Cynulliad Cenedlaethol Cymru
The National Assembly for Wales

Y Pwyllgor Cyfrifon Cyhoeddus
The Public Accounts Committee

Dydd Mercher, 2 Chwefror 2011
Wednesday, 2 February 2011

Cynnwys
Contents

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Lorraine Barrett	Llafur Labour
Peter Black	Democratiaid Rhyddfrydol Cymreig Welsh Liberal Democrats
Jeff Cuthbert	Llafur Labour
Alun Davies	Llafur Labour
Irene James	Llafur Labour
Bethan Jenkins	Plaid Cymru The Party of Wales
Sandy Mewies	Llafur Labour
Jonathan Morgan	Ceidwadwyr Cymreig Welsh Conservatives
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Chair of the Committee)
Janet Ryder	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Tracey Davies	Arbenigwr Perfformio, Swyddfa Archwilio Cymru Performance Specialist, Wales Audit Office
Dr Chris Jones	Cyfarwyddwr Meddygol GIG Cymru a'r Dirprwy Brif Swyddog Meddygol, Llywodraeth Cynulliad Cymru Medical Director for NHS Wales and Deputy Chief Medical Officer, Welsh Assembly Government
Matthew Mortlock	Arbenigwr Perfformio, Swyddfa Archwilio Cymru Performance Specialist, Wales Audit Office
Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales
Dr Jean White	Prif Swyddog Nyrsio Cymru, Llywodraeth Cynulliad Cymru Chief Nursing Officer for Wales, Welsh Assembly Government
Paul Williams	Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol, Llywodraeth Cynulliad Cymru Director General, Health and Social Services, Welsh Assembly Government

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

Alun Davidson	Clerc Clerk
Joanest Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Andrew Minnis	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.29 a.m.
The meeting began at 9.29 a.m.

Ymddiheuriadau a Dirprwyon
Apologies and Substitutions

[1] **Darren Millar:** Good morning to you all. Welcome to today's meeting of the Public Accounts Committee. I remind everyone that the National Assembly for Wales is a bilingual institution, and you are welcome to speak in either English or Welsh. Headsets are available for the public for translation and amplification purposes; channel 0 being the amplification channel, with channel 1 providing a translation from Welsh to English. I ask Members and witnesses to switch off their mobile phones as they can interfere with the broadcasting and other equipment. I remind everyone that, if the fire alarms sound, please follow the instructions of the ushers who, hopefully, will get you out safely. We have not been notified of any apologies for absence this morning.

9.30 a.m.

Gwasanaethau Mamolaeth: Tystiolaeth gan y Cyfarwyddwr Cyffredinol dros Iechyd a Gwasanaethau Cymdeithasol
Maternity Services: Evidence from the Director General, Health and Social Services

[2] **Darren Millar:** This is a topic in which the committee has taken a keen interest over the past 18 months. The Wales Audit Office published its report on maternity services in June 2009. After taking evidence from Welsh Government officials, the committee published its own interim report in February 2010, with the promise of returning to this topic before the end of the current Assembly. In addition, the Health, Wellbeing and Local Government Committee has also undertaken some work on neonatal services fairly recently, although we do not want to stray too much into that report.

[3] I welcome Paul Williams, director general of health and social services and chief executive of NHS Wales; Chris Jones, the medical director for NHS Wales and deputy chief medical officer for the Welsh Assembly Government; and Jean White, the chief nursing officer for the Welsh Assembly Government. I welcome you all.

[4] We have some questions that we wish to put to you, and there are specific areas that Members will wish to touch upon. In general, Mr Williams, could you give us an update on where things are? We have obviously had a copy of your paper, but it would be good to have something on the record.

[5] **Mr Williams:** Thank you for the opportunity to say a few words of introduction. I am delighted to be with the committee again to tell you about the progress that we have made. We discussed, on the last occasion, how NHS reforms have improved the way in which we can accelerate change within the service. I will be able to demonstrate how that has been happening since we last met. In fairness to the new boards, they are still fairly new and they have a complex agenda; nevertheless, they are all now compliant with Birthrate Plus staffing recommendations. The national curriculum for the training of midwifery support workers has been introduced; the consultant job planning exercise has been strengthened, and we are now able to distinguish between those sessions that are dedicated to obstetrics and gynaecology. We have reviewed the provision of antenatal classes, and we have taken on board the views of women and partners in terms of how we can improve the provision of those services. The all-Wales hand held maternity record has now been introduced across Wales. We have made progress on the common dataset for maternity services, which has been agreed, and we have

made good progress on improving support and advice on breastfeeding. We have taken on board the recommendations of Midwifery 2020. All boards have been charged with setting up midwifery liaison committees. The strategic vision for maternity services is now out for consultation—I am sure that you will want to return to that. Once again, Welsh midwives have been recognised across the UK. At the Royal College of Midwives annual awards, a midwife from Torfaen won the midwife of the year award and three other midwives had UK recognition.

[6] We are not complacent; there is still a lot to do, Chair, but I think that we can see that there has been significant progress and that there is a very exciting future.

[7] **Darren Millar:** I think that you have conceded that, in the past, perhaps, maternity services did not have the level of priority that they should have had within the Welsh NHS. You have obviously indicated that progress is being made, but do you think that it is getting the level of priority that it deserves now?

[8] **Mr Williams:** I think that it has. Obviously, the work of the Wales Audit Office and the interest that you have shown has, no doubt, helped in that matter. The fact that we now have, in the reformed NHS, a strategic service framework has also helped to concentrate on those areas where we need to improve. We might want to talk later about performance management, which I have really sharpened up to make sure that we can deal with any outliers. We will have to distinguish between the work of the Assembly, which is very much at a strategic level, and what we expect the boards to do in terms of the planning and delivery of services. From fairly modest beginnings, we are seeing significant improvements.

[9] **Jeff Cuthbert:** Your original response to the committee's recommendations indicated that a national clinical project had been established to take forward short-term, focused action and longer-term strategic planning in respect of maternity and neonatal services. The draft maternity services strategy now includes—on page 31—a commitment to establish an all-Wales maternity services implementation group. In what way will the group be different from the former national clinical project, for example in its scope and membership, and does the introduction of this new group indicate that the national clinical project was not delivering as you expected it to?

[10] **Mr Williams:** I will answer that first, if I may. That is part of the evolution of setting a new strategy. It is clear to us that you can have all the strategies in the world, but much of it is about delivery and performance, and that is why we wanted to set up the new group. We are open to views about the composition of the group. I am pretty clear with regard to the fact that it will be led by Assembly Government officials—maybe Jean White or Dr Chris Jones, or there could be a joint chair. It is important that Assembly Government officials lead it, but we also need executives of boards, and the expertise of midwives and other clinicians. However, we will not be leaving the delivery entirely to that group—that is an important point to make. I have already set up performance management arrangements. Every year, I set objectives with each board, and one objective will relate to the delivery of maternity services. I also have six-monthly meetings. My executive team meets the executive team of each board, and we go through performance on each of the key objectives at some length. Some of those are strategic, and the objective on maternity services will be one of those that are monitored closely on a six-monthly basis.

[11] **Jeff Cuthbert:** That will enable a greater focus on implementation.

[12] **Mr Williams:** Absolutely.

[13] **Darren Millar:** Having six-monthly meetings does not seem to be regular enough in order to monitor progress. Why are they six-monthly?

[14] **Mr Williams:** It is a judgment. I meet chief executives monthly, and they can raise issues that we need to address. My executive team meets its executive colleagues on a monthly basis. To have a full executive-team-on-executive-team meeting more frequently than that is probably a big ask. We go through issues in quite some detail at those meetings. People feel that they have had a fair hearing, as it were, as well as an interrogation at times as to what needs to be done. That requires a fair bit of preparation. We are keeping that under review, but it is a lot sharper than it used to be.

[15] **Peter Black:** I think that some of my questions have been answered, but given that it is hot off the press, can you talk us through the thrust of the maternity services strategy that you issued for consultation last week? How does it address our recommendation that it should incorporate the following: details of how the Welsh Government will complete the improvements that you outlined in previous evidence to the committee; the targets that the Welsh Government has set and how they align with quality and outcomes; and how you will monitor performance?

[16] **Mr Williams:** The strategy has several elements, and my colleagues will probably want to help me on some of the detail. We wanted to start off with a strategic vision that starts at the very beginning, from the basis of protecting and improving health. That is a fundamental issue in relation to early years and making sure that people have the right start in life. That may seem a bit far off, but we think that it is important to set that strategic direction. We then build on that by using the views of women and their partners, because that is terribly important in driving the quality and the choice. We can come back to the quality issues. We are also emphasising the importance of offering support to families. We need to make sure that we have enough staff in the right place at the right time, and that they are appropriately trained. We needed to improve the collection of data, and we have done that.

9.40 a.m.

[17] However, the issue is that, once the data are sound, how we will use them. So, there are issues about using those data, particularly for planning and monitoring. We need a process of continuous improvement and, as part of your questions on quality, we might want to touch on the 1000 Lives Campaign and the way in which we are developing collaborative maternity services. We have made huge progress in improving quality through the 1000 Lives Campaign.

[18] Finally, I would like to highlight the importance of research and development. Once again, in strategic terms, research and development are essential to ensure that we are providing world-class services. In the past, we have used process measures as a proxy for quality. My colleagues and I are now saying that we want to see a greater emphasis on clinical outcomes. We have the new data set, but, in the consultation, we are also looking at what our clinical colleagues, such as consultants, midwives, and other healthcare professionals, believe are important in terms of quality measures. We will then drive improvement. Often, by improving quality, it is possible to reduce costs. I do not differentiate between quality and cost, because I do not think that they are necessarily opposing issues. We are placing great emphasis on this dialogue about how we will capture data and use quality outcomes to improve care. If I may, Chair, I will defer to my colleague who will give you some more detail on this point.

