Agenda – Public Accounts Committee

Meeting Venue:
Committee Room 3 – Senedd
Meeting date: Monday, 28 November 2016
Meeting time: 13.45

For further information contact:
Fay Buckle
Committee Clerk
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(13.45 – 14.00 pre-meeting)

1 Introductions, apologies, substitutions and declarations of interest

(14.00)

2 Paper(s) to note

(14.00) (Pages 1 – 3)

Unscheduled Care: Additional information from the Welsh Government (21 November 2016)

(Pages 4 – 8)

NHS Wales Health Board's Governance: Additional information from the Welsh Government & Healthcare Inspectorate Wales (16 November 2016)

(Pages 9 – 32)

Scrutiny of Accounts 2015-16: Additional information from the Welsh Government (21 November 2016)

(Pages 33 – 34)

3 Senior Management Pay: Welsh Government Update

(14.05 – 14.20) (Pages 35 – 48)

PAC(5)-11-16 Paper 1

4 Coastal flood and erosion risk management in Wales: Evidence Session 1

(14.20 – 15.35) (Pages 49 – 66)

Research Briefing

Jeremy Parr – Head of Flood and Operational Risk Management, Natural Resources Wales
Jean-Francois Dulong – Flood and Water Officer, Welsh Local Government Association

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

(15.35)

Items 6, 7 & 8

(15.35 – 15.45 Break)

6 Coastal flood and erosion risk management in Wales: Consideration of evidence received

(15.45 – 16.00)

7 Forward Work Programme Spring 2017

(16.00 – 16.30) (Pages 67 – 118)

PAC(5)-11-16 Paper 2 – Work programme Spring 2017
PAC(5)-11-16 Paper 3 – Looked After Children – Scoping paper for possible inquiry
PAC(5)-11-16 Paper 4 – Looked After Children – Letter from the Cabinet Secretary for Communities and Children
PAC(5)-11-16 Paper 5 – Implications of leaving the European Union – Scoping paper for possible inquiry

8 Scrutiny of Accounts 2015-16: Consideration of the draft report

(16.30-17.00)

PAC(5)-11-16 Paper 6 - Draft Report

Concise Minutes - Public Accounts Committee

Meeting Venue:

Committee Room 3 - Senedd

Meeting date: Monday, 21 November 2016

Meeting time: 14.00 - 16.20

Private

Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Neil Hamilton AM Mike Hedges AM Neil McEvoy AM Rhianon Passmore AM Lee Waters AM
Wales Audit Office:	Huw Vaughan Thomas Alan Morris Matthew Mortlock
Committee Staff:	Fay Buckle (Clerk) Meriel Singleton (Second Clerk) Claire Griffiths (Deputy Clerk) Kate Faragher - Bespoke Skills

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members of the Committee.
1.2 There were no apologies.

2 Paper(s) to note

2.1 The minutes were agreed.

3 Inquiry into regulatory oversight of Housing Associations

3.1 Members noted that the written consultation opened today and closes on 5 January 2017.
3.2 Members noted the stakeholder event being held on 5 December with housing association tenants.
3.3 Members raised a number of points to be included in the questioning for the evidence sessions.

4 Regional Education Consortia: Auditor General for Wales Memorandum

4.1 The Committee received a briefing from the Auditor General for Wales on his recently published Memorandum on Regional Education Consortia.
4.2 Members agreed to undertake an inquiry in this issue in spring 2017.

5 Scrutiny of Accounts: Consideration and agreement of the draft report

5.1 The Auditor General for Wales advised that he wished to comment on the report in writing and as such the item was deferred for a future meeting.

6 Review of the Committees ways of working

6.1 The Chair welcomed Kate Faragher from Bespokeskills to Committee.
6.2 Kate Faragher gave Members feedback on their role as PAC Members and the way the Committee is working following her earlier session held as part of the Committee's induction programme in September 2016.
6.3 Members requested a further session on their performance in summer 2017.

Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol / Public Accounts Committee
PAC(5)-11-16 PTN1
Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group

Llywodraeth Cymru
Welsh Government

Nick Ramsay, AM
Chair
Public Accounts Committee

Our Ref: AG/JM/SB

21 November 2016

Dear Mr Ramsay AM

RESPONSE TO ACTION POINTS FOLLOWING ATTENDANCE AT PUBLIC ACCOUNTS COMMITTEE SESSION 7 NOVEMBER 2016

I refer to my recent appearance at the Public Accounts committee when I agreed to provide further information to you and the committee regarding:

- a description of the clinical conditions that fall within the red, amber and green response times for ambulance calls;
- further detail on response time figures for amber calls and how the Welsh Government monitors response times for these calls;
- and update on further investigation regarding management of GP out of hours coverage by health boards.

Clinical conditions that fall within the red, amber and green response times for ambulance calls

Red calls represent the smallest proportion, but the most time-critical calls received by the ambulance service which have the potential to endanger life in seconds and minutes. One of the primary aims of the clinical model pilot is to improve the response to such calls in order to save lives. Examples of calls which would be coded as Red calls include patients who are unconscious or in cardiac arrest, patients whose breathing status is uncertain or have abnormal patterns of breathing, hanging/strangulation/suffocation/drowning, and penetrating central wounds. The median call response in September was 4 minutes 38 seconds.

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Amber calls represent the largest proportion of calls received by the ambulance service and are considered serious but not immediately life threatening. In these cases, patients will often benefit more from the most appropriate response rather than the quickest response. Conditions such as chest pain, stroke and convulsions/fitting are coded as Amber calls. The median call response in September was 13 minutes 23 Seconds.

Green calls are considered to be neither serious nor life-threatening. Conditions such as ear ache or minor injuries are coded as Green calls. Green calls are often suited to management via secondary telephone triage.

In support of transparency, and committed as part of the clinical response model, the ambulance service has developed a clinical response matrix that supports call handlers in choosing the correct response for each type of call.

Response time figures for amber calls and how the Welsh Government monitors response times for these calls;

Statistical information on ambulance responses is published regularly via the StatsWales website: https://statswales.gov.wales/Catalogue/Health-and-Social-Care/NHS-Performance/Ambulance-Services

Information available includes:

- Emergency ambulance calls and responses to red calls, by LHB and month
- Emergency responses: minute-by-minute performance for red calls by Local Health Board and month
- Emergency responses: minute-by-minute performance for amber calls, by Local Health Board and month
- Ambulance services: median response times (minutes and seconds)

The Emergency Ambulance Services Committee also publishes quarterly Ambulance Quality Indicators via its website: http://www.wales.nhs.uk/easc/ambulance-quality-indicators

Information available includes quantitative metrics against each step of the ambulance care pathway and clinical indicators relating to cardiac arrest, stroke, heart attack (STEMI), fractured hip (neck of femur), febrile convulsion, sepsis and hypoglycaemia.

Performance against the national target is monitored through regular meetings with WAST and health boards. These quality outcomes are a critical part of the overall evaluation.

Management of GP out of hours coverage by health boards.

Please refer to Annex A for the detailed response across Wales.

Yours sincerely

Dr Andrew Goodall

Annex A

Management of GP out of hours coverage by health boards.

Background

Out of hours (OOH) covers the period from 6.30pm to 8am Monday to Thursday, and from 6.30pm Friday to 8am on Monday and bank holidays, during which time GPs are not required to provide cover as part of the their GMS contract (established in 2004). A GP out of hours service covers these periods, and the local health board (LHB) have responsibility for the management of this service. To ensure that they have sufficient GP cover LHBs use a demand and capacity planning model, seeking to ensure that they have sufficient cover to meet the peak demand which is generally regarded as early evening, particularly as the service goes live at 6.30pm.

