difference)	Total cost (salary + pension, NI)			
Older People	5.8	£12000	£17000	£11000	£11000	£22000
Future Generations	5.8	£11000	£16000	£18000	£19000	£37000

Table 1: Pay Parity costs and claims for Commissioners, 2021-22 and 2022-23.

The increased payment claimed by the Future Generations Commissioner was made possible by lower-than-expected claims from other bodies, including the Older People's Commissioner.

For financial years 2023-24 and 2024-25, funds were added to those lines meaning that no additional claim was necessary. As Ministers had stated that annual pay increases would normally be met from existing resources, the amount given to all the bodies involved was fixed at the 2021-22 figures.

## Recommendation 10

**We recommend that the Welsh Government provides information about the process to be adopted by it or Welsh Ministers to address potential conflicts of interest, arising due to the inclusion of the Commissioners within the Welsh Government's accounting boundary and the related restrictions on their use of reserves. Most significantly, the related risks to independence where a Commissioner requests additional budget cover or funding for a review or investigation about the Welsh Ministers or Welsh Government.**

### *Accept*

Each Commissioner has different functions which would interact with the Welsh Government and so any conflict of interest needs to be considered in the context of the Commissioners' different statutory responsibilities.

The Commissioner does not identify whether they will be using their resource budget to investigate the Welsh Government or a particular Welsh Minister when the budget is approved and awarded. Should the Commissioner request additional funding to be able to undertake an investigation into a particular Welsh Minister during the financial year, the Minister in question would not be involved in making that funding decision.

***Recommendations 11 and 13 have been grouped together for response.***

#### **Recommendation 11**

**The Commissioners identify issues with the restrictions on their use of reserves following the designation, from February 2022, of their offices in the Welsh Government accounting boundary. Given the related risk to independence and potential other unintended consequences, the Committee recommends that the Welsh Government reviews the impact of the changes after they have been in operation for two years and provides an update to the Committee by September 2024.**

***Accept***

#### **Recommendation 13**

**We recommend the Welsh Government reviews the impact on the Commissioners of bringing them into its accounting boundary. This should be completed two years after such changes have been in operation, with an update provided to the Committee by September 2024.**

***Accept***

The restrictions on reserves are as set out in the UK Public Expenditure framework detailed in the *Consolidated Budgeting Guidance* set out by HM Treasury. Designation is the process that brings a body within the Welsh Government accounting boundary, the designation status of the body has no impact on how the framework is applied.

The designation of the Commissioners within the Welsh Government accounting boundary meets the commitment made in response to the Fourth Assembly's Finance Committee inquiry into Best Practice Budget Processes, to undertake an exercise to align budgetary and accounting boundaries. Designating central government bodies clarifies the financial position for the sector as a whole, aiding long term planning, and also ensures that the appropriate framework is in place for these bodies to safeguard public funds.

The process also accommodates the need to raise awareness of the purpose of designation and continue to address the wider issues concerning the application of the public expenditure framework to all public bodies classified to the central government sector with the existing bodies. Formal designation is carried out by Order made by one of the Welsh Ministers under the Government of Wales Act 2006.

Designation only impacts how the body's budget is reported by the Welsh Government, not how HM Treasury's UK Public Expenditure framework is applied to that body. The restrictions on reserves are as set out in the UK Public Expenditure framework detailed in the *Consolidated Budgeting Guidance* set out by HM Treasury.

This information is already visible in the Budget Motion and supporting documents published. The Commissioners do not meet the materiality threshold to be consolidated in the Welsh Government Consolidated accounts and consolidation is the only other potential impact of designation. There is no budget impact from designation, the budget treatment is determined by the UK Public Expenditure Framework and this is based on the national accounts classification, not the designation status of a body.

The relevant Finance teams will continue to monitor the impact of the balance of operating freedom and restrictions. However, as the Welsh Government must ensure that the public budget is managed in compliance with HM Treasury's UK Public Expenditure framework, the risk from any change in policy would have to be borne by the Welsh Ministers on behalf of the public purse in Wales.

## **Recommendation 12**

**The Committee recommends the Welsh Government provides information about the evidence supporting the level of increase in the cash limits agreed for Commissioners, as well as the engagement between the parties about it.**

### ***Reject***

Commissioners use public funds so are therefore subject to best practice of cash management, including that cash grant-in-aid should not be claimed in advance of need. Standard practice across Welsh Government arm's length bodies is that those bodies hold no more than 2 per cent of total income for retained cash.

Recognising the limitations of a 2 per cent limit on the Commissioners and their particular circumstances, the Welsh Government has agreed a limit of 5 per cent of total income for retained cash to avoid this occurring. This limit is to cover the timing differences of payments and to provide a contingency to allow the Commissioners to start an investigation without any delay whilst they await a funding decision. If the Commissioners expect to hold cash in excess of this limit, permission must be granted by the Welsh Government Director of Finance.

## Recommendation 14

**We recommend the Welsh Government provides an update about the review the Minister for Social Justice has asked her officials to undertake into the scope of the Future Generations Commissioner's work and responsibilities. The update should set out the timetable for its completion and when officials expect to provide advice to the Minister.**

### ***Accept***

On 27 May 2022, the Minister for Social Justice [wrote](#) to the Equality and Social Justice Committee with the Welsh Government's response to recommendation 2 of the Equality and Social Justice Committee's 2022 report *Annual Scrutiny of the Future Generations Commissioner: An Update*. This recommendation concerned an evaluation of the scope of the Future Generations Commissioner's work and responsibilities and was set within the context of the review of the public bodies subject to the Well-being of Future Generations (Wales) Act 2015.

The Minister provided an update to the Public Accounts and Public Administration Committee on this review in her [letter](#) of 1 December 2022. Work is ongoing with the Commissioner on the cost implications to their office in extending the number of bodies subject to the Act's well-being duty.

Beyond the extension of the Act, any evaluation of the Future Generations Commissioner's general duty and functions should form part of a wider post-implementation review to measure the effectiveness of the Well-being of Future Generations (Wales) Act 2015 and to capture its real impact. The Minister asked officials to explore the scope and need for an evaluation of the Act, which could include an assessment of the role and functions of the Commissioner.

Officials have finalised a scoping paper on the approaches that this evaluation could take and are currently in the process of appointing a UK Research and Innovation-funded policy fellow to develop the approach and deliver the first stage of the evaluation. This is likely to include a systematic evidence review and a social impact assessment. Given the broad nature of the Act and its reach in terms of government, public bodies, public services boards and town and community councils, the evaluation will need to involve stakeholders from across the devolved Welsh public sector, including Senedd committees and the Future Generations Commissioner. This will also include the Well-being of Future Generations National Stakeholder Forum, established by the Minister.

An evaluation will also consider the evidence provided by the Future Generations Commissioner (monitoring duty, review power, and annual, and Future Generations Report), the Auditor General for Wales (examination duty and results of examinations report), and the Public Accounts Committee's inquiry in 2020-21, which provide rich insight into how the Act is working. The Welsh Government will continue to keep the Committee updated on this work as it progresses, including the likely timeframes for the multi-year evaluation.

### **Recommendation 15**

**We recommend the Welsh Government conducts post-legislative review of the legislation governing all Commissioners, including a review of the funding allocated to them, with an update provided to the Committee in due course.**

#### ***Reject***

The Regulatory Impact Assessment carried out at the time of each of the relevant pieces of founding legislation included details of the planned approach for monitoring, reviewing, and evaluating the policy (post-implementation review).

Each Commissioner has different duties and powers which are aligned to their founding legislation and the wider policy agenda. A review of the legislation relating to the Commissioners would involve three UK Acts of Parliament, a National Assembly Measure, and an Act of the Assembly. Ministers do not currently plan to carry out such a review as we do not believe that there would be enough benefit to Commissioners or the Welsh Government to justify the expenditure. Commissioners' budgets have been settled in the light of the overall budget situation and, as the Welsh Government budget has not kept pace with inflation, Commissioners have faced the same constraints over recent years. A review of legislation would not resolve this issue.

### **Recommendation 16**

**We recommend the Welsh Government reviews whether new legislation may impact upon the remit of Welsh Commissioners, ensuring there are adequate resources to incorporate extensions to their roles and responsibilities.**

#### ***Accept***

The Welsh Government already considers whether new legislation may impact upon the remit of Welsh Commissioners. As part of any new Senedd Bill or secondary legislation, a Regulatory Impact Assessment (RIA) is required by standing orders to include the best estimates of the likely impact of that legislation, and which will form part of the Explanatory Memorandum. This will include the best estimates of administrative costs and savings, and whom the costs would fall. Where these costs fall on Commissioner estimates will be provided for. Similarly, if new legislation changes the duties and functions of a Commissioner, the impact of this would be considered as part of policy development and the Regulatory Impact Assessment.

**Eluned Morgan AS/MS**  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Our ref: MA/EM/2138/23

Russell George MS  
Chair Health and Social Care Committee  
[SeneddHealth@senedd.wales](mailto:SeneddHealth@senedd.wales)

Mark Isherwood MS  
Chair Public Accounts and Public Administration Committee  
[SeneddPAPA@senedd.wales](mailto:SeneddPAPA@senedd.wales)

24 August 2023

Dear Russell and Mark,

Thank you for your letter of 7 July on behalf of the Health and Social Care and Public Accounts and Public Administration committees regarding Betsi Cadwaladr University Health Board. I have responded to each of the points in the attached document.

I hope that you find this useful, and I am happy to provide you with further information as required.

Yours sincerely,

**Eluned Morgan AS/MS**  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Gohebiaeth.Eluned.Morgan@llyw.cymru](mailto:Gohebiaeth.Eluned.Morgan@llyw.cymru)  
[Correspondence.Eluned.Morgan@gov.wales](mailto:Correspondence.Eluned.Morgan@gov.wales)

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

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

**1. What will be the structure and process of the Welsh Government/Ministerial oversight of BCUHB's progress against the Special Measures Organisational Response Plan.**

Response

The Special Measures framework clearly sets out the reasons for the escalation of the health board and the areas where improvements need to be made. This will guide the Special Measures intervention for the rest of 2023. It will be refreshed in January 2024 following an assessment of progress. Priorities and focus will be set on an agreed 90 days cycle as outlined in the Written Statement on 6 July 2023 [Written Statement: Special Measures, Betsi Cadwaladr University Health Board - quarterly progress report \(6 July 2023\) | GOV.WALES](#). The Special Measures Framework can be accessed at the same link.

Placing a health board into Special Measures does not mean the Welsh Government takes over the day-to-day running of the health board. That remains the responsibility of the board. It is the role of Welsh Government to provide oversight, assurance and challenge where appropriate to ensure that the health board makes the necessary improvements.

A Special Measures Assurance Board has been established, which is chaired by Welsh Government. It will support the health board in determining what steps are necessary to navigate an effective and sustainable route out of Special Measures. The assurance board met for the second time on 26 May and will meet again in August. The assurance board will also advise me, through agreed governance channels, whether appropriate steps are being taken.

In addition to the assurance board, the health board attends a monthly Integrated Performance and Quality Board. This is chaired by the Deputy Chief Executive of NHS Wales and provides ongoing assessment of progress being made. This is supplemented by additional assurance meetings on areas of concern such as vascular, ophthalmology, planned care and Glan Clwyd hospital amongst others. There are weekly meetings between officials and staff from the health board. As with all health boards, Betsi Cadwaladr University Health Board has a JET meeting (Joint Executive Team meeting) with senior Welsh Government officials twice a year.

I personally chair a Special Measures Improvement Forum; this Forum has met four times. This will continue to meet bi-monthly. It is through this meeting with the Chair, Independent Members and Executive Members of the Board that I gain assurance, or otherwise, that progress is being made. The Deputy Minister for Mental Health & Wellbeing and the Director General of the Health and Social Services (HSS) Group also attend this forum, in addition to other Welsh Government officials.

I also meet monthly directly with the Chair of the health board where I discuss progress and other health board related issues.

Wherever possible we both visit various sites in the region. Most recently, I was there between the 24 and 26 July 2023 and visited all three Integrated Healthcare Communities. The Deputy Minister visited the region on 2 August 2023.

**2. What role the Intervention and Support Team will play in reporting on progress achieved.**

Response

A number of individuals are working with the health board to support the board in its improvement journey. Some have been appointed as Independent Advisors and others as operational support to the organisation. Alongside Welsh Government officials, this is the Intervention and Support team. There are regular meetings with the health board and separately with Welsh Government to escalate issues of concern. Each member of the team provides a brief report at the end of each month. Five members of this team have been commissioned until the end of August 2023, two until September 2023 and the other three until March 2024.

Discussions will take place with the health board regarding ongoing support they require from September 2023.

Sadly, Geraint Evans, one of the Independent Advisors has recently passed away.

**3. Please provide information about the process by which the interim independent members were appointed. This should include information about:**

- **How Welsh Government identified potential appointees, and what criteria were used to identify appointees' suitability for the roles.**

Response

When considering the requirements of a potential new board for Betsi Cadwaladr University Health Board, officials were clear about the attributes and skills that the new Chair and Independent Members would need to possess. One of the main requirements was the urgent need to change the culture throughout the organisation and I was clear that this needed to start at the very top of the organisation.

Consideration was given to those individuals who, based on their knowledge of their current and previous roles and experience, may be suitable for the role of Chair or Independent Members.

The Interim Chair had previously reached the threshold for a public appointment at this level following his application to be Vice Chair Public Health Wales. He held a public appointment in the Welsh Revenue Authority and is a former Council Leader. His experience as Council Leader, and as a resident of North Wales demonstrated his understanding of the challenges facing the health board.

It was considered important that all appointees were able to demonstrate their experience of serving as board members or trustees, and if possible, to demonstrate a connection to North Wales due to being a current resident or through previous professional, family or cultural links.

- **What processes are in place to identify any relevant interests or conflicts of interest that could affect interim independent members' appointment, their fulfilment of the role, or the perception of their fulfilment of the role. This should include information about any arrangements that are in place for the resolution of any such conflicts or interests that are incompatible with appointment, and/or the transparent registration of conflicts or interests that do not prevent the appointment, but which are nevertheless relevant to Board members' fulfilment, or the perception of their fulfilment, of their role.**

### Response

All public appointees are asked to complete a political monitoring form and conflicts of interest form on appointment by the Public Appointments Unit. In addition to this, Betsi Cadwaladr University Health Board also require all board members to complete a Declaration of Interest Form in accordance with their own policies and procedures. Information declared is recorded on a Declarations of Interest Register maintained by the health board.

The Declarations of Interest Register for Betsi Cadwaladr University Health Board can be accessed via the following link:

[bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/register-of-board-members-declarations-of-interest-2023-24-for-the-website-17-july-2023/](https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/register-of-board-members-declarations-of-interest-2023-24-for-the-website-17-july-2023/)

Where an actual or perceived conflict of interest is identified, appropriate action is taken to mitigate this. In the case of the interim Chair, it was perceived there was likely to be a conflict regarding the required time commitment of the role of Interim Chair and he subsequently stepped down from his position with the Welsh Revenue Authority (WRA).

Where the actual or perceived conflict relates to an Independent Member, the Chair discusses this with the individual concerned prior to appointment and agrees the required action to ensure openness and transparency in the operation of the board and any other functions they may perform. The required action will depend on the potential conflict and role being performed by the independent member. This could include them absenting themselves from any discussions where there could be a conflict, ensuring they are not members of committees where the conflict may arise and not visiting or having dealings with certain services/wards or departments.

The terms and conditions require an individual to immediately contact the Chair should their circumstances change during the appointment. So again, in the case of the interim Chair, he was obliged to contact the WRA to discuss perceived conflicts once appointed to BCUHB.

- **What steps were taken to ensure compliance with the eligibility requirements in Schedule 2 to the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009.**

Response

All candidates were known to officials in Welsh Government and were asked to provide a biography detailing their previous experience.

Following appointment further checks were undertaken to ensure eligibility for the roles. This includes:

- Identity Check
- The Right to Work
- Basic DBS Check
- Insolvency and Bankruptcy Register
- Search of Companies House Barred Director List

All appointments were made subject to satisfactory checks and failure to meet any of the eligibility criteria would have resulted in termination of the appointment.

- **Which Welsh Government departments were involved in the appointment process.**

Response

Two departments were involved in the appointment process before submitting recommendations to my office:

- Health and Social Services Group
- Public Bodies Unit

- **Any other information you consider relevant or think that we would find helpful in relation to these appointments.**

Response

As per the Public Appointments process, Welsh Government officials consulted the Commissioner for Public Appointments in respect of the need to make a number of urgent appointments to stabilise the Board of Betsi Cadwaladr University Health Board. The officials indicated that the appointments would need to be made without the usual competition and explained the reasons for this.

Officials recognised that the Chair is a significant appointment which would usually require the Health and Social Care Committee to hold a Pre-Appointment Scrutiny Hearing prior to me confirming the decision as Minister. I would be happy to attend a scrutiny session if the Committee Chair considers this appropriate.

**4. What arrangements are in place for monitoring the performance of interim Board members during the period of their appointment.**

Response

The standard process for monitoring the performance of Independent Board Members is undertaken by the Chair of that health board with support from within the organisation (for example the corporate governance team or the office of the board secretary). It is my role to set objectives for the chair, to receive information on their performance and undertake the relevant appraisals.

As Betsi Cadwaladr University Health Board is in Special Measures, the process is slightly different, due to the increased scrutiny that the health board is under.

I have highlighted in section one, the processes that are in place to hold the Board to account through the Special Measures Improvement Forum and my monthly meetings with the interim Chair. It is through this mechanism that I will monitor the performance of the interim Board members. Following my most recent meeting with the interim Chair, I am in the process of agreeing a number of objectives with him.

**5. Please outline what plans are in place for securing permanent appointments to the Board, including the roles of Chair, Deputy Chair and independent board members. This should include information about the timescales, proposed recruitment approach, and any particular role specific or personal criteria candidates will be expected to demonstrate.**

Response

The recruitment process for the vacant Vice-Chair and two Independent Members is underway. The adverts and candidate packs can be found [here](#) and [here](#). There will be a stakeholder session stage for shortlisted candidates, which will be made up of individuals from within the health board and partner organisations. This will be followed by an interview. Both are expected to take place in September to enable the substantive board members to take up their appointments in October.

A second recruitment campaign to appoint a substantive Chair and three Independent Members will commence in the Autumn and successful members will be appointed in March 2024 when the current interim members' terms end. We have not concluded determining the required skills and experience of the post holders at this point; this will be dependent on a skills gap analysis following the July recruitment.

It is important to note that compassionate leadership is a key requirement for these posts.

Permanent appointments for a four-year term have already been made to two of the three positions where a nomination process is required. These are the University and Local Authority Independent Members. The appointment of the Trade Union Independent Member is also imminent.

**6. The Committees would also welcome information on the planned process and timescales for the recruitment of a substantive appointment to the Chief Executive role in BCUHB**

Response

The interim Chair of the health board informed you during his evidence session on 5 July 2023 that Carol Shillabeer will remain in post as the interim Chief Executive until the end of the financial year. This was agreed by the health board's Remuneration and Terms of Service Committee in July 2023 and announced to the health board on 21 July 2023.

Officials are working with the interim Chair to agree the most appropriate time to commence the substantive appointment to this post.