[19] **Dr Jones:** It is an ambitious strategy, which builds on a set of services that have many good things about them anyway. One of the big steps forward in the strategy, which was picked up by the media following its launch last week, is the context of the public health issues and the wider determinants of long-term health outcomes, and the recognition that pre-conception, pregnancy, and the early years of life are key periods of life, which have a long-

term impact beyond. So, a focus on some of the major risk factors associated with poorer outcomes, such as obesity, smoking and alcohol consumption represents a real step forward and a new area of work for the service. That does not just start during pregnancy; it starts with advice and a raising of public awareness prior to conception as well. That is a very important area that the maternity strategy moves us into. This also reaffirms our commitment to the highest standards of safety and reaffirms our commitments to the proper provision of consultants in labour wards when there are consultant-led units and the proper provision of other disciplines and support services in those environments as well. It is a very ambitious strategy for the future.

[20] **Dr White:** We felt that it was important that we did not see the maternity services strategy in isolation. We have other drivers, such as the child poverty strategy that came out recently, and we are seeking to ensure that this strategy is in line with the other strategies and developments that are under way. For example, we are looking at the roles of the health visitor and midwife collectively, how they deal with people in a situation of poverty, and the social determinants of health that can affect their health outcomes. It is extremely important that we get it right within the first year of a child's life to ensure that their journey into adulthood begins in the right way. So, much of the work that we did in preparing this was to ensure that it fits with some of the other directions of travel that the Assembly Government wishes to take.

[21] We will have to look at a variety of things to do with the workforce that we have to ensure that they have the skillset to take us in that direction. One of the recommendations and actions within the consultation is to look at the public health role that midwives currently have to see how that can be extended. We have introduced maternity care support staff and we have an all-Wales curriculum for their training. However, we need to ensure that we have the right skills mix within maternity-led services and obstetric-led units to ensure that we are tackling not just the immediate parts of care, but some of the wider issues, which is a big move for us to take this forward.

[22] **Peter Black:** The draft strategy refers to likely measures of performance, but it does not appear to be specific in terms of targets, and future targets in particular, and neither does it seem to refer explicitly to UK-wide standards, as your original response to our recommendations suggested that it might. What changes, if any, have you already made with regard to targets or performance management for maternity services around those issues?

[23] **Dr White:** We have already referred to the recommendations on the number of hours that an obstetrician should spend in a unit. That is a nationally set recommendation that we are referring to. We already have confirmation from each of the health boards that that is in place, but it is strengthened as a requirement within the strategy. That is an example of matching national standards. The introduction of the caesarean section toolkit was also done on a national level. The NHS Institute for Innovation and Improvement in England helped to develop this toolkit, which we have now brought into Wales. Each of the health boards is now working on action plans with the toolkit to tackle the trends with regard to caesarean section rates, which have not been coming down as we would wish. We are using best practice tools and benchmark standards to set out some of the requirements that the LHBs will then need to comply with.

[24] **Darren Millar:** As a supplementary question, how will the strategy that has been issued influence some of the ongoing reviews within local health board areas of maternity, obstetric, neonatal and other services, which are taking place in north Wales and parts of south and west Wales at the moment? How will it influence the outcome of those reviews?

[25] **Mr Williams:** We are very clear, Chairman, that we are setting the high-level strategy. Within that, there are expectations with regard to choice, staffing levels and so on.

We expect to see plans coming forward within three or four months of the acceptance of the strategy. The conversations and reviews that have been taking place may well have already started and may need to be modified as a result of the strategic document. Nevertheless, by the autumn, we would expect to see some pretty clear plans from boards. Some boards will have to take some tough decisions. I am sure that we will touch at some stage on staffing levels, and particularly junior medical staffing levels and compliant rotas.

[26] If we were looking at a purely economic model, we would probably be saying that consultant-led units are probably not viable if there are fewer than 2,500 births. However, we cannot operate on an economic model. We have to look at geography, topography and specialist issues within Wales. So, those boards are going to have to grapple with some pretty difficult issues to ensure that they can guarantee that they are going to provide high-level services with the resources available. However, I do not think that it is right for us to specify at this level exactly how that will be done because each board has a different set of circumstances. What is essential is that they fully engage with their communities and key interest groups to ensure that there is full understanding of what needs to be done so that they can develop a model that is safe and sustainable.

[27] **Darren Millar:** We may touch on some of the public engagement issues later.

[28] **Alun Davies:** I agree that it is not for the Welsh Assembly Government to set out in detail how local health boards will deliver these services. I accept that. However, I would expect the Welsh Assembly Government to have a position on that and to give advice to local health boards. I know that there is considerable concern at the moment in some of the areas that I represent about the future of these services in Nevill Hall Hospital. Therefore, I assume that the Welsh Assembly Government is providing advice to the Aneurin Bevan Local Health Board in this case, and to other health boards, that the services have to be provided at district general hospitals and in a safe manner.

[29] **Mr Williams:** Absolutely, and that is what we will be monitoring. If a board falls down on its obligation to provide safe and sustainable services within its resources, it is falling down on the job. However, I do not want to downplay the difficulties experienced sometimes in squaring that circle. If more and more resources are put into this particular service, it will be at the cost of another service. So, it is a difficult set of judgments for the boards to make, but that is what they are there to do. They have to do it through engagement and discussion.

9.50 a.m.

[30] **Sandy Mewies:** I want to go back to the issue of common data and data collection. Your original response to recommendation 11 in the Wales Audit Office report stated that, having already agreed a common data set as part of the maternity services information project, implementation of that data set would commence from April 2010. Your latest paper appears to suggest something different, in stating that, although the data set has been agreed, it is still to be mandated for use by health boards. Can you clarify whether a common data set is now in use and, if not, why that has taken longer to achieve than anticipated? Also, has the Welsh Government tested health boards' data collection processes to check that they are robust and that they are coding data in a consistent fashion? One of the problems that there has been—not just in the health service, but in many of the large bureaucracies—is that data are collected, but not in a useful manner so that they can be shared, so that apples are apples and pears are pears, if you follow me.

[31] **Mr Williams:** I could not agree more with you on that issue. Yes, it has taken longer than we anticipated, but we can either do it quickly or get it right. In getting it right, we wanted to talk to clinicians—I am using that term for all healthcare professionals—about

what is an appropriate data set. The data set that has been supported by the clinicians is called the Robson classification, and I am sure that Jean will talk to us in more detail about what it entails. It was developed around a classification system that focused originally on caesarean section, but it goes further than that. The clinicians feel that that will give us the right sort of information that we can use to judge effectively the quality of care provided. That has now been agreed. It was a longer consultation than we anticipated. It now has to be accepted by the Welsh Assembly Government in terms of its data sets, but that should just be a formality. Then we will mandate it. That is one side of it.

[32] The issue then is how you will collect it. So, we are looking at existing information systems. Unfortunately, prior to the NHS reforms, there were a number of patient administration systems in being, and not all of them were capable of collecting this information. So, we are looking at what we need to do to modify the patient administration systems to ensure that they can all collect that. That work is being undertaken at the moment by the NHS Wales informatics service, and we believe that we will be able to put everything in place by June 2012. It is taking longer than we thought it would, but we are confident now that we have classified the data correctly, so that we will be comparing apples with apples, we will have asked the right questions, and we will be able to collect the data. However, there is one issue that I did not allude to earlier, which is that we then need to continuously audit the information and the data to ensure that they are going in correctly. That will also be part of the process.

[33] **Janet Ryder:** Our interim report noted that you had hoped to standardise information about the costs of maternity services across Wales within a year. Your response to Wales Audit Office recommendation 1(d) suggests that you have made some good progress in that respect, but that implementation of service line reporting to facilitate cost benchmarking has been slower than expected. You say that this is because local finance teams were prioritising delivery of their 2010-11 savings plans. Is there not a contradiction there? Presumably, service line reporting should also be a key tool for NHS bodies to support the development and delivery of those savings plans?

[34] **Mr Williams:** First and foremost, we have used existing costing returns and integrated them in a different way. So, I now have detailed information on the cost per birth, the cost per unit of activity, the health resource group, or HRG, for normal deliveries and for caesarean sections, and so on. I can manipulate that information in all sorts of ways, and tell you the cost of a birth in one hospital compared to another hospital, the length of stay, and so on. All that is now available and it is robust.

[35] Service line reporting is an interesting one. There is some excellent work being done in Cardiff and Vale University Local Health Board, but unfortunately, that is not being rolled out as quickly as we had thought. The boards have been taxed by the implementation and the difficult financial situations that they have found themselves in. That has not, frankly, progressed as quickly as we would have liked, but it does go hand in hand with clinical leadership. Service line reporting is only as good as the people who will use it. We can talk later about the way that we are accelerating clinical teams, and the importance of delegating responsibility and managing budgets, and within that, service line reporting will be a useful tool. In the meantime, we have good information that helps me with my performance management, as I can challenge any board on its costs for maternity services at a high level of detail.

[36] **Janet Ryder:** So, you are using those data now.

[37] **Mr Williams:** Absolutely.

[38] **Alun Davies:** You talked about data collection, but in terms of understanding the

needs of people who use these services, I am aware that the strategy document states that health boards will set up maternity service liaison committees to ensure that the views of users are considered in service planning. However, I also understand from recommendation 1e that two LHBs have not put these liaison committees in place. You have written to them, Mr Williams. Could you tell us which LHBs they are?