While the GP Out of Hours service does experience pressures, these are managed to ensure that patients have access to clinical expertise.

Over the last 12 months the service has experienced only one Health Board wide closure and a small number of site closures as shown in the table below.

Health Board	Site	HB wide closure
Cardiff and Vale	Yes (see next column)	1 occasion (overnight weekend)*
Aneurin Bevan	Yes planned closure - Nevill Hall (Pilot) with cover across HB	No
Abertawe Bro Morgannwg	Yes - 9 occasions but with cover provided across HB, 111 now providing resilience	No
Betsi Cadwaladr	No	No
Cwm Taf	No	No
Hywel Dda	Yes - 2 occasions but with cover across HB	No
Powys	Yes, 1 occasion but with cover provided	No

* Further detail on the position reported by Cardiff and Vale University Health Board
There was one incident where the lack of GP cover led to the OoHs service being closed for a total of 18½ hours during the weekend evenings of the 13/14 August. There were no clinical incidents and GP OOHs call handlers were operating throughout the weekend to manage the existing triage pool and home visits. The UHB mitigated and minimised the impact of short term closures of the service on patients through: discussions with other NHS services to fill shifts; prior agreement with Health Board's Emergency Departments/NHS direct and other Health Boards; and by having a senior manager personally on call for Primary Care to liaise with other Departments within the Health Board. NHS Direct did have had an increase in activity, and patients were able to be directed to appropriate services. A series of actions have been implemented

subsequently, including the adoption of a detailed escalation plan, more demand and capacity analysis and there has been no recurrence.

111 Service - driving service change

111 provides a real opportunity to co-ordinate and better manage the demand of unscheduled care for NHS Wales, meet the needs of patients within their own communities, avoid unnecessary hospital admission and reduce demand on acute hospital services. Moving forward the intention is to roll out the 111 service across Wales. This will see improvements in the way in which GP out of hours is managed and allow patients to benefit from being able to contact one single, easy to remember, free to call number.

Abertawe Bro Morgannwg UHB (AMBU) has been a NHS Pathfinder for the 111 service in Wales. This launched in October and the 111 number is now in use across the whole health board. Some headlines include:

- Circa 10,500 calls answered up to mid November following the phased launch.
- The integrated IT solution is fully operational. Staff are now used to the new call flow and it is anticipated that call handling times will reduce over the next 6-8 weeks.
- New call takers have been recruited to provide additional resilience to the service over the winter period.
- Mean time to call answer in October was 85 seconds. .
- Positive social media comment and local media reporting
- Positive report from Local Medical Committee and no disquiet being reported to them by patients.
- Positive reports from local A&E Departments consultant that cases referred from 111 have been appropriate.
- No formal complaints or adverse incidents

Planned improvements

The Wales Audit office are conducting a review of out of hours across Wales and the NHS Delivery Unit will be looking to support the NHS in delivering the recommendation from this report in early 2017.

An all-Wales GP OOH Task and Finish Group is to be established. The Group will be chaired by John Palmer, Executive Director of Primary Care, Cwm Taf which will look to ensure that the service is robust and that the implementation of the 111 service will provide an integrated and consolidated response going forward.

Arolygiaeth Gofal Iechyd Cymru
Healthcare Inspectorate Wales

Llywodraeth Cymru
Welsh Government

Nick Ramsay AM, Chair Public Accounts Committee

Our Ref: AG/SR/SB

16 November 2016

Dear Mr Ramsay

Recommendation 16 in the Public Accounts Committee report on 'Wider issues emanating from the governance review of Betsi Cadwaladr University Health Board' recommended the Welsh Government and Healthcare Inspectorate Wales (HIW) provide an update on progress achieved against the Marks review recommendations.

Please find enclosed the final response jointly prepared by Welsh Government and HIW that covers all the Marks review recommendations. Progress on some of the operational actions for HIW was included in the response to the report recommendations sent to the Committee in June. They are also included in the final response for the sake of completeness, and updated where appropriate.

Yours sincerely

Dr Andrew Goodall
Director General Health and
Social Services/NHS Wales Chief Executive
Health and Social Services Group

Kate Chamberlain
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Public Accounts Committee Report on wider issues emanating from governance review of BCU

Final Response for PAC on Recommendation 16:

The Committee recommends that Healthcare Inspectorate Wales and the Welsh Government provide an update on progress achieved against the Marks review recommendations, including the identification and delivery of any immediate and more straightforward priorities by March 2016.

This final response has been prepared jointly by the Welsh Government and Healthcare Inspectorate Wales (HIW) and covers all of the Marks review recommendations. Some of the operational actions for HIW have been reported to the PAC previously but are included below for the sake of completeness, and updated where appropriate. Where further work is required, this is indicated and will be taken forward separately.

No	Marks Review Recommendation	Progress	Commentary
1	The Welsh Government should ensure the new NHS Health Standards include a requirement for NHS Wales to take actions which will result in the most efficient and best services being delivered to patients and service users.	Accepted and implemented	The Health and Care Standards published in April 2015 establish a basis for improving the quality and safety of healthcare services by providing a framework which can be used in identifying strengths and highlighting areas for improvement.
	Where appropriate, HIW and the WAO should jointly scrutinise the governance and leadership of health bodies, in particular measuring the extent to which their activities are driven by the goal of continuously improving services and aspiring to achieve world-class standards.	Accepted and implemented	HIW has introduced a process of annual reporting to health bodies which draws together their findings and provides feedback on governance and assurance arrangements.
2	HIW should continue to share information and coordinate inspections and reviews with the WAO, Community Health Councils, professional regulators and Medical Royal Colleges	Accepted and implemented	HIW works closely to share information and co-ordinate activity with Wales Audit Office, Community Health Councils (CHC), other

No	Marks Review Recommendation	Progress	Commentary
	in order to avoid duplication and enhance the impact of their activities.		professional regulators and the Medical Royal Colleges through a variety of mechanisms including • Inspection Wales Programme • Concordat Forum of bodies involved in the regulation of health and social care • Summits of bodies involved in the scrutiny and assurance of healthcare • Regular bi-lateral meetings The CHC and Academy of Medical Royal Colleges are also represented on HIW's Advisory Board.
3	HIW should publicise its equality and human rights approach to its inspection activities and protect and promote the interests of people from diverse backgrounds and those who are often marginalised and socially excluded.	Accepted and implemented	HIW already takes equality and human rights into account in its work and will consider what else it can do to publicise its approach. HIW's inspection methodology looks directly at the way in which people experience services through the eyes of patients and relatives. HIW prioritises work, in part, on the vulnerability of the individuals receiving care and have specific responsibilities in this regard relating to mental health. HIW is also a member of the National Preventative Mechanism which is made up of 20 bodies