# Agenda Item 2.7



GIG  
CYMRU  
NHS  
WALES

Iechyd a Gofal  
Digidol Cymru  
Digital Health  
and Care Wales

Tŷ Glan-yr-Afon  
21 Heol Ddwyreiniol Y  
Bont-Faen, Caerdydd  
CF11 9AD

Tŷ Glan-yr-Afon  
21 Cowbridge Road  
East, Cardiff  
CF11 9AD

**Russell George MS Chair,**  
Health and Social Care Committee

**Mark Isherwood MS Chair,**  
Public Accounts and Public Administration Committee

16 August 2023

Dear Russell and Mark,

## Scrutiny of Digital Health and Care Wales (DHCW)

Thank you for your letter dated 5 July 2023 which included the Committees' report regarding your inquiry above.

Our responses to the report can be found below.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Helen Thomas'.

Helen Thomas, CEO DHCW

A handwritten signature in black ink, appearing to read 'Simon Jones'.

Simon Jones, Chair DHCW



## DHCW Response to Welsh Parliament Health and Social Care Committee and Public Accounts and Public Administration Committee Scrutiny of Digital Health and Care Wales

Published July 2023

### TRANSITION TO A NEW ORGANISATION

#### Recommendation 1.

The Welsh Government and Digital Health and Care Wales should provide further information about their respective roles in determining DHCW's priorities and delivering major projects. This should include:

- How the Welsh Government assures itself that DHCW's priorities are aligned to and support delivery of the Welsh Government's priorities for health and care in Wales.
- How decisions are taken on DHCW's priorities, including when and by whom.
- How DHCW's Board and executive team monitor progress on major projects, including whether key timelines and milestones are being achieved.
- What role, if any, will be played by the NHS Wales Executive

- **How the Welsh Government assures itself that DHCW's priorities are aligned to and support delivery of the Welsh Government's priorities for health and care in Wales.**

Welsh Government holds DHCW to account for delivering based on agreed priorities and has a responsibility to assure itself on delivery, and uses a number of mechanisms to do this, but this is for Welsh Government to comment on.

Welsh Governments long term priorities for Health and Care in Wales are set out in Welsh Government's long term strategy, '[A Healthier Wales](#)' and particularly relevant to DHCW, Welsh Government's refreshed long term digital strategy for health and care '[A Digital and Data Strategy for Health and Social Care in Wales](#)' published in July 2023.

The NHS Wales Planning guidance updated and issued each year by Welsh Government to NHS bodies sets out the 1 – 3 year priorities, reflecting Ministerial Priorities. DHCW produce an Integrated Medium Term Plan (IMTP) against this guidance. In 2022/23 DHCW produced a balanced IMTP which was accepted by Welsh Government. DHCW submitted a 2023/24 – 2025/26 IMTP and are awaiting formal feedback on this from Welsh Government, and a revised balanced annual plan has been submitted for 2023/24.

- **How decisions are taken on DHCW's priorities, including when and by whom.**

DHCW is accountable to Welsh Government, with leadership and direction provided by the [DHCW Board](#). As a unitary Board, Executive and Independent [Board members](#) share



corporate responsibility for setting the strategic direction for DHCW and monitoring performance of the organisation, and deciding on DHCW priorities. All significant decisions made about DHCW's priorities are done so by the DHCW Board.

DHCW's priorities are set out in its [Integrated Medium Term Plan \(IMTP\)](#), which is approved by the DHCW Board before it is submitted to Welsh Government as part of an annual planning cycle. Performance against the IMTP is monitored through regular reports to and meetings with Welsh Government, as well as organisational oversight by the DHCW Board, with updates going to each Public Board meeting via its [Integrated Organisational Performance Report](#). This process provides assurance to Welsh Government that DHCW priorities are aligned to and support delivery of the Welsh Government's priorities.

DHCW's governance framework is published in its Governance Assurance Framework ([GAF](#)). Decisions on DHCW priorities are taken by the SHA Board and executive management team in line with this governance framework. Responsibilities of the Board are set out in the organisation's [Standing Orders](#).

- **How DHCW's Board and executive team monitor progress on major projects, including whether key timelines and milestones are being achieved.**

DHCW hosts some, but not all, major digital programmes, providing a range of expertise including but not limited to programme management, commercial, technical, delivery and business change, reporting into relevant national programme boards. The DHCW executive team monitor progress on these major projects, including whether timeframes and milestones are being achieved, this is reported on a monthly basis to the DHCW Management Board and tracked via the DHCW IMTP.

DHCW is not solely accountable for the delivery of all major projects external Senior Responsible Owners (SROs) are appointed by Welsh Government and report to a Welsh Government Sponsor. SROs appointment letters are issued by Welsh Government confirming that SROs "*may be held personally responsible to the Public Accounts and Public Administration Committee (PAPAC)*". An example where these arrangements exist for major projects include: for the Digital Services for Patients and the Public (DSPP) – the NHS Wales App, Digital Medicines Transformation Portfolio (DMTP), the National Data Resource (NDR) Programme, the Welsh Community Care Information System (WCCIS).

As indicated in [DHCW's written submission](#) to the Health and Social Care and Public Administration and Public Accounts Committees in October 2022 these arrangements have led to some ambiguity and lack of clarity in terms of roles and responsibilities – "*Going forward it is crucial that accountabilities and responsibilities of Digital Programme Boards and DHCW are clarified. DHCW are working with Welsh Government to review and advise on a way forward (DHW Written Evidence, Oct 2022)*".

Since this time DHCW commissioned an independent review into major programme governance arrangements, supported by Welsh Government, which has been carried out by



an independent expert, with significant experience of NHS governance. The findings from this review (taking into account feedback from Welsh Government's separate broader Digital Priorities Investment Fund Governance review) have been published and a report issued to DHCW and Welsh Government. This has recently (July 2023) been discussed by the DHCW Chair and Chief Executive with the Welsh Government Chief Digital and Innovation Officer and the Minister for Health and Social Services. The recommendations set out within the report have been noted by Welsh Government and accepted by DHCW - as a result changes to governance arrangements for oversight of major programmes are being implemented over the coming months.

These changes will include removing personal accountability for delivery of major programmes from SROs so that accountability is solely through the DHCW Accountable Officer. DHCW is exploring options including the establishment of a formal sub-committee of the DHCW Board to provide assurance on the delivery of major programmes, including whether key timelines and milestones are being achieved. Under existing governance arrangements, the DHCW Board has no authority to hold SROs to account for the delivery of these major programmes, as this has been the responsibility of the Welsh Government Sponsor. However, the DHCW Board regularly reviews delivery of these major programmes through its assurance of the [DHCW Integrated Medium Term Plan](#).

- **What role, if any, will be played by the NHS Wales Executive.**

DHCW works closely with the Welsh Government, national transformation programmes, and national clinical networks, which are part of the recently established NHS Executive. Roles, responsibilities and working arrangements will be confirmed through a joint meeting between DHCW and NHS Executive senior team which has been arranged for Autumn 2023.

## WELSH COMMUNITY CARE INFORMATION SYSTEM

### Recommendation 2.

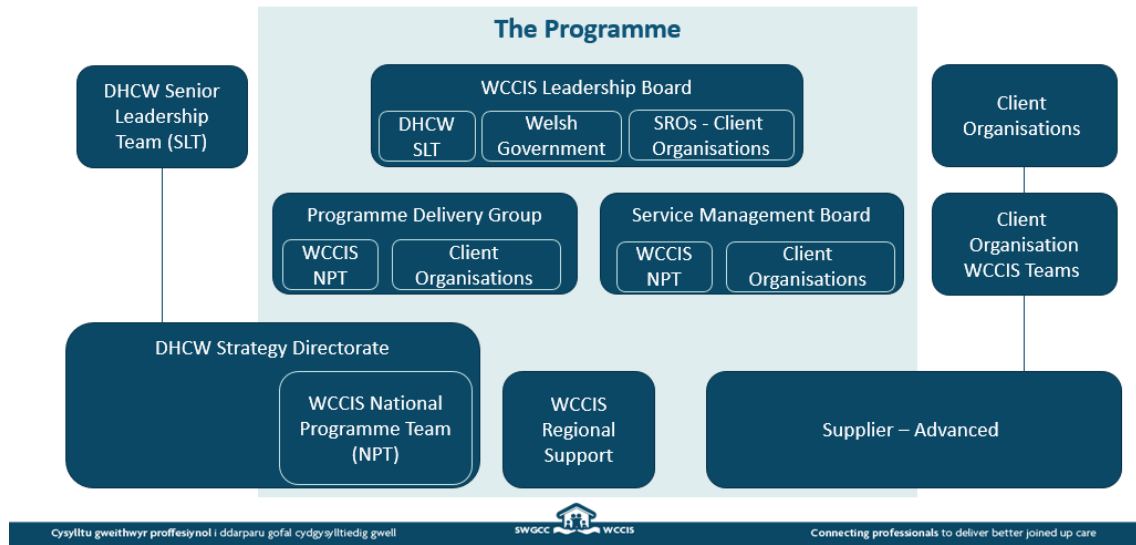
The Welsh Government and Digital Health and Care Wales should set out who is responsible for leading the Welsh Community Care Information System programme. This should include information about the programme's Senior Responsible Officers. If the interim Chief Executive of Betsi Cadwaladr University Health Board is continuing as an SRO for the WCCIS programme, the Welsh Government and DHCW should provide an assessment of whether it is realistic for one individual to undertake both roles concurrently, and information about any steps that are being taken to mitigate any risks associated with the roles being undertaken concurrently.

**Welsh Government and Digital Health and Care Wales should set out who is responsible for leading the Welsh Community Care Information System programme**

The Welsh Community Care Information System (WCCIS) is a federated Programme overseen by a Programme Board and led by two identified Senior Responsible Owners (SROs) - one from NHS Wales and one from Local Authority. See recommendation 1 for more detail on responsibility for delivery of major projects.

The WCCIS Leadership Board reports to Welsh Government.

### Governance Structure



Dave Street, the SRO for Local Authorities, has signalled his intention to stand down. Welsh Government are working with the Programme to identify a successor.

Carol Shillabeer, the SRO for Health, has recently been appointed as interim CEO of Betsi Cadwaladr University Health Board in May 2023 and is currently considering her position and will inform the programme shortly of whether she can continue in this lead role.

The leadership model, with an equivalent representative from the Local Authorities and the Health Boards, has ensured balanced representation for both sectors. Both SROs have offered extensive subject sector expertise and well-co-ordinated engagement with each of the sectors at a senior level.

The programme has programme resources led by the programme director employed by DHCW. Also, since late 2022 and the recruitment of the DHCW Director for Primary, Community & Mental Health Digital Services, has allowed WCCIS to be a core part of a new directorate within DHCW focusing on out of hospital services.



As the SROs report directly to Welsh Government Sponsor it is for Welsh Government to comment on whether it is realistic to undertake both roles, and steps being taken to undertake two roles concurrently. It should also be noted, as per response to recommendation 1, new governance arrangements for major projects are being instigated by Welsh Government.

### Recommendation 3.

The Welsh Government and Digital Health and Care Wales should provide the Health and Social Care Committee and the Public Accounts and Public Administration Committee with six-monthly updates on progress on the delivery of the Welsh Community Care Information System. The updates should include information about expenditure to date, planned expenditure, uptake of WCCIS among health boards and local authorities, engagement or consultation undertaken with relevant partners. The first update should be provided in the responses to this report.

- **Programme Expenditure to date**

The WCCIS Programme was set up in 2012 with the first contract being signed in April 2015.

The DHCW actual and committed costs for the roll out of CareDirector, delivery of the full functionality, and the provision of central infrastructure to March 2023 are £21.18m. Welsh Government have confirmed that expenditure to date, in total, is £30m.

Expenditure for the most recent financial year is included in the table below.

- **Expenditure for the period April 2022-March 2023**

Please see the diagram below for a breakdown of expenditure within Local Authorities, Health Boards, and the National Programme Team.

With the proposed change in governance arrangements for major projects this information will be routinely reported to DHCW's Board and Committees in public and therefore links to this information will be made available to the Committee.



## WCCIS Programme expenditure

Forecast	Full year FY22/23Actuals	Forecast Full year FY24/25 end Q1
Staff (DHCW programme team)	£1,688,406	£2,296,317
Additional Supplier costs/Projects/Support/Training	£800,852	£467,831
Regional Funding	£1,635,403	£1,236,216
Totals	£4,124,661	4,000,363
DPIF Allocation	£4,153,700	4,000,000
Variance	£29,039	£-363

- Planned expenditure – expenditure forecast for the remaining DPIF commitment for the period April 2023-Mar 2025

This represents delivery of programme support for the continuation of the development of the current functionality for a limited period, and then contributes towards the planned Phase 2 activities, which will see the platform replaced. Please see the diagram above for a further breakdown. The Phase 2 activities are included in an outline business case (OBC), and this along with other information relating to the Programme, is currently under review with Welsh Government.

- Welsh Community Care Information System Uptake

As of June 2023, there were approximately 18,840 users with access to the WCCIS solution, CareDirector. 19 organisations have implemented the system since 2016, including 15 local authorities and four health boards; Cwm Taf Morgannwg UHB have signed a deployment order, have 400 users actively using the system through a local authority instance, and are now looking to sign off a renewed business case, and Swansea Bay UHB are awaiting business case approval to proceed with rollout.



**GIG  
CYMRU  
NHS  
WALES**

Iechyd a Gofal  
Digidol Cymru  
Digital Health  
and Care Wales

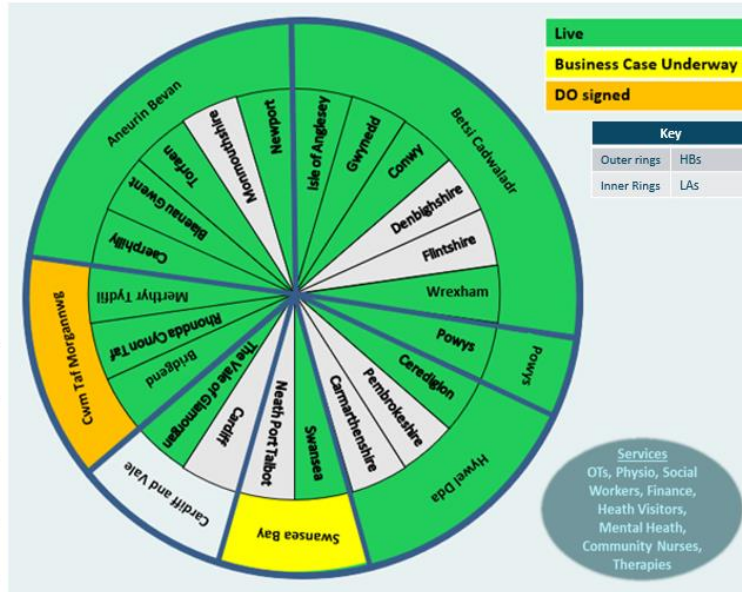
Tŷ Glan-yr-Afon  
21 Heol Ddwyreiniol Y  
Bont-Faen, Caerdydd  
CF11 9AD

Tŷ Glan-yr-Afon  
21 Cowbridge Road  
East, Cardiff  
CF11 9AD

## Live Organisations

Out of 29 organisations, there are currently 20 active deployments across Wales, 19 live, comprising Local Authorities and Health Boards contractually utilising services, and representing almost 70% of dependent organisations across Wales; a further Health Board's deployment approval is being sought in July 2023.

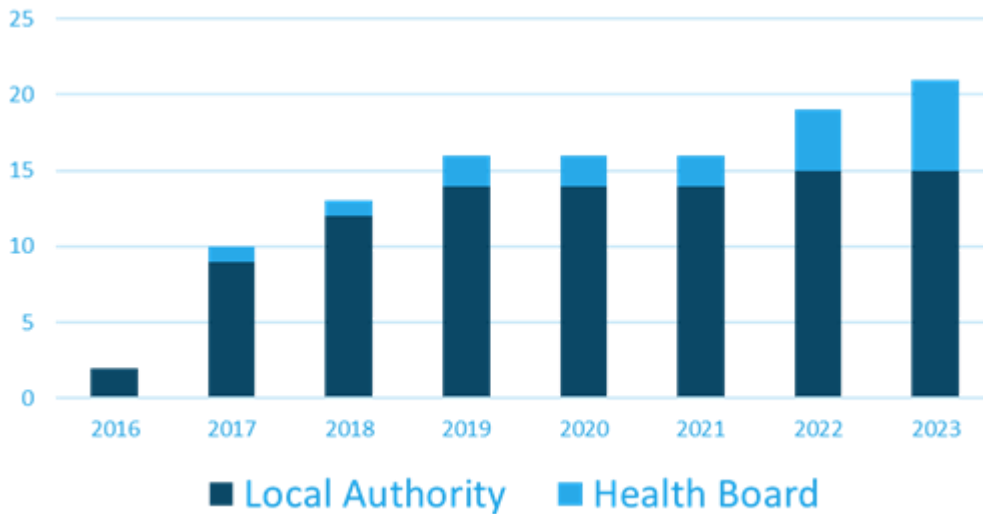
	Apr 2022	Oct 2022	June 2023
Total number of users	14,254	17,445	18,840
Referrals created in last 30 days	28,995	-	
Referrals worked on in last 30 days	83,468	-	



Cysylltu gweithwyr profesiynol i ddarparu gofal cydgylltiedig gwell



Connecting professionals to deliver better joined up care





HEALTH BOARDS

Using WCCIS Platform

Hywel Dda University Health Board  
Powys Teaching Health Board  
Aneurin Bevan University Health Board  
Betsi Cadwaldr University Health Board

Business Case Underway

Swansea Bay University Health Board

DO Signed, Limited Use of WCCIS Platform

Cwm Taf Morgannwg University Health Board

Not Using WCCIS Platform

Cardiff and Vale University Health Board



LOCAL AUTHORITIES

Using WCCIS Platform

Blaenau Gwent County Borough Council	Newport City Council
Bridgend County Borough Council	Powys County Council
Caerphilly County Borough Council	Rhondda Cynon Taf County Borough Council
Ceredigion County Council	Swansea Council
Conwy County Borough Council	Torfaen County Borough Council
Gwynedd Council	Vale of Glamorgan Council
Isle of Anglesey County Council	Wrexham County Borough Council
Merthyr Tydfil County Borough Council	

Not Using WCCIS Platform

Cardiff Council	Neath Port Talbot Council
Carmarthenshire County Council	Monmouthshire County Council
Denbighshire County Council	Pembrokeshire County Council
Flintshire County Council	



• Engagement and Consultation

Through the Strategic Review and its ongoing delivery against the WCCIS engagement strategy, the team continue to engage with relevant stakeholders. Please see below for a full breakdown of engagement activities.



## Overview of Strategic Review + Phase 2 Engagement



In addition, the National Programme Team have conducted, attended, or supported numerous ongoing weekly, fortnightly, and monthly meetings with organisations, including:

- Solutions & Sharing Workshop
- Programme Delivery Group
- Regional Project Boards
- Regional Catch-Up Meetings
- WCCIS Regional Leads Group

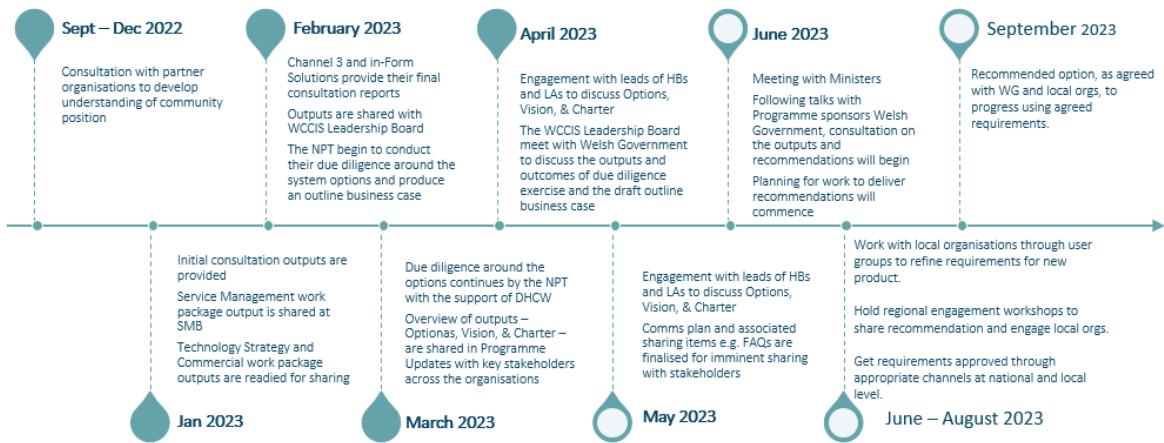
These have provided additional means of engaging and communicating. The team also provide:

- a fortnightly Programme Update to key stakeholders
- a monthly newsletter to all end users

Both of these offer two-way engagement.