[39] **Mr Williams:** It goes a bit further than that. First of all, I would like to make the point that maternity service liaison is not a new concept. The issue is to make the committees work effectively. I am not satisfied that every board has a group in place that has users inextricably involved in the discussion about services. I wrote out, expecting this to happen, and I have now had responses from all the boards, and we believe at the moment that only Betsi Cadwaladr, Hywel Dda and Powys have arrangements in place that I would deem compliant with my expectations. I am having further conversations at the moment with Cardiff and Vale, Abertawe Bro Morgannwg, Aneurin Bevan and Cwm Taf LHBs; they have arrangements in place, but I am not convinced that they will deliver to my expectations, which are to ensure that users are fully engaged. So, I think that it is a question of interpretation. I would not want to glibly answer 'yes', and say that maternity liaison committees are fully functioning. The system started, but I was not happy that my expectations had been interpreted and complied with fully. However, it is just an issue of putting the final touches in place. It is essential that we do this work well, but as I said, these committees are not a thing of the future—they were in place in the past, but sometimes it was more in name than in function. We must now ensure that they deliver to my expectations. I do not know whether Jean would like to say something about this.

[40] **Dr White:** Our experience is that it is about how you ensure that the user has a strong enough voice and is supported to put forward their view. There is a danger that the professionals on the committee tend to take over, and that is how the ones that we had previously became unravelled, if you like. The arrangements that we are putting in place now will need to fully support users so that they can feel confident enough to speak and contribute. This will be an ongoing process, because users will come and go. You do not become a member of this for life, so to speak. There are some training packs that we can offer to the health boards to help them to take forward this aspect, which is the crux of making these things worthwhile. Otherwise, it is no more than paying lip service to user engagement.

10.00 a.m.

[41] **Alun Davies:** In terms of those health boards that have succeeded, as opposed to those that have not, could you explain to us why they have succeeded? What mechanisms are in place that satisfy you? Could you also explain why certain boards have failed? What have they not done and what should they be doing, in your view?

[42] **Dr White:** It is around user engagement. It is a matter of how they will select people and how they will support people to ensure that they have a strong enough voice on the panel. There are patient user groups within all of the health boards. The ones that have put forward what I would say are the less desirable examples have taken existing patient user groups and just added the maternity aspect to it, whereas the three that we feel are focused in the right way have discrete groups specifically for this function, which is the decider. That is why we are saying, 'Yes, they all have user engagement'. It is a matter of focus and strength, and what is being put in place to support the users is the difference.

[43] **Mr Williams:** In their defence, some boards believed that they were complying. I do not think that they were trying to avoid the issue. As I said, we want to make sure that this is right, and we are pretty clear, particularly on this engagement issue, that they must comply with our requirements.

[44] **Alun Davies:** When do you expect the other boards to be compliant?

[45] **Mr Williams:** I am in correspondence with them at present.

[46] **Alun Davies:** By the end of the month?

[47] **Mr Williams:** I will pursue it as quickly as I can. I wanted to come to this committee and be more positive, but I am being absolutely frank with you that, at the moment, I do not have full compliance. However, I would certainly hope to be in that position within the next two months.

[48] **Darren Millar:** You wanted to come in on this, Sandy.

[49] **Sandy Mewies:** I think that Jean has answered quite a bit of what I wanted to know. I am quite keen on this, however, as I worked for some time introducing what turned into the National Health Service and Community Care Act 1990, following the Griffiths report, to the area then known as Clwyd—I worked as an officer giving service users the opportunity to give their views on future services. One of the great difficulties was in having professionals realise the support that users of services needed. Who are you looking at to represent the patients in this case? You talked about a training pack for the health boards. Who trains the users to take part? Is there anything that would enable those users of services, such as expenses and so forth, to take part? If you have someone who has triplets, perhaps, that person will need a lot of support to be able to attend a formal meeting. Is all of that considered?

[50] **Dr White:** The points that you raise are absolutely fundamental. How do you enable people to actively contribute, particularly if they have a young family to deal with? We expect the local health board to look locally to see who is in their population. We cannot give a one-size-fits-all solution. The circumstances of someone living in a rural part of Wales will be very different to those of someone living in a built-up area in terms of transport and so forth. I am not that familiar with the details of the various arrangements for how they select and support the individuals. This is quite a recent development for us. At present, we just have the plans that they intend to put in place. I do not actually know the individuals who have been recruited to the panel. I am afraid that that is something that I will have to explore more to give you the detail.

[51] The training pack was developed previously on a national level and it can be offered to the health boards for them to choose as a way of dealing with their users, but it is not something that we will mandate. It is just there as a suggestion for them to work with their local population to take it forward. Rather than us centrally driving this, we are expecting the local health boards to look to see how to support the individuals working and living in their communities.

[52] **Mr Williams:** It occurs to me that there is an important question about whether we arrange the networking of members of the various committees through the maternity service implementation group, in order to promote shared learning. We have done that with other groups, and it has been effective. That might be something to take back and have a look at.

[53] **Darren Millar:** Sandy has raised some important issues about support for people, and particularly the cost of participating in these things. Another point that you might like to address briefly, because we have a lot of other questions to get through, is this: we should not just be looking at expectant and new mums, should we? Should we not also be trying to look at others who may use the services in the future? Why are they excluded specifically from these liaison groups? You have referred only to expectant and new mums, but what about the people who may want to have a child over the next 10 to 15 years?

[54] **Mr Williams:** We were not saying that we were excluding those groups. These are issues, as our concepts mature and develop, that we can look at. We do not have any fixed views about people being excluded. We want these groups to be inclusive, and we emphasised at the beginning the importance of the public health message, and thinking a long way down the road.

[55] **Darren Millar:** The issue of support is incredibly important. A lot of technical language used by clinicians will not necessarily be understood by a lay person. Sandy's point is well made.

[56] **Jonathan Morgan:** The draft strategy says that women will have a range of high-quality choices of care in a range of settings including the home, hospital and midwife-led centres. Looking at what the health boards are doing now, and what they have been doing recently, is there a risk that some of their plans will not fit in with the somewhat ambitious strategy that you are putting together? I am thinking of a health board—Cardiff and Vale, perhaps—that might have a view that a consultant-led service at UHW is the preferred option, and a midwife-led service at Llandough Hospital is less preferable. Is there a risk that some health boards will not be able to supply this ambitious range of choices simply because they take a different view?

[57] **Mr Williams:** As I said, we expect the boards to produce a plan that responds to each element of the strategy. We will probably go through those plans in the autumn to see whether they comply with the requirements, and whether they offer choice. That will be tempered by the availability of human and financial resources.

[58] **Jonathan Morgan:** Looking at the plans that are already being considered by health boards, are there any that are currently moving in a particular direction that might not offer the range of choice that you are talking about, and might need to be revisited?

[59] **Mr Williams:** My understanding is that most boards have the full range of services on offer.

[60] **Darren Millar:** It is an important point, is it not? The horse has bolted on a number of service reviews, and there is a direction of travel that has gathered momentum over a period of time. That may not be the same direction that your new strategy wants to take, or the shape that you want for services.

[61] **Mr Williams:** Reviews are just conversations, and until a board gets into a formal process of defining it in a proposal and goes through consultation, we have to wait and see.

[62] **Lorraine Barrett:** Your latest response to Wales Audit Office recommendation 2b indicates that all health boards have now reviewed their midwifery staffing levels, and all are fully compliant with the levels suggested by the birth-rate-plus guidance. How confident are you that this position can be maintained, particularly with the pressures and challenges facing health boards around funding?

[63] **Mr Williams:** I will start on that, and then ask Jean to finish. We have been successful with our workforce planning. It is incredibly difficult but, with midwives, we have a full complement of staff, a relatively young workforce and very low levels of attrition.

10.10 a.m.

[64] Because of that, we have driven down agency costs. So, the picture is quite sustainable, which will take us forward. One of the challenges will be around the skill mix—

we have to flex the workforce to provide choice, so we need to ensure that we use those resources wisely. So, there will be an issue in relation to the skill mix. However, I am optimistic about the future, but Jean is the expert in this area.

[65] **Dr White:** We train staff fully according to the workforce plans that are put forward by the local health board from a midwifery perspective each year. There is a very low attrition rate—there is usually a 100 per cent pass rate for the programme—and all of the midwives trained in Wales gain employment afterwards. So, in one respect, the process of generating new practitioners is quite robust.

[66] More recently, we have looked at the various other skills that are needed within the team. For example, to improve postnatal care, we have been taking on maternity care assistants, looking at the role of nursery nurses and looking at the support structures around the qualified midwife that will bring a quality of care experience to the mother, particularly in the antenatal and postnatal periods, where you can use other folk to engage with them.

[67] So, I concur with Paul; we feel very confident that, from the perspective of midwifery and getting the skill mix right, we are in the right place for this. Services change and modernise; it is an ongoing process—you do not get it right just once. It is a feature of our conversations at the six-monthly joint executive team meeting that we always look at workforce issues. So, it is not something that we do not keep an eye on.

[68] **Lorraine Barrett:** From what you have been saying, I get the feeling that morale is much higher within the midwifery workforce than it was a few years ago when the health committee looked at some of these issues. It is not touched on in the questions, but I wanted to mention the issue of home births. When we ask these questions we are all thinking about hospitals, but home births are important. I do not know whether we have time or whether it is mentioned in the later questions, but is there still a positive attitude among the midwifery sector to improve home birth rates?