No	Marks Review Recommendation	Progress	Commentary
			which monitor places of detention across Scotland, England, Wales and Northern Ireland. This includes police custody, prisons, court custody, immigration and military detention, secure children's homes, and places where people are detained under mental health legislation. The HIW Director of Strategy and Development also sits on the Advisory Board for the NHS CEHR.
4	HIW can make a major contribution to the safety and care of patients by holding boards to account for the clinical performance of doctors through the medical revalidation process. Therefore it should give high priority to working with the General Medical Council to ensure that Health Board leadership and governance of Responsible Officer Regulations is effective.	Accepted and implemented	HIW works closely with the General Medical Council through the Concordat Forum, the GMC Advisory Forum for Wales, and regular bilaterals. HIW also works with the Revalidation Support Unit of the Wales Deanery in their oversight of the development of the revalidation process. The extent to which revalidation is being properly implemented is an important consideration in HIW's assessment of an organisations governance and assurance processes.
5	HIW and the Welsh Government should explore the usefulness of audit tools developed by the Royal College of	Accepted and implemented	Wherever possible, the Welsh Government has incorporated audit tools from a number of

No	Marks Review Recommendation	Progress	Commentary
	Physicians and consider whether they should be built into the new Health Standards which are being developed; and whether they could contribute to HIW's inspection programmes.		sources within the supporting guidance to the Health and Care Standards. When developing the methodology for inspections HIW draws on the established professional best practice from a variety of sources and this would include those tools and checklists developed by the Royal Colleges. Representatives of the Royal Colleges are invited to sit on HIW's Stakeholder Reference Groups when new methodologies are being developed and the Academy of Medical Royal Colleges is represented on the HIW Advisory Board.
6	HIW should develop a proportionate risk-based inspection programme informed by its collation and analysis of intelligence. The inspection programme should include:		This approach is already in place.
	(i) closer working with CHCs will be essential to ensure the best use of information and intelligence at individual ward level or other settings;	Accepted	(i) HIW has an agreed Operating Protocol with the CHCs which was formally exchanged in March 2015. A review of this is now underway.
	(ii) learning lessons of good practice from the Welsh Government's use of spot-check visits to a substantial number of hospital wards which assessed the safety	Accepted	(ii) HIW liaised closely with the original spot check programme and a number of the reviewers have now joined HIW's external

No	Marks Review Recommendation	Progress	Commentary
	and quality of care and use these to inform their development of short-form DECI inspections. This would allow a greater number of inspections to be carried out;		reviewer panel. HIW has reviewed the application of short form visits to consider how it can build on these in order to introduce the rigour of evidence capture and reporting necessary that underpins a formal inspection programme.
	(iii) continuing with its new approach to cleanliness and infection control to prevent hospital acquired infections. It should remain a top priority and capacity issues should never compromise its ability to deliver this aspect of its work;	Accepted	(iii) A specialist task and finish group has been working with HIW to develop a three year approach to supporting the introduction of the new Infection Prevention and Control guidelines and providing assurance on their implementation
	(iv) finding resources to increase the number of inspections it undertakes of GP practices.	Accepted, subject to other priorities	(iv) HIW has a responsibility to operate within the budget allocated to it by the Welsh Government. The volume of GP inspections undertaken needs to be considered by HIW when it prioritises the way in which this budget is used and the impact on inspection activity elsewhere.
7	HIW should formalise its agreements with the following bodies: (i) The General Pharmaceutical Council, which is the principal regulator of the pharmacy profession in Wales; and report on the effectiveness of pharmacy regulation	Accepted and implemented	This has been adopted or is underway. (i) HIW has agreed a Memorandum of Understanding with the General Pharmaceutical Council.

No	Marks Review Recommendation	Progress	Commentary
	across Wales in its Annual Report; (ii) The General Optical Council, which is the principal regulator of the optical profession in Wales; and report on the effectiveness of optical regulation across Wales in its Annual Report.		(ii) HIW is undertaking a thematic review of Ophthalmology. The General Optical Council is on the stakeholder group for this review and this will provide an opportunity to test the need for a formal MOU.
8	HIW should expand peer, thematic and special reviews as they can improve the quality of care for patients and service users across Wales. Thematic and special reviews in particular should be further developed as they can identify solutions to problems in one service or locality that can be taken up by the whole of the sector. At the same time the regulation and inspection of healthcare services should not be compromised.	Mostly accepted and implemented	It is not the ongoing role of HIW to oversee peer review as this is something to be taken forward by the NHS in Wales. To support this, the Welsh Government has established an All Wales Peer Review Steering Group to embed the process of peer reviews across all services provided by the NHS in Wales. Since 2015-16 HIW has introduced the use of thematic reviews and will continue to undertake special investigations where there are matters of concern.
9	The Welsh Government should: • Develop healthcare regulations in line with the principles of the White Paper on the regulation of social care services. The regulation and registration of independent healthcare providers should move to a service-based model of registration, instead of the registration of individual premises. This would be a sensible reform and	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.

No	Marks Review Recommendation	Progress	Commentary
	create efficiencies for both providers and HIW as well as increasing alignment between the health and care sectors • Ensure that only one set of health standards applies across the NHS and independent sectors. HIW should work with NHS Wales, the independent sector and the Welsh Government and all other relevant bodies to develop a coherent set of standards that link with social care standards		
10	In relation to work in Mental Health and Learning Disability settings HIW should: • increase the volume of inspections of NHS inpatient facilities to better protect the interests of patients who have a mental health problem or learning disability • focus its inspection model more on evaluating patient outcomes and less on scrutinising whether appropriate processes have been followed.	Accepted and implemented	HIW continues to ensure that it undertakes inspections of NHS inpatient facilities. In addition to HIW's core programme it has carried out a thematic review with CSSIW on Learning Disabilities. Where appropriate HIW uses its stand-alone Mental Health Act visits to provide diagnostic information so that it can target full inspections more effectively. HIW's inspection, visit and review approach is already focused on examining the quality of the patient experience. Although HIW also looks at specific process issues (particularly with regard to whether legal requirements have been met) this is done within the context of the care received.

No	Marks Review Recommendation	Progress	Commentary
11	The Welsh Government should remove HIW's responsibility for the following functions: (i) supervision of midwives and the transfer of this function to an alternative host organisation should be progressed with urgency; (ii) carrying out homicide reviews where homicides have been committed by mental health service users. Other healthcare inspectorates across the UK do not fulfil this function, it is recognised that specialist clinical expertise is required, therefore reports are commissioned from equivalent LHB bodies. If the current commissioning arrangements are to continue then the Welsh Government should consider the resource implications (iii) contributing to the investigation of deaths in Welsh prisons. By their nature, these investigations are time-consuming, frequently require specialist clinical expertise and sometimes the resources which need to be allocated to them mean that HIW has had to reduce important inspection activities. The Prisons and Probation Ombudsman could obtain specialist clinical advice from Local Health Boards.	Rejected Rejected Rejected	(i) The statutory supervision of midwives is expected to be removed by the NMC in the near future and there is no benefit to transferring the function in the meantime; (ii) Overall it is felt that the function of homicide review should stay with HIW as it provides valuable information and learning and wider intelligence on the quality of mental health services; (iii) Reviews of deaths in custody are the means by which HIW fulfils its responsibility for testing healthcare provision by health boards to prisoners. This function should therefore remain with HIW.

No	Marks Review Recommendation	Progress	Commentary
	(iv) assessing nurse agencies. Although this will have little impact on capacity within HIW it will help to remove duplication with the work of CSSIW.	Accepted	(iv) Responsibility for assessing nurse agencies is with CSSIW.
12	HIW should refresh its Statement of Purpose to make it patient and citizen focused. The public should clearly understand that its role is to ensure they receive the best quality treatment and care, as well as protect them from being harmed. Also, the Statement of Purpose may want to give greater emphasis to HIW's role of promoting Wales–wide improvements and innovation in healthcare, that it could be much more than an inspector of individual services.	Accepted and implemented	HIW has a clear statement of purpose, values and the outcomes it seeks to achieve which is now included in all its published plans. This has been further clarified with the launch of the new HIW website.
13	As part of the proposals for the Green Paper, Welsh Government should consult on the following: • Giving HIW a full range of enforcement powers including putting an NHS healthcare provider into special measures without recourse to the Health and Social Services Minister. This will help enhance HIW's independence and	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.