## WCCIS Programme : Preparing for the next phase



The Strategic Review saw the WCCIS National Programme Team engage with all partner organisations across Wales via the original review work undertaken by independent consultants Channel 3. Their initial recommendations were then translated into three work packages, two of which – a Technology Strategy, and a Service Management Review – were awarded to Channel 3, and one – a Commercial Review – to In-Form Solutions.

Following a survey sent out to stakeholders in Oct-Nov 2022, Channel 3 facilitated



engagement sessions with representatives from all regions in December 2022. A national survey on CareDirector modules also took place with end users at this time, facilitated by the National Programme Team.

Channel 3 concluded their evaluation in January 2023. Their outcomes include a list of technology options and a charter suggesting ways of working for the national team together with regional partners.

At the same time, independent consultants In-Form Solutions undertook the commercial work package, with a survey sent out to the leads of organisations in all regions. These results were also collated and finalised at the start of the year, in February.

Meetings then took place between the WCCIS SROs, WCCIS Programme Director and Welsh Government (WG) ministers in February 2023 to review the outcomes of all three work packages. At this time, the National Programme Team were tasked with undertaking a period of due diligence relating to the final technology options. This included a series of further engagement sessions by the WCCIS Programme Director with leads across all regions.

We welcome the opportunity to provide further updates to the Health and Social Care Committee and the Public Accounts and Public Administration Committee. To avoid duplication, DHCW will share a schedule of future DHCW Board and Committee meeting dates, and access to papers, where further information to demonstrate progress of the Welsh Community Care Information System (WCCIS) will be available

#### Recommendation 4.

In their responses to this report, the Welsh Government and Digital Health and Care Wales should provide an update on the outcome of the WCCIS contracting strategy review that was due to report by March 2023.

As part of the follow-on work undertaken in response to the Strategic Review, a review of the current contract approach was undertaken and a 'Lessons learned' report produced.

In-Form Solution, an independent organisation commissioned to undertake this work provided an evaluation which follows on from their investigations and a survey which was shared with Chief Executive Officers, directors, and organisational and ICT heads across Wales in December 2022.

They have delivered a review of the contract, a review of potential product options moving forward, and a lessons learned report. These outline current contract limitations; recommendations for future activity; recommends we need to clarify role for the National Programme Team, Master Service Agreement ownership, and clear responsibilities for DHCW.



## PATIENT ACCESS TO RECORDS

Recommendation 5.

Digital Health and Care Wales should provide a timeline for the further rollout of the NHS Wales App, including key targets, deliverables, timescales and dependencies. The timeline should provide a clear view of priorities and plans, and enable progress to be monitored. DHCW should write to the Health and Social Care Committee and the Public Accounts and Public Administration Committee before the end of 2023 to provide an update on progress against the timeline.

The NHS Wales App is using digital design principles, and an agile iterative approach to development and rollout of the App. This has involved a 'private beta' phase from autumn 2022, and a 'public beta' from April 2023. The App is available to download from App store and Google Play, and a website and new functionality is being introduced through new releases and enhancements to the App through 2023.

Some of the functions in the App depend on GP practices connecting services and data to the App which is a key factor in the timing of further rollout and wider adoption of the App.

Agreed targets for NHS Wales App functional features during 2023/24 include:

- Access to GP held care records at summary and coded level, repeat subscription capability and appointment booking capability in GP practices where GPs have selected to enable these services.
- Enhanced prescription functionality including choosing a pharmacy and messaging when ready.
- Demonstrate that the App's 'open architecture' can be extended through integration with third-party solutions, using the Swansea Bay patient portal (provided by PKB) as an exemplar.
- A well-being journal enabling app users to contribute to their own health record within the App.
- A health-timeline view of patient accessible data within the App as a first step to exposing parts of the health record within the App.

There is a phased approach to connecting GP practices which aims to connect all GP practices in Wales by March 2024. This plan and timetable are based on learning from the private beta phase, in particular feedback from GP practices, the technical readiness of key GP software suppliers, the technical roadmap for the existing My Health Online service in Wales, and the functionality in Wales of the NHS Login service which is used to securely authenticate and identify App users.



The rollout plan for GP connectivity and wider adoption of the App aims to achieve as much coverage as possible across Wales by March 2024. There are two GP systems used in Wales which are provided by – Cegedim (Vision) and EMIS. The phased rollout plan includes:

- Phase 1 of Public Beta from April to May 2023 - initial connection and testing of two Cegedim Vision practices. Completed.
- Phase 2 of Public Beta from May 2023 – further onboarding of Cegedim Vision practices as part of the continued phased approach to the NHS Wales App Public Beta deployment. 25 main and 12 branch practices have been onboarded to August 2023 and Cegedim Vision onboarding will continue through phases 3 and 4. An evaluation exercise has been undertaken to support improvement of the onboarding process for Cegedim and EMIS practices to accelerate rollout.
- Phase 3 of Public Beta from August to September 2023 – initial connection and testing of 3 EMIS practices.
- Phase 4 of Public Beta from September to December 2023 – further onboarding to all EMIS practices.

The timetable and delivery plan are closely monitored by the DSPP Programme Board and DHCW and is currently on track. Funding for the continued rollout of the NHS Wales App and development of additional functionality and features is confirmed to the end of March 2025. DHCW will continue to work closely with Welsh Government to ensure clarity on future funding as early as possible.

DHCW welcome the opportunity to provide a further update by the end of December 2023 to the Health and Social Care Committee and the Public Accounts and Public Administration Committee and DHCW will share a schedule of future DHCW Board and Committee meeting dates, and access to papers, where further information to demonstrate progress against the timeline will be available.

#### Recommendation 6.

Digital Health and Care Wales should develop a communication strategy for the provision of clear and accessible information about how to use the NHS Wales App. The aim should be to encourage take up of the App by people across Wales, and ensure that people have confidence in using it. DHCW should write to the Health and Social Care Committee and the Public Accounts and Public Administration Committee before the end of 2023 to provide an update on take up of the App.

The Digital Services for Patients and the Public (DSPP) Programme have a Patients and Public Assurance Group which is accountable for supporting inclusion and ensuring that the App is co-designed by patients and the public. It meets monthly and comprises members from third sector organisations, patient representative groups, the wider public sector and NHS Wales.



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Iechyd a Gofal  
Digidol Cymru  
Digital Health  
and Care Wales

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The Programme is working with Digital Communities Wales to train Digital Champions to support patients and the public to use the NHS Wales App.

Based on feedback from users, the Programme is refreshing the communications strategy which will include information on how to use the NHS Wales App. In addition, patients and the public have access to the App help and support pages, [Home - NHS Wales App](#) and [Hafan - Ap GIG Cymru](#), which link directly from specific features in the App. Videos are also being created to provide further support for patients and the public.

The NHS Wales App is available from App stores and Google Play as well as a website. These are supported by a dedicated help website which is fully bilingual in Welsh and English ([About us - NHS Wales App](#) and [Ein cefndir - Ap GIG Cymru](#)). The App is also activated bilingually for screen readers.

DHCW will share future DHCW Board and Committee dates, access to papers, where further information on the take up of the NHS Wales App will be available.

#### Recommendation 7.

In its response to this report, Digital Health and Care Wales should provide details about how the development and rollout of the NHS Wales App will recognise and address digital exclusion challenges for different groups of the population. This should include information about how the App will be promoted, the digital and non-digital channels of communication that will be used to promote it, and how DHCW will ensure that there is no defaulting to digital-only communications.

The DSPP programme has six independent assurance groups which guide the development and deployment of the NHS Wales App. The Patients and Public Assurance Group ensures that the App is co-designed by patients and the public, and the group is accountable for supporting digital inclusion and patients and the public involvement. It meets monthly and comprises members from third sector organisations, patient representative groups, the wider public sector and NHS Wales.

To address digital exclusion challenges, the Programme has partnered with Digital Communities Wales, who are training 880 Digital Champions to work through networks (such as DHCW staff, third sector organisations, public libraries and housing associations) to support people who do not have access to device, wifi/broadband and/or digital competencies or have disability/sensory loss in getting into the App. Nearly 100 people have been trained so far. A sub-group of the Patients and Public Assurance Group has been established to lead on developing digital inclusion surveys. A GP practice toolkit and communications guide to support GP Practice staff in promoting the App locally has also



been produced and shared. There are monthly feedback sessions with GP practices to improve support to practices and to patients.

Through this combination of approaches, the programme aims to maximise reach while ensuring inclusivity and accessibility for all members of the community.

The DHCW Chief Executive has been assigned as the Executive Lead for digital inclusion and oversees the DHCW digital inclusion work-programme, of which the future development and work of the NHS Wales App is part. In addition, the DHCW Independent Member for Equality, Diversity and Inclusion also champions digital inclusion.

The user interface and design of the NHS Wales App adheres to relevant standards and guidelines for good design including Welsh language, inclusion and accessibility. The NHS Wales App has been independently audited for accessibility to [WCAG 2.1 AA](#) standard. This assurance work is supported by formal user research and user centred design activities which inform the design of key features.

This assurance group supports and monitors programme activity, including the outputs of the Communications Assurance Group which is responsible for the public communications campaign.

As part of refreshing its communications approach, the DSPP programme has developed a public awareness campaign which will start in autumn 2023 and will include:

- Radio and TV Advertisements: Broadcasting on radio and television allows us to reach a wide audience and connect with individuals who may not be active on digital platforms.
- Social Media: While we recognise the impact of digital communication, we will utilise social media to engage with tech-savvy people, share updates, and encourage community discussions.
- 'Out of Home' Media: DHCW have strategically placed advertisements near GP practices and other key locations to target individuals in the physical realm and reinforce the message of our App's availability.

DHCW will ensure both digital and non-digital channels of communication are used throughout the promotion of the App.

Recommendation 8.

In its response to this report, Digital Health and Care Wales should outline the governance and data security arrangements that are in place to support the rollout and operation of the NHS Wales App.



The NHS Wales App is built on a modern cloud digital and data architecture which has been fully assured for information governance and data security.

As part of its statutory functions, DHCW applies mandatory assurance to all new national digital applications and data services, as the lead organisation and expert authority for NHS Wales, including the App. Meeting assurance requirements is necessary before new applications and services can go live.

As a major programme of work, the DSPP programme adheres to DHCW governance and assurance procedures underpinned by additional assurance groups, established to provide further guidance from key stakeholders with DHCW, NHS Wales and third sector/public representation groups. The DSPP Programme has an agreed governance network for information governance assurance activities.

Within the programme the Ethics, Patient Safety and Information Governance Assurance Group (EIGAG) provides key assurance in this area. At a national level NHS stakeholders provide additional assurance through the national NHS Wales Information Governance Management Advisory Group (IGMAG). As part of this standard approach a series of Data Privacy Impact Assessments have been undertaken to ensure compliance with the data protection legislation, and to ensure that patient data is protected. A [Privacy Notice](#) has been published. The DSPP Programme has established an information governance assurance network and groups which includes membership from the Information Commissioner's Office.

For digital and data security, the key assurance groups and partners include DHCW Cyber Security who work closely with the DSPP security team to provide assurance of the NHS Wales App platform and associated features. Additionally, cloud specific assurance is overseen by DHCW's Cloud Council. The Technical Assurance Group (TAG) has a monthly overview and final approval of any security assurance products/activities undertaken.

DHCW and the DSPP Programme also undertake further assurance of the technical design and architecture of the App, including third party connections, ISO Quality and Service Management standards, business continuity, cloud hosting, web applications, and clinical risk management. There is a separate and additional assurance process for the NHS login element of the NHS Wales App, including formal connection and processing agreements (NHS login is owned and managed by NHS England).



**SOCIAL CARE**

Recommendation 9.

By the end of 2023 Digital Health and Care Wales should publish a clear, realistic and prioritised plan for increasing its engagement with the social care sector, including public, third and private sector providers, Regional Partnership Boards and the Social Partnership Council. The plan should be developed through engagement with the social care sector, and should include clear timescales and assessment of the resource required for its delivery. DHCW should provide a copy of the plan to the Health and Social Care Committee and the Public Accounts and Public Administration Committee, and provide six-monthly updates on progress against the plan.

DHCW was established as part of NHS Wales to deliver digital platforms, systems and services for NHS Wales.

The SHA Establishment Programme Board agreed that DHCW’s role with regards to care would be to support the delivery of joined up digital services for health and social care, without impacting the current mechanisms for governance and accountability for directly delivering care. As a national NHS body DHCW is not a member of any Regional Partnership Boards.

DHCW has established a number of partnerships through formal Memorandum of Understandings (MoUs) including with Social Care Wales, and the DHCW Chair and Chief Executive meet regularly with the Chair and Chief Executive of Social Care Wales. DHCW works closely with the Welsh Government Chief Digital Officer and the Local Government Chief Digital Officer for Wales and the Welsh Government Digital team.

DHCW are working closely with Local Government on the Welsh Community Care Information System to ensure DHCW understand the social care supplier market, including data designs for cross cutting services.

By the end of 2023, DHCW will have formed a comprehensive engagement plan for Welsh Community Care Information System Phase 2. Work is already underway within DHCW to produce a clear, realistic and prioritised plan for this engagement, the aim being to have this available for review by end of Q3 FY23/24.

Task	Timescale	Status
Creation of social care Senior User role on Project Board	-	COMPLETE - Damian Rees (Swansea) performing role on interim basis



Present Project to ADSS, AWHOCS and AWASH		COMPLETE
Social care input into specification of requirements	July – Sept 23	IN PROGRESS
LA involvement in Regional Engagement workshops	Aug – Sept 23	PLANNED – dependent upon Ministerial Advice for P2
Consultation with social care software marketplace	Aug – Sept 23	PLANNED – dependent upon Ministerial Advice for P2
Development of UX strategy towards social care user needs	Aug 23	IN PROGRESS
Development of digital service designs for social services and integrated services with health	Ongoing	IN PROGRESS

Engagement with the social care sector is already significant and ongoing across a number of areas, most notably via the WCCIS Programme and in the National Data Resource area where work on Data Policy is being led by Social Care Wales.

Activities already underway include:

- The Primary, Community and Mental Health Directorate has appointed a Programme Manager for Social Care, start date to be confirmed but expected to be in post by September 23
- Engagement is planned for WCCIS Programme Phase 2 with all Local Authorities, to engage with the programme on common data standards and digital design approaches to be utilised by all. Engagement on Digital Design with a drive to generate a system agnostic approach to process and data standardisation, in turn supporting interoperability between systems and consistent reporting and dataset
- Engagement is planned with those Local Authorities involved in the replacement of the WCCIS CareDirector application to ensure delivery
- The Mental Health Discovery follow on work will include deeper dive into Social Care aspects



- There has been significant engagement in the development of Looked After Children service design which is approaching pilot stage. This will be piloted with Swansea Council and Swansea Bay UHB
- The Primary Community and Mental Health directorate within DHCW has invited engagement with Care and Repair Wales
- WCCIS Regional Leads are responsible for meeting with Regional Leads regularly and facilitate bi-monthly 'round table' meetings for the Leads

DHCW welcome the opportunity to provide details of future DHCW Board and Committee meeting dates, and access to papers, where further information on on the engagement plan for WCCIS Phase 2 and broader Stakeholder Engagement with the Social Care Sector (see response to Recommendation 15) will be available

## DHCW WORKFORCE

### Recommendation 10.

Digital Health and Care Wales should provide further evidence about the human resource systems and capacity available to facilitate the recruitment and retention of specialist skills. This should include information identifying where the key gaps and vacancies are, how actions to address the gaps are being prioritised, and what steps are being taken to mitigate the risks to delivery arising from the vacancies. Following the provision of this information in its response to this report, DHCW should provide the Health and Social Care Committee and the Public Accounts and Public Administration Committee with six-monthly progress updates.

The human resource systems and capacity available to facilitate the recruitment and retention of specialist skills include:

- A dedicated team who oversee recruitment activities as well as an in-house job evaluation process
- The People and Organisational Development (POD) directorate has recently undertaken a [strategic workforce planning exercise](#) to identify future skills needs and training and development opportunities.
- Annual appraisals for all staff and a staff wellbeing group to encourage and promote wellbeing activities to help retention.
- Career pathways and development opportunities across DHCW to ensure the organisation retains staff and provides the opportunity to diversify and progress within the organisation.

A Strategic Resourcing Group has been established and chaired by the Director of People and OD to oversee recruitment, including utilising commercial agreements for shorter term work-packages, regular monitoring of the Resource Tracker which has vacancy information linked to pay forecast and progress against recruitment milestones.



DHCW works in partnership with the wider NHS Wales family including Health Education & Improvement Wales (HEIW), public sector colleagues, academia and industry to offer wider learning and network opportunities including qualifications and sponsorship.

There are a number of public sector policy frameworks which DHCW must operate within, including adhering to the NHS Agenda for Change pay terms and conditions, which can prevent DHCW from being able to compete on salary for scarce digital roles.

Risks around vacancies which might impact on delivery are monitored through our corporate risk register which is reviewed regularly by the Board and Board sub-committees.

DHCW welcomes the opportunity to share DHCW Board and Committee meeting dates, and access to papers, where further updates to demonstrate progress against the timeline will be available

#### Recommendation 11.

In its response to this report, Digital Health and Care Wales should provide an update on the cohort of digital degree apprentices who graduated through the Wales Institute of Digital Information in November 2022. This should include information about how many of the graduates entered employment with DHCW upon graduation and how many are still in DHCW's employment as of June 2023. It should also include information about how the skills and knowledge prioritised in the programme align with the areas that DHCW has identified as being difficult for it to compete in when recruiting, and the extent to which the programme is assisting in developing such skills and knowledge in-house.

To secure future talent DHCW continues to work with strategic partners such as the Wales Institute of Digital Information (WIDI) and other Universities on development programmes. This includes digital apprenticeship programmes and graduate health informatics courses.

The first cohort of Digital Degree Apprenticeships from DHCW graduated on 25<sup>th</sup> November 2022. The seven individuals were substantive employees of DHCW. As of June 2023, five of the individuals are still employed in DHCW. Since commencing the qualification, all five individuals have gained promotion in DHCW.

Due to the current shortage of digital skills in the UK, DHCW have recruitment challenges particularly for roles which require skills in Cloud, Software Development, Cyber, Data and Analysts (Data and Business). On a yearly basis, the organisation undertakes a comprehensive training needs analysis to identify the skills and knowledge required and prioritises budget and training accordingly. The modules in the Digital Degree Apprenticeships provide thorough knowledge and skills in the specialist areas such as Computer Networks, Data Security, Cyber Security, Data Analysis, Visualisation and Software Development. These areas align to areas that DHCW has identified as having recruitment challenges for, as highlighted above. The course content is shaped for employability and the



development of skills which is relevant to the upskilling of our people and support our 'Growing our Own' agenda.