[69] **Darren Millar:** Can you give a brief answer on that?

[70] **Dr White:** We still have the highest home birth rate across the UK at nearly 4 per cent. There are pockets in Wales where we have seen huge improvements in clinical leadership, which has led to much higher home birth rates, but less so in other areas. So, we are seeing some quite positive work through looking at clinical leadership from a midwifery-led perspective, which is leading to a positive outcome on the home birth rate.

[71] **Bethan Jenkins:** Yn ogystal â phryderon ynghylch lefelau staffio, yr oedd yr adroddiad interim a luniwyd gennym yn cyfeirio at bryderon am yr hyfforddiant a ddarperir i fydwragedd. Cawsom sicrwydd bod gan fyrddau iechyd raglenni hyfforddi mewnol gorfodol, a bod cofnodion ynghylch hyfforddiant yn cael eu cynnal a'u bod ar gael i graffu arnynt. A ydych wedi cymryd camau gwirioneddol yn ganolog i fonitro lefelau hyfforddi ac, os felly, a ydych yn medru cynnig unrhyw ddata pendant i ddangos a yw lefelau hyfforddi wedi gwella mewn unrhyw ffordd ers cyhoeddi adroddiad Swyddfa Archwilio Cymru?

Bethan Jenkins: As well as concerns about staffing levels, our interim report touched on concerns about the provision of training for midwives. We were given assurances that health boards had in place mandatory in-house training programmes and that training records were maintained and available for scrutiny. Have you taken real action centrally to monitor training levels and, if so, are you able to provide any hard data to evidence whether there has been an improvement in training levels since the Wales Audit Office report?

[72] **Dr White:** Every qualified midwife is required to have a supervisor, who is

controlled by the local supervising authority that sits within Healthcare Inspectorate Wales. The inspectorate and the supervisor set out mandatory training requirements for all registered midwives in Wales. There are some local modifications with regard to the way in which those standards are met, but all midwives are required to undertake training. Supervisors collect these data and report to the local supervising authority. So, we have hard evidence that every single practising registered midwife in Wales is meeting the principles of mandatory training, with some local modification. For example, if you are working in a birth unit that does not deal with many complicated births, your training may be more to do with identifying a problem and transferring to an obstetric unit. If you work in an obstetric unit, the training would be more about managing the person in front of you. Those are the kinds of modifications that we are talking about. So, yes, we can provide that information, because it is held centrally by the local supervising authority.

[73] **Bethan Jenkins:** O ran yr argymhelliad yn yr adroddiad ar rôl y gweithiwr cymorth i fydwragedd, dywedasoch fod hyn yn llwyddiant mewn rhai llefydd, ond bod mwy o waith i'w wneud eto yn y maes hwn. A allwch chi esbonio ble mae hynny'n gorfod digwydd a sut yr ydych yn bwriadu gwneud hynny?

Bethan Jenkins: With regard to the recommendation in the report that refers to the maternity support worker role, you say that that has been a success in some places, but that there is more work to be done in this area. Can you explain where that needs to happen and how you intend to achieve that?

[74] **Dr White:** The National Leadership and Innovation Agency for Healthcare, which is one of our units, has led the work that is being done to establish a national curriculum of training for maternity care assistants. All health boards now employ maternity care assistants and are starting to put them through this national training. The first cohort only recently completed its training; in fact, I met members of that first cohort about a week ago. So, the health boards are now looking at a stepped programme to ensure that the people who they have employed all go through this standard training. As time goes on, we are expecting to see an expansion in the number of assistants who have gone through training and who require training. So, this has started small but we will be building it up, as determined by the need of the skill mix. So, training for assistants depends on what the unit looks like, and how they fit into the team and its functions. I hope that answers your question.

[75] **Irene James:** While we were glad to hear about progress in relation to midwifery staffing, your original response to our recommendations was less clear about the progress as regards medical staffing. Paragraph 1.33 of the Wales Audit Office report on maternity services states that three former NHS trusts were a long way short of the guidance that they should have at least 40 hours of consultant obstetrician presence per week on the labour ward. Can you please update the committee about the progress that the Welsh Government and health boards have made in this regard and provide us with any hard facts in terms of current consultant presence on labour wards?

[76] **Mr Williams:** First and foremost, we can confirm that all boards state that they are now complying with the 40 hours of consultant obstetrician presence on labour wards. Dr Jones can give you some further detail on your question.

[77] **Dr Jones:** The medical staffing question is an important one for this service. We have 12 obstetrician-led services in Wales, which is a lot. We are happy with our consultant workforce; we have just over 100 consultants. It is a relatively young group, so we are not expecting a major risk due to imminent retirement. We are also proud of the fact that our medical workforce is more female than that in England—65 per cent of the medical staff working in obstetrics and gynaecology are female, which is great. So, from a consultant point of view, we are happy that they are now all complying with the 40 hours, and that Cardiff is now meeting the 60-hour requirement for units providing 6,000 births.

[78] The real issues are in relation to the dependence of these services on other staff grades in medicine. For example, our consultant body comprises 6 per cent of the UK total, which is about what you would expect on a population basis. However, we have 15 per cent of the UK total of specialty doctors. So, we are very dependent upon specialty doctors and we also have 26 per cent of the UK total of senior house officers, which is a relatively junior medical post. So, we are very dependent on grades beneath the consultant level, which means that we need to attract many people to a lot of units. The difficulty with many units is that they often deal with relatively low numbers of births.

10.20 a.m.

[79] Some of our units are not meeting the Royal College of Physicians standard, which states that you will not get adequate experience out of hours unless you deliver 2,500 babies. Doctors do not want to go to those units because they know that they are not very good for training. So, we are seeing increasingly low rates of applicants for posts and increasing vacancies. Although all of our rotas are European working time directive-compliant on paper, we know that, in practice, they are being maintained as compliant by significant expenditure. All of our health boards are spending hundreds of thousands of pounds on locum costs, agency costs and extra payments to doctors to maintain these rotas.

[80] Betsi Cadwaladr University Local Health Board is spending up to £1 million a year to maintain its rotas. The difficulty is that this is not a safe or sustainable service, because you cannot always guarantee that you will get someone to fill a shift. If you do get someone, you cannot guarantee their experience and competence. We know that there are risks with peripatetic locums. We know that this risk is increasing rapidly. We realise that this is a major area of risk for these services as currently configured. They will not be sustainable in the future if the configuration remains the same.

[81] **Darren Millar:** A couple of Members would like to come in on that point. Would you like to ask a supplementary question first, Irene?

[82] **Irene James:** I just want to ask whether health boards are in a better position now than they were previously to distinguish the time that consultants spend—

[83] **Mr Williams:** Yes, they are. Absolutely.

[84] **Irene James:** They are. Right, I will not go any further with that.

[85] **Alun Davies:** I am in interested in that frank response. With regard to what health boards do and what the Welsh NHS is supposed to do—I understand the points that have been made about the Royal colleges and other issues—surely it is the purpose of management within the health service to ensure that we have staff of sufficient seniority and experience to deliver these services. When we had the debate four years ago about the configurations of services, I felt that there was a very clear recognition on the part of the management of the national health service that it was their responsibility to manage senior clinical staff in such a way as to both meet the requirements or guidelines of the Royal colleges and the needs of patients and communities. That means that the staff will deal with patients in more than one centre to ensure that they have the experience that you outline, but also, crucially, so that services are maintained across the country.

[86] **Mr Williams:** Chairman, this is the enduring dilemma of the health service. You cannot split access and excellence. If you try to have access everywhere, you always lose on the excellence side somewhere. You can look at it in crude economic terms—in terms of critical mass. That is why, the further we stray from an ideal position of units dealing with

around 2,500 births, the more difficult it will be to maintain a trained and expert workforce. It does not matter how much money you throw at it. That is a challenge for all of us, because it means that some units may have to change or close. We know that that is going to cause tremendous difficulties with our local populations. That is why I am saying that we have to look at this issue of engagement fully in order to understand the issues. It does not matter how good you are as a manager or how much money you have, you cannot run away from the fact that staff have to be trained and skilled. They can only be trained and skilled through constant practice. That is the dilemma we face, and that is why we are setting out the expectations quite clearly in the strategy. We will have to see how the boards can square the circle.

[87] The problem is going to be that, the more that they compromise on some of these issues, the more safety and sustainability are impinged upon. It is a big challenge for us all, and we have to be absolutely honest on this one. It is going to be a difficult conversation to have. It will not happen overnight; it is going to take some time. The longer we compromise, the greater the likelihood that there will be challenges on safety as well as cost.

[88] **Darren Millar:** Of course, that difficult conversation is going on already in many parts of the country.

[89] **Mr Williams:** It is.

[90] **Jeff Cuthbert:** My question follows on from the point that Alun has just made. I just want to be sure that I heard you correctly in your substantive response to Irene's question. I understand the issue. We want all our centres to be seen as excellent, expert places, and that must be our objective. However, I think that you said that you cannot guarantee competence. To me, 'competence' means being fit and able to do the job. It can be applied to any occupational role, but it is particularly relevant here. Excellence is one thing, but competence is another. Are you saying that there are doubts about the competence of the people—you referred to locums—who are delivering the service?

[91] **Dr Jones:** There are no specific reasons for doubting the competence of any doctors working in NHS Wales. We know from historical experience that vacancies often crop up on very strained rotas without warning, and you have to appoint a locum in a short space of time. It is a stressful working environment when you are struggling to maintain a rota. So, vacancies do crop up without notice, and the agency then has to give you a doctor. You do not know that doctor, but the agencies have learned from experience. They do everything that they can to be assured of training and competence, and I have no particular reasons to doubt that. However, we do know that it would be better to have sustainable arrangements with our own NHS Wales workforce.