No	Marks Review Recommendation	Progress	Commentary
	assure the public that it is a strong and impartial regulator and inspector. • The range of options which would make HIW a more independent inspectorate, looking at other models including Estyn, as well as the Auditor General for Wales and the Public Services Ombudsman for Wales. At the same time, it would be sensible to take into account the possible merger with CSSIW when exploring these options. The public could be consulted on all of these matters including a consideration of the benefits and disadvantages of creating a single regulator with responsibility for health and social care.		
14	HIW should further develop and publish a Communications Strategy, which will allow it to communicate more effectively with the public. It will be able to provide evidence that it is delivering a highly valuable service on their behalf. Increased interaction with patients and service users through multi–media formats will provide valuable information to support target led inspections of services where concerns are raised.	Accepted and implemented	HIW has refreshed is communications strategy resulting in greater and more interactive use of social media. A new website has been launched.
15	HIW should include more information in its Annual Report on the outputs and efficiency of work processes which serve patients, service users and other stakeholders. The number of customer care measures should be minimised, to allow scarce resources to be used to evaluate significant outcomes.	Accepted and implemented	HIW's annual reports are now focusing on themes and findings from its work. HIW do not only produce an Annual Report but also publicises thematic analysis of specific work programmes on a periodic basis. HIW reports openly on its performance targets, including volume and timeliness.

No	Marks Review Recommendation	Progress	Commentary
16	HIW to evaluate the effectiveness of their inspection and review models, to not only gain a better understanding of the performance of healthcare providers, but also as a means to help them improve the quality of inspection activities. Providers should have the opportunity to give feedback on whether HIW's scrutiny of their service is useful, and to what extent it helps them identify those aspects which need to be improved.	Accepted and implemented	HIW undertakes evaluations of its activities where appropriate. For example, it evaluated: • the new model of midwife supervision • learning and themes from homicide reviews • its approaches to dignity and essential care inspections and to mental health reviews. • its approach to GP inspections • the use of stakeholder reference groups to advise and challenge for new and/or significant areas of work e.g. Dental Inspections, GP Inspections, Mental Health activities • a baseline stakeholder survey early in 2014/15.
17	HIW to measure the outcomes of its most important areas of inspection: showing how its inspections have had a significant impact on the safety and quality of healthcare services by helping providers improve their performance.	Accepted in principle	Attribution of cause and effect is difficult to achieve and has also been the subject of international review without much success as reported through the European Partnership of Supervisory Organisations. However, HIW continues to use the learning from evaluations such as those identified above to develop the way in which its work can help to support improvement.

No	Marks Review Recommendation	Progress	Commentary
18	The Williams Commission recommends that if a standard of good practice is identified it should be adopted by all relevant health bodies across the whole of Wales to bring to an end unnecessary variations in the quality of services. Any departure from this principle would have to be justified. So, it would be highly beneficial for the Welsh Government to include this requirement in the refreshed Health Standards and for it to become part of HIW's regulatory regime.	Accepted in principle	The Health and Care standards ensure best practice is being followed and seeks to reduce variation. HIW assesses organisations against these standards. In addition, the routine sharing of good practice underpins many NHS Wales improvement programmes, including those taken forward by 1000 Lives Improvement.
19	HIW, after consulting with stakeholders, should publish a Statement of Risk outlining its approach to regulation and inspection. It should explain the minimum frequency of inspections and reviews it will carry out of both NHS and independent sector bodies and put this within the context of its capacity to meet these targets.	Accepted and implemented	HIW already sets out, in published plans, how it prioritises its work.

No	Marks Review Recommendation	Progress	Commentary
20	The Welsh Government should: (i) Consider the merits of developing a legal duty to involve service users in the governance and scrutiny programmes of HIW. They will have a say in the design, implementation and monitoring of its regulatory activities. Directly listening to the voices of patients and carers can help identify care which contributes to good health and well-being as well as unsafe and unacceptable care. HIW would be required to report to Welsh Ministers on the involvement of citizens, including children and young people, in its decision making and strategic operations	Rejected	(i) The Welsh Government does not believe there is a need to introduce a legal duty to ensure HIW involves service users. HIW already uses a variety of methods to ensure patient experience is taken into account, including lay reviewers as part of inspection teams, patient involvement in the development of inspection methodologies and CHC involvement in thematic reviews.
	(ii) Reflect the principles of Prudent Healthcare, patient involvement and improved outcomes for patients in the refreshed Health Standards which are in the process of being developed and become part of HIW's regulation and inspection regime. The role of HIW would be to scrutinise whether a health body is delivering outcomes for patients which they believe to be important to their health and wellbeing.	Accepted and implemented	(ii) The Health and Care Standards embrace the principles of co-production and prudent healthcare
21	HIW should review the implementation and effectiveness of LHBs and Trusts service user strategies, in line with the Welsh Government's guidance A Framework to Assure	Accepted in principle	This could be considered as a potential thematic review, but would need to be prioritised alongside other proposals.

No	Marks Review Recommendation	Progress	Commentary
	Service User Experience, to determine whether they are genuinely involving patients and carers as a means of improving the safety and quality of services.		HIW reviews consider patients' experience and the extent of patient involvement in their own care as a matter of course.
22	The Welsh Government should place a statutory duty on LHBs, Trusts and CHCs to routinely share complaints information with HIW. This will enhance HIW's ability to fulfil its responsibility to quality assure health bodies performance in relation to dealing with concerns and managing incidents in line with the Doing Well Doing Better – Standards of Health Services in Wales; and to spot serious and systemic failure in health care at an early stage.	Rejected	The Welsh Government does not believe there is a need for a legal duty to routinely share complaints information. HIW can request this information from organisations if required, however we already expect organisations to report this information openly at their Board Quality & Safety committees and publish the papers. Work is already underway on developing all-Wales complaints data set which will allow for ease of sharing of information.
23	The Welsh Government should consider developing tougher and more robust regulations to reinforce the reshaped care standards, applicable to all health care providers in both the NHS and independent sectors. HIW would scrutinise the implementation of the Standards and consideration should be given to increasing its enforcement powers where breaches take place.	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.
24	The Welsh Government should include an explicit Duty of Candour in the refreshed Health Standards in order that HIW will be able to assess the extent to which service providers are open and honest about their mistakes, why they have occurred, and what they have done to put things right. HIW will also assess whether Local Health Boards are providing	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.