#### Recommendation 12.

Digital Health and Care Wales should reflect on the findings of the Audit Wales report on cybersecurity and write to the Health and Social Care Committee and the Public Accounts and Public Administration Committee explaining how it is implementing and distilling the key messages within the report, and providing examples of how it is sharing good practice with, and providing leadership to, other public organisations.

DHCW welcomes the opportunity to reflect on the findings of the Audit Wales report on cybersecurity, which has been through both of DHCW's sub-committees of the Board in private session for consideration and learning. In addition, DHCW facilitated this report being shared with the All-Wales Independent Member Digital Network so that all Health Bodies in Wales represented on this network could consider the findings.

A summary of key messages from the report and how DHCW are implementing and distilling the messages within the report, sharing good practice and providing leadership to other public organisations is set out below:

'We could lose everything', we are only strong as our weakest link.

DHCW work with the NHS Wales Directors of Digital and Cyber leads across NHS Wales to highlight vulnerabilities across a range of cyber and resilience standards. The DHCW Cyber team provide reports that reflect the national posture of legacy infrastructure and the adoption of authentication and password management standards. Alongside providing the metrics to identify areas of improvement, DHCW chairs a subgroup of technical leads across NHS Wales and provides both advice and technical solutions for remediation of these critical vulnerabilities.

Within the last four years DHCW have upgraded or decommissioned a large number of legacy servers. This has resulted in the significant reduction of end of life, out of support infrastructure and reduced the risk of performance issues, infrastructure outages and cyber security threats and vulnerabilities. This activity has also provided the opportunity to commence DHCW's Cloud adoption as part of service redesign work.

DHCW provides cyber and resilience leadership to NHS Wales and has supported the Welsh Government through several cyber incidents. Over the last two years, the cyber team have led, coordinated, and collated information across NHS Wales for incidents such as Adastra, Log4j, Movelt, significant Microsoft vulnerabilities and several other zero-day exploits.



The Security Operations Centre (SOC) being developed and built within DHCW is a step change in increasing the ability of NHS Wales to identify, contain, eradicate and recover from cyber-attacks. National solutions such as the Security Information and Event Management (SIEM) service provide the ability to contextualise data and provide the visibility and intelligence required to secure NHS Wales.

DHCW works closely with national infrastructure and security groups to provide updates and recommendations from its regular interaction with the National Cyber Security Centre (NCSC) within GCHQ.

The Welsh Government has utilised the cyber team to coordinate and advise on the appropriate use of national funding to increase national levels of cyber and resilience.

#### Cyber is not just an IT issue

DHCW Cyber leads play a key role in raising awareness across the wider NHS Wales leadership team. NHS Executives and Independent member groups across Wales regularly invite DHCW Cyber to present Incident details, lessons learned, cyber risk and to educate organisations of the steps required to improve their local cyber and resilience posture. Most recently, in July 2023, DHCW hosted a Cyber Webinar for NHS Wales Board members to raise awareness of the cyber risks to NHS Bodies, over 100 Board members from NHS Wales attended, with key internal speakers, external health organisations, NHS England and the NCSC. After receiving very positive feedback on the event, Cyber leads have been invited to speak at a range of NHS Wales Board sessions.

#### People are our biggest asset

DHCW has worked closely with the Welsh Government to evolve the locally mandated Cyber and Resilience training to become a centrally managed requirement for NHS Wales.

The internal Phishing campaigns operated by the DHCW cyber team have been hugely successful and reduced the number of users interacting with these potentially malicious emails from around 15% in previous years to less than 1% in the last year (2022/23). The demonstrable success of these campaigns has led this DHCW service being piloted by several GP Practices in Wales.

#### 3<sup>rd</sup> Party and Supply Chain Risk

DHCW aims to provide world leading digital services. To achieve this there will be a requirement to work with a wide range of 3<sup>rd</sup> parties to provide innovation and deliver national systems. From a cyber security perspective this introduces a range of risks. These risks are not unique to DHCW and supply chain risk is specifically mentioned in the NCSC Annual Reports for 2021 and 2022.

The Cyber Security Contracts Management function sets several objectives that reflect a phased, achievable, strategic approach to ensuring the successful implementation of cyber



security supply chain risk management across DHCW and potentially the whole of NHS Wales.

The key objectives of this new dedicated function are to:

- Ensure cyber security risks are considered upfront during all procurement activity and control measures are implemented that are proportionate to the risk.
- Effectively manage cyber security risks throughout the life of contracts.
- Position DHCW as a leader in NHS Wales for cyber security supply chain risk management.

#### Exercising makes you stronger, being ready to react when the inevitable happens

DHCW regularly tests its ability to respond to attacks that potentially compromise the critical systems it provides to NHS Wales. This testing comprises of technical exercises endorsed by the NCSC at a team level and up to fully managed Incident Responses Exercises for the on-call Bronze, Silver and Gold command structure. The tests carried out at a local level will soon be expanded to conduct national exercises at the request of the NHS Wales Digital Directors group.

DHCW is establishing itself as an authority for cyber security in health and care in Wales. DHCW has developed a detailed 3 Year Cyber Security Improvement Plan and accompanying Business Case (submitted to Welsh Government) which outlines the critical investment required to provide national solutions to risks that impact all of NHS Wales. Whilst awaiting the outcome of the business case submission the DHCW Cyber Team are leading, informing and assuring cyber security defence for NHS Wales. It should be noted that progress in this area is dependent upon the approval of funding and if this should not be forthcoming, there will be no funding available to implement new or improved security controls.

We will continue to work with Welsh Government on these critical cyber security areas.

## TRANSFORMATION AGENDA

Recommendation 13.

The Welsh Government and Digital Health and Care Wales should provide further information about their respective roles in providing leadership and drive for digital transformation in health. This should include:

- How the Welsh Government assures itself that decisions taken by DHCW and other health bodies in Wales on the prioritisation of capital funding align with Ministers' transformation priorities.



- How DHCW works with health bodies and encourages them to allocate sufficient funding and other resources to delivering sustainable digital transformation.

DHCW works closely with Welsh Government and other health bodies in Wales to agree prioritisation of capital funding to drive transformation. This work is focussed mainly on the capital funding element of the Digital Priorities Investment Fund and on digital transformation. The discretionary capital which is included in DHCW’s core budget allocation is £2.6m and is fully allocated in support of core activity, including for example the replacement and renewal of DHCW digital infrastructure, datacentres, and estates.

In the current year, the DPIF Capital funding allocated to DHCW is as follows:

Digital Priority Investment	
Digital Services for Patients & Public	980
Digital Medicines Transformation Portfolio	59
RISP	2,136
LINC	2,047
Digital Maternity	240
Digital Intensive Care Unit	4,707
WPAS	264
<b>Total Digital Priority Investment</b>	<b>10,433</b>

DHCW's close engagement with Welsh Government and Health bodies is evidenced by collective discussion and approach to delivering sustainable digital transformation. This includes candid discussions around funding and resource allocation, in the context of wider pressures and other competing priorities. Regular arrangements include the monthly meetings of leadership peer groups, such as the Directors of Digital, Directors of Finance, Directors of Planning groups. DHCW also has an ‘Exec to Exec’ meeting at least once a year with every other NHS Wales organisation to discuss and review digital transformation and alignment of plans. This work is set out in a stakeholder strategy and plan (See Recommendation 15), and is reported annually to public SHA Board meetings. Although DHCW advocates strongly for increased investment and resources dedicated to digital, each organisation must meet its own statutory responsibilities and consider its own priorities.

Recommendation 14.

The Welsh Government and Digital Health and Care Wales should provide a frank appraisal of the impact of the limited availability of capital funding on the delivery of digital transformation in health services. This should include information about any projects or programmes which have been, or are likely to be, delayed because of a lack of capital funding, an assessment of



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21 Cowbridge Road  
East, Cardiff  
CF11 9AD

the implications of such delays, and what alternative approaches are being considered to fund/support growth in the digital space.

As reported to the Health and Social Care Committee and Public Accounts and Public Administration Committee previously: *The significant reduction to allocations through the Digital Priorities Investment Fund (DPIF), (reduction from £25m capital to £10m) set out by Welsh Government for 2022/23, provided some challenges. Working with the NHS Wales Directors of the Digital Peer Group, DHCW supported the Welsh Government Digital Team to reach a manageable position, but reduced investment will inevitably impact the ambition to increase the pace and scale of digital transformation.*

*DHCW faces a number of financial pressures including digital inflation (a general increase of over 20% in the costs of hardware and services since 2021) as well as growth in data storage and numbers of users, and a shift from capital to revenue based funding driven by cloud adoption. The absence of a mechanism for funding growth presents a recurring challenge – this needs to be addressed if DHCW is to maximise pace, performance, and the value of digital services within a cloud environment. A more effective and efficient organisational funding model (charging/flows) requiring a system wide approach to mitigate the ongoing funding challenge and drive digital transformation in health and care in Wales. Work to explore more sustainable funding models is being taken forward by DHCW, in collaboration with the Directors of Finance Forum, the Digital Directors Peer Group, the Financial Delivery Unit (FDU) and Welsh Government.*

The considerable financial constraints across NHS Wales during 2023/24 has made it a challenging environment to take forward and agree a sustainable funding model, although work continues. Any additional investment would be required to sustain digital services as well as, at the same, developing new services and a new infrastructure and approach.

Digital transformation within NHS in Wales requires the high end-user adoption through responsive and safe technical hardware foundations but equally through digital capability, systems and data. A recent international maturity assessment of the current NHS Wales digital landscape is enabling better insight into what is required of the infrastructure to enable and support transformation and this is anticipated to require capital investment alongside the revenue challenge. DHCW has responsibility for the delivery of national systems but organisations are responsible at local level for ensuring appropriate equipment and infrastructure is in place.

In terms of the impact of limited capital funding DHCW have found that resourcing is a key constraint rather than budget allocations. As the number of investment initiatives will require the same skillsets and subject matter experts this contra will impact the pace, sequencing and implementation timelines. To date DHCW has sequenced digital transformation capital spend to align to resource availability rather than capital funds.



What is essential for digital transformation is nurturing the digital capability and resource levels across Wales, with the move to a cloud-based technology and emphasis on open standards to support efficient and effective systems interoperability. The alternative approach to delivering a more financially sustainable, simplified digital landscape with clearer end-user interface is a [product-based approach](#). Used in banking, retail and other sectors this enables the delivery and development of digital services in a more agile and incremental way which links usage and system satisfaction, delivering continuous improvement. Its moves away from a traditional programme project-based approach to a more consistent total life concept. It reflects the shift in digital procurement landscape from a perpetual licence to a more subscription based resulting in changes in the financial model required to support them.

Together DHCW and WG are looking at ways to transform the way digital transformations are designed and delivered that would require a more recurrent revenue-based product approach.

## COLLABORATION

Recommendation 15.

Digital Health and Care Wales should engage with its partner organisations to evaluate its existing approaches to collaboration, and identify areas for improvement and opportunities to strengthen relationships. In its response to this report, Digital Health and Care Wales should outline how it will undertake this evaluation. It should then provide the Health and Social Care Committee and the Public Accounts and Public Administration Committee with six-monthly updates on how it is collaborating with its partners and what such collaboration has achieved.

In its first year DHCW published a [Stakeholder Engagement Strategy and Stakeholder Engagement plan](#). The [Stakeholder Engagement Plan](#) was refreshed and presented to the SHA Board in May 2023. These documents set out DHCW's approach to collaboration and partnership working, and its priorities for improvement and strengthened relationships.

The SHA Board receives updates on progress against the plan through its public SHA Board Meetings, and these updates include a report and commentary which evaluates engagement activity and benefits.

DHCW will continue to learn and refine its approach based on feedback and assessment against the plan. The outcomes of this revised evaluation approach will continue to be reported through public SHA Board Meetings. Public reporting to SHA Board Meetings will be provided to the Health and Social Care and Public Accounts and Public Administration Committee going forwards to address this recommendation.



## Recommendation 16.

We wish to ensure that Digital Health Services are appropriately accessible to patients in Wales when they receive NHS services in England. We recommend that the Welsh Government engage with the UK Government to consider ways in which digital health services in England and Wales can be better aligned and connected.

DHCW note that this recommendation is for Welsh Government but have some observations.

### Technical integration

Integrating the multiple digital systems and data sources used by the range of health and care providers in Wales and England is reliant on the availability of technical resource and budget to implement policy decisions.

DHCW is already involved in work to improve cross border flows of digital information to support service provision. These include:

- Working with organisations on the borders, such as NHS Trusts in England to share digital records of Welsh patients treated in England and vice versa.
- Working with NHS England, via a four nations group, which includes working towards common data standards.
- Through further work and investment in the Digital Services for Patients and the Public (DSPP) programme, patients could have access to their health and care data to share with whom they choose.

### Wider considerations

The availability of good quality data is essential not only for the provision of care and treatment to individuals but for secondary uses like planning, quality improvement and research. Any ambitions to widen access to cross border services will need to be underpinned by arrangements that allow data to flow effectively within Wales in the first instance. There would be benefit in having a strategic approach to enable data flow within the health and care system in Wales, and between cross border stakeholders, to address the barriers to sharing data faced by DHCW and other stakeholders.

Eluned Morgan AS/MS  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services



Llywodraeth Cymru  
Welsh Government

Russell George MS  
Chair, Health and Social Care Committee  
[SeneddHealth@senedd.wales](mailto:SeneddHealth@senedd.wales)

Mark Isherwood MS  
Chair, Public Accounts and Public Administration Committee  
[seneddPAPA@senedd.wales](mailto:seneddPAPA@senedd.wales)

17 August 2023

Dear Russell and Mark,

Thank you for your letter of 5 July and attached report. The use of digital services across Wales is key to ensuring the effective operation of all health services, and so I welcome the joint Committees' report into Digital Health and Care Wales (DHCW) following this Special Health Authority's first year of operation. I am particularly pleased to see the joint Committees' recommendations align with our current and future plans, also the plans I know that DHCW have in place.

I would also like to draw the joint Committees attention to my Written Statement<sup>1</sup> from 27<sup>th</sup> July 2023, in which I launched the refreshed Digital and Data Strategy for Health and Social Care in Wales. This provides digital and data transformation direction to help people in Wales lead happier, healthier and longer lives through user-centred digital services built on better digital skills, partnerships, data and platforms. DHCW as our trusted, strategic, digital delivery partner has an integral role in helping WG and NHS Wales achieve the ambitions set out in the Strategy, successful delivery of these recommendations will further strengthen this role and accountability to all.

I have set out my responses to the Report's individual recommendations, as appropriate, in the attached Annex A.

Yours sincerely

**Eluned Morgan AS/MS**  
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services

<sup>1</sup> <https://www.gov.wales/written-statement-launch-refreshed-digital-and-data-strategy-health-and-social-care>

**Written Response by the Welsh Government to the report of the Health and Social Care and Public Accounts and Public Administration joint Committee, titled “Scrutiny of Digital Health and Care Wales”.**

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**Recommendation 1**

*The Committees recommend that:*

*The Welsh Government and Digital Health and Care Wales should provide further information about their respective roles in determining DHCW’s priorities and delivering major projects. This should include:*

- *How the Welsh Government assures itself that DHCW’s priorities are aligned to and support delivery of the Welsh Government’s priorities for health and care in Wales.*
- *How decisions are taken on DHCW’s priorities, including when and by whom.*
- *How DHCW’s Board and executive team monitor progress on major projects, including whether key timelines and milestones are being achieved.*
- *What role, if any, will be played by the NHS Wales Executive.*

**Response:**

- A. Since the receipt of evidence by the joint Committees, the Welsh Government appointed Mike Emery as its new Director of Technology, Digital and Innovation within Health and Social Services in January 2023. Mike is also the Chief Digital Officer (CDO) for Health and Social Care for NHS Wales. The CDO meets with the Chief Executive Officer (CEO) of DHCW on a fortnightly basis, to discuss and decide priorities for delivery, including any resultant challenges, aligned with Welsh Government / NHS Wales evolving priorities – typically these are set out in Programme for Government priorities, the Digital and Data Strategy for Health and Social Care and additional priorities responding to specific needs. DHCW, as a Special Health Authority, also undertakes the annual Integrated Medium Term Planning (IMTP) process<sup>1</sup> and participates in quarterly Integrated Quality Planning and Delivery meetings (IQPD) and six monthly Joint Executive Team (JET) meetings. Individually and collectively, these conversations consider, discuss, challenge, appraise, decide and resolve all points regarding DCHW’s delivery priorities as aligned to Welsh Government priorities.
- B. Within the NHS Executive, the Office of the Chief Digital Officer will be responsible for overseeing digital developments, coordinating and defining technical standards, and ensuring whole system approaches are adopted. This includes working with DHCW to ensure that Once-for-Wales i.e. national systems are implemented, iteratively improved, and adopted across Wales.

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<sup>1</sup> Production of plans by all NHS Bodies on an annual basis to meet the prevailing [NHS Wales Planning Framework](#)

- C. The CDO will also chair the proposed National Strategic Portfolio and Investment Board (housed in the NHS Executive). This forum will bring together the Welsh Government and NHS and Social Care representatives to identify, consider, and propose recommendations for the Welsh Government to submit for Ministerial approval. The Board's role will be to:
- a. Review and scrutinise, and recommend to Welsh Government (and so to Ministers) and the NHS Executive, digital and data investments, covering appropriate initiatives across the Health and Social Services' portfolio;
  - b. Act as a Gateway review point for key programmes and projects, aligned to the Welsh Government Gateway process;
  - c. Provide oversight of Health and Social Care digital and data Infrastructure and Architecture;
  - d. Undertake commissioning of delivery partners including DHCW;
  - e. Provide oversight of Health and Social Care data, procurement, interoperability and Artificial Intelligence standards' governance.

## **Recommendation 2**

*The Committees recommend that:*

*The Welsh Government and Digital Health and Care Wales should set out who is responsible for leading the Welsh Community Care Information System programme. This should include information about the programme's Senior Responsible Officers.*

*If the interim Chief Executive of Betsi Cadwaladr University Health Board is continuing as an SRO for the WCCIS programme, the Welsh Government and DHCW should provide an assessment of whether it is realistic for one individual to undertake both roles concurrently, and information about any steps that are being taken to mitigate any risks associated with the roles being undertaken concurrently.*

## **Response:**

: At the time of this submission, the joint SROs (the interim Chief Executive of Betsi Cadwaladr University Health Board and the Deputy Chief Executive at Caerphilly County Borough Council) remain accountable for the successful delivery of the programme. However, in line with revised governance arrangements for all Welsh Government funded Digital Transformation projects, as discussed and agreed between myself, the DHCW Chair and my officials, WCCIS is expected to be among the first programmes transitioning to adopting these arrangements, resulting in DHCW's CEO becoming accountable for WCCIS' delivery.