[92] **Jeff Cuthbert:** I do not doubt that it would be better to have a regular workforce, as it were, whose competence is beyond all doubt and recorded, but I am a little concerned that you appear to be suggesting that people could therefore be employed whose competence you cannot be assured of.

[93] **Dr Jones:** It would be for the providing agency to be assured of their training and experience. We would not be in a position to do that ourselves necessarily.

[94] **Mr Williams:** It is absolutely clear that there is an expectation on agencies to provide us with competent doctors. There is no doubt about that.

[95] **Jeff Cuthbert:** I do not doubt it for a second. That is the expectation.

[96] **Mr Williams:** If a locum comes in at short notice, there are issues regarding continuity of care, communication, and knowing exactly how the local hospital works in

terms of its procedures. It is not a perfect arrangement. We are saying that a perfect arrangement is employing people as part of a unit who we can then make sure maintain their competence through continuous professional development and all the rest of it.

[97] **Jeff Cuthbert:** In due course.

[98] **Mr Williams:** Yes.

[99] **Darren Millar:** This is an important area, because the public and the committee need to have confidence in the quality of service provision, if we are currently not sure about the quality of services, or the competence of some of those individuals who are providing them.

[100] **Alun Davies:** Jeff's point is absolutely critical. I do not think that any of us here would seek to doubt the competence of individual medical staff members, but there is clearly a way of managing the provision of these services in which heightened risk is built into the system. Surely it is the role of management to reduce risk rather than to manage a process in which you understand and know that the risk is heightened.

[101] **Mr Williams:** Yes, and I think that is the job of the board. I can remember doing that in one of my previous roles as a chief executive of a trust, when I took the view to my board that a particular maternity service was not safe. We are getting into the fundamentals of clinical governance. That is one of the primary roles of a chief executive: he or she is responsible for the governance of their services. They have to be aware of quality and of the service that is being provided, and the boards need to be assured that they are getting the right information, so that they are aware of, and can assure themselves about, the quality of services. Ultimately, the buck stops with the chief executive with regard to corporate governance for those services, whether they are maternity services or any other service.

[102] **Alun Davies:** Is there not another buck that stops with NHS Wales in saying that there are structures within which each board has to operate? We recognise that risk is a fact of life, and I would not seek to go too far down that road, but surely NHS Wales should be saying to each health board that there are ways of working, in relation to risk management, that are not acceptable.

10.30 a.m.

[103] **Darren Millar:** I think that that is what your strategy document sets out.

[104] **Mr Williams:** Absolutely.

[105] **Darren Millar:** Sandy wants to come in on this. There are many questions that we have not asked this morning and we will not have time to ask them in this evidence session. Therefore, we will put them to you in writing and I am sure that you will come back to us with full responses. This is such an important issue that it is worth us spending some time on it.

[106] **Sandy Mewies:** You made the point that the strategy will be looking at this. You have mentioned the 2,500 births. Please tell me if I am wrong, but is it fair to identify experience as an integral part of competence? If you have not seen a breech birth, or 10, say, you may not be competent. I do not know how many you would need to deal with before you were competent, but you would have to deal with some. It is about experience, is it not? The mass that you are talking about would give practitioners that experience, with the back-up teams needed to ensure that it is safe. I do not think that we ought to go setting scare stories here about competence and lack of competence.

[107] **Jeff Cuthbert:** We need to define the term.

[108] **Sandy Mewies:** Exactly, and that is what I am asking about. What I have got out of this is that you are saying that it is not like being an Assembly Member, for example. We deal with different things every day, which are not necessarily life-threatening. Every birth is different, and there will be some occasions where things will happen that are a total surprise to everyone concerned. Is that one of the areas that you are trying to tease out here? It is not just about competence, but practitioner experience.

[109] **Mr Williams:** It is about constant practice and having enough births going through the unit so that, when the rare event happens, it is recognised because it has happened before. You can look at it crudely in terms of critical mass on the one hand, but, on the other, you can see the difficulty that it poses for us in terms of perhaps losing local services. Nevertheless, those issues are inescapable.

[110] **Sandy Mewies:** As Alun said, it is vital that chief executives, and people working in the Welsh Assembly Government, are aware of those needs.

[111] **Mr Williams:** Coming back to the question, if a board or a chief executive for some reason or other ignored the issues, the data that I am collecting now will allow me to be able to see figures and to ask questions about the quality of care. That is where we have been moving with regard to performance management systems. Following on from Peter's question, we are moving from process measures to quality measures and quality outcomes, whether that is on infection rates or whatever, because that really gets to the heart of the NHS business, which is quality of care.

[112] **Darren Millar:** This is the final question. How many units in Wales do not currently meet the threshold of 2,500 births per year?

[113] **Dr Jones:** The information that I have is that three of our rotations have more than 3,500 births, six have 2,000 to 2,500 births and three have less than 1,700 births. I do not know the exact number, but it is about half of our units.

[114] **Darren Millar:** It is a significant proportion. It would be helpful if you could provide a copy of that information. We will also write to you with a number of questions that we would have liked to address today, but did not have time to address. Thank you for the evidence that you have provided; it has been an enlightening session.

[115] **Mr Williams:** Thank you.

10.35 a.m.

Prosiectau Trafnidiaeth Mawr: Y Wybodaeth Ddiweddaraf gan Archwilydd Cyffredinol Cymru
Major Transport Projects: Briefing from the Auditor General for Wales

[116] **Darren Millar:** We welcome the Auditor General for Wales and Matthew Mortlock, who is a performance specialist—which is a wonderful job title—at the Wales Audit Office. We will be discussing the report on major transport projects, which was published last week. There are some interesting findings in the report, so over to you, Huw.

[117] **Mr Thomas:** Diolch yn fawr, Gadeirydd. Yn rhyfedd, dyma'r adroddiad cyntaf i Swyddfa Archwilio Cymru ei gyhoeddi ar faterion ynghylch trafnidiaeth.

Mr Thomas: Thank you, Chair. Strangely, this is the first report published by the Wales Audit Office on transport issues. As I suggested in the paper that I presented last

Fel yr awgrymais yn y papur a gyflwynais fis Tachwedd diwethaf, yr wyf yn awyddus i gynnal arolwg mwy trylwyr o'r strategaeth drafnidiaeth yng Nghymru. Mae'r adroddiad hwnnw yn un o'r rhai yr wyf yn bwriadu eu gwneud yn hwyrach yn y flwyddyn.

November, I am eager to conduct a more thorough review of transport strategy in Wales. That report is one of those that I intend to undertake later in the year.

[118] Yn sicr, cafodd yr adroddiad hwn gryn sylw yn y wasg. Mae'n rhaid ei fod yn bwnc eithaf llosg i nifer o bobl yng Nghymru. Felly, mae hwn yn fater y dylai'r pwyllgor ei ystyried yn eithaf gofalus o ran yr awgrymiadau a'r argymhellion sydd yn yr adroddiad.

Certainly, this report received considerable press coverage. It must be quite a burning issue for many people in Wales. Therefore, it is an issue that the committee should consider quite carefully in terms of the suggestions and recommendations in the report.

[119] The report examines the delivery of major transport projects over recent years. They are defined as projects that cost individually more than £5 million. It includes analysis relating to 18 projects that were completed between 2004 and early 2010. In particular, the report considers the extent to which these projects have been delivered in line with earlier estimates of their likely costs and duration, and highlights the sort of issues that have quite frequently affected project delivery. In addition, the report looks in broader terms at the development of those arrangements that the Assembly Government has put in place to manage the delivery of projects that it directly controls, that is, specifically, the trunk road forward programme, together with the oversight of projects that are managed by local authorities but funded through the transport grant mechanism. As regards these local authority-managed projects, our focus was very much on the Assembly Government's oversight rather than specifics in relation to what actually happened in local project management arrangements. However, one of our recommendations does concern the Assembly Government developing detailed guidance to support the consistent delivery of all major transport projects, because we see no reason why the core practices that underpin successful delivery should be any different regardless of the organisation that is responsible for those particular projects.

[120] The report, and this is what has been picked up in the press coverage in particular, demonstrates that projects have cost substantially more and taken longer to complete than expected. This has had the inevitable knock-on impact in terms of the Assembly Government's ability to deliver its wider transport programmes and, certainly, there is an issue here about the relationship between the number of projects that are announced and the reality of the programme to deliver. That has been true over a number of years. Why this knock on? There has been exposure to higher than expected construction price inflation, budget constraints and reprogramming. They are all significant, but they are not the only reasons why projects have cost more and taken longer to deliver than expected.

10.40 a.m.

[121] The report recognises that the Assembly Government has, over time, strengthened its management of schemes under its control, partly as a result of evolving in terms of wider developments, including the emergence of new procurement approaches and different contractual models. Particularly during the last two years, the Assembly Government has exercised greater control over the local authority managed projects that it funds, with new arrangements for oversight and delivery of regional transport plans also being implemented. As I said, I am anxious to extend our work to look at that wider transport strategy. Before handing over to Matthew for him to provide more detail, I ought also to mention that the rest of the team is sitting here and has been hard at work on these issues; you may have seen Matthew on a bridge overlooking the motorway. Before I hand over, it is important to outline

the context. The challenges that these projects can present are no different in Wales than elsewhere. There is not a particular, unique Welsh problem here; the challenges are part of a wider set of issues. The report highlights important action that the Assembly Government has taken to help strengthen project delivery. However, this is a good time, given the constraints on public finances, for the Assembly Government to be much more realistic about what it can deliver within the future transport budgets. It is about basing those assumptions on robust estimates of project costs, which is where we highlight that there are particular issues, and of timescales, and making it much clearer what the priorities are. That would bring a greater alignment between the announcements that are made about forward works and the reality, in terms of being able to deliver them within a particular timescale.