No	Marks Review Recommendation	Progress	Commentary
	good governance: that information is not only shared with patients, but also with HIW at the earliest opportunity and that safer services are delivered as a result of learning from errors.		
25	HIW should always carry out follow-up actions when inspection results indicate this is necessary and in the most serious instances of service failure, should be more robust in the use of its enforcement powers, and publish data on how it has used these powers in its Annual Report.	Accepted and implemented	HIW has a strategic approach to follow up, including conducting follow up visits. This is set out in the Operational Plan 2016/17. A new process for managing services of concern has been implemented. Tripartite escalation and intervention arrangements are in place for the NHS.
26	The Welsh Government should: • Develop regulations to allow HIW to carry out prosecutions where professional healthcare staff provide false or misleading information. • Develop regulations which impose time-limited registration on services which have failed to comply with regulations and standards. This would exert significant pressures on providers to improve their performance.	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.
27	HIW should consider the value of developing a framework for assessing the quality and safety of all healthcare services. The framework could reflect significant patient outcomes, and be aligned with new refreshed Health Standards, the self-assurance systems that health bodies use to measure their own performance and clinical indicators used by professional regulators and Royal Colleges. The framework should be common to the work of both HIW and CSSIW as patients and	Accepted in principle	This is a significant piece of work and further consideration needs to be given to this in light of changing service provision and direction such as the development of integrated services. We continue to learn how other bodies are developing their judgment frameworks

No	Marks Review Recommendation	Progress	Commentary
	service users are increasingly receiving integrated health and social care services. Clear information would be provided to members of the public and inspection reports and results would encourage improvement and innovation by providers.		
28	HIW should scrutinise whether: • Health bodies are providing the most effective clinical treatments to patients. Patients not only want to benefit from being looked after in line with essential life maintaining care such as being fed, hydrated and being assisted with going to the toilet as necessary, but they also want to receive the best available clinical treatments. • Lessons promoted by the 1000 Lives Improvement programme are being delivered during the course of individual inspections or reviews; or they could be the subject of national thematic reviews.	Rejected	HIW tests whether care and treatment is provided against the published standards. It is not HIW's role to test the effectiveness of clinical treatments. That is a matter for other bodies, such as NICE. When conducting thematic reviews HIW draws on best practice from a number of sources including 1000 Lives Improvement.
29	The voluntary arrangements which underpin the work of Inspection Wales have not supported effective collaboration and the coordination of work programmes between the 4 AIR bodies and at times this may leave patients and service users at risk because a review is not carried out. The Welsh Government should explore how collaborative working could be strengthened by reviewing current arrangements for cooperation and how they might be reformed through creating a statutory duty. In particular the	Rejected	This work has now moved on considerably with the publication of an Inspection Wales Remit Paper and Information Sharing Guidance. HIW and CSSIW have worked together on a review of services for people with learning disabilities. The Welsh Government does not presently see a need for further statutory duties of collaboration.

No	Marks Review Recommendation	Progress	Commentary
	model of the Local Government (Wales) Measure 2009 which supports collaborative working by the AIR bodies in their review of the performance of local authorities may have relevance to the health sector.		
30	The collaborative information system consists of Concordat Cymru, Healthcare Summits and the NHS Wales Escalation Arrangements and there may be scope for clarifying how they complement each other as well as assessing whether there is any overlap and duplication of effort. HIW, Welsh Government and other bodies should consider if the current information system is as streamlined and efficient as it could be. Also, it will be useful in future to take stock and evaluate the success of the information sharing system and determine whether any changes are needed.	Accepted and implemented	Concordat arrangements have been refreshed and working practices strengthened. The NHS Wales Escalation and Intervention Framework involving the collective arrangements in place between the Welsh Government, the Auditor General for Wales and HIW, allows for an effective sharing of intelligence and coordinated action.
31	The collaborative early warning system should become the central organising principle of the work of Concordat Cymru. It must have high status and profile amongst all members and its aims and methods of working should be published across the whole of the health and social care sector.	Rejected	This is the purpose of the NHS Wales Escalation and Intervention Framework.
32	HIW should evaluate the effectiveness of the early warning system and include this in its Annual Report.	Rejected	HIW is a part of the NHS Wales Escalation and Intervention Framework and it would therefore not be appropriate for it to undertake an evaluation of its effectiveness.
33	HIW should increase collaboration with third sector	Accepted and	HIW continues to liaise and network with the

No	Marks Review Recommendation	Progress	Commentary
	organisations which offer advice and advocacy to patients and carers to gather more information about any concerns they may have about the quality of healthcare services e.g. Carers Wales, MIND Cymru and Citizens Advice Cymru.	implemented	third sector to keep up to date with the unique information of special associations and interest groups such as RNIB and AHL. Where HIW conducts thematic and/or specialist reviews HIW includes the third sector within its review advisory/steering groups.
34	HIW and CHCs to hold listening events in local communities as well as involve experts by experience in their inspection teams when an in–depth review of a particular hospital or LHB is taking place.	Accepted and implemented	HIW has a closer working relationship with the CHC since signing the Operating Protocol. This includes HIW placing reliance on the CHCs' intelligence gathering from different sources. Lay reviewers are used in HIW's inspections to ensure the patient perspective is captured. HIW is still exploring the idea of holding listening events and will discuss this further with CHCs when they have been able to progress further in the development of their corporate strategy, planning and standards.
35	The Welsh Government should consider reforming the work of CHCs in the following ways: • CHCs must prioritise their patient advice and advocacy service and reduce waiting times. • The remit of CHCs should extend their advice and advocacy role to provide seamless support to people who use both health and residential social care services.	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper. As mentioned above, the Welsh Government does not believe there is a need for a legal duty to routinely share complaints information. Work is already underway on

No	Marks Review Recommendation	Progress	Commentary
	• There should be a statutory duty for both CHCs and HIW to share information about complaints and other intelligence with each other. • In future CHC members should provide the lay element of HIW inspections.		developing all-Wales complaints data set which will allow for ease of sharing of information.
36	HIW should carry out more national thematic reviews of healthcare services. All providers across Wales should be following international benchmark standards of good care and HIW's role would be to scrutinise whether each health body is implementing them; and if they are continuously self-assessing their performance in order to drive up standards of care. It would be testing whether the self-assessments of performance are valid or not and by working with Public Health Wales and other expert bodies, identify lessons from highly successful providers which could benefit all patients and service users if implemented across the whole of Wales.	Accepted and implemented	HIW has implemented a programme of national thematic reviews. These have been set out in the HIW Strategic and Operational Plans.
37	The Welsh Government should include an evaluation of culture of health bodies in the revised Standards for Health Services in Wales. This would require an assessment of governance and leadership of Boards and allow HIW to consider whether Boards are empowering and supporting staff to deliver excellent standards of care.	Accepted and implemented	Governance, leadership and accountability already form part of the Health and Care Standards. HIW consider how services are managed and led and whether the workplace and organisational culture supports the provision of safe and effective care.
38	Where appropriate HIW should give priority to carrying out joint reviews with the WAO of the governance, leadership and	Accepted and implemented	HIW works closely with the WAO to co-ordinate their corporate assessment work

No	Marks Review Recommendation	Progress	Commentary
	performance of LHBs and Trusts; and consider asking the PSOW to offer his expertise.		with its reviews of corporate governance. WAO performance leads meet regularly with HIW relationship managers. Where significant concerns arise, joint review work is undertaken.
39	The Welsh Government, LHBs, Trusts, HIW and others should: • Agree on a common data collection and information system, to be used at the local level, to cover the whole of the NHS in Wales. This will result in the Boards of LHBs and Trusts receiving sound and easier to understand information; as well as more informed data being fed into the various elements of the Welsh Government's performance management framework and information provided to HIW. It will also allow for comparisons of performance and lessons learnt to be disseminated across Wales. • The local data collection system should include a suite of clinical outcomes in line with national audit requirements which will enable citizens to understand how well services are being delivered locally.	Accepted in principle	The Digital Health and Social Care Strategy for Wales sets out a 'Once for Wales' approach which will create a solid platform for common standards and interoperability between systems and access to structured, electronic records in all care settings to join up and co-ordinate care for service users, patients and carers. The health and social care system in Wales will make better use of available data and information to improve decision making, plan service change and drive improvement in quality and performance.
40	HIW should validate whether Health Boards and Trusts are following benchmarks of best practice and performance managing healthcare services to the highest possible standards.	Accepted and implemented	HIW reviews draw on established published standards and best practice in developing methodologies for standard inspections and for thematic reviews.