## **Recommendation 3**

*The Committees recommend that:*

*The Welsh Government and Digital Health and Care Wales should provide the Health and Social Care Committee and the Public Accounts and Public Administration Committee with six-monthly updates on progress on the delivery of the Welsh Community Care Information System. The updates should include information about*

*expenditure to date, planned expenditure, uptake of WCCIS among health boards and local authorities, engagement or consultation undertaken with relevant partners. The first update should be provided in the responses to this report.*

**Response:**

After recess, I will provide an update to the Committees with further detail on the strategic direction for WCCIS. The future general approach, as set out in the Digital and Data Strategy for Health and Social Care, will be focussed on better sharing of data between settings, enabled by systems/services being better aligned by developments in shared care records across the NHS and Social Care. In terms of agreed budgets, there has to date been no change from the overall position set out in the Audit Wales letter (July 2022) to the PAPAC Chair.

**Recommendation 4**

*The Committees recommend that:*

*In their responses to this report, the Welsh Government and Digital Health and Care Wales should provide an update on the outcome of the WCCIS contracting strategy review that was due to report by March 2023.*

**Response:**

DHCW will provide an update on this commercially sensitive strategy review. The Welsh Government is supportive of the review which will ensure the programme is able to leverage commercial relationships in the most appropriate way to achieve its vision of more effective use of joined up health and social care data to support the delivery and effective implementation of a digital solution, to further enable the goal of integrated services across health and care.

**Recommendation 9**

*The Committees recommend that:*

*By the end of 2023 Digital Health and Care Wales should publish a clear, realistic and prioritised plan for increasing its engagement with the social care sector, including public, third and private sector providers, Regional Partnership Boards and the Social Partnership Council. The plan should be developed through engagement with the social care sector, and should include clear timescales and assessment of the resource required for its delivery. DHCW should provide a copy of the plan to the Health and Social Care Committee and the Public Accounts and Public Administration Committee, and provide six-monthly updates on progress against the plan.*

**Response:**

The Welsh Government's recently appointed CDO for Health and Social Care and the Chief Social Care Officer for Wales are working jointly to ensure that Social Care policy priorities are supported within existing digital priorities. Key to achieving this will be DHCW's similar engagement with the Social Care sector.

**Recommendation 13**

*The Committees recommend that:*

*The Welsh Government and Digital Health and Care Wales should provide further information about their respective roles in providing leadership and drive for digital transformation in health. This should include:*

- *How the Welsh Government assures itself that decisions taken by DHCW and other health bodies in Wales on the prioritisation of capital funding align with Ministers' transformation priorities.*
- *How DHCW works with health bodies and encourages them to allocate sufficient funding and other resources to delivering sustainable digital transformation.*

**Response:**

The Welsh Government provides DHCW with funding (both revenue and capital) from two primary sources: a core allocation (which is profiled around the IMTP plan and monitored via the associated IQPD and JET meetings), and the Digital Priorities Investment Fund (for targeted strategic digital transformation activities). For the latter, proposals must be submitted to the Welsh Government for consideration and demonstrate alignment with priority policy goals, strategic alignment, Ministerial priority areas and Programme for Government commitments.

These are considered by a panel of Welsh Government officials (with a representative from the Welsh Government funded Centre for Digital Public Services) to provide advice on best practice approaches etc before advice is then provided to Ministers on committing funding (both revenue and capital) to a particular digital transformation programme. The improved governance processes to discuss, agree and monitor how DHCW utilises Welsh Government funding to deliver Ministers' transformation priorities is set out in Recommendation 1, B.

**Recommendation 14**

*The Committees recommend that:*

*The Welsh Government and Digital Health and Care Wales should provide a frank appraisal of the impact of the limited availability of capital funding on the delivery of digital transformation in health services. This should include information about any projects or programmes which have been, or are likely to be, delayed because of a lack of capital funding, an assessment of the implications of such delays, and what alternative approaches are being considered to fund/support growth in the digital space.*

**Response:**

Digital services are becoming less dependent on capital funding as they gradually switch to more cloud-hosted services which require ongoing revenue commitment. Capital funding is still required for underpinning physical infrastructure (e.g. network hardware, desktop and laptop computers, etc).

Due to historic budget settlements from Westminster and the prioritisation of funding for front-line services, there is a growing technical debt within the NHS in Wales,

caused by limited available funding for the replacing of legacy underpinning infrastructure, which presents a cyber risk to NHS Wales. Addressing this technical debt would require significant investments in terms of funding and expertise. This capital pressure is on Health Board and Trust budgets, not on digital transformation programme budgets, which would also require additional ongoing revenue commitments to fund more cloud hosted services to replace some of those currently hosted on-premise.

It is difficult to quantify the impact of a lack of capital on digital transformation projects or programmes in the way the Recommendation has described. As the Committees are acutely aware, there are challenging budget decisions which need to be taken with prioritisation of capital funding to maintain frontline services. This means that programmes need to carefully consider the funding profiles they request, including exploring alternate delivery methods – for example working with other bodies to jointly deliver digital transformation. These are undertaken before funding requests are submitted, so it is not easily quantifiable how the limited available capital impacts on digital transformation.

However, as noted above re technical debt, this is layering modern digital services on top of increasingly aging IT systems (e.g. structural networks and hardware etc), which will only be able to accommodate a certain amount of technical change before they themselves become a barrier to transformation.

### **Recommendation 16**

*The Committees recommend that:*

*We wish to ensure that Digital Health Services are appropriately accessible to patients in Wales when they receive NHS services in England. We recommend that the Welsh Government engage with the UK Government to consider ways in which digital health services in England and Wales can be better aligned and connected.*

### **Response: Accept in Principle**

The Welsh Government continues to work successfully with NHS England, at Ministerial and at Official level, with both parties learning lessons from approaches taken to date. Wales is an active member of the Four Nations' group for Health, including work on common data standards. The Health and Social Care CDO will continue to take a lead role in these discussions with counterparts in other areas of the UK. Powys Teaching Health Board is leading work under the Powys Cross Border Pathways programme, with DHCW support, to exchange health data with English NHS Trusts and Integrated Care Systems for patients whose care spans the English/Welsh border. Such cross border working results in a more streamlined patient experience, with less delays encountered (caused by waiting for files) and with better clinical decisions being made by NHS England, for Welsh patients. This will be enabled by improved and fuller access to Welsh data, which will include further work on considering and adopting international standards in relation to data sharing between countries.

In Wales, the approach set out in our Digital and Data Strategy for Health and Social Care (as noted on page 1) is to increase the utilisation of Once for Wales systems, adopting open and consistently applied standards and architecture frameworks to improve interoperability and leveraging existing platforms to simplify access to data by clinicians and support staff. We have a single patient record for secondary care. In primary care we use two system suppliers across Wales to provide the electronic GP record and for community pharmacies we have the all-Wales Choose Pharmacy system. However, health care providers in England have separate strategies for the integration of patient information for those circumstances where the patient moves outside of their geographical care provider in England. This means that Wales' services and systems would need to integrate separately with each health provider and system in England, resulting in very significant technical challenges and requiring substantial investment from both Governments.

NHS England announced<sup>2</sup> in 2022 a major investment “to support electronic patient records to be in all NHS trusts”. The wording of the statement suggests this is the sharing of data between settings within each Integrated Care System (ICS), rather than between areas of England or potentially with Devolved Governments; officials are seeking to clarify this. The Welsh Government continues to work with NHS England to understand how we explore potential opportunities for sharing digital platforms, whilst retaining data sovereignty for Wales, to benefit Welsh citizens.

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<sup>2</sup> <https://www.gov.uk/government/publications/a-plan-for-digital-health-and-social-care/a-plan-for-digital-health-and-social-care#section-1-embedding-digital-technologies>

PAPA(6)-12-23 -PTN8

UK REGISTERED AIRCRAFT SUMMARY 2001 TO 2023

Aircraft Class	MTOW kg	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	change since 2022	change since 2011	change since 2001		
AIRSHIP (GAS-FILLED)	1 - 750 kg	0	0	0	0	0	0	0	0	2	2	2	2	2	0	0	0	0	0	0	0	0	1		1	-1	1		
AIRSHIP (GAS-FILLED)	751 - 5700 kg	3	4	5	5	5	5	3	3	3	3	3	3	3	3	2	2	2	2	2	2	2	2	2	0	-1	-1		
AIRSHIP (GAS-FILLED)	5701 - 15000 kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
AIRSHIP (GAS-FILLED)	15001kg - 50000kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0	0	0		
AIRSHIP (GAS-FILLED) (UNMANNED)	1 - 750 kg	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2	2	2	2	2	2	1	1	1	0	1	1		
AIRSHIP (HOT AIR)	1 - 750 kg	14	10	11	10	10	9	8	8	8	5	3	3	2	2	3	3	3	3	1	2	2	2	2	0	-1	-12		
AIRSHIP (HOT AIR)	751 - 5700 kg	16	14	15	15	14	13	13	13	11	12	10	11	14	13	14	15	12	12	12	12	12	12	11	12	1	2	-4	
AIRSHIP (HOT AIR)	Not known	8	7	9	9	9	7	6	6	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	-2	-8	
BALLOON (GAS-FILLED)	1 - 750 kg	3	3	3	3	3	3	0	0	6	5	2	1	2	2	2	3	4	5	4	5	4	2	0	1	-1	-2		
BALLOON (GAS-FILLED)	751 - 5700 kg	1	1	1	1	1	1	1	2	5	6	6	5	5	3	2	3	4	5	6	5	3	3	3	0	0	-3	2	
BALLOON (GAS/HOT AIR)	Not known	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-3	
BALLOON (GAS/HOT AIR)	1 - 750 kg	2	2	1	1	1	1	1	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	-2	
BALLOON (GAS/HOT AIR)	751 - 5700 kg	6	5	5	5	5	5	4	4	4	0	0	0	0	0	0	2	2	3	3	3	3	2	2	0	-1	2	-4	
BALLOON (HOT AIR)	Not known	142	116	114	107	108	105	102	102	87	57	38	38	34	34	23	17	13	13	10	8	8	8	8	8	0	-30	-134	
BALLOON (HOT AIR)	1 - 750 kg	699	624	612	626	636	641	652	657	677	630	592	569	573	583	577	587	604	619	653	637	638	639	622	0	-17	30	-77	
BALLOON (HOT AIR)	751 - 5700 kg	965	936	955	961	1000	1043	1056	1090	1103	1045	981	943	927	905	905	890	867	867	817	817	796	789	774	0	-15	-207	-191	
BALLOON (MINIMUM LIFT)(UNMANNED)	Not known	150	118	99	99	99	99	100	100	100	99	99	98	98	98	98	98	98	98	98	98	97	97	97	0	-2	-53	0	
FIXED-WING AMPHIBIAN	1 - 750 kg	6	6	6	7	7	7	7	8	8	8	7	7	7	7	6	6	6	6	6	6	6	7	7	0	0	0	1	
FIXED-WING AMPHIBIAN	751 - 5700 kg	9	9	8	8	9	10	11	12	12	12	12	12	12	13	13	14	15	14	14	14	12	10	10	0	-2	-1	1	
FIXED-WING AMPHIBIAN	5701 - 15000 kg	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	1	
FIXED-WING LANDPLANE	1 - 750 kg	2824	2832	2859	2914	2994	3022	3077	3153	3186	3235	3217	3199	3245	3269	3300	3325	3346	3395	3385	3379	3381	3385	3369	-16	152	545	0	
FIXED-WING LANDPLANE	751 - 5700 kg	5429	5442	5461	5556	5647	5711	5822	5887	6000	5907	5764	5663	5564	5505	5484	5493	5503	5497	5484	5434	5404	5385	5349	-36	-415	-80	0	
FIXED-WING LANDPLANE	5701 - 15000 kg	262	276	267	254	254	254	253	258	270	256	253	228	219	212	204	190	179	174	176	163	155	141	124	-17	-129	-138	0	
FIXED-WING LANDPLANE	15001 - 50000 kg	288	296	307	264	271	256	272	257	270	292	306	297	293	289	272	260	274	261	242	239	233	205	184	-21	-122	-124	0	
FIXED-WING LANDPLANE	> 50000 kg	592	624	645	644	662	679	712	760	760	766	742	742	755	761	791	806	833	844	770	753	709	713	0	4	-29	121	0	
FIXED-WING LANDPLANE (UNMANNED)	751 - 5700 kg	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	4	4	6	2	6	6	0	
FIXED-WING SEAPLANE	1 - 750 kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2	2	2	2	2	2	2	0	0	2	2	
FIXED-WING SEAPLANE	751 - 5700 kg	2	2	2	3	3	3	2	2	3	3	2	2	2	2	2	1	1	1	1	1	1	1	2	1	0	0	0	
FIXED-WING SEAPLANE	15001 - 50000 kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FIXED-WING SLMG	1 - 750 kg	203	203	199	204	203	204	204	206	209	206	202	200	208	211	220	221	225	216	216	214	213	212	212	0	10	9	0	
FIXED-WING SLMG	751 - 5700 kg	70	70	71	70	73	76	76	80	86	86	85	85	98	91	94	100	103	106	104	104	167	167	165	-2	80	95	0	
GLIDER	1 - 750 kg	1	1	1	1	2	43	147	1094	2241	2289	2277	2235	2228	2226	2246	2238	2242	2232	2241	2210	2205	2193	2184	-9	-83	2183	0	
GLIDER	751 - 5700 kg	0	0	0	0	0	2	2	13	17	17	18	21	20	21	21	22	23	25	24	25	26	26	26	0	8	26	0	
GYROPLANE	1 - 750 kg	233	242	244	247	250	248	259	277	305	305	312	324	322	327	329	342	336	341	352	358	361	360	361	1	49	128	0	
GYROPLANE	751 - 5700 kg	0	0	0	0	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HANG GLIDER	1 - 750 kg	7	10	11	12	12	13	13	13	13	12	8	8	9	9	9	9	9	9	9	9	9	9	9	9	0	1	2	0
HELICOPTER	1 - 750 kg	275	267	273	277	291	293	288	289	279	257	238	228	211	208	203	199	202	201	193	180	174	167	168	1	-70	-107	0	
HELICOPTER	751 - 5700 kg	715	755	794	814	882	952	1026	1120	1136	1088	1042	989	954	914	901	907	921	912	905	902	872	859	872	13	-170	157	0	
HELICOPTER	5701 - 15000 kg	67	68	67	68	65	69	72	81	80	83	84	82	95	110	127	152	167	170	158	165	162	143	134	-9	50	67	0	
HELICOPTER	15001 - 50000 kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MICROLIGHT	1 - 750 kg	3478	3531	3618	3828	4070	4118	4254	4392	4447	4375	4071	4043	4045	4029	3998	4015	4028	3993	3918	3832	3791	3747	3721	-26	-350	243	0	
<b>TOTAL</b>		<b>16473</b>	<b>16474</b>	<b>16663</b>	<b>17013</b>	<b>17588</b>	<b>17894</b>	<b>18445</b>	<b>19890</b>	<b>21331</b>	<b>21063</b>	<b>20379</b>	<b>20040</b>	<b>19939</b>	<b>19851</b>	<b>19846</b>	<b>19924</b>	<b>20027</b>	<b>20028</b>	<b>19810</b>	<b>19599</b>	<b>19496</b>	<b>19288</b>	<b>19144</b>	<b>-144</b>	<b>-1235</b>	<b>2671</b>	<b>0</b>	
<b>Aircraft Class</b>	<b>Weight group</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>					
AIRSHIP	All weights	33	28	31	30	29	27	24	24	24	22	18	19	21	20	21	23	20	20	17	18	17	16	18	2	0	-15	0	
BALLOON	All weights	1829	1694	1700	1713	1763	1806	1822	1862	1883	1743	1621	1557	1541	1527	1509	1500	1493	1510	1494	1474	1450	1442	1410	-32	-211	-419	0	
BALLOON (MINIMUM LIFT)	All weights	150	118	99	99	99	99	100	100	100	99	99	98	98	98	98	98	98	98	98	98	97	97	97	0	-2	-53	0	
FIXED WING	All weights	9412	9487	9555	9650	9848	9943	10157	10338	10510	10490	10304	10151	10099	10060	10070	10098	10160	10195	10081	10010	9952	9850	9767	-83	-537	355	0	
FIXED WING SLMG	All weights	273	273	270	274	276	280	280	286	295	292	287	285	296	302	314	321	328	322	320	318	380	379	377	-2	90	104	0	
GLIDER	All weights	1	1	1	1	2	45	149	1107	2258	2306	2295	2256	2248	2247	2267	2260	2265	2257	2265	2235	2231	2219	2210	-9	-85	229	0	
GYROPLANE	All weights	233	242	244	247	251	249	260	278	306	306	312	324	322	327	329	342	336	341	352	358	361	360	361	1	49	128	0	
HANG GLIDER	All weights	7	10	11	12	12	13	13	13	13	12	8	8	9	9	9	9	9	9	9	9	9	9	9	0	1	2	0	
HELICOPTER	All weights	1057	1090	1134	1159	1238	1314	1386	1490	1495	1428	1364	1299	1260	1232	1231	1258	1290	1283	1256	1247	1208	1169	1174	5	-190	117	0	
HELICOPTER	751 - 5700 kg	715	755	794	814	882	952	1026	1120	1136	1088	1042	989	954	914	901	907	921	912	905	902	872	859	872	13	-170	157	0	
MICROLIGHT	All weights	3478	3531	3618	3828	4070	4118	4254																					

Mr Mark Isherwood, MS Chair  
Public Accounts and Public Administration Committee  
Senedd Wales

28th August 2023

Dear Mark Isherwood MS,

**Re: Gilestone Farm**

I am writing to you in relation to your committee's scrutiny of the Welsh Government's acquisition of Gilestone Farm. I am the Managing Director of Green Man, the company behind the Green Man festival and the prospective tenants for the Welsh Government's property called Gilestone Farm.

After watching their last session of the committee on 5 July 2023, I thought it would be helpful to your committee's evidence gathering if I were to clarify a number of points raised by your colleagues on the committee and also provide you with more detail about our proposals for the farm.

**The Purchase of a farm by the Welsh Government**

The Government of the United Kingdom frequently purchases property if it will improve the social and economic environment of the citizens in their care. My view is that this is the role of a good government.

The relationship between the Gilestone Project and the Welsh Government will be the same as any usual commercial landlord-tenant relationship. This is a typical arrangement for many other Welsh Government projects such as the [recent purchase in Bridgend](#) that will support Wales' transition to Net Zero, or a site in [Baglan Bay](#) which was also recently acquired by the Welsh Government to support the local economy. The Welsh Government also acquired warehouses for another creative company - Bad Wolf production company - to generate jobs and income into the Welsh economy. [One of the largest film and TV studios in Wales is set to be created in Cardiff.](#)

The intended financial relationship between myself and the Welsh Government will be through the tenancy of the property. As with all property tenancies if I cannot pay the rent, I will have to vacate and the Welsh Government will retain the property which they can either re-lease or sell on to a new owner and take the uplift from the sale.

Unlike the housing market, farm property still seems to retain its value. [Here is an article from Farmers Weekly reflecting this.](#)

The legal obligations for leasing the Welsh Government's property will be clearly defined in the lease as with all tenant landlord relationships. We have and will continue to ensure that our plans meet the obligations and legal requirements of the relevant statutory bodies. As a Powys SME we have been operating in this region of Wales for 21 years, only 5 miles from Gilestone Farm and have a successful and productive record of working with many official agencies.

I would have preferred to purchase Gilestone Farm, but unfortunately do not have the funds to achieve this. At the onset of this venture the intention was for me to purchase part of the property with the remaining purchased by the Welsh Government and leased back on a

commercial tenancy until I could afford to buy the property outright. Knight Frank rural surveyors, who were acting on behalf of the Welsh Government, advised that a property division could decrease the value of the property and this was subsequently denied. I was not offered a loan arrangement; only a commercial lease was discussed.