[122] **Mr Mortlock:** I will pick up on a few key points rather than going through the whole report in detail, as I am conscious of the time. Huw classified the projects that we are looking at as those worth over £5 million, but the range from that figure upwards is quite significant. Some of the projects cost well in excess of £100 million, and I will say more about the A465 Heads of the Valleys improvement project later. Although that project has been split into six parts, collectively, it accounts for a massive amount of money: well over £0.5 billion in total. I emphasise the point made on the complexities and the long timescales involved from conception to completion, through all of the preparation processes and public inquiries; it can take anything up to 20 years—possibly more—from the initial conception of a programme of work. Those are some of the contextual factors.

[123] Last week, one thing picked up on in the press coverage was the numbers involved, and the shift from early estimates of £366 million for the 18 projects that we focused on to a final outturn cost of £592 million; I say 'final' but, as we make clear in the report, although those costs are what we know now, after completion there can be minor changes, as some costs come through after the route is technically open to traffic and passengers. Two thirds of the increase happens before one gets to the point of starting construction, so the big issue is with those early estimates and what happens before one gets into really delivering the project. Notwithstanding that, there are projects that have cost significantly more than expected through the construction phase, but, at the same time, others have been delivered broadly on time and to cost from the point of awarding construction contracts onward to completion. There is, therefore, a mixed picture. Some of the figures in the report show differences between the performance of projects on the trunk road programme as opposed to transport grant projects, but that is, again, mainly in the period from the early estimates through to awarding the construction contract. Performance from the latter point forward is broadly similar when averaged out across the piece. In that sense, there is no suggestion that there is any huge difference between how local authorities and the Assembly Government are performing from the contract-management point onward. I will not labour the point, but figure 7 on page 29 talks about some of the key factors that have influenced some of the individual projects that we looked at. In reality, many of those factors would affect most projects to a greater or lesser degree, particularly inflation, and we pick out three main reasons for why inflation has been a factor.

[124] One reason is that it was not, perhaps, accounted for at all in early estimates, or that it was accounted for, but that what has happened with inflation rates is that they have peaked higher than expected, and we point to a period of particularly high construction price inflation in the report, or, alternatively, and perhaps more significantly, projects have taken longer to deliver, or even to start in earnest, and therefore have been exposed to annual price inflation that was never built into early estimates. So, there are three issues there on the inflation front, with the net result being, as I said last week, a domino effect. Arguably, there are too many projects in programmes at the start, and there is a knock-on impact as costs increase on one project, but budgets remain broadly fixed and do not necessarily expand to cover those cost increases. Other projects then have to be deferred, which exposes them to higher costs in future years. That has certainly happened, and we point out in the report that, if you look at

the transport grant programme, some of the early commitments on timescales for completion now seem somewhat optimistic. Indeed, that has proven to be the case with several of those projects; some are yet to start construction, even, so there will be significant costs down the line.

[125] Part 2 of the report refers to the Assembly Government's arrangements and points to a range of areas where it has strengthened them. I will not go through those in detail, but I am happy to take questions on those. The principle underpinning that is that it is still early days. Yes, those changes have been made, but this is a story of evolution, and of responding to wider developments and issues elsewhere in the UK. There are common factors affecting these projects, and it is still early days, in our view, to say with any certainty that there has been a step change in outturn performance on these projects.

[126] Part 3 is interesting because it gets to the heart of some of the issues around the relationship between the Assembly Government and local authorities. Our view, looking back, is that the Assembly Government exercised limited oversight of the transport grant programme, and, given the sums of money involved in some of those projects, and the risks, it should have had firmer controls. We point to some strengthening of those controls over recent years, with some Assembly Government intervention on particular schemes, working with local authorities to deliver cost reduction and value engineering savings, but, again, if you could go back in time, perhaps a firmer hand at an earlier stage of the process would have been beneficial, particularly to scrutinise some early cost estimates. That might have helped avoid some of the problems that we now see.

[127] On the arrangements for the regional transport plans, again, those are relatively new, and the real test will be whether they can deliver better performance outcomes from projects.

[128] I will finish by returning to the A465 example. Two parts of that wide-ranging scheme are already completed, but we make it clear in the report that there are still four phases to complete, and even at end-of-2009 prices there is still some £648 million to be spent to complete those four sections. The cash cost in reality will be much higher at future prices, so if you put it in that context, you are talking about as much money, almost, for those four sections as the total cost in cash terms of the 18 projects that we feature here. So, there is a risk of further cost increases down the line for those projects and other big projects that are yet to go to completion, such as stage 2 of the Port Talbot peripheral distributor road project. There is a lot of money still to be spent to complete some major projects. Coming back to Huw's point, the big question is affordability in the future within budgets that are likely to be constrained, and there is perhaps a need to revisit priorities on that basis.

[129] **Darren Millar:** It is an incredibly informative report, and it was fascinating to see the table that you provided of reasons for delays or overspending. Many of those reasons have been relayed to me in the past about projects in my own constituency, I have to say that some of them should have been predictable, or certainly should have been taken into account—significant design changes at the last minute, and so on.

[130] A few Members want to come in and ask questions, but, before they do, I will just ask a question of the auditor general. I understand that it took the Assembly Government about seven months to sign off this report. Is there any reason for that delay? That is an extraordinary time, is it not?

10.50 a.m.

[131] **Mr Thomas:** It has certainly taken a lengthy period to sign off. I think that it was Janet Ryder who asked me a question when I was being appointed about getting the reports in. There is a need to ensure that we get reports in early and as fast as possible, rather than

allow them to be stuck in the system, as it were. We now take a very firm line in terms of stating when we want comments back. I recently spoke to directors at the Welsh Assembly Government, basically saying that I expected the comments by a particular point, otherwise we would move on. There were a number of factors involved, and I think that it might be an issue on which you will wish to question the Assembly Government when it appears before you.

[132] **Darren Millar:** We will take a view on that later.

[133] **Jonathan Morgan:** When the Deputy First Minister responded to this report last week, he said that when the Assembly Government undertook its review he brought in new systems to ensure that the projects could be met in budget and on time. You have said in your report that it is too early to tell how effective that change has been. He used the M4 widening scheme as an example of a project that came in on budget and on time; however, figure 5 of your report seems to suggest a difference of almost £20 million between the anticipated budget and the final budget. I am assuming, therefore, that you would share my concern that, in fact, the M4 widening scheme did not come in on budget, when considering what the original cost estimate was. Perhaps the Deputy First Minister could have relied on a different project to back up his argument. At what point do you think that we will be in a position to judge how effective the new systems have been? I suppose that we will need to revisit this at some point to be able to test that, so at what point do you think that it would be advisable to do that?

[134] **Mr Mortlock:** I will answer that question. It is always possible to deliver on budget by vastly overestimating a budget in the first place, which is unhelpful in the same way as underestimating a budget is unhelpful, because these are projects in a broader programme of work. If you end up predicting that you will spend £100 million, and you only spend £50 million, that is a good thing, in some ways, but it also leaves £50 million in budgets to be redistributed at the last minute in the financial year or whatever it may be.

[135] In terms of the M4 widening and other examples in the report, it is true to say that it is delivered in line with the budget and the estimates at the point of construction contract award. I am sure that that was probably what the Deputy First Minister was referring to. That is the very reason why we looked back a bit further, in order not just to be able to look at performance over that period. I would not want to detract from the positive news about projects that are delivering on budget and on time within that phase because things can easily go wrong, as we highlight in some projects in the report. The two A465 stages completed to date did have significant cost increases after contract award. Therefore, it is important that the Government is getting a grip on that.

[136] The Assembly Government will point to the new procurement and contractual approaches that it has deployed. As we state in the report, the problem, within Wales at least, is that there is still a relatively small number of transport projects procured and contracted in that way. There is some evidence from the Highways Agency around the value for money of those approaches, but, as we also make clear, the Assembly Government's view is that perhaps the findings of the Highways Agency work do not entirely apply to Wales because it has gone about its approach to procurement in a slightly different way.

[137] **Jonathan Morgan:** On figure 7 of the report, which relates to the 10 case study projects, and the two highest figures, effectively, you note that seven of those projects suffered as a result of detailed design and specification changes, and that seven also suffered as a result of inflation costs. With regard to the detailed design and specification changes, you mentioned that the Government has been looking at its system of procurement. One would hope, I assume, that, over time, procurement issues would become less of a problem and less of a contributing factor as to why a project could run over time or over budget. However, on

detailed design and specification changes, to what extent is there a capacity problem within the departments working within the Welsh Assembly Government, and those working within local authorities, in terms of developing the necessary expertise to ensure that they understand what it is, from the outset, that they are looking for in a particular design and specification?

[138] **Mr Mortlock:** You are right to pick out that that has been a major feature across a number of projects. Our report states that some of those design changes are enforced and could not necessarily be foreseen. Take the M4 widening case study as an example: there was a change in design standards made by the Department for Transport. The Assembly Government had to implement that change. Case study 6 on page 39 focuses on the Blaenau Ffestiniog to Cancoed A470 improvement. It points to disputed responsibility for the cost of design changes. So, within the contracting methods used, there can be disputes with regard to who picks up the tab. In essence, is that a risk and cost that you push back to the contractor, or is it something that the public sector employer—the Assembly Government or local authorities—pick up? We make the point, linked to that case study, that examples of that sort emphasise the need to be as certain as you can be at an early stage that you have got the design right and that it represents good value for money.