No	Marks Review Recommendation	Progress	Commentary
41	HIW and CSSIW should work together to develop an integrated inspection framework to scrutinise the performance of health and social care organisations. The aim would be to assess the quality of integrated care, whether people are receiving seamless services when they move between primary care, hospitals and social care in registered settings.	Accepted and implemented	HIW and CSSIW work together on a theme by theme basis developing approaches appropriate to the subject. The inspectorates undertake joint work in (Deprivation of Liberty Safeguards) DOLS and publish a joint report. They have worked together on a joint review of Learning Disability Services. HIW also involves CSSIW where appropriate in its Homicide Reviews. The possibility of further integration may be explored following on from the 'Our Health, Our Health Service' Green Paper.
42	The Welsh Government should consider the issue of a merger between the two inspectorates. The coming years will see a transformation in the delivery of both health and social care services. As both the NHS in Wales and local government will experience reorganisation, patterns of delivery and commissioning will change, and once settled the possibility of a merger could be explored. A thorough cost benefit analysis should be undertaken on whether a merger is appropriate.	Under consideration	These issues, including any future legislation, are being explored following on from the 'Our Health, Our Health Service' Green Paper.

Agenda Item 2.3

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary

Llywodraeth Cymru
Welsh Government

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

Dear Nick,

21st November 2016

At my appearance at the Public Accounts Committee on 03 October 2016, I committed to keeping the Committee informed of the management action relating to the £1.25m fruitless payment recorded in the 2015-16 Annual Accounts. Whilst I would not normally comment on matters involving individual members of staff, I feel it is important to share with the Committee the process that has been followed.

Following the settlement, the former Director General of the Finance and Corporate Services Department requested that the Welsh Government's Internal Audit Service undertake a review of the tender evaluation and the evidence provided during the disclosure process to ascertain the chain of events, how the situation arose and what action should be taken as a consequence.

The Internal Audit Service Management Letter that followed has been shared with the Wales Audit Office and the Welsh Government's Audit and Risk Committee as part of our usual governance arrangements. It recommended that '*the Welsh Government should determine if the conduct of the individuals involved constitutes a breach of the Civil Service Code and whether any further action is required*'. As a consequence, I asked David Richards (Director of Governance) and James Owen (Deputy Director, Human Resources) to advise on appropriate management action in relation to the staff members involved in the procurement exercise.

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

They concluded, in accordance with employment law advice, that the members of staff on the evaluation panel and members of staff in the management chain (who had responsibility for ensuring that this procurement exercise was run in accordance with the standards expected), should be formally interviewed. The interviews were designed to establish whether further action should be instigated, on an individual basis, under the Welsh Government's Disciplinary and/or Performance Management Policies and Procedures. A paper, summarising this action, has previously been provided to our Audit and Risk Committee.

The formal interviews were designed to consider whether there was any substance to a range of possible factors that could have influenced the outcome of the procurement exercise, including personal gain, relationships with suppliers and compliance with procurement rules. The interviews were conducted by the Deputy Director, HR and the Director of Governance in line with our standard HR policies and procedures. During the course of the interview process, additional members of staff who were involved at different stages of the procurement exercise were also formally interviewed. It should be noted that these additional staff were interviewed to enable the Deputy Director, HR and the Director of Governance to build a comprehensive picture of the circumstances surrounding the procurement exercise, not in respect of any management action under Disciplinary or Performance Management Procedures.

I am currently awaiting final advice, including legal advice, on the outcome of this formal interview process. I will inform the Committee on the outcome in due course.

Yours,

Derek

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary

Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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11th November 2016

Dear Nick,

The Public Accounts Committee has requested an update on the implementation of the recommendations made in the previous Committee's Report on Senior Management Pay, issued in November 2014.

The report made 23 recommendations, all of which were welcomed by the Welsh Government in its response to the report in January 2015. To date, 17 of the 23 recommendations have been completed: two recommendations are partially complete (5 and 23); three which relate to the development of guidance and training material are yet to be completed but are in hand (10, 11, 15); and one which refers to the higher education sector requires further advice to be put to Welsh Government Ministers (13). A table is attached at Annex 1 which provides a more detailed update on each recommendation.

For the purposes of this update, the recommendations split broadly into three categories: those which were specific to Local Authorities and therefore required particular action; those which are addressed through the publication of a set of transparency principles for public sector bodies in Wales and the development guidance and training; and those which refer to other sectors in receipt of public funds, such as higher education.

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

Please refer to the table attached for the specific actions taken in relation to Local Authorities since the publication of the report. In recommendation 2, the Committee pointed to opportunities in relation to senior pay consistency and transparency presented by local government reorganisation. During the last Assembly term, the non-statutory Public Services Staff Commission was established, with its remit covering the provision of advice on factors affecting local government's ability to secure the right capability in the future, including pay and remuneration (in conjunction with the Independent Remuneration Panel as necessary.) I'm sure the Committee has noted the Cabinet Secretary for Finance and Local Government's recent statement on local government reform on 04 October. In light of this, the role and remit of the Public Services Staff Commission is being considered.

Turning to the transparency principles, on 07 December 2015 the then Minister for Public Services Leighton Andrews announced the publication of a set of principles and recommended reporting arrangements which the Welsh Government expects devolved public bodies in Wales to uphold. The principles are published on the Welsh Government website: http://gov.wales/topics/people-and-communities/communities/publications/transparency-of-senior-remuneration/?lang=en

In line with the principles, the Welsh Government published its own pay policy statement on 25 October 2016, following-up the publication of the Welsh Government's Annual Accounts. The pay policy statement is available on our website: http://gov.wales/about/civilservice/how-we-work/facts-figures/ourfinance/PayPolicyStatement/?lang=en

Before the end of the year, the Staff Commission is due to report on the adoption of the transparency principles across the Welsh public sector in their first year. The Commission will present interim findings to the Workforce Partnership Council in November, with a view to completing their report for Ministers in December 2016. I understand the Commission plans to report that the principles themselves are complementary to existing reporting arrangements, are clear, and do not represent an onerous burden on public bodies. Early indications of the Commission's interim findings suggest an improved, but still inconsistent picture of senior pay disclosure across the public sector in Wales. Indeed, in working towards the completion of Recommendation 23 - which asks the Welsh Government to collate information on senior pay across the public sector and publish on its website - my colleagues have also encountered some continued difficulties in finding the information they seek to collate. Given the principles are in their first year this is perhaps to be expected. The first of the reports in response to recommendation 23 will be published by the end of the financial year, and we will be seeking comments on how this work can be taken further.