Gilestone Farm was valued by Knight Frank Rural Surveyors at £4,350,000 - £100,000.00 over the sale price of £4,250,000 - indicating that there has been an uplift in the Welsh Government's property asset at the point of sale. The Welsh Government have received rental income from their current Gilestone Farm tenant since they purchased their property in 2022.

Discussions between the Welsh and UK Government and my organisation regarding building on the success of Green Man have been ongoing for many years. The need for a permanent base in Wales was seen as a logical next step to activate this. Monmouthshire County Council and the constituency of Montgomeryshire also searched for a suitable property as they also recognised the potential of Green Man to create jobs and opportunities for their constituents. However, they were not able to find a suitable property in these areas.

The Welsh Government purchased Gilestone Farm for the following reasons:

- it is a commercial mixed-use working farm
- it offers tourism and events with a 1,500 person capacity
- it has close transport connections to the A40 and train links
- it lets space to 20 local businesses

The current business operation of this property can be built on and adapted to deliver the business and charitable objectives of Green Man locally, and can also offer a base for extending these both across Wales and internationally.

### **Corporate structure / governance**

There was some discussion about the corporate structure and the viability and record of our business. The Green Man and its affiliated companies have been successfully operating in Wales for many years; we are a well run ethical business with a robust balance sheet. Our account filing is open for public scrutiny at Companies House. Cwningar Ltd (of which I am the principal owner) will be the signatory on the proposed lease with the Welsh Government and I will be accountable to the Welsh Government as its tenant. As mentioned by Gerwyn Evans, Deputy Director of Creative Wales (who attended your meeting), it is usual for businesses to set up new companies for new ventures.

### **Funding**

There was discussion about public funding and questions were asked whether I was receiving any. I felt from the discussion that there is a belief that I was in receipt of funding in relation to Gilestone Farm or I had been gifted the property. To clarify, this is **not** the case. Legally and commercially the Welsh Government decided to purchase a farm, which it now owns outright, and intend to operate their property asset with a commercial lease arrangement. They may have purchased the farm with the intention of building on the success of the Green Man brand to create jobs and opportunities in rural Wales. But Gilestone Farm remains a Welsh Government property asset belonging to them alone.

The Welsh Government is considering entering a commercial lease arrangement with my business based on 21 years of Green Man's success, our vision document (stage 1 business plan), followed by a robust business plan which has been scrutinised by appropriate sectors of the Welsh Government.

There is also recognition that developing business in rural Wales is challenging due to the natural ecology, poor transport links and the sensitivity of the landscape which makes property development permissions rare. Our business works within these parameters:

- **ecological** - any business operation taking place within the farmland will be in temporary structures for short periods of time which can work around and support ecological challenges such as biodiversity and rare species
- **transport** - as standard working hours are challenging to adopt in a location with limited transport links, our flexible working patterns fits within these parameters
- **permission to build** - we are not planning to build any new properties and won't require planning permission

The Welsh Government has concluded that my business and proposition is highly credible and would make a positive contribution in helping deliver its policies addressing the growing socio-economic issues such as the wealth and age gap in rural Wales. This view is also supported by Powys County Council and Bannau Brycheiniog National Park.

At the meeting in Brecon with Powys County Council and the Bannau Brycheiniog National Park Authority on 17th March 2023, Caroline Meeling Jones CEO Bannau Brycheiniog National Park and James Gibson Watts Leader of Powys County Council expressed deep concerns about the future of the Bannau Brycheiniog National Park and Powys as a result of these negative trends not being addressed. They recognised and agreed that the plan delivered on government objectives, commenting that: "if not this [plan] then what would be acceptable?"

In addition to my Green Man business activities I have played an active role in supporting the future economic development of Mid Wales as Chair of the Economic Strategy Group of the Mid Wales Growth Deal. The group comprised leading Mid Wales businesses including Green Man. This was a voluntary role for all involved and despite the challenges of the businesses involved during the pandemic we were able to secure £110,000,000 in funding for the region.

Green Man has played its part in helping to deliver on all of the Mid Wales Growth Deal targets without receiving or requesting **any** funding from the Mid Wales Growth Deal funding allocation.

Mid Wales has an ageing population which is contributing to a dwindling economy, while younger residents migrate in search of education and employment opportunities. Nearly 20% of children in the region are living in poverty, while 24% of residents are paid under the national living wage. The wealth and age gap in Powys is increasing. Mid Wales has identified areas of potential growth including agriculture, food, tourism and manufacturing. Our project will harness these areas to diversify and grow the local economy, and widen our business ambitions to include a creative hub and connect to businesses across Wales and internationally.

### **Communication**

A number of points were raised by the committee in relation to communications with the local community. From our perspective we have sought to positively engage with the local community. Engagement has been made more difficult by the hostility, misogyny and bullying behaviour by a small minority of objectors. Despite this difficult backdrop we have continued to engage with local people. There have been a number of meetings with local representatives and bodies, these are detailed below:

May 17th 2022 - in person meeting with Talybont Community Council and the Powys County Councillor of Talybont on Usk, first available opportunity following the Powys County Council elections.

The meeting covered:

- confirmation that the Welsh Government had purchased Gilestone Farm
- that the previous owner was now the tenant of the Welsh Government and would be operating Gilestone Farm (farming, tourism, events and business rental premises) until an alternative solution was agreed by the Welsh Government
- confirmation that the Green Man Festival would not move to Gilestone Farm, that the farm was not suitable for events the size of the Green Man Festival
- confirmation that Gilestone Farm would remain a working farm
- confirmation that Gilestone Farm would not be used just for tree planting
- the objective of the Gilestone Project was to build on Green Man's success and diversify the brand
- that operations would include food and beverages, training, live experiences, science engagement, tourism and a creative hub
- that a period of due diligence would be undertaken by the Welsh Government, and that I could not confirm anything until this had taken place. Meanwhile, I would keep the Community Council informed as things progressed
- there was an open invitation to the people of Talybont to attend Green Man 2022 as my guests so that they could better understand what we offered

I started to update Talybont Community Council through the Community Council Secretary, but a wider campaign of misinformation had begun through a splinter group of people against the Gilestone Project. This later became the Usk Valley Conservation Group, a charity registered in June 2022 which seemed specifically set up to stop the Gilestone Project from happening. My communication to the Community Council was spun, ignored or disbelieved by this wider group and used to support the campaign of objection. It became clear that productive communication was impossible, and I became concerned about the wellbeing of the members of the Community Council as they seemed to be coming under intense pressure from the splinter group.

I attempted to start communications again with the Talybont Community Council in September 2022 but the then Chair of the Community Council (there have been two resignations since then) refused to meet me until the Welsh Government had made a decision about the business plan.

I also offered to join the Welsh Government at the in-person meeting with the Talybont Community Council at Talybont on Usk on the 17th of November 2022, but the Community Council requested that I not attend the meeting.

Green Man, my company and Gilestone Farm are located in the constituency of Brecon and Radnorshire. I have offered meetings to discuss Gilestone Farm with my Senedd representative James Evans MS, and Member of Parliament Fay Jones MP on the 2nd of June 2022, but neither has yet accepted my offer.

More recently, along with the Welsh Government, we met with representatives of the Community Council, Powys County Council and the Bannau Brycheiniog National Park Authority on the 17th March 2023, for an update on the project's progress.

In my view, the relationship with some of the residents has been soured by a well funded, negative scaremongering campaign which has deliberately sought to spread misinformation, confuse and frighten local residents, while discrediting me and my business. There is also evidence of bullying of local residents and members of the Community Council, Bannau

Brycheiniog National Park, and Powys County Council by the opponents of the Gilestone Farm Project. This behaviour was raised by those present and minuted at our last meeting with residents and Government representatives on the 17th March 2023.

I have been increasingly concerned about the wellbeing of the residents of Talybont on Usk who support the Gilestone Project or who don't agree with the methods and behaviour of the objectors.

The toxic atmosphere created by objectors has resulted in multiple resignations from the Talybont Community Council, including the second Chair in the last 12 months. Anyone who does not support the anti Gilestone project group has stood down and been replaced with people who do not want Green Man in Talybont or for the Gilestone Project to take place.

Anita Cartwright, Talybont on Usk Powys County Councillor, has taken extended sick leave following the bullying and harassment she experienced. Powys County Council cover of Talybont on Usk is currently being supported by Councillors who represent other Powys constituencies.

In May 2023, Vaughan Gething, Minister of Economy, agreed to our business plan in principle, and we commenced a more formal large-scale community engagement. This involved directly connecting with local community groups and organisations, sending out 4,000 information leaflets to households in the area, launching a website with information, FAQ's, a questionnaire and contact details through which we can be contacted directly at any time. Through this process we received comments, views and questions from local people, many of which are helpful and constructive. This has now been live for eleven weeks and has proven to be highly effective with many small local companies, organisations and individuals wishing to engage with the Gilestone Project in the future.

However, due to the hostility and inappropriate behaviour towards those supporting the Gilestone Farm Project (or who are associated with it) the Welsh Government and Bannau Brycheiniog National Park Authority did not attend the public meeting called by James Evans, MS on 8th June 2023. Powys County Council also refused the invitation due to other reasons. No representatives from my organisation were invited to this meeting.

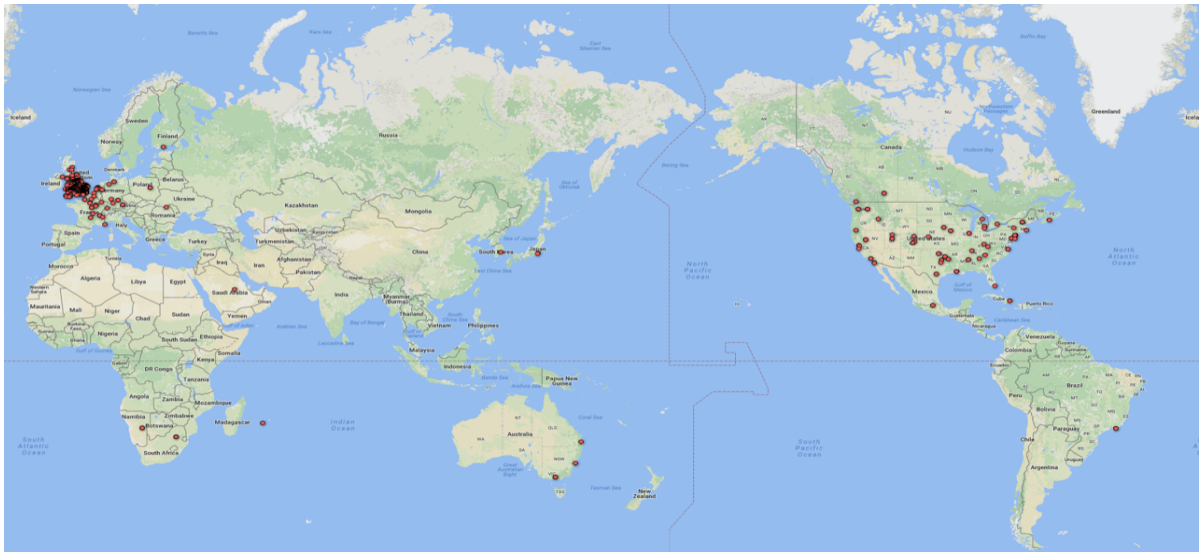
**Despite the hostility, local people are coming forward to express support or show genuine interest in finding out more about the project.**

**(DHG) Direct Health Group**

One area of questioning we are concerned about was in relation to a business called Direct Health Group. We are trying to understand why a company based some 30 miles away has any interest or concerns about our proposals for Gilestone Farm. Clarification on this point would be welcome, although I read this [article](#) in Nation Cymru with interest. I will also raise this issue directly with Natasha Asghar.

**Welsh made and Welsh Grown International Impact of the Green Man brand**

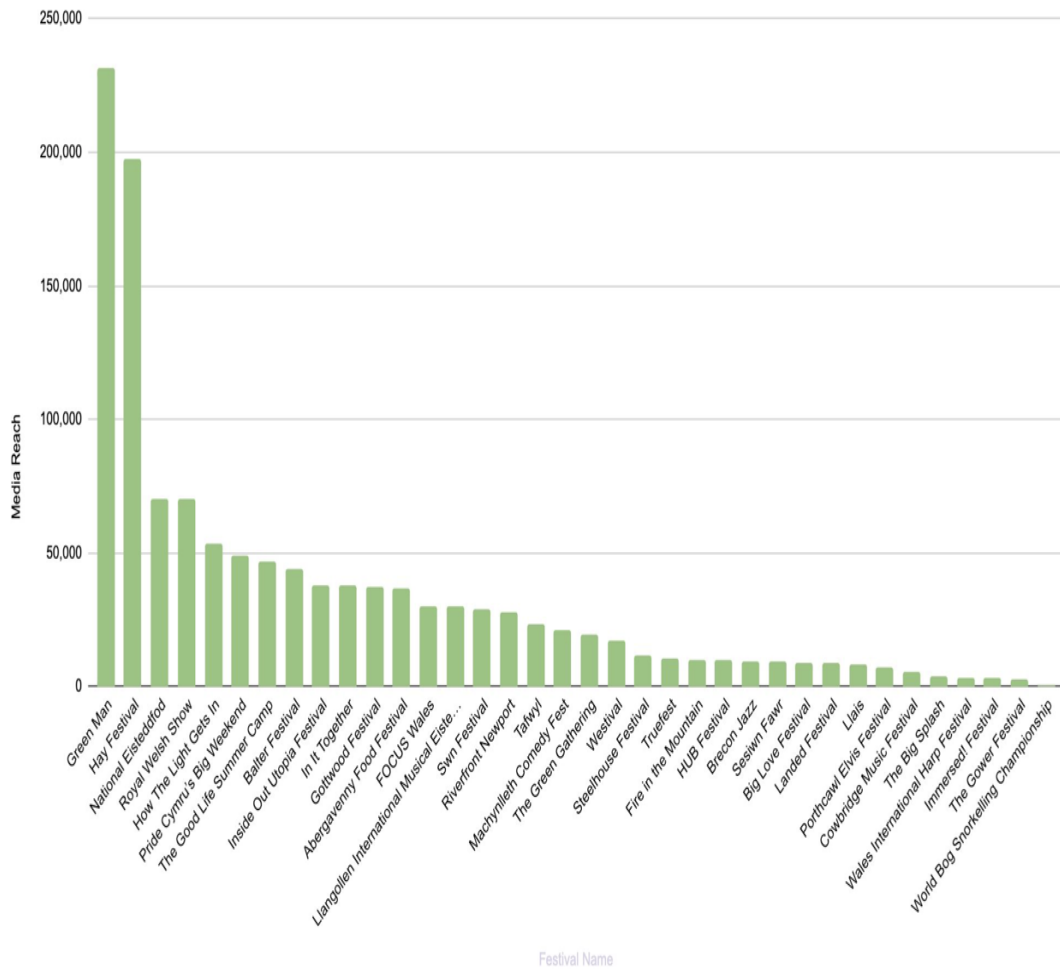
Green Man attendee destinations 5% attend from outside the UK



Data Supplied Ticketline

**Positioning of Green Man within Welsh Festivals media reach.**

Algorithm - combined online media following (twitter, instagram, facebook)



## **Business Plan**

As you are aware, we have submitted a detailed business plan to the Welsh Government and have shared some details with the local community. This can be viewed on our website [www.gilestonefarmproject.co.uk](http://www.gilestonefarmproject.co.uk). For ease I have detailed our plans below.

Gilestone Farm will be a base to further develop our business interests and charitable engagement locally, across Wales and internationally.

Our plan will create a more diversified business that supports existing farming activities by engaging with experienced members of the farming community interested in fostering new ideas and activities.

The Gilestone Farm Project seeks to unlock local opportunities in Welsh growth sectors and be the springboard for sustainable economic growth across the region. We will create a flourishing economic environment that Mid Wales residents want to stay in, thrive in and contribute towards.

Gilestone Farm will boost **tourism** in the local area year-round as a green Eco-Retreat. Our plans include new glamping and rented accommodation for short visitor stays, supporting the local visitor economy. This will also create extensive local employment opportunities in hospitality.

The influence of the Green Man brand in attracting tourism to Mid-Wales is clear, with 89% of attendees agreeing that they are more likely to visit Wales as a result of attending Green Man. The Gilestone Farm Project will build on this with a year-round offer.

We will also be supporting the aspirations of the Bannau Brycheiniog (Brecon Beacons) National Park Sustainable Tourism Strategy:

- a proud example of a sustainable destination supported by its communities
- a 'good neighbour' adding significant value to the regional offer and economy
- vibrant private and voluntary sectors taking a lead in tourism delivery and visitor welcome
- more reasons to visit more often across the National Park and across the year

Gilestone Farm will continue to be a **working farm** but with more sustainable farming practices and with a greater focus on enhancing the local environment, particularly the River Usk. This will include minimising the impact of the farm's operations on the local environment through creating a carbon neutral business with increased biodiversity on site. We will join the Welsh Government's Sustainable Farming Scheme and adopt a regenerative approach to farming, including reducing phosphates entering the water system; supporting and preserving the much-depleted River Usk for our future generations.

There are significant opportunities for greater **food and beverage production** on the farm, supporting new local businesses and skills development. Our plans include establishing a new brewery, bakery and baking school at Gilestone Farm, championing local produce and providing new opportunities such as apprenticeships. Welsh produce is a key pillar of the food and beverage offering at Green Man Festival and could provide a permanent base for new and existing suppliers who can expand and sell their produce at local markets and provide live experiences at Gilestone Farm.

Gilestone Farm will act as an **anchor and hub** for start-up creative businesses, as well as growth for established businesses. Crucially, this will create new opportunities for young people and encourage them to remain living and working in the area.

We will support local hospitality businesses, food and beverage producers and creatives with live experiences. The Farm already hosts events, and our plans include:

- **family experiences** focused on health and wellbeing, science and the arts
- to make the most out of the new **outdoor wedding** rules that have been recently legalised and allow civil ceremonies to take place in the open air; we've got the chance to offer the ultimate wedding experience in stunning natural surroundings.
- **to amplify Welsh talent in the creative industries** while developing and showcasing talented emerging artists and producers

Our charity, the [Green Man Trust](#) will also be based at Gilestone Farm and will work with the local community to support young people to access creative and arts sectors. The Trust has been in operation since 2013 and has supported more than 10,000 people, providing 168 grants and inspiring positive change in Welsh communities. Our mission is to:

- work with communities locally and across Wales to inspire positive change
- cultivate training opportunities within the creative industries, wellness and science
- develop and showcase talented emerging artists, with particular focus on music, design, performing arts and visual arts.
- encourage engagement with science particularly in relation to health and climate change

### **Sustainability**

There has been some discussion around the sustainability of our proposal and its impact on the environment. We firmly believe that our project is a force for good, for the local environment, the economy and the wider community. At the core of the Gilestone Farm project is a commitment to sustainability. We are developing these principles in line with local, national and international development policies in mind, such as the Wellbeing of Future Generations (Wales) Act and UN's Sustainable Development Agenda.

*"The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales" The Well-being of Future Generations (Wales) Act – An essential Guide published by Welsh Government*

*"A global plan of action to drive economic prosperity and social wellbeing while protecting the environment" - UN Sustainable Development Goals*

Our plans are being designed to meet and support 14\* of the UN Sustainable Development Goals. These include:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote wellbeing for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
8. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
9. Reduce inequality within and among countries

10. Make cities and human settlements inclusive, safe, resilient and sustainable
11. Ensure sustainable consumption and production patterns
12. Take urgent action to combat climate change and its impacts
13. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
14. Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

\*The remaining three development goals relate to energy, maritime and justice which are not part of the plans for Gilestone Farm

**This is an all-encompassing mission with the environment, society and the economy all considered and safeguarded throughout our plans.**

The Gilestone Farm Project creates an exciting opportunity to protect and restore the local environment through our business operations. We will work with ecology and sustainability experts to help us plan and manage our activity at Gilestone farm.

