

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad:

Ystafell Bwyllgora 3 – Senedd

Dyddiad:

Dydd Mawrth, 13 Mai 2014

Amser:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



I gael rhagor o wybodaeth, cysylltwch â:

Fay Buckle

Clerc y Pwyllgor

029 2089 8041

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Agenda

- 1 Cyflwyniadau, ymddiheuriadau a dirprwyon (09:00)**
- 2 Papurau i'w nodi (09:00)** (Tudalennau 1 – 2)
- 3 Cyflogau Uwch-reolwyr: Sesiwn dystiolaeth 6 (09:05–10:35)**
(Tudalennau 3 – 81)
Briff ymchwil

Marie Rosenthal, Clerc y Sir a Swyddog Monitro, Cyngor Caerdydd

Delyth Jones, Pennaeth y Gyfraith a Llywodraethu a Swyddog Monitro, Cyngor
Bwrdeistref Sirol Conwy

- 4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd
o'r cyfarfod ar gyfer y canlynol: (10:35)**
Eitemau 5, 6 & 7

5 Cyflogau Uwch-reolwyr: Trafod y dystiolaeth a gafwyd (10:35–10:50)

6 Rheoli cyflyrau cronig: Ystyried ymateb Llywodraeth Cymru i

Adroddiad Swyddfa Archwilio Cymru (10:50–10:55) (Tudalennau 82 – 92)

PAC(4)–13–14(papur 1)

7 The Welsh Government's location strategy: Ystyried ymateb

Llywodraeth Cymru i Adroddiad Swyddfa Archwilio Cymru (10:55–11:00)

(Tudalennau 93 – 98)

PAC(4)–13–14(papur 2)

Y Pwyllgor Cyfrifon Cyhoeddus

Lleoliad: **Ystafell Bwyllgora 3 – Senedd**

Dyddiad: **Dydd Mawrth, 6 Mai 2014**

Amser: **09.00 – 10.32**

Gellir gwyllo'r cyfarfod ar Senedd TV yn:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_06_05_2014&t=0&l=en

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Cofnodion Cryno:

Aelodau'r Cynulliad:

Darren Millar AC (Cadeirydd)
Jocelyn Davies AC (yn lle Alun Ffred Jones AC)
William Graham AC
Mike Hedges AC
Julie Morgan AC
Jenny Rathbone AC
Aled Roberts AC
Sandy Mewies AC

Tystion:

Mark Jones, Cadeirydd, Colegau Cymru
Huw Vaughan Thomas, Archwilydd Cyffredinol Cymru,
Swyddfa Archwilio Cymru

Staff y Pwyllgor:

Meriel Singleton (Ail Clerc)
Claire Griffiths (Dirprwy Glerc)
Joanest Jackson (Cyngorydd Cyfreithiol)

1 Cyflwyniadau, ymddiheuriadau a dirprwyon

1.1 Croesawodd y cadeirydd yr Aelodau i'r Pwyllgor.

1.2 Cafwyd ymddiheuriadau gan Alun Ffred Jones. Roedd Jocelyn Davies yn dirprwyo ar ei ran.

2 Papurau i'w nodi

2.1 Nodwyd y papurau.

3 Cyllid lechyd ar gyfer 2012–13 a thu hwnt: Trafod yr ymateb gan Lywodraeth Cymru

3.1 Trafododd y Pwyllgor yr ymateb gan Lywodraeth Cymru a nododd nad oedd yn darparu gwybodaeth am y gost o ddiogelu cyflogau yn GIG Cymru (Argymhelliad 12). Gofynnodd yr Aelodau i'r Archwilydd Cyffredinol edrych ar y mater hwn fel rhan o'r gwaith pellach y mae wedi ymrwymo i'w wneud.

4 Cyflogau Uwch-reolwyr: Sesiwn dystiolaeth 5

4.1 Bu'r pwyllgor yn holi Mark Jones, Pennaeth Coleg Gŵyr a Chadeirydd Colegau Cymru, ar gyflogau uwch-reolwyr.

4.2 Cytunodd Mark Jones i anfon y wybodaeth ganlynol:

- manylion pellach am sut y cyrhaeddwyd y ffigurau ar gyfer Coleg Catholig Dewi Sant a Choleg Gwent;
- beth yw 'benefit in kind';
- yr adroddiad meincnodi diweddaraf gan Gymdeithas y Colegau.

