

## Cyngor Sir CEREDIGION County Council

<b>REPORT TO:</b>	<b>Governance and Audit Committee</b>
<b>DATE:</b>	<b>27 September 2022</b>
<b>LOCATION:</b>	Remotely by Video Conference
<b>TITLE:</b>	Regulator & Inspectorate Reports & Updates
<b>PURPOSE OF REPORT:</b>	To provide the Governance and Audit Committee with updates on the progress with studies Audit Wales have undertaken or are undertaking
<b>For:</b>	Decision

### Introduction

This Report sets out Regulator and Inspectorate Reports and updates and has 3 parts:

- a) Audit Wales quarterly update to Governance and Audit Committee*
- b) Any local risk work issued/published since the last Governance and Audit Committee meeting*
- c) Audit Wales National Reports*

### Current Position

#### **a) Audit Wales quarterly update to Governance and Audit Committee**

- Audit Wales – Ceredigion Audit Wales Q1 Work Programme Update  
(**Appendix 1**)

#### **b) Any local risk work issued/published since the last Governance and Audit Committee meeting**

- Audit Wales – Assurance and Risk Assessment Progress Update  
(**Appendix 2**)
- Audit Wales - Ceredigion County Council Springing Forward Strategic Asset Management Report  
(**Appendix 3**)
- Audit Wales Ceredigion Springing Forward Workforce Management Report  
(**Appendix 4**)

#### **c) Audit Wales National Reports**

- Audit Wales - The New Curriculum for Wales  
(**Appendix 5**)
- Audit Wales – WCCIS Letter to MS Chair PAPAC  
(**Appendix 6**)

- Public Sector Readiness for Net Zero Carbon by 2030  
(**Appendix 7**)
- Audit Wales – Unscheduled Care Project Brief  
(**Appendix 8**)
- Audit Wales – Consultation on Fee Scales 2023-24  
(**Appendix 9**)
- Audit Wales – AC324 - Letter to Mid and West Wales CJC  
(**Appendix 10**)
- Audit Wales – Corporate Joint Committee Project Brief  
(**Appendix 11**)
- Audit Wales – Ceredigion Planning Service Follow-up  
review Project Brief (**Appendix 12**)

**RECOMMENDATIONS:** To consider the Regulator and Inspectorate reports and updates

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**Reasons for Recommendation** To keep the Governance and Audit Committee informed of reports, proposals and work being undertaken

**Appendices:**

- Appendix 1** - Audit Wales Ceredigion Audit Wales Q1 Work Programme Update
- Appendix 2** – Audit Wales Assurance and Risk Assessment Progress Update
- Appendix 3** – Audit Wales - Ceredigion County Council Springing Forward Strategic Asset Management Report
- Appendix 4** – Audit Wales Ceredigion Springing Forward Workforce Management Report
- Appendix 5** – Audit Wales – The New Curriculum for Wales
- Appendix 6** - Audit Wales – WCCIS Letter to MS Chair PAPAC
- Appendix 7** – Audit Wales – Public Sector Readiness for Net Zero Carbon by 2030
- Appendix 8** – Audit Wales – Unscheduled Care Project Brief
- Appendix 9** – Audit Wales – Consultation on Fee Scales 2023-24
- Appendix 10** – Audit Wales – AC324 – Letter to Mid and West Wales CJC
- Appendix 11** – Audit Wales – Corporate Joint Committee Project Brief
- Appendix 12** – Audit Wales – Ceredigion Planning Service Follow-up review Project Brief

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**Designation:** Corporate Lead Officer: Legal & Governance & Monitoring  
Officer  
**Date of Report** 26/08/2022



## Audit Wales Work Programme and Timetable – Ceredigion Council

**Quarterly Update: 30 June 2022**

### Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2022	February 2022	Published February 2022: <a href="#">Ceredigion County Council 2021 - Annual Audit Summary</a>

### Financial Audit work

Description	Scope	Timetable	Status
<b>Audit of the Council's 2020-21 Grants and Returns</b>	Audit of claims as required by the terms and conditions of the grants.	In line with the individual deadlines for each grant claim.	Audit work complete – finalised April 2022.
<b>Audit of the Council's 2021-22 statement of accounts</b>	To confirm whether the statement of accounts provides a true and fair view.	Audit Opinion by 30 November 2022	Audit work to be performed February to November 2022.
<b>Audit of the 2021-22 Return for Ceredigion Harbour</b>	To confirm that the returns have been completed correctly.	Audit Opinion by 30 November 2022	Audit work to be performed February to November 2022.
<b>Audit of the Council's 2021-22 Grants and Returns</b>	Audit of claims as required by the terms and conditions of the grants.	In line with the individual deadlines for each grant claim.	Audit work to be performed November 2022 to February 2023

## Performance Audit work

2021-22 Performance audit work	Scope	Timetable	Status
<p><b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b></p>	<p>We will seek to integrate the delivery of our WFG examinations of steps to deliver wellbeing objectives with our other audit work. We will discuss this with the Council as we scope and deliver the audit projects listed in this plan</p>	<p>Ongoing</p>	<p>Ongoing</p>
<p><b>Improvement reporting audit</b></p>	<p>Audit of discharge of duty to publish an assessment of performance.</p>	<p>November 2021</p>	<p>Complete</p>
<p><b>Assurance and Risk Assessment</b></p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Ceredigion Council the project is likely to focus on:</p> <ul style="list-style-type: none"> <li>• Financial position</li> <li>• Self-assessment arrangements</li> <li>• Recovery planning</li> <li>• Implications of the Local Government and Elections (Wales) Act</li> <li>• Carbon reduction plans</li> <li>• Performance Management</li> </ul>	<p>Ongoing</p>	<p>Implications of the Local Government and Elections (Wales) Act, Self-assessment arrangements, Performance Management and Recovery Planning work already published in this <a href="#">Letter (May 2022)</a></p> <p>Carbon Reduction and Financial position work to be completed</p>

2021-22 Performance audit work	Scope	Timetable	Status
<b>Springing Forward – Examining the building blocks for a sustainable future</b>	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.	Completed	Reports completed and published (July 2022): <a href="#">Strategic Asset Management</a> <a href="#">Strategic Workforce Management</a>

2022-23 Performance audit work	Scope	Timetable	Status
<b>Assurance and Risk Assessment</b>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <p>The project is likely to focus in particular on:</p> <ul style="list-style-type: none"> <li>• Financial position</li> <li>• Capital programme management</li> <li>• Governance</li> <li>• Use of performance information – with a focus on service user feedback and outcomes</li> <li>• Setting of well-being objectives</li> </ul>	Ongoing	Ongoing
<b>Thematic Review – Unscheduled Care</b>	<p>A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>	July – December 2022	Scoping

2022-23 Performance audit work	Scope	Timetable	Status
<b>Thematic review – Digital</b>	This project will be scoped over the summer with further details of the specific focus of the review to be confirmed.	To be confirmed.	Scoping
<b>Local risk work: Planning review follow up</b>	To follow up the Council's progress in relation to addressing the recommendations in our Planning review published in November 2021. <a href="#">Ceredigion County Council - Review of the Planning Service (audit.wales)</a>	Autumn 2022	Scoping

## Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion Council
<b>Poverty</b>	Understanding how local authorities ensure they deliver their services to minimise or reduce poverty.	Autumn 2021 – Autumn 2022	Drawing Conclusions	Completed
<b>Social Enterprises</b>	Review of how local authorities are supporting and utilising social enterprises to deliver services	