[139] Early contractor involvement should help with that in many respects, because the contractor is on board in the early design phase, rather than picking up what has already been worked on as a design. So, there is optimism that that should help to address and iron out some of those changes.

[140] **Jeff Cuthbert:** I have two points. On the A465, the Heads of the Valleys road, my constituency does not quite reach the Heads of the Valleys, but it is not far short; nevertheless, it is a very important trunk road for the economy of my constituency and, indeed, the Caerphilly borough more generally. I have looked through the report, and I can see that there have been delays, but I am very pleased with the work that has been done so far. What is the priority given, not just to the issue of the economic importance of a road like that, but to the issue of safety? Unfortunately, I am old enough to remember it being constructed. Even back then, why anyone ever thought that a three-lane highway with the overtaking lane being the right lane for both directions was a sensible way to build a road is beyond me. However, there we are. Is the issue of improving public safety considered over and above the issue of the economic value of a road? Is that involved in the calculations and considerations for major trunk road renewals?

[141] Turning to the second issue, for understandable reasons, the report concentrates on roads in the main. However, there are references to rail. Where the Assembly Government works in partnership with, say, Network Rail, how is that planned and monitored with regard to delays and spend? As far as I am aware, the Welsh Assembly Government cannot control the spending of Network Rail; it has to work in partnership. Is that a big factor in terms of any delays to rail projects?

[142] **Mr Mortlock:** I will deal with the safety issue. We have not looked back at the specific project approval appraisal point for these projects. We have really focused on delivery from that point forward. With regard to the relative priority given to safety over value for money, that is probably a question best asked directly of the Assembly Government. However, I can say that safety would certainly be one of the considerations that can drive the desire to make an improvement in the first instance. Some of these improvements come about because of a poor safety record on a particular route and the desire to improve road safety. My understanding is that road safety is a key perspective, and it will probably be costed out—in the sense that an economic cost will be put on the value of a reduction in casualty rates—in the appraisal process.

[143] With regard to rail projects, we focus on only two—the two major ones over the past

few years, which are the Vale of Glamorgan and the Ebbw valley lines. As you might have picked up from the report, the Ebbw valley line was subtly different to what happens with a lot of rail projects. I know that the Enterprise and Learning Committee is looking at the rail forward programme in the round at the moment. The Ebbw valley line was different in that it was Blaenau Gwent that project-managed that. It went out to an independent contractor, rather than the work being delivered directly by Network Rail. I think that you can read into the case study on that particular project in part 1 of the report that that in itself has created some difficulties. We referred to a project that was delivered in a similar way in Scotland that had similar problems in terms of the cost overrun. So, there have certainly been some lessons learned by the Assembly Government from that approach, which went off its usual path of working with Network Rail.

[144] **Mr Thomas:** That is one reason why I want to conduct a slightly wider study on the whole transport strategy arrangements, looking at the extent to which the Welsh Assembly Government can work out the risks involved in working in partnership with other organisations.

11.00 a.m.

[145] **Jeff Cuthbert:** I apologise if other Members are fed up with my asking about this. With regard to rail, we have had major investment over the past three to four years in the Valleys lines more generally and the Rhymney valley line in particular, with which I am very familiar. We are talking about millions and millions of pounds being spent on lengthening platforms and upgrading signalling by the Welsh Assembly Government and Network Rail. The purpose of that work was to allow longer trains to be run by Arriva, which has not happened although the investment has been made. Is that an issue that you would want to focus on, namely the joined-up thinking? This level of public funds was invested in the Valleys line with the expectation that longer trains could be run for the convenience and comfort of passengers. That was the purpose of the investment. Is the fact that that does not happen or is seriously delayed an issue that you will focus on?

[146] **Mr Thomas:** It is indeed.

[147] **Lorraine Barrett:** I am looking at figure 7, which Jonathan pointed out. It refers to significant reasons for late completion or cost increases. I am looking at the tick boxes. Do you think that the Government could have foreseen some of these issues and factored them in at the beginning? I am looking at the row entitled ‘Environmental mitigation’. There should be enough evidence to tell you whether the great crested newt is living along the route or in the reens. I would have thought that that sort of thing could have been factored in. Okay, you can never know about the weather, but on the detailed design, I have been aware of projects—not necessarily transport, but pedestrian bridges and so on—where the design has been changed deliberately in the middle of those projects. I wonder why that was not thought of at the beginning. That was not a Welsh Assembly Government issue, but a council issue, but the same principle applies.

[148] On statutory undertakings, surely they should know about these at the beginning. They should have the maps to show where the services are and the amount of work that would be needed. On inflation, would it not be safer to have an assumption that inflation is going to have an impact? That would give a truer picture at the beginning. I do not know whether you can make this general point, because each project is different, but is it generally the case that things are underestimated in the beginning for whatever reason—whether it is political, with a small ‘p’, pressure to announce something and get it going because the community needs a road, for example? Is it the case that things are underestimated generally and that sufficiently robust work is not being done? Or is it that there is poor management as the project progresses? Looking at the report, I think that it is probably a mixture of those things. Do you

think that that is fair to say?

[149] **Mr Mortlock:** On that last point, I think that you could say that it is a bit of both. However, I think that what comes out from the report, particularly in that leap between early estimates and when you get to a bit more certainty at the start of construction, is that things have been significantly underestimated for a whole host of reasons. With regard to the predictability of these issues, we would expect project managers to be building in risk allowances for these sorts of things. As Huw said, it is not as though the sorts of things that can affect these projects are new. Specific issues can arise in a particular case, but these themes are not new; they are the sorts of things that have been happening over many years to projects elsewhere in the UK. So, you would expect planners to be building in risk allowance for those issues. Perhaps that has not been enough.

[150] At the start of part 2 of the report, we talk about the concept of optimism bias and working centrally from HM Treasury guidance in terms of applying—even on top of the allowance for certain risks—an extra allowance for the fact that, historically, we know that these projects invariably end up costing more and taking longer than expected. Obviously, with a lot of the projects that we looked at, those early estimates also pre-date HM Treasury guidance on optimism bias. So, coming back to the point about whether we can expect some improvement, we might at least expect that the projects that have had those equivalent early estimates since that time would start delivering more in line with those estimates, because optimism bias has been factored in. That said, there are, in the appendices to the report, some projects where those estimates have been produced, but delivering in line with them also relies upon delivering when you expect to deliver. Inevitably, if you end up doing something five years later than you expected, or even 10 years later, you will be exposed to additional costs that you probably have not factored in to those early estimates.

[151] **Sandy Mewies:** Just a couple of points, Huw—well, for both of you, really. I have a long-held regret that the clerk of works disappeared from these projects, because monitoring is terribly important, whether the project is large or small. However, I have two general points to make. One of my concerns is the long delay after the formulation and agreement of the project, when the orders are all publicised, because it can be years before the project goes ahead. I am not clear whether, during those years, just before the project resumes, there is a re-evaluation of whether it needs to be done, or whether the methodology should change, because things move on. I do not know whether you have found any evidence of that sort of evaluation. The second point is that, as Lorraine said, there are some things that no-one can account for—poor weather, and that sort of thing.

[152] I was interested by your comments on the utility companies, and I think that your recommendations about what can be done through legislation should be even stronger. You mentioned the lack of communication between the Welsh Assembly Government and the utility companies, and you hinted, I think, at an almost cosy relationship—'Yeah, we'll get it done', seems to be the attitude suggested by the text that we have here, and I find that quite concerning. You talk about utility companies needing incentives, and of course they do, but they also get paid. The Welsh Assembly Government must think about what needs doing, and when, and use the carrot and the stick to ensure that, when timelines are agreed, they are adhered to. Is your recommendation on utility companies strong enough? Also, although I am not an expert on roads in any way, except that I travel from north to south twice a week as a regular road user, I know that in parts of America, for example, utility companies do all their work down the side of a road. You do not have to disrupt the road itself when utility work is going on. If you have a formula where it all happens in a certain place, then it does not have to be that way. To your knowledge, has anything along those lines been considered here?

[153] **Mr Mortlock:** I will try to pick those off one by one if I can. To pick up on one of your earlier points, there are projects that might have gone through statutory procedures, such

as public inquiries, but have then been deferred, or at least postponed, principally because the funding is not there in the annual budget to move it forward as quickly as would be liked. We would point to the example of the Ceredigion link road, where one of the counter-arguments from the council in its deliberations with the Assembly Government over meeting the cost increase was the extent to which the council was able to move forward when it would have liked with the construction contract work. There are examples of projects that have been deferred not just at an early stage, but when they were almost ready to go, because the money was not there in the pot to support them going forward.

[154] As for revisiting the scope and design of projects, we point in part 3 of the report to examples of the Assembly Government working with local authorities to tackle the cost increases. That refers to this concept of value engineering, which is essentially looking again at the design of the scheme, and looking to strip out cost. In some areas, that might be to check that there has not been some gold-plating, if you like, of the original design.

11.10 a.m.

[155] **Sandy Mewies:** It is not always consistent, is it? That is the point.