### **Farming**

Gilestone Farm will remain a working farm. However, some farming practices can be harmful to the environment. We will seek to address this early on, bringing in farming professionals who are experienced in adopting regenerative farming methods to actively manage the land and preserve it for food growing for generations.

We will sign up to the Welsh Government's Sustainable Farming Scheme from the outset and aim to use the strength of the Green Man brand to support the promotion and amplification of sustainable farming practices across Wales.

Our long-term goal is to move the farming practices to a permaculture-led farm which will reduce phosphates entering the water system and support the recovery of the Usk River.

### **Live Experiences**

Green Man's sustainable approach to diversifying the farm will have an overall positive impact on the environment and ecology compared with purely agricultural use. Our plan is to create a carbon neutral event site. Our events will be powered entirely by alternative energy sources. The scale of any live experiences that take place at Gilestone Farm will be designed to ensure they have no harmful impacts on the sensitive ecological areas within the farm. If structures are required they will be temporary, movable and used for short periods of time offering the agility to work around any issues relating to biodiversity or protected species. Licenced events are strongly regulated and require permissions from a wide range of government service professionals to take place.

### **Stewardship**

We take our stewardship responsibilities very seriously and will employ a Chartered Institute of Ecology and Environmental Management registered ecologist to undertake a biodiversity and ecological survey of the Farm that can guide our active management and restoration of the land. Experts will support us to:

- protect and safeguard the local SSSI and the nature that lives there
- improve biodiversity, ecology and the natural environment across the farm
- restore local waterways by reducing harm to the Usk

- respect important local landscapes with the whole project delivered without the need for new permanent buildings to protect natural surroundings of the farm

### **Social Wellbeing**

The Gilestone Farm Project was founded to promote social and economic inclusion in an area where social and economic exclusion is rising. We're aligned with the Welsh Government's mission to address rural poverty and reverse the decline in rural living standards. We'll do this by:

- creating skills and employment opportunities for young people
- providing social and emotional support through the Green Man Trust who are currently working to create a Mental Health Guide, signposting support, as we did throughout the Covid-19 pandemic
- championing principles of equality and diversity and particularly supporting cultural diversity
- leading from the front, as the only large commercial festival in the UK owned and run by a female CEO. The first UK festival to achieve a 50/50 gender music line-up. The only UK festival to have a Pride March celebrating members of the queer community who attend. The only UK festival to offer training to refugees and asylum seekers. We want to empower all people who are under-represented within our communities into leadership and entrepreneurial roles
- continuing to improve our accessibility for all - we were awarded the Gold Charter by Attitude is Everything for improving disabled people's access to music. One of 16 gold charters awarded in the UK, we were the first Welsh music festival recipient

### **Economic Empowerment**

Gilestone Farm will act as an anchor and hub for new start-up businesses while supporting those already established with opportunities for growth and diversification. We will provide opportunities for local people to train and learn new skills in sectors we're leading in, such as science, wellness and the creative sectors. We'll proactively target young people for training and jobs, encouraging them to stay and contribute to the area. It will also be the base for engaging with and starting new ventures, while developing our current relationships with businesses across Wales and globally.

I hope our submission is helpful. Should you need any further points of clarification please do get in touch.

Yours sincerely,



Fiona Stewart  
Managing Director  
Green Man

30<sup>th</sup> August 2023

Cardiff Airport, Vale of Glamorgan, Wales CF62 3BD  
Maes Awyr Caerdydd, Bro Morgannwg, Cymru CF62 3BD

Mark Isherwood MS  
Chair of the Public Accounts and Public Administration Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

Email: [SeneddPAPA@senedd.wales](mailto:SeneddPAPA@senedd.wales)

Dear Chair

### **Cardiff Airport and PAPAC – 22 June 2023**

Thank you for your letter dated 3 August 2023 welcoming clarification on some points at the Public Accounts and Public Administration Committee on 22 June 2023. Please see our response below;

#### **Airline Capacity**

Please see attached documents from CAA which demonstrates the total number of registered aircraft in the UK by year.

The recovery for the airport has been mostly impacted on airlines not having sufficient spare capacity to deploy on the regional and domestic routes.

In 2019/20 Flybe operated a fleet of over 70 aircraft that were registered in the UK. Their main aircraft type was the Bombardier Dash 8 Q400 with a maximum take off weight of 29 metric tonnes.

This airline and their domestic / regional capacity has not been replaced fully by other carriers across the UK.

Thomas Cook also operated a fleet of over 30 aircraft registered in the UK in that period and while some of their capacity has been replaced across the UK by other airlines, the combined capacity by both of these airlines has not yet been replaced at Cardiff Airport.

In 2019, there were 1,188 UK registered commercial passenger aircraft (operating at over 5 metric tonnes).

In 2022, this was down to 1,021 UK registered commercial passenger aircraft (-14%).

More specifically, for the aircraft types mostly used on regional and domestic routes, like those operated by Flybe (in the category 15 – 50 metric tonnes).

There were 242 aircraft in this category registered in the UK in 2019 and this was down to 184 in 2022 (-24%).

However it should be noted that aircraft operating domestic flights in the UK, need to be registered in the UK.

With regards to global passenger airline aircraft availability, according to Statista 2023, the global fleet size was 27,884 aircraft in 2020 and was 25,578 in 2022.

### **The Rescue and Restructuring Plan – Commit to become carbon neutral**

The rescue and restructuring agreement does not commit the airport to reach Carbon net Zero by 2023. It has a commitment to be well on the journey to achieving this in line with Government targets. UK targets for Aviation related Net Zero targets are 2050, while Wales has a business agenda of striving to achieve an 89% reduction for all sectors of 2040 and full net Zero by 2050.

The airport has focused heavily on the activities within Scope 1 and Scope 2, that it can control and contribute to in the reduction programme.

In FY 19/20, the CO2 emissions for Cardiff Airport in these two areas combined was 1,704 tonnes of carbon.

By the end of FY21/22, this had reduced to 619 tonnes carbon.

We have taken steps to focus primarily on procurement of energy from 100% renewable providers.

Other programmes were introduced to focus on energy saving activities and introduction of energy efficiency prioritisation in the equipment replacement programmes.

This included updating plant equipment at end of life and replacement of the heavy energy intensive lighting to LED where appropriate.

In the next two FY's, the business is working to further reduce the CO2 emissions by a further 280 tonnes through the following plans:

- Updating and enhancing the Energy Management focus with improvements to consumption and sub metering activities
- Voltage optimisation through a voltage trimming programme of activities to lower consumption
- Heating replacement programme through changing valves, pipes and ductwork thermal insulation activities as end of life replacement projects
- Lighting optimisation by completing appropriate LED roll out, as technologies develop
- Replacement of the Building management system to improve heating controls and reduce energy wastage
- Roofing upgrades to the terminal to improve heating retention and cooling, where appropriate.

**Welsh Government Loans: Accrued Interest**

We can confirm that the interest accrued on the loan is included within the 'Accruals and deferred income' balance of £4,474,000 (Note 19 on page 29 of the financial statements for the year ended 31 March 2022).

The interest accrued on the loan during the year was £1.077m, however, no interest payments were made during the year.

Your sincerely



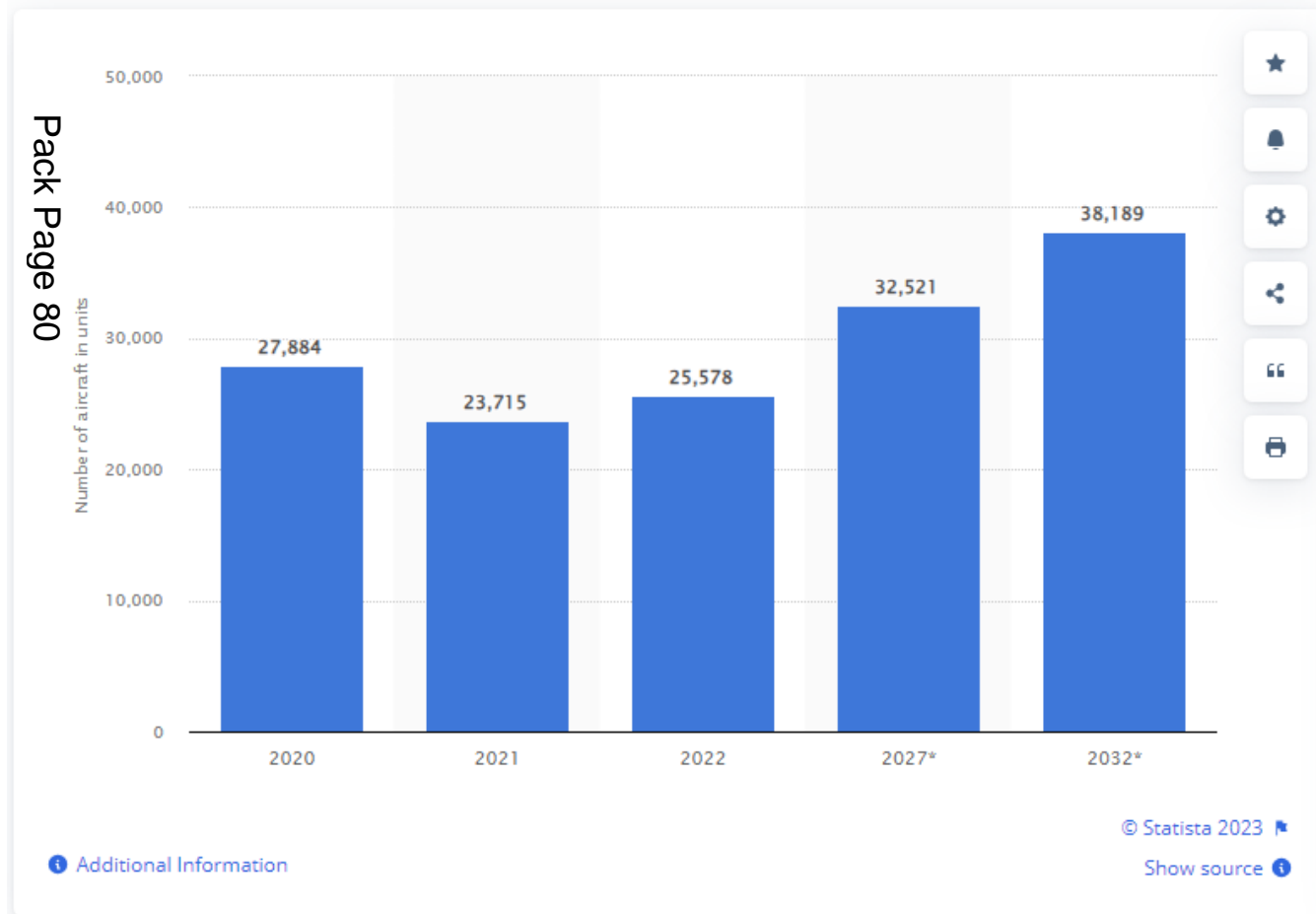
Spencer Birns

CEO Cardiff Airport

Metals & Electronics > Aerospace & Defense Manufacturing

PREMIUM +

# Projected size of the global aircraft fleet due to coronavirus outbreak from 2020 to 2032 (in units)



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February 2022

**Region**  
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## Organisational response – Welsh Government

**Report title:** 'Cracks in the foundations' - Building Safety in Wales

**Completion date:** [date]

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p>The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include:</p> <ul style="list-style-type: none"> <li>• Clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes.</li> <li>• A specific timetable for development and adoption of Welsh guidance to ensure local authorities are others can deliver their duties.</li> <li>• The Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.</li> </ul>	<ul style="list-style-type: none"> <li>• Welsh Government have developed a phased timetable for implementation of those parts of the Building Safety Act which apply to Wales. This has been communicated widely to the industry through presentations at conferences, Ministerial written statements and stakeholder meetings.</li> <li>• The first Phase will commence in January 24 when subordinate legislation covering the regulation of the Building Control profession are laid with a coming into force in April 24.</li> <li>• Details of the emerging legislation has been shared with relevant groups including CABE, LABC Cymru and CIOB.</li> <li>• WG are working closely with the HSE/BSR to put in a place a delegation agreement for the registration processes. Once this is formalised it will be shared with the industry.</li> <li>• The BSR are looking to launch their communication campaign in early Autumn and WG communications will be aligned with their communications.</li> <li>• Phase 2 of the plan which will include consideration of dutyholders, Gateways and the golden thread is at a much earlier stage of development and is planned to come into force by April 2025. As the policy is developed further information will be</li> </ul>	<p><b>Phase 1 – clarity will be published by January 24</b></p> <p><b>Phase 2 - clarity will be provided before April 25</b></p>	Neil Hemington

		<p>shared with interested parties. All changes will be subject to public consultation which will include engaging with key stakeholders.</p> <ul style="list-style-type: none"> <li>As legislation is introduced guidance will be published which will include engagement with all key stakeholders.</li> </ul>		
<b>R2</b>	<p>The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.</p>	<p>Recruitment activity continues to ensure the team to deliver the legislative and policy changes is a full strength and within the constraints we currently face we are fully committed to ensuring we have sufficient resources in this area. We are pleased to report that the specialist posts within Building Regulations team are being filled.</p>	<b>By November 23</b>	<b>Neil Hemington</b>
<b>R3</b>	<p>The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:</p> <ul style="list-style-type: none"> <li>Assess the status quo against potential changes, such as the model of delivery in Scotland.</li> <li>Be framed around a SWOT analysis of costs, benefits, threats, and risks.</li> <li>Draw on existing research to identify good practice.</li> <li>Be published and agree a way forward’.</li> </ul>	<ul style="list-style-type: none"> <li>The mixed market approach to Building Control was reviewed during the consideration of the responses to the Hackitt report.</li> <li>The historical context of a common approach regulatory system across Wales and England and the benefits this gives to the industry in terms of trade opportunities is very different to the Scottish delivery model.</li> <li>The model being adopted introduces a new regulatory regime for RBIs and RBCAs which will create a level playing field across the industry. Both public and private sector building inspectors and building control bodies will be subject to the same level of regulation and oversight.</li> <li>We made the decision to introduce regulations that would allow only Local Authorities to be able to undertake the Building Control Function for buildings classed as Higher Risk Buildings. This</li> </ul>	<b>April 25</b>	<b>Neil Hemington</b>

R4

The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:

- Creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.
- Developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publishing, as well as ensuring priorities, such as:
  - A greater focus on trainees to mitigate succession risks.

approach is in line with the Hackitt recommendations to remove the ability for developers to choose their own Building Control inspectors.

- England are currently undertaking comprehensive research and analysis on the risks posed by buildings of all types and have agreed to share the findings with us when it is complete. This research will enable us to have a better understanding of the risks posed and we will be able to consider this in the context of Wales. At this point we will undertake a further review of the appropriateness and effectiveness of our mixed market approach to Building Control.

As part of the Phase 1 plan WG will be introducing a robust regime of oversight and management of the building control sector.

1. A national performance framework will be published. WG consulted on a draft in September 22.
2. Collection of data on workforce across LAs will form part of the oversight of LAs. This has yet to be developed but will be in place in line with the introduction of phase 2 of the plan.
3. WG is aware of the succession risks and the lack of diversity in the sector. WG will work with the WLGA to consider the most appropriate way to deliver local authority Building Control services'.

**1. January 24**

**2. April 25**

**3. Ongoing**

**4. Ongoing**

**Neil Hemington**

- Establishing aligned, national job roles matched to competency levels.
- Increasing the diversity of the sector to ensure it reflects modern Wales.
- Specific funding to enable surveyors to obtain and maintain competence should also be considered.
- The Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

4. WG apprenticeship teams have been working with delivery partners to put in place appropriate qualifications for the building control profession. We will continue to engage with Education colleagues to progress this. Although more work is required from the industry to attract people into it.
5. The new framework being introduced for the registration of Building Inspectors will ensure that all roles will be nationally aligned to the competency framework for registration.
6. Specific funding needs to be further considered in line with the other points raised on attraction to the industry and the how Building Control can be most effectively delivered via local authorities in Wales.

**5. January 24**

**6. April 25**



Adrian Crompton  
Auditor General for Wales  
Audit Wales  
1 Capital Quarter  
Tyndall Street Cardiff  
CF10 4BZ

31 August 2023

**Audit Wales Report – ‘Cracks in the Foundations’ – Building Safety in Wales**

Thank you for sharing a copy of your report into how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022.

The Welsh Government recognises the importance of Building Control in Wales and actively sought your assistance in this area, to consider the preparedness of Local Authorities to take on their new and enhanced responsibilities and also the resilience of existing services.

The Minister has been very clear that Building Safety is a priority for her. Her June 23 statement outlined that all partners need to ensure that our building control regime is fit for purpose and this Audit review is a key part of fully understanding the situation and will allow everyone to address the identified concerns.

We appreciate this review and the recommendations you have made for the Welsh Government and for Local Authorities. I set out our response to the four recommendations for the Welsh Government in turn.

**Recommendation 1: For Welsh Government**

The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties.

**This should include:**

- Clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes.
- A specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties.
- The Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.

**Accept**

**Response:**

Welsh Government have developed a phased timetable for implementation of those parts of the Building Safety Act which apply to Wales. This has been communicated widely to the industry through presentations at conferences, Ministerial written statements and stakeholder meetings.

- The first Phase will commence in January 24 when subordinate legislation covering the regulation of the Building Control profession are laid with a coming into force in April 24.
- Details of the emerging legislation has been shared with relevant groups including CABE, LABC Cymru and CIOB.
- WG are working closely with the HSE/BSR to put in a place a delegation agreement for the registration processes. Once this is formalised it will be shared with the industry.
- The BSR are looking to launch their communication campaign in early Autumn and WG communications will be aligned with their communications.
- Phase 2 of the plan which will include consideration of dutyholders, Gateways and the golden thread is at a much earlier stage of development and is planned to come into force by April 2025. As the policy is developed further information will be shared with interested parties. All changes will be subject to public consultation which will include engaging with key stakeholders.
- As legislation is introduced guidance will be published which will include engagement with all key stakeholders.

**Phase 1 – clarity will be published by January 24**

**Phase 2 - clarity will be provided before April 25**

**Recommendation 2: For Welsh Government**

The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.

**Accept**

**Response:**

Recruitment activity continues to ensure the team to deliver the legislative and policy changes is at full strength and within the constraints we currently face we are fully committed to ensuring we have sufficient resources in this area. We are pleased to report that the specialist posts within Building Regulations team are being filled.

**By November 23**

**Recommendation 3: For Welsh Government**

The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:

- Assess the status quo against potential changes, such as the model of delivery in Scotland.
- Be framed around a SWOT analysis of costs, benefits, threats, and risks.
- Draw on existing research to identify good practice.
- Be published and agree a way forward'.

**Accept**

**Response:**

- The mixed market approach to Building Control was reviewed during the consideration of the responses to the Hackitt report.
- The historical context of a common approach regulatory system across Wales and England and the benefits this gives to the industry in terms of trade opportunities is very different to the Scottish delivery model.
- The model being adopted introduces a new regulatory regime for RBIs and RBCAs which will create a level playing field across the industry. Both public and private sector building inspectors and building control bodies will be subject to the same level of regulation and oversight.
- We made the decision to introduce regulations that would allow only Local Authorities to be able to undertake the Building Control Function for buildings classed as Higher Risk Buildings. This approach is in line with the Hackitt recommendations to remove the ability for developers to choose their own Building Control inspectors.