5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y canlynol:

5.1 Derbyniwyd y cynnig.

6 Cyflogau Uwch-reolwyr: Trafod y dystiolaeth a ddaeth i law

6.1 Trafododd yr Aelodau y dystiolaeth a ddaeth i law.

6.2 Gofynnodd yr Aelodau fod y Gwasanaeth Ymchwil a/neu Swyddfa Archwilio Cymru yn ystyried a yw uno'r colegau wedi arwain at gynnydd mewn cyflogau penaethiaid.

7 Trefniadau cyflenwi ar gyfer absenoldeb athrawon: Trafod yr adroddiad drafft

7.1 Yn amodol ar un newid bach, cytunodd yr Aelodau yr adroddiad drafft.

Mae cyfyngiadau ar y ddogfen hon

Mae cyfyngiadau ar y ddogfen hon

Eitem 6

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Mr Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dew Darren,

2nd May 2014

Wales Audit Office – The Management of Chronic Conditions in Wales – An Update

Thank you for your letter of 8 April 2014 about the Wales Audit Office's report, "*The Management of Chronic Conditions in Wales - An Update*".

This is a helpful report which confirms the progress we have made but which also signposts the areas where further work is needed in this important area. Annex 1 sets out the Welsh Government's response to each of the recommendations, which we are building into our work programmes. Your letter also set out some areas on which the Committee particularly asked for our thoughts and I set these out below.

The recommendations set out in the report relating to Information and an update on the procurement of the Community Care Information System

There is an entirely appropriate expectation that health and care providers should offer more interactive, personalised services with effective communication between professionals and users of services. Accessible information is essential to achieving this aim.

The Minister for Health and Social Services announced on 23 April 2014 a refresh of our policy on ehealth and Care in Wales and the start of an update of our information technology strategy. This will help to ensure that the people of Wales, the NHS and other health and social care providers can take advantage of the benefits that improved technology and information offer.



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The national procurement for the Community Care Information Solution system is on schedule, with contract award due in December 2014. The procurement is being run by Bridgend County Borough Council with assistance from NHS Wales Informatics Service. Bridgend is procuring on behalf of the Welsh Systems Consortium (WSC), which represents 8 local authorities in Wales. All 22 Local Authorities have agreed to be named on the framework, in addition to all of the Local Health Boards. Benefits will be publicised across NHS Wales. The Welsh Government will, through the Project Board, seek assurances about the optimal take up by Health Boards and local authorities and timescales for the roll out of the new system.

Details of action being undertaken by the Welsh Government to promote selfcare

Self care is a key element of our focus on prudent healthcare and co-production, the principles of which include avoiding harm, minimal intervention and having care discussed and agreed between the individual and the professional. Public Health Wales is facilitating a series of workshops to review how the principles of prudent healthcare, including self care, can be applied to four specific services. These workshops are underway at the moment and the learning from these workshops will be shared widely.

The Welsh Government has developed 2 key documents, which we will publish shortly. The first of these sets out a range of actions at a strategic level to highlight and promote self care and is entitled “*A Framework for Self Care – responding actively to the needs of people with long term conditions*”. The other is a practical guide for professionals to agreeing self care goals and actions with individuals through a care plan and is entitled “*A Framework for Agreeing Care with People who have Long Term Conditions*”.

We have asked the Long Term Conditions Alliance Cymru to develop a short public-facing guide to promote self care and care plans.

An outline of the role of delivery units in monitoring performance of health boards against Welsh Government strategies and delivery plans relating to chronic conditions management and specifically if and when performance is shared and discussed at Health Board level;

The NHS Delivery Unit, on behalf of the Welsh Government, plays an important role in monitoring and supporting Health Boards on the delivery of the targets and commitments within the Tier 1 framework. The Unit does not play a direct role in the delivery and performance management of the suite of condition specific National Delivery Plans.