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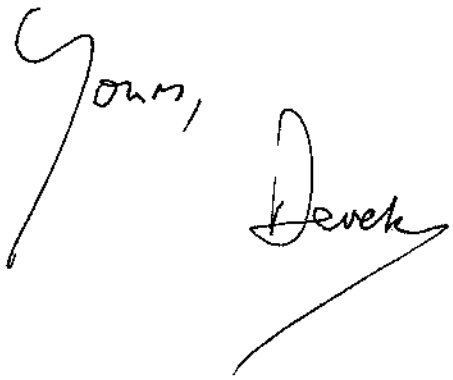
I understand the Commission's report will propose further action for Welsh Government Ministers to consider and will offer the Commission's continued involvement in supporting and advising public bodies on the transparency agenda. Furthermore, the outstanding recommendations from the PAC's report (10, 11 and 15) relate to the Welsh Government's delivery of guidance and training for remuneration committees; guidance on engagement with external consultants; and a study into pay mechanisms. Procurement options are now being considered for these products. When complete, I hope this work will also serve to embed the principles further.

Lastly, with reference to recommendation 13, and discussions about the higher education sector in subsequent scrutiny sessions, HEFCW issues accounts directions to the organisations within its remit which inform institutions of HEFCW's reporting requirements relating to their annual financial statements, in particular the disclosure requirements for higher paid staff. In December 2015 the transparency principles were issued to HEFCW, along with other WGSBs, by the Welsh Government. In August 2016, HEFCW produced a report on senior pay in the sector in response to a request from the previous Minister for Education and Skills, which has been published on its website. Following-up the publication of HEFCW's report, colleagues are considering together with HEFCW whether there is scope for transparency to be driven further. Advice will then be submitted to the Cabinet Secretary for Education. When the Cabinet Secretary's view is known, I will be happy to brief the Committee. I also understand that senior pay transparency in the HE and FE sectors is due to be discussed at forthcoming Workforce Partnership Council meetings.

I hope that the Committee has found this update useful.



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Public Accounts Committee Recommendations on Senior Management Pay
Update (November 2016)

No.	Recommendation	Response	Status / Target Date
1	The Committee recommends that a clear definition of what is meant by a senior post in the public sector is produced and disseminated by the Welsh Government. This should have consideration to the level of remuneration, scale of the organisation and the level of responsibility of the post holder.	In December 2015 the Welsh Government published a set of high level principles and recommendations which outline expectations around the reporting of senior remuneration (entitled 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector'). The initial response to the PAC welcomed the recognition that a 'one size fits all' definition is not necessary. The document reflects this point by seeking to implement an objective definition without over-prescribing what may constitute a 'senior post.' Reference to remuneration thresholds has not been included due to complexities across sectors. For example, some workers in the Health sector might have found find themselves in scope despite not holding a post which could be classified as 'senior.'	**Complete**
2	The Committee recommends that the Welsh Government use the local government reorganisation work to consider options for introducing consistency around senior management pay in Local Government. We would like to see a clear rationale published setting out how pay should be set in any new structure that is introduced. Given the recent decisions by some councils to consider voluntary mergers, this should be done with a matter of urgency. Furthermore, the	The Government response indicated work on this recommendation would be considered in taking forward the work on reforming local government. The non-statutory Public Services Staff Commission was established with effect from September 2015. Its remit includes provision of advice on factors affecting local government ability to secure the right senior capability for the future. This includes consideration (in conjunction with the Independent Remuneration Panel as necessary) of issues of pay and remuneration. The role of the Independent Remuneration Panel was extended to include Chief Executives of Local Authorities in the Local Government (Democracy) (Wales) Act 2013. The Local Government (Wales) Act 2015 included provisions which would have extended this role further to include senior managers and consideration is being given to whether this is	**Complete**

No.	Recommendation	Response	Status / Target Date
	process of voluntary mergers should be included in any consideration of pay structures.	included in any future legislation linked to local government reform. The Cabinet Secretary for Finance and Local Government made his statement on 04 October 2016 which proposed the retention of the existing democratic tier of local authorities (less any voluntary mergers) but a systematic and mandatory approach to regional working. Legislation is likely to be bought forward in the second year of the legislative programme. The role and remit of the Public Services Staff Commission is being considered in the light of this and a decision is likely to be made before Christmas. Unless amended, the draft Wales Bill which is progressing before the UK Parliament will impact upon Welsh Government ability to legislate "employment rights and duties". Setting pay and conditions is not necessarily an "employment right or duty" although requiring a local authority to do something is likely to amount to the imposition of a duty upon it. Similarly, setting specified pay scales may give rise to "employment rights".	
3	The Committee recommends that a glossary of terms relating to senior pay is produced and published by the Welsh Government, which sets out the most appropriate terms to be used in pay disclosures, as well as explanations for less frequently used terms. The Committee further recommends that narratives to accounts, particularly for unusual situations, contain adequate notes which are easy to interpret.	In December 2015 the Welsh Government published a set of high level principles and recommendations which outline expectations around the reporting of senior remuneration (entitled 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector'). The practical implementation and benefits of this recommendation were considered during the development of the transparency document. While the decision has been taken not to compile a glossary of terms at this time, we do believe we have addressed the underlying aim of the PAC recommendation. The document places a requirement upon devolved Welsh public sector bodies to produce Pay Policy Statements in a transparent and clear fashion.	**Complete**

No.	Recommendation	Response	Status / Target Date
4	The Committee recommends that the Welsh Government work with local authorities to ensure that items pertaining to pay matters are listed clearly and separately on all agendas (Executive Board and Council Level). This may require an amendment to the LA (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) (Amendment) Regulations.	The Welsh Government has legislated to give effect to this through the Local Government (Democracy) (Wales) Act 2013, our guidance on pay policy statements and the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014. The Welsh Government wrote to Local Authorities in July 2015 following a review of Local Authority pay policy statements reminding them of the need for transparency and accessibility. Given the significant attention which the Committee's report had drawn, we did not need to specifically draw Local Authorities' attention to the report. If further legislative amendments are required, we will undertake these in line with the timetables for our wider programme of local government reform. The Public Services Staff Commission is due to report on Transparency of Senior Pay in December 2016.	**Complete**
5	The Committee recommends that clear guidance is issued by the Welsh Government to local authorities requiring any Returning Officers fees to be published in an easily accessible place alongside remuneration information. This should include clear explanations behind this entitlement**.**	Work on this recommendation is being led by Local Government and Public Service Department. In respect of local government elections, the local authority includes the returning officer fees in their financial statements. These accounts include a remuneration disclosure. Neither Welsh Government nor CIPFA accounting guidance specifies whether this remuneration disclosure should or should not include any fees for acting as returning officer or whether, if it does, the fees should be separately identified. The Welsh Government will be updating the Account and Audit Regulations and associated guidance in 2017 and we are exploring whether this clarity can be provided through these. The returning officer fees for other elections are not part of the Local Authority accounts. Transparency over the other fees is provided, to a degree, by the publication of legislation setting maximum fees for each	2017

No.	Recommendation	Response	Status / Target Date
		election by the relevant government department (e.g. Welsh Government for the National Assembly elections, Home Office for Police and Crime Commissioner elections). It is unlikely that Local Authority accounts could be required to show this information (as it is not part of Local Authority expenditure). Discussions are underway with the Electoral Commission concerning the publication of detailed information on returning officers' costs.	
6	The Committee recommends that the Welsh Government (and other bodies issuing account directions) reviews their mechanisms, including grant conditions, for monitoring compliance with remuneration disclosures, and reports back to the Committee how it intends to ensure that full compliance is achieved.	This recommendation is linked to recommendation 22 regarding ensuring grants are made on condition of compliance. During the development of the Transparency document, it was noted that the conditions that may be attached to the funding for different devolved public bodies are not set out exhaustively in statute, but the general principles of public law provide that they may not stray too far from the purpose of the funding. It was therefore concluded that placing a condition of compliance with these additional requirements are too far removed from the purpose and effect of the funding itself and could not be reasonably imposed as conditions attached to the annual funding without the prospect of legal challenge. As such the document is "best practice", without any attempt to impose this as a condition of funding. In terms of compliance, the Public Services Staff Commission is due to report on the Transparency principles in December 2016.	**Complete**
7	The Committee recommends that the Welsh Government produce and disseminate guidance on how to manage pay arrangements for joint appointments between local authorities, given the increasing move towards these types of appointment.	The regulations have been reviewed and it has been concluded that no amendment are required. The existing guidance makes it clear that authorities should include in Accounts the estimated annual salary of any joint appointments. The Guidance will be re-issued which will ensure Local Authorities are reminded of the requirements.	**Complete**