- The UK Government are currently undertaking comprehensive research and analysis on the risks posed by buildings of all types and have agreed to share the findings with us when it is complete. This research will enable us to have a better understanding of the risks posed and we will be able to consider this in the context of Wales. At this point we will undertake a further review of the appropriateness and effectiveness of our mixed market approach to Building Control.

**April 25**

#### **Recommendation 4: For Welsh Government**

The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:

- Creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.
- Developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publishing, as well as ensuring priorities, such as:
  - A greater focus on trainees to mitigate succession risks.
  - Establishing aligned, national job roles matched to competency levels.
  - Increasing the diversity of the sector to ensure it reflects modern Wales.
  - Specific funding to enable surveyors to obtain and maintain competence should also be considered.
- The Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

**Accept (Partially in conjunction with others)**

#### **Response:**

As part of the Phase 1 plan WG will be introducing a robust regime of oversight and management of the building control sector.

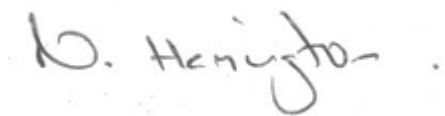
- 1. A national performance framework will be published. WG consulted on a draft in September 22. - January 24**
- 2. Collection of data on workforce across LAs will form part of the oversight of LAs. This has yet to be developed but will be in place in line with the introduction of phase 2 of the plan. - April 25**
3. WG is aware of the succession risks and the lack of diversity in the sector. WG will work with the WLGA to consider the most appropriate way to deliver local authority Building Control services - **Ongoing**

**Neil Hemington**

Y Gyfarwyddiaeth Gynllunio | Planning Directorate  
Llywodraeth Cymru | Welsh Government

4. WG apprenticeship teams have been working with delivery partners to put in place appropriate qualifications for the building control profession. We will continue to engage with Education colleagues to progress this. Although more work is required from the industry to attract people into it. – **Ongoing**
5. **The new framework being introduced for the registration of Building Inspectors will ensure that all roles will be nationally aligned to the competency framework for registration. - January 24**
6. **Specific funding needs to be further considered in line with the other points raised on attraction to the industry and the how Building Control can be most effectively delivered via local authorities in Wales. - April 25**

Yours sincerely



Neil Hemington

Cc:

- Cabinet mailbox
- Chair, PAPAC
- CGU mailbox

# Agenda Item 2.12

Dr Andrew Goodall  
Ysgrifennydd Parhaol  
Permanent Secretary



Llywodraeth Cymru  
Chair  
Welsh Government

Mark Isherwood MS  
Public Accounts and Public Administration Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1SN

05 September 2023

Dear Mr Isherwood

## Public Accounts and Public Administration Committee – Welsh Government Annual Report and Accounts 2020-21

Thank you for your further letter of 18 July concerning the Welsh Government Annual Report and Accounts 2020-21. I will respond to the queries in the order raised.

**Recommendation 1 - the Committee recognises the potential value of secondments, but remains concerned about longer-term appointments on that basis, due to issues around terms and conditions as well as the transparency of those arrangements. We note the Welsh Government's policy states secondments, even with an extension, should "never last for longer than 4 years". The terms of your appointment to the Welsh Government, initially as Director General for the Health and Social Services Group and Chief Executive of NHS Wales and now as Permanent Secretary, appear to contravene this policy.**

**In your response, you say your HR team is to "review and improve" the Welsh Government's Secondment and Loans policy and is "supporting Welsh Government processes" following internal audit work. We would welcome clarification if this is linked to the evidence you gave the Committee in March about Internal Audit issuing three limited assurance reports during 2021-22, one of which was on "secondments and broader arrangements". We would also welcome information about the timeframes for completing the review.**

Whilst I note the Committee's continued concern about the terms of my appointment, there is very little that I am able to add to my previous response where I set out our own policy, and the Cabinet Office approach to secondments, both of which provide provision for exceptions. HR policies provide a framework that cater for most scenarios,



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but they can never cover every different circumstance. Many secondments are put in place via a direct appointment, to bring specific expertise into the organisation but it means there hasn't necessarily been an open advertisement for that opportunity. That is where the four-year tenure becomes important and ensures we are not retaining people for an unduly long, uncompleted period. Even then, there is scope for extension if there is a justified case that can be made to the Civil Service Commission for doing so. There is more flexibility to extend secondments that have been put in place via a fair, open and on merit process (as my secondment was) and this is the flexibility that was applied to the secondment arrangements in place for my DG role. All secondments and extensions are approved in line with Commission principles and Cabinet Office requirements that are in place.

I can only seek to further re-assure PAPAC that all necessary approvals have been gained and statutory requirements for appointment on this basis have been followed for each of the senior appointments in question, including my own to Permanent Secretary. I am aware you are asking me about a process relating to my appointment that I did not oversee and which was managed by Cabinet Office at UK Government level, with the personal involvement of the First Civil Service Commissioner. My appointment and the secondment offer to me subsequently was cleared at the highest levels. I was appointed after a competitive Civil Service Commissioner-led process that is applied consistently to recruitment to senior roles in all Government departments; and it is not appropriate for me to personally explain the process. For this reason I suggest any further issues are explored directly with the Cabinet Office if you have outstanding questions.

I can confirm that the review of our secondment and loans policy was related to work undertaken by Internal Audit colleagues, and the limited assurances found as part of that work. The Internal Audit report and recommendations have been subject to ongoing internal monitoring to track progress against delivery deadlines - with the last report produced in June 2023. The next progress report will be finalised at the end of September and reported to the Chief Operating Officer and will reflect the status of all recommendations which are closed and including any subset actions which have a delivery deadline of August 2023 or beyond.

**Recommendation 4 - the Committee requests additional information about the terms of Judith Paget's appointment. We note that your response is dated 19 May, with the public announcement of Judith's appointment following on 1 June. The Committee was notified of the appointment in a letter dated 6 June that was not sent to the Committee until 12 June. Given our interest in this matter, we are disappointed to have been notified of the appointment 12 days after the announcement was made.**



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**In relation to your response to recommendation 4, you stated that it “would not be appropriate to comment on a live recruitment exercise apart from to outline that the process is currently at the assessment stages”. We believe that the Committee should, at the very least, have been provided with the basic details of when the job was advertised, the closing and interview dates, the job description, and the salary band. Please can you confirm at what salary band the Director General has been appointed?**

**We note that the recruitment was chaired by a Civil Service Commissioner and followed the external recruitment process set by the UK Cabinet Office as is the case for all Director General level appointments across the UK Civil Service. We have concerns that this is a recruitment process that suits a civil service need with NHS leadership a secondary concern.**

**Could you provide detail on the job advert and how and where it was advertised to alleviate these concerns? Please can you also clarify the terms of appointment including whether the Director General remains on secondment from Aneurin Bevan UHB?**

As requested, I have attached the advert and candidate pack for the role of Director General, Health and Social Services/ Chief Executive NHS Wales, Welsh Government.

[Director General, Health and Social Services/ Chief Executive NHS Wales, Welsh Government - Welsh Government \(tal.net\)](#)

The application period opened on 15 February 2023 and closed on 12 March with an advertised salary band of circa £180,000 (panels have discretion with Commissioner approval to appoint external candidates up to a range of 20% of the advertised salary). Details of the rigorous selection process and associated dates for each stage can be found in the advert and repeated in section 7 of the Candidate Pack.

The post was advertised on the Welsh Government recruitment portal and the Civil Service jobs board; we also engaged a global executive head-hunter company, with expertise in NHSs and healthcare recruitment, to act on our behalf and to conduct an international search.

With regards to your comments regarding the NHS leadership role being a secondary consideration, you will see from the candidate pack that this was not the case, and that responsibilities of both the Welsh Government Director General role and the leadership and oversight of NHS Wales have been very clearly set out. Appointing a candidate with the leadership capability and experience to manage the dual responsibilities of the role was the focus of the assessment. This was a very full part of the assessment, including panel members with NHS experience. The Panel was personally chaired by the First



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Civil Service Commissioner to guide the process and outcome. Noting members' views on NHS context, I would emphasise the process has to be civil service-led as, it is a substantive civil service post.

As you identify, Judith Paget's appointment to the role was published in the public domain on 1 June. We committed to informing PAPAC of the employment arrangements for senior officials (DG and above) within a reasonable timeframe, once due process for an appointment is concluded and announced, balancing the right to confidentiality for the for the individual and in line with aspects of appointment arrangements PAPAC has previously indicated an interest in. The letter from our HR Director provided further detail on the process and information about Mrs Paget's intention to leave her NHS employment which quite rightly had not been made public and we fully discharged our commitment to you in this matter. Judith currently remains on secondment with us whilst work on her final terms and conditions of service are still underway, and she completes her formal notice period from her previous NHS employer to join the civil service. Whilst we will be as transparent as we can be around the final details once these are confirmed, we can only disclose those details to you when it is appropriate to do so.

**Recommendation 7 – the Committee notes your response and your commitment to agreeing with the Committee the scope of the term “substantive changes”, for account disclosures or notifying the Committee of changes to working arrangements or remuneration. The Committee invites the Welsh Government to set out, in its response to this letter, its suggestion for what this would include.**

For 'substantive changes' disclosures for the Remuneration Report disclosures in the annual accounts, we suggest that this would include:

- Explanation of pension benefits disclosed in the Single Total Remuneration and if there are negative figures / unusual figures explanation of the factors causing such movements.
- For Senior Officials on secondment the start and end date of secondment terms, clarification what terms and conditions the secondee is employed upon, and if the secondment is extended details of the extension start and end date.
- Start dates for new appointments to Senior Official roles and whether appointment is substantive or Temporary Promotion Assignment.



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- End dates for cessation of Senior Official roles, and whether cessation is due to end of secondment, end of fixed term contract, retirement, resignation, organisational restructure etc.
- Details of pay awards applicable to Senior Officials for the financial year reported upon.
- Full-Time Equivalent salary for any staff who take up appointment part way through the year or who undertake a role part-time.
- A statement that an official is part-time and when part-time working commenced if in-year.
- Disclosure if an official has taken partial retirement, and confirmation whether their salary and their working hours have been reduced, and what their full-time equivalent salary would be.

For notification to the Committee of substantive changes to working arrangements or remuneration, we suggest this would involve a quarterly update to PAPAC and would include:

- HR team to inform PAPAC about future secondment arrangements for any role at SCS pay band 2 (Directors and above) when the secondment commences and where applicable, at the point any amendments to terms are made.
- Where the Remuneration and Staff Report in its Accounts and/or in its Pay Policy Statement disclose information about individual members of staff who are on secondment, we will report the term of office for the arrangements in those published documents.
- We will inform PAPAC of any changes to the Permanent Secretary's working arrangements at the point a decision is made.
- We will inform PAPAC of any changes made to the working arrangements of Director Generals at the point a decision is made.



**Recommendation 11 – We note the rejection of this recommendation. Whilst we acknowledge your explanation, the Committee’s recommendation related to the Welsh Government providing more information in its 2021-22 Accounts about its estimate of fraud and error than it did in its 2020-21 Accounts, as opposed to asking for inclusion.**

**The Welsh Government’s 2020-21 Accounts included its estimate of fraud and error, without accompanying narrative to explain the evidence on which it was based and its calculations. This information was provided in the Auditor General for Wales’ Memorandum for the Committee on COVID-19 business support in 2020-21 (October 2022).**

**The Committee acknowledges the Welsh Government provided commentary about its estimate of fraud and error in its 2021-22 Accounts. However, this does not appear to present the estimate of fraud and error which is comparable to, or updated from, the basis adopted for 2020-21. In addition, the statement in your 2021-22 Accounts that “no issues have been identified” from local authority returns for 2020-21 seems at odds with the supporting evidence for the 2020-21 estimate range, as noted by the Auditor General for Wales.**

**We would welcome further explanation and an update regarding the Welsh Government’s estimate of the overall level of fraud and error across its COVID-19 business support, whether for funding administered in 2021-22 only and/or the consolidated position covering all schemes. This should allow for comparison with the information to support the estimate of fraud and error for 2020-21.**

**We are also concerned that the wording of the recommendation in your letter of response does not match the wording included in the report, which could lead to confusion. We ask that the Welsh Government ensures that the full wording of future recommendations is included in responses in the future, if the Welsh Government intends to quote them.**

To further clarify, the estimated level of fraud and error contained in the 2020-21 and 2021-22 Welsh Government Consolidated Accounts was an estimate based on the evidence we had available at the time.

In 2020-21 the reported incidence of fraud and was less than 0.08% In 2021-22 the error/fraud rate remained below 1%.

This compares to the UK Government’s Department for Business, Energy and Industrial Strategy (BEIS) fraud and error rate, which was estimated in its Annual Report and Accounts 2020-21 at 8.9% (In 2021-22 this rate was 8.4%). Similarly, the fraud and error rate reported by the Scottish Government was between 1-2% in both 2020-21 and



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2021-22. Therefore both the UK Government and the Scottish Government reported higher fraud and error rates than those of the Welsh Government.

## 2020-21

### Local Authority Delivered Schemes

For Local Authority (LA) Delivered Schemes our post completion monitoring comprised of two exercises.

There was a requirement for the completion of “Audit Certificate, Annual Statement of Grant Expenditure” by each LA during 2020-21.

The LAs were accountable if they breached these conditions. In addition, S151 officers have a number of statutory duties including the requirement to ensure the proper administration of LA’s financial affairs and the need to ensure compliance with all statutory requirements for accounting and internal audit (including supporting records and all systems of internal checks and control). This aligns to an approach of partnership and joint delivery / accountability under normal operating with LAs.

Therefore each LA, as our agent, undertook the monitoring it felt was required in order to satisfy the conditions within the grant award letter and completed the Audit Certificate, Annual Statement of Grant Expenditure to provide assurance on this as required. The design of the system of monitoring and control is entirely the responsibility of the S151 officer.

For 2020-21, 19 out of 22 local authorities returned the Audit Certificate, Annual Statement of Grant Expenditure, a certification from the Local Authority Section 151 officer over how the scheme had been run and managed. A review of the Audit Certificate, Annual Statement of Grant Expenditure by Welsh Government officials considered the content and identified no areas of concerns or non-compliance. The returns received all indicated that controls were in place for the schemes in 2020-2021.

In addition, separate error/fraud returns were requested from each local authority, 16 were received and the results have been included below, providing the 0.08% error/fraud rate included in the 2020-21 accounts.

### 2020-21 Local Authority Delivered Schemes: Fraud/Error rate

Frauds notified by LA	142
No of LA's which responded	16
Total LA number	22
Gross up fraud number to extrapolate	195



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for all LA's	
Total LA grants Issued	246,127
Error/Fraud Rate	0.08%

### 2020-21 Welsh Government Delivered ERF Schemes: Fraud/Error rate

As the time of publishing the 2020-21 Welsh Government Consolidated Accounts, all PCM for Phase 1 and 2 had been issued but not all businesses had replied and were being chased.

Error/Fraud identified	1
Monitoring Undertaken (cases)	24
Estimated Error/Fraud Rate by case	4.17%
Error/Fraud identified by value	£60,000
Value of Funding Issued	£775,086
Error/Fraud Rate	7.74%

This gives an overall error/fraud range of 0.08-7.74%

#### Timing

It should be noted that due to the delays in the audit of the 2020-21 accounts, the accounts were not signed until August 2022. This enabled us to continue to collect data from LAs until the end of the 2020-21 audit process. The 2021-22 accounts were signed in December 2022, therefore very minimal additional evidence had been collected for 2021-22. We had received a further two returns from Local Authorities. This meant that the error/fraud data collected for the 2021-22 accounts was very similar to the 2020-21 accounts as shown below.

### 2021-22

#### Local Authority Grants

By 2021-22 we had all (22) of the Audit Certificate, Annual Statement of Grant Expenditure (Certification by LA's Chief Finance Officer) returns covering all or part of the LA administered grant funding, and no issues were identified.



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Of the 18 of 22 Local Authority 2021-22 fraud returns received, an additional six cases of fraud were identified:

Frauds notified by LA	6
No of LA's which responded	18
Total LA number	22
Gross up fraud number to extrapolate for all LA's	7
Total LA grants Issued	13,062
Error/Fraud Rate	0.05%

### 2021-22 Welsh Government Delivered ERF Schemes: Fraud/Error rate

As reported in the 2021-22 Consolidated Accounts as at December 2022 no cases of fraud had been detected through PCM activity.

### Welsh Government Approach

The approach taken by the Welsh Government was significantly different to that of the UK Government, who had much larger population of data to deal with so were reliant on statistical sampling, trend analysis and work by the Government Actuary Service. Whereas in the Welsh Government we were able to use primary evidence obtained directly from either grant recipients in the case of ERF or from Local Authorities (LA) in the case of the LA delivered schemes.

### Draft Results of 2022-23 Post Completion Monitoring

During 2022-23 comprehensive Post Completion Monitoring has been undertaken and the 2022-23 Annual Governance Statement will contain far more analysis on the results to date, taking into consideration the constructive comments made by this Committee in previous scrutiny sessions.

We are still finalising the results for the LA delivered schemes but the post completion monitoring results for Welsh Government delivered schemes as at April 2023 were:

- **Phases 1 to 8 – Survey based monitoring**

ERF Phase	Number of Surveys Issued	Surveys returned
Phases 1&2 MICRO	9,094	3,029



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Phases 1&2 SME (under £30,000)	1,257	421
Phase 3 Micro	1,205	690
Phase 4 -7	3,866	1,248
Phase 8	2,484	0
<b>Total</b>	<b>17,906</b>	<b>5,388</b>

- **Phases 1- 8 Post Completion Monitoring**

ERF Phase	Number of cases	Number of cases closed
Phases1& 2 SME (over £30,000)	1,270	585
Phases1 & 2 Non SME	52	51
Phase 3 SME/Non SME	804	189
Phases 4 to 7 SME/Non SME	425	76
Phases 8 SME/Non SME	40	0
<b>Total</b>	<b>2,371</b>	<b>901</b>

- **Phases 1-8 Recoveries**

Recoveries – Complete	Number of Cases	Value of Recovery
Phase 1 & 2	26	£1,641,384
Phase 3	15	£119,332
Phase 4 to 7	13	£216,743
Phase 8	0	£0
<b>Total</b>	<b>54</b>	<b>£1,977,459</b>

This data relates to funds repaid by the business due to non-compliance with the eligibility criteria or failure to achieve the outputs originally anticipated.



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- **Phases 1- 8 – Written Off**

Written off	Number of cases	Value of Write Off
Phase 1&2	4	£102,500
Phase 3	1	£15,310
Phase 4 to 7	0	£0
Phase 8	0	£0
<b>Total</b>	<b>5</b>	<b>£117,810</b>

This data relates to the amount of funding that has been written off due to the failure of the business to repay funds identified as owing, this will also include the insolvency of the business.

As at April 2023, there are no identified frauds and therefore no funds have been written off as a result of Fraud.

The Welsh Government will include the full wording of all recommendations in responses in the future.

I trust that this additional information helps the committee with its reflection upon the 2020-21 accounts and associated evidence sessions.

*Yours,  
Andrew Goodall*

**Dr Andrew Goodall**

Ysgrifennydd Parhaol/ Permanent Secretary  
Llywodraeth Cymru/ Welsh Government



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