Each condition specific National Delivery Plan has a national group tasked with overseeing and supporting the implementation of the Plan. These groups are chaired by the NHS and supported by Welsh Government. Each Health Board is required to produce and report on its own local delivery plan and has to report annually against the agreed national outcome and performance indicators. These are public documents ensuring that the Health Board is transparent and accountable to its local population.



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While the national implementation group does discuss individual Health Board delivery plans and annual reports, Health Boards are accountable for their performance to the Welsh Government and to their population.

The Welsh Government uses the Health Board annual reports to monitor the performance of each Health Board on the delivery of their local plans, supplemented by our formal scrutiny of progress with Health Boards' delivery of their 3 year plans and more informal discussions and meetings with Health Boards throughout the year.

Whether the Welsh Government's approach to socio-economic policy includes any work to reduce the occurrence of chronic conditions.

There is a significant range of work across Welsh Government legislation, policies and programmes designed to help to reduce the significant gap in healthy life expectancy between the most and least deprived communities in Wales. A key focus is the prevention of avoidable chronic conditions. The focus is consistent with the principles of prudent healthcare as it involves taking action at points which maximise the potential for long term benefits and return on investment, both in terms of health gain and in reducing the higher long term costs associated with preventable ill health.

In terms of legislation, the forthcoming Future Generations Bill (working title), due to be introduced later in 2014, will include health as a 'national goal' and will ensure that health is taken into account by key organisations in terms of how they operate, set priorities and allocate resources. In addition, the recently published Public Health White Paper outlines a series of practical actions to address specific public health concerns which can contribute to the development of chronic health conditions.

Of particular note in terms of policies and programmes, is the range of actions set out in "Fairer Health Outcomes for All" and the Tackling Poverty Action Plan. Welsh Government programmes which have been established to tackle poverty have a key role to play. This is why, for example, one of the three strategic objectives of the Communities First programme is to help bring about healthier communities and why the delivery plans of each of the 52 Communities First clusters include specific outcomes around health improvement. Many of these focus on prevention or management of chronic health conditions.

The Communities First programme works closely with other Welsh Government departments, including the Department for Health and Social Services, to target those most at risk of developing chronic conditions through initiatives like ChangeforLife, Healthy Working Wales and "Add to Your Life", our health and wellbeing check for the over 50s, together with the Inverse Care Law Programme areas in Cwm Taf and Aneurin Bevan Health Boards. We are taking a cross-Welsh Government approach to the development of guidance for healthcare staff on working effectively with the gypsy traveller community to reduce the risk of poor health, including chronic conditions.

In summary, I welcome the Wales Audit Office report as it offers a further opportunity to inform both national and local action on chronic conditions. During 2014-15, we expect



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to see a growing evidence of very locally-led service planning and delivery. Increasingly, the 64 clusters of GP practices, established to plan, co-ordinate and deliver effective care closer to home for their communities, will develop their own service development plans. The first of these cluster level service development plans is due by September 2014 and as cluster level working matures we expect it to drive change and improvement at greater scale and pace.

The Acting Chief Executive of NHS Wales will be writing to the Health Boards and Trusts to ensure they follow through on the action now needed to make further progress.

Yours,
Derek



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Wales Audit Office – An Update Report on Management of Chronic Conditions in Wales – Welsh Government Response to the Recommendations

Planning

	Recommendation
R1	<p>NHS bodies that have a clear vision for transforming chronic condition services but the vision is not always supported by a detailed plan setting out how the intended shift of resources from hospital to the community sector will be achieved. We recommend that Health Boards:</p> <ul style="list-style-type: none"> • Develop fully costed plans that identify the level of investment required to rebalance services towards the community. • Set out how the intended shift of resources to the community sector will be achieved in practice, bringing together the various different policy and strategy requirements; and • Ensure interdependencies with other strategic and operational priorities, like unscheduled care, are adequately cross-referenced or reflected in a single integrated plan.
	<p>WG Response</p> <p>Accept</p> <p>Health Boards are developing 3 year Integrated Medium Term Plans for 2014-15. The Welsh Government's Planning Framework, which provided guidance for these plans, re-asserts the requirement for shifting the leadership focus and resources invested towards primary and community care, the need for further improvement in preventing and managing chronic conditions and implementing local plans for the suite of chronic condition specific National Delivery Plans.</p> <p>Health Board plans will not be approved unless assurances can be gained that significant change will be delivered at scale and pace over the next 3 years through more locally led integrated planning and delivery.</p> <p>Increasingly, the 64 clusters of GP practices, established to plan, co-ordinate and deliver effective care closer to home for their communities, will develop their own service development plans. These plans will be informed by an analysis of workforce numbers and skills needed to deliver further change and improvement. The first of these cluster level service development plans are due by September 2014 and as cluster level working matures overtime, it will increasingly inform Health Board 3 year plans.</p> <p>The NHS Planning Framework will be refreshed on an annual basis. For the 2014-15 refresh, there is opportunity to reflect these recommendations, reinforcing again the need for plans to be explicit and evidencing the shift in the model of care and interdependencies with other plans.</p>

Tudalen y pecyn 86

Recommendation	
R2	<p>Local workforce plans need to be strengthened to reflect the required shift in service provision from acute to primary and community settings and increasing expectations around service integration for health and social care. We recommend that Health Boards:</p> <ul style="list-style-type: none"> • Map the capacity and capability of their current community workforce to inform workforce plans and to match resources to need; • Work with the Welsh Government and local GP practices to agree mechanisms for collecting and sharing information on the wider primary care workforce in terms of numbers, skills and future workforce needs; and • Work with local government partners to identify the workforce number and skills needed to deliver integrated services.
WG Response	
	<p>Accept</p> <p>The Health Board 3 year Integrated Medium Term Plans for 2014-15 must include workforce needs across the whole system, including delivering integrated care at or close to home. To inform the planning process, the Welsh Government's Planning Framework also reinforces the need for Health Boards to engage with other stakeholders / partners providing care within the community, including local authorities and the third and independent sectors.</p> <p>As they mature, GP clusters, through their service development plans, provide a means of understanding the workforce members and skills needed to support the shift in the balance of care more towards primary and community care. .</p>

Identifying patients at risk of unplanned admissions

	Recommendation
R3	<p>Health boards, working with GP practices, have been developing new ways to identify individuals most at risk of unplanned admission. PRISM is one such tool to help with this process but its evaluation and wider roll-out has not yet happened. It is important that there is a systematic approach to risk stratification across Wales and we recommend that the Welsh Government, working with NWIS and health boards:</p> <ul style="list-style-type: none"> • Evaluate the relative success of the different approaches to risk stratification currently being used and agree a mechanism to share good practice. • Expedite the evaluation of PRISM; and • Agree an all-Wales set of requirement for information governance in relation to storing and sharing information obtained from risk stratification.
	<p>WG Response</p> <p>Accept in part</p> <p>The Welsh Government has no plans to mandate the use of the risk stratification tool known as PRISM over other tools. The evaluation of PRISM is independent and it is not appropriate for the Welsh Government to attempt to influence the timing of this. Officials will, however, discuss with Health Boards the need for a nationally led evaluation of the relative success of the different approaches to risk stratification currently being used and how best to share good practices.</p> <p>Nearly 60 organisations are signed up to the Wales Accord, which provides an information sharing framework for organisations directly concerned with the health, education, safety, crime prevention and social well being of people in Wales. In particular, it concerns those organisations that hold information about individuals and who may consider it appropriate or necessary to share that information with others in a lawful and intelligent way. Further work is now in the planning stage to look at the practical aspects of information sharing using integrated care systems.</p>

Recommendation	
R4	<p>The 2013-14 GMS contract requires GPs to identify the proportion of their patients most at risk of an unplanned contact with services and who would benefit from review and active management. We recommend that:</p> <ul style="list-style-type: none"> • Health Boards work with clusters of GP practices to agree mechanisms for sharing anonymised information on the needs of patients identified as most at risk of an unplanned contact in order to identify gaps in service provision and strengthen service planning and monitoring. • Health Boards regularly publicise the range of community services available and how these can be accessed to help GPs actively manage patients with chronic conditions more effectively in the community and how to avoid unnecessary hospital referrals or admissions and to facilitate timely hospital discharge.
WG Response	
	<p>Accept</p> <p>To date, GP cluster analyses have focussed on the identification of common issues arising from the delivery of care to patients at most risk of hospital admission to inform the development of locals services to meet people's needs more appropriately closer to home. This work will be built on further through the GP cluster service development plans being prepared for September 2014.</p> <p>Health Boards have made varying progress in developing communication hubs and local Directories of Services. As they mature, GP clusters, through their service development plans, provide a means of developing and publicising these arrangements further.</p>

Support for self-care and education programmes

Recommendation	
R5	<p>The uptake and completion of programmes designed to educate patients and support self-care is still poor. We recommend that Health Boards:</p> <ul style="list-style-type: none"> • Work to understand the reasons for non-attendance on patient education programmes in order to maximise uptake and improve the cost-effectiveness of the programme; • Actively promote education programmes for patients and support for self-care amongst the health and social care professionals in regular and frequent contact with patients and service users; • Continue to seek alternative ways to support patients to self-care by ensuring patient education and access to self-care information are an integral part of the services provided; and • Develop indicators to measure the impact of these programmes on individual patient experience and outcomes.
WG Response	
	<p>Accept</p> <p>An individual's information needs and how to meet them, which might include structured self care education, are discussed with professionals to agree goals and actions through a care plan. People who attend self care education programmes discuss the benefits with their professional as part of their care plan review.</p> <p>As they mature, GP cluster service development plans will improve care planning and the optimal uptake of self care education programmes. These plans will be informed by a very local and sensitive assessment of the needs of the local community, capable of understanding local patterns of non completion of programmes.</p> <p>The outcome of the 2014 National Survey will tell us how well informed and supported people with long term conditions report feeling. Welsh Government and Health Boards will continue to monitor the reduction in emergency admissions and readmissions with in a year for the main 8 chronic conditions.</p>

Co-ordinating services

Recommendation	
R6	<p>Responsibility for identifying and coordinating services for patients at risk of unplanned admissions or those who would benefit from active case management is unclear given that many community services provide the same or similar services to these groups of patients. We recommend that Health Boards, working with GPs, should simplify, coordinate and direct resources towards those patients who would benefit most.</p>
WG Response	
	<p>Accept</p> <p>People who have complex needs and are at increased risk may benefit from being formally assigned with a named lead professional or care co-ordinator (sometimes called a key worker). This is discussed and agreed as part of the process for agreeing goals, actions and care with that individual.</p> <p>As they mature, GP clusters, through their service development plans, provide a means of planning and delivering improved, better co-ordinated and better directed resources and care for people with complex needs.</p>

Information

Recommendation	
R7	<p>Information systems to record community care episodes for individual patients; to share clinical records and care plans or to provide good quality information for monitoring community services and performance in relation to outcomes of care are currently inadequate or non-existent. We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> • Examines the feasibility of introducing a community care episode record, similar to the inpatient episode record; and • Complete the procurement of the Community Care Information Solution and ensure that the benefits of using this system are publicised across NHS Wales.
WG Response	
	<p>Accept</p> <p>The technical architecture of the Community Care Information Solution system will enable a person-centred record of care that can be shared between health and social care, to support the increasing planning and delivery of care in the community and at home.</p> <p>The NHS Wales Informatics Service expects to award the contract for this system in December 2014. The Welsh Government, through the Project Board, will seek assurances about commitment to take up of this new system by Health Boards and local authorities and timescales and arrangements for promoting optimal roll out and use.</p>

Recommendation	
R8	<p>Boards of NHS bodies receive limited information about the performance of primary and community services across their organisation and where information is available it is not always brought together effectively to provide a much needed perspective. In order to strengthen Board reporting we recommend that:</p> <ul style="list-style-type: none"> • Health Boards develop a more comprehensive approach to reporting performance to the Board that brings together information on both primary and community care services, including information on the demand and uptake of services, the impact of services on patient outcomes linked to the actions in the Together for Health delivery plans, patient experience, service quality and safety, service costs and the overall shift in care from hospital to primary and community care.
WG Response	
	<p>Accept</p> <p>Health Boards are taking collective action in 2014-15 to agree a common and comprehensive set of outcome indicators to measure how people are better off as a result of primary and community care. This work will also identify service performance measures on how much and how well these services deliver and perform.</p> <p>This will allow Health Boards to assure themselves, their population and the Welsh Government of the equity, accessibly and quality of locally planned and delivered care and to benchmark their performance.</p>

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Dear Darren,

2nd May 2014

Thank you for your letter dated 8 April, following publication of the WAO Report on the Welsh Government's Location Strategy, seeking my response on how the Welsh Government will take forward the wider recommendations of the Report (and on the numbers of posts which were relocated into the new offices in Merthyr Tydfil, Aberystwyth, Llandudno Junction from places outside Cardiff).

I do think that the WAO has published a balanced report, reflecting the challenges of delivering a complex programme over an extended period of time, and I welcome their conclusion that the Welsh Government's Location Strategy has delivered some clear benefits including efficiency savings, a good working environment for staff and economic benefits to the Welsh economy. However I also recognise of course that the WAO go on to say that 'the Welsh Government is unable to demonstrate the overall value for money from the programme, largely because of weaknesses in the way it was managed before 2008' and it is important that we are sure that we have learned the lessons which we have needed to learn from this programme.

To set the report in context, the programme was delivered during a period of significant financial challenge and organisational change, and as a result fewer employees relocated from Cardiff to the new offices than had originally been planned. There was the merger (in 2006) of four Welsh Government Sponsored Bodies into the Welsh Government with the associated turbulence and distraction and subsequently (between 2008-12) the loss of more than 1,000 staff through a number of voluntary exit schemes. These two factors in particular resulted in unanticipated difficulties in relocating posts to Aberystwyth and Llandudno Junction.

The Report identified three headline findings, which were then accompanied by a limited number of associated recommendations:

Headline Finding 1: The Location Strategy had clear objectives but the Welsh Government did not establish effective governance arrangements until 2008 and underestimated the cost of the Programme.

The recommendations associated with this finding focussed on improving the Welsh Government's governance and delivery of projects using appropriate programme and project management techniques and best practice, improved business case development and benefits management.

The majority of the recommendations, especially those around Programme & Project Management best practice identified in the report, have already been implemented when new governance arrangements were introduced post mid-2008. Performance in this area within the Welsh Government over recent years has improved with the creation of a Programme & Project Management Division (PPM Division) staffed by experienced practitioners whose role is to improve both capacity and capability of staff throughout Welsh Government.

Specific improvements include:

- the establishment of a Centre of Expertise within PPM Division staffed with experienced PPM professionals to offer advice, guidance and mentoring to WG staff involved in projects and programmes;
- a formal programme of sharing of lessons (both internally & externally) through an active Project & Programme Management (PPM) Community of Practice. These are held on a quarterly basis;
- the development of the Better Business Case training for WG staff embarking on projects;
- the introduction of a comprehensive suite of PPM training and templates available to all WG staff. Over 560 Welsh Government staff have attended these courses so far.

The introduction of a training programme focusing on the preparation of a Business Case is being made available to Welsh Government staff. One of the lessons which we have learned is that, while there will often be a strong impetus for pace and action, it is essential to undertake preparatory work at the very outset of a programme in order to engage with key stakeholders and undertake more detailed design work as well as being able to articulate more cogently the likely benefits.

It is well accepted that the Gateway process is an independent and external assurance audit which provides the project Senior Responsible Owner (SRO) with an appropriate level of assurance that delivery of the benefits can be secured. I was very pleased to see the WAO acknowledge that the overall performance and management of the Programme improved as it progressed, particularly following the 2008 Gateway Review, which identified several shortcomings in the programme management and governance arrangements. In response to these findings I think that we took prompt, decisive senior management action was taken to address the concerns highlighted in order to remedy the situation.



As the Programme progressed the lessons learned during the first project at Merthyr Tydfil were then applied to the remainder of the programme. The Programme also benefited significantly from the direct transfer of staff who had previously worked on the Senedd project and were able to bring those professional skills and learning to the Programme.

Headline Finding 2: The Welsh Government delivered the new office buildings to the expected quality and within contracted costs, but had difficulty in relocating posts to the new offices

Relocation of posts from Cardiff proved highly challenging throughout the life of the Programme. As noted above, this was partly due to the absorption of a number of bodies such as the WDA, ELWa, WTB etc into Welsh Government and the various Voluntary Severance Schemes which saw staff numbers decline by over 1000. Both factors contributed greatly to the need for widespread internal reorganisation affecting most Departments and staff deployment across Wales.

You requested details of staff numbers for the three new offices.

Aberystwyth	As at Sept 2009	As at Nov 2010	As at May 2012	Remarks
Posts relocated from Cardiff	78		78	
Posts relocated from outside Cardiff	396		343	Total includes NRW staff
Llandudno Junction				
Posts relocated from Cardiff		85	85	
Posts relocated from outside Cardiff		307	351	Total excludes SLC staff
Merthyr Tydfil	As at Jan 2007		Current staff total March 2014	
Relocated from Cardiff	319			
From Mamhilad Pontypool	19			
From Mountain Ash	53			
New Entrants to WG	60			
Total	451		575	



Headline Finding 3: Although fewer employees than planned have relocated and the Welsh Government is no longer monitoring all benefits, the Location Strategy Programme has provided a range of benefits.

Under this finding the WAO's recommendation related to the identification of realistic and deliverable benefits together with the development of a benefits realisation strategy to support the delivery of benefits.

The WAO reviewed the Bangor University independent academic report on the economic impact of the Location Strategy Programme and I was very pleased to note that the WAO recognise the economic benefits that the Location Strategy delivered. While we certainly could have done better – as with all projects and programmes – we do feel that this has been a successful Programme which has delivered significant benefits and I am grateful to the WAO for recognising this.

The approach to benefits management arising from the Programme was comprehensively developed, monitored and articulated following the Gateway Review in 2008. This demonstrated that the programme provided a range of benefits to staff, the public and the environment. The work post 2008 to verify benefits realisation culminated in the Welsh Government commissioning an independent academic report by Bangor University in 2011. This report estimated that the net economic impact of the Programme was more than £150 million over the period from the start of construction to 2015.

In addition the Bangor University report recognises other benefits arising from the Programme, including the opportunity created for rationalisation of the Welsh Government's estate. During this period there was a reduction of 60 per cent in the number of the WG administrative office buildings to just 41 properties. Furthermore, all three new offices have each achieved the BREEAM (Building Research Establishment Environmental Assessment Model) 'excellent' rating for their environmental performance. Phase 2 of the Location Strategy (2010-15) is now in its final year and in fact we are on target to realise our projected efficiency savings, with projected gross savings of approximately £19.3 million over the 5 year term of the current strategy (2010-2015) and annual building running cost savings of around £6.7 million thereafter.

In addition work has begun in developing plans for a subsequent phase of the Location Strategy which will build on the current programme, taking us beyond 2015 and covering the five year period up to April 2020.

The Programme has also given us the opportunity to introduce a range of new initiatives including new flexible ways of working to use the accommodation more effectively and better engage with the citizens of Wales.

As part of the Programme benefits, the provision of office cleaning and other support services to the administrative office estate were reviewed. As a result the system was

overhauled and replaced with new contract management arrangements resulting in significant annual recurring savings.

I note that the WAO report states that the overall value for money assessment for the programme is uncertain, but we should also recognise that by its nature the WAO review is a snapshot in time and the Programme itself still covers a very short time frame. These new buildings should be seen as long term investments and it is therefore very difficult to judge the overall value for money over a relatively short period of the total lifetime of those investments.

I hope that this gives the Committee a clear picture of how we are responding to this important report from the Wales Audit Office. I would be happy to expand on any particular point if that would be helpful and – of course – we would be delighted to welcome any members of the Committee to our new buildings if they have not been there already so that they can see for themselves the facilities which are in place and to give them the opportunity to talk to the staff and to hear at first hand their experience of the accommodation.

Yours,
Jenny



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