No.	Recommendation	Response	Status / Target Date
	This should include the need for these salaries to be disclosed in all contributing local authorities' accounts.		
8	The Committee recommends that the Welsh Government consider the make-up and recruitment of the Independent Remuneration Panel for Wales, as positions become available, to ensure it is representative of wider civil society.	Since the Government response, a recruitment exercise for new Panel members has been conducted. The process specifically looked at the male/ female make up of the panel.	**Complete**
9	The Committee recommends that information on remuneration committees across the public sector and their decisions are published in an easily accessible and prominent place on the organisation's website.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles seeks to address this recommendation.	**Complete**
10	The Committee recommend that the Welsh Government produce good practice guidance for remuneration committees setting out the key principles of openness and transparency. Alongside this guidance, we recommend that a number of seminars/training sessions are held which set out these principles and develop the important skills needed to be an effective remuneration panel member.	The Welsh Government is in the process of engaging an external expert provider to develop this guidance and to consider how best to deliver the seminars and / or training sessions. An initial meeting with the provider was held in September. Procurement options are now being considered.	2017

No.	Recommendation	Response	Status / Target Date
11	The Committee recommends that best practice guidance is produced by the Welsh Government which sets out best methods for engaging with external consultants on senior management pay. This should include the need to have interaction with the relevant decision making group throughout the process.	The Welsh Government is in the process of engaging an external expert provider to develop this best practice guidance. An initial meeting with the provider was held in September. Procurement options are now being considered.	2017
12	The Committee recommends that the Welsh Government works with the WLGA and the WAO to produce guidance on the role of senior officers in local authorities in providing advice in relation to pay matters.	The Local Government (Wales) Act 2015 further strengthens openness and transparency in this area by requiring more visibility in Council agendas etc. We will continue to keep in view any need for guidance to Local Authorities as future arrangements for local government are determined.	**Complete**
13	The Committee recommends that the Welsh Government work with local government, higher education, health and registered social landlord sectors to ensure that training and guidance on senior pay is consistently delivered to all sectors.	Further work on this recommendation is underway. In developing the 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles, we have outlined requirements to introduce and maintain a high standard of transparency in a consistent manner. With specific regard to the higher education sector, while we would anticipate they be included in the guidance and training it may not be appropriate as universities and colleges are autonomous bodies. Further consideration is underway with HEFCW and the development of advice to the Cabinet Secretary for Education is ongoing.	2017
14	The Committee recommends that the Welsh Government reminds Local Authorities of the importance and independence of the role of the	Local authorities have a duty to appoint one of their officers as the Council's Monitoring Officer. They have an important role to ensure that the authority follows legal requirements. Authorities should therefore ensure that they appoint persons of sufficient knowledge and seniority to	**Complete**

No.	Recommendation	Response	Status / Target Date
	monitoring officer, and the need to ensure that this role operates effectively across the organisation at a senior level. This should also remind monitoring officers of methods for reporting any concerns either internally or if necessary externally.	sometimes deliver unwelcome advice. The National Assembly approved the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014 in June 2014. They provide a level of protection to the Monitoring Officer (and certain other senior posts) from unfair disciplinary processes. The Welsh Government has ensured that local authorities, including monitoring officers, were made aware of these regulations.	
15	The Committee recommends that the Welsh Government undertake a study into different pay mechanisms and produce a report setting out what is considered good practice. This should consider how best to deal with senior management in failing organisations.	This recommendation will be taken forward by an external expert provider. An initial meeting with the provider was held in September. Procurement options are now being considered.	2017
16	The Committee recommends that public sector organisations are required by the Welsh Government to set out their approach to performance related pay and internal talent management in their pay policies.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation.	**Complete**
17	The Committee recommends that the Welsh Government issues advice and guidance to the Welsh Public Sector, including those sectors receiving significant funds from the WG (e.g. registered social landlords, further education and higher education) on the requirements for publication of	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation.	**Complete**

No.	Recommendation	Response	Status / Target Date
	remuneration information and pay policies, taking into account the recommendations of this report.		
18	We recommend that public sector organisations are required to publish information on the number of employees with a remuneration package of more than £100,000 in bands of £5,000.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation.	**Complete**
19	We recommend that a full remuneration report is produced by all organisations within the Welsh public sector annually, and published in a prominent place on the organisation's website. This should set out in full the following information about all senior staff, with due regard to the Committee's previous recommendation about ensuring published information is easily interpreted: -Salary; Pension; Benefits in kind; Non-taxable benefits; Severance packages; Returning Officer fees/additional fees; Pay ratio between highest and lowest paid officer; Gender make up of the senior team.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation.	**Complete**

No.	Recommendation	Response	Status / Target Date
20	We recommend that all organisations in the Welsh public sector are required to publish a pay policy statement, in line with the requirement on LAs and Fire and Rescue Authorities in the 2011 Localism Act.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation. The Welsh Government's own pay policy statement was published on 25 October 2016.	**Complete**
21	The Committee recommends that all information on an organisation's pay is published in a single, easily accessible place on their website and sets out the information in a clear and transparent fashion. To achieve this, we recommend the Welsh Government produce guidance on the format for this disclosure. We believe this will achieve maximum transparency and ultimately accountability.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document addresses this recommendation.	**Complete**
22	We recommend the Welsh Government make these requirements a condition on any grants or funding which are provided to those organisations which do not explicitly fall within the public sector (e.g. higher education/FE/RSL).	The initial response explained that Welsh Government would like to explore this further and return to the committee. As outlined at recommendation 6, the conditions that we may attach to our annual funding for different devolved public bodies are not set out exhaustively in statute, but the general principles of public law provide that they may not stray too far from the purpose of the funding. It was therefore held that placing a condition of compliance with these additional requirements are too far removed from the purpose and effect of the funding itself and could not be reasonably imposed as conditions attached to the annual funding without the prospect of legal challenge.	**Completed**

No.	Recommendation	Response	Status / Target Date
23	The committee recommends the Welsh Government collate the information on senior pay across the Welsh public sector in line with that produced by the WAO for the PAC to include those sectors receiving significant funds from the WG (e.g. RSLs, FE and HE) on an annual basis and publish on their website.	The 'Transparency of Senior Remuneration in the Devolved Welsh Public Sector' principles document partially addresses this recommendation. This recommends all devolved public bodies publish an annual Pay Policy Statements in an easily accessible and prominent place on its website. Links to the annual accounts of devolved public bodies (which includes senior salary disclosures) have now been published alongside the Welsh Government's own consolidated Accounts for 2015/16. The first of these collation reports will be published by the end of the financial year 2016/17.	End March 2017

Agenda Item 4

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Agenda Item 7

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