[156] **Mr Mortlock:** No. You might argue—and this is somewhat speculative—that if you can get to that point and then strip costs out, why did you go with the design as it was to start with? We could point to the Church Village bypass, where, fairly early in the life of that project, it was talked about as a dual carriageway, but the costs rose considerably and became prohibitive, and the exercise to revisit the scheme resulted in a decision by the Assembly Government and local council that the desired benefits could be delivered broadly by a single-carriageway design. That was basically on grounds of affordability, and there was a significant change in the end product there.

[157] On the utility companies, we describe in the report that there are, technically, arrangements, provisions and legislation that govern this area of work and the relationship. However, that relationship has nonetheless been problematic. I am not sure that I concur with your analysis that we point to a cosy relationship, but we certainly emphasise that the Assembly Government and local authorities feel that they have a lack of influence. When it boils down to it, there is a lack of a stick to get them to do things, and perhaps not much of a carrot, because there is this issue of utility companies having to offer a discount on certain works in certain circumstances to the public sector. That is all well and good in one sense, but it is no good having an 18 per cent discount if that means that the utility company bumps you down the list of priorities and that exposes you to other costs elsewhere in the process of delivering the project.

[158] **Sandy Mewies:** I was going to ask about that. If you have a contract agreed, and it is a staged contract with timelines, then it should be adhered to.

[159] **Mr Mortlock:** Obviously, you have the construction contract, and then you are bringing in utility companies alongside that. One of the points in the report is the recommendation that, if you are going down the road of early contractor involvement in your construction contract, you assess the scope for more preparatory utility work, rather than relying separately on the utility companies coming in and having to co-ordinate all of that. It is not an easy issue.

[160] On the point about undertaking work without intervening and disrupting traffic, obviously that would relate more to routine utilities work. On these major improvement projects, the two come together, part and parcel. You might have to supply new utilities to light the road, or whatever, so it is perhaps a slightly different issue.

[161] **Darren Millar:** I have a couple of people who wish to come in; I will call Bethan first.

[162] **Bethan Jenkins:** I was going to ask about the utilities. I did not see the cosy relationship that Sandy mentioned, either; I thought that the Government has probably found it quite frustrating, with regard to the cost and the delay. On another note, to mirror what Sandy was saying, I wondered whether there are additional recommendations, because the Government recognises that the legislation is not working in this regard, and some of your suggestions seem to be based upon trying to make it work. So, are there additional recommendations or is that something that the Welsh Government can come back to us on?

[163] Following on from that, I wanted to find out why you did not look in detail at the relationship with other stakeholders, considering that you looked quite extensively at the utility companies. Obviously, the other stakeholders were the Countryside Council for Wales, the Environment Agency and so on. You seem to suggest that there is quite a healthy relationship there. However, why did you not look into that in as much depth as you did in relation to the utility companies?

[164] You touched on the benefits realisation review; could you expand on why there was so much delay between projects being completed and the reviews being carried out? It seems to me that there was such a big time lag between them that you might not get the full benefit of the review.

[165] To touch on rail and transport, I wondered whether you are thinking, in future investigations, of comparing priorities in relation to big changes to transport infrastructure with changes to railway infrastructure, that is, weighing those up, comparing the benefits and looking at balancing priorities more.

[166] **Mr Mortlock:** On your point on the recommendation about the utility companies, it would be vain of me to suggest that we have the absolute answer to the problem. In one sense, our recommendation is designed to stimulate the Assembly Government to look at this matter much more closely and in more detail, and to try to grip the issue and use whatever powers are at its disposal effectively, in order to get a better deal from the public sector perspective for the delivery of the project. We do not have all the answers. It could be stronger, but perhaps that is because there is not one definitive thing that you can put your finger on that will solve the problem.

[167] On the other stakeholders, through our case study reviews we had discussions with some stakeholders, and with those involved in project management in the local authorities or the Assembly Government, about those relationships. With regard to where we say that we did not look at them in detail, that was part of our focus, but there were no significant issues arising, and so we have not followed through on it in more detail. It was clear at an early stage from the work that we undertook that it was the relationship with the utility companies that was the particularly problematic point, which we then focused on in more detail.

[168] You are right to pick up on the point about benefits realisation reviews. That is slightly confusing, because, technically, a whole host of reviews and post-project phases could come into play. There are completion reports, which are very much focused on the project, and that is part of the Assembly Government's core project management process. The gateway review processes have been introduced more recently, and I will come onto the point about benefits realisation. You now also have WelTAG—the Welsh transport appraisal guidance—which has provisions built into it for the monitoring and evaluation of projects. In addition, where European Union funding is supporting projects, there are also requirements with regard to the evaluation of those.

[169] On the issue regarding the gateway benefits realisation reviews, which I think that you were picking up on as well, in the report we point to a lack of clarity about when that should be done. At the time of drafting, the Assembly Government had not undertaken any of the gateway benefits realisation reviews for its projects. We thought that, relative to when it introduced the guidance, it should have done so by that point, but there has been a lack of clarity in respect of references to doing those reviews within 12 to 18 months of project completion.

[170] The other issue that you are right to point to relates to the project completion reports. They could be done at the end of the defects and liability period, which is up to five years on. That is probably too late to think about learning the lessons and sharing that across other projects. So, you are right. There has been a bit of a confusing picture about how those different reviews now need to interrelate with each other, and also in checking that you are not duplicating effort in the provision of different pieces of guidance.

[171] **Darren Millar:** Alun has the final question.

[172] **Alun Davies:** Thank you for your evidence. I was a victim of the Finance Committee's report into the management of the trunk road programme, which was published last year. Many of the points that were made in that report have been echoed in your report. That is quite significant. I was introduced to the whole concept of optimism bias as a consequence of that inquiry, and to some extent I felt that it was being used as something of a shield by the Welsh Assembly Government. I felt that there were clear failures—and your report echoes this—in project management and in building up a knowledge base of the projects involved. We say that we cannot predict bad weather, but we know that we will have bad weather. With regard to the Heads of the Valleys road, for example, you know that days will be lost throughout the year, and that should be built into the project plan. We talk about protected species, and we know that there are processes that have to be gone through in that respect, which should be built into the project plan as well. We know about cost differentials, and we have just been discussing the fact that costs in the construction industry are more difficult to predict. The point is that we know that they are more difficult to predict. It appears to me that, having spent some time looking at the issues, there is a clear lack of effective management of the projects in the Welsh Assembly Government and elsewhere.

11.20 a.m.

[173] At the same time, and this is perhaps going into more political processes rather than management processes, we have seen a decision-making process that means that many of these decisions are not discussed and debated publicly. The reprioritisation of the trunk road programme did not even go to Cabinet for a decision. That probably means that there is less of a requirement for decisions and projects to be scrutinised properly. That lack of scrutiny enables poor decisions to go unchallenged. So, I think that there are a number of issues on which I would have liked to have seen your report go a bit further with regard to quality and standards. Certainly, when I worked in industry, some of the project management issues that we dealt with, particularly in the nuclear industry for example, were being dealt with far better a decade ago than they are today. There are significant areas where improvement in performance is not simply an ambition, but would mean that some of these projects were managed in the way that they are elsewhere in the UK already.

[174] **Mr Mortlock:** I think that the Assembly Government's argument will be that it is now introducing practices in line with practice elsewhere in the UK. I repeat again that a great deal of this comes back to when these projects were originally conceived and put into programmes and the figures that were in the frame at that time. I come back to the issue of the transport grant programme. I know that the point was made earlier about whether there was an incentive to underestimate in order to get onto the programme and be funded. We do not

comment on that, but we certainly point out in the report that, after that point, all of the financial risk was, essentially, carried by the Assembly Government, meaning that there was limited incentive within the terms and conditions for local authorities to control expenditure.

[175] On your point about optimism bias, this is now a bit of a grey area because, as I said, you would build in risk allowances for certain things and then you might build in, on top, an optimism bias allowance. In one sense, perhaps the phrase itself is not the most useful terminology because it may give a false impression. One thing that we point to in the report is the Assembly Government considering saying that, although it might apply that at a budget level, so that it works it out on projects and ensure it factors it into its budget planning, it is not going to let project directors and managers run off with the assumption that they have £10 million to spend, £2 million of which is the optimism bias; it is going to tell them that it has £8 million to spend and that it must deliver within that, rather than being—'casual' is not the right word—let us say more relaxed within a broader budget. I would certainly encourage that thinking to ensure that you are not building in an allowance just for the sake of it, if you are actually going to come in well under that, because that creates a problem in terms of your broader programme budget planning.

[176] There is a relationship between the individual project management and the issues that relate to that and the programme management—which, in one sense, is also what the Finance Committee focused on—and the prioritisation within that programme and delivery. Certainly, as we emphasise in the report, that has been fluid.

[177] **Darren Millar:** I think that one thing is certain, and that is that things will have to change in terms of the way in which these things are managed in future. Given the pressures on the public purse, we need to ensure that we are getting value for money. The cost of one scheme, for example, trebling between the initial estimates and the fulfilment of the project is pretty extraordinary, and people will want to understand why that was the case.

[178] I suggest to Members that, given the importance of this report, we take evidence at a future meeting from the accounting officer and ask some questions of him. In addition, because of the delay in this report being signed off by the Assembly Government—it was produced by the auditor general last summer, but not signed off until recently—I suggest that I write to the Permanent Secretary on behalf of the committee raising my concerns about that and asking for some feedback. Are Members content with that? I see that you are. Thank you very much, Matthew; it was an excellent report.

11.24 a.m.

Cynnig Trefniadol
Procedural Motion

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

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).

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

Derbyniwyd y cynnig.
Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 11.25 a.m.
The public part of the meeting ended at 11.25 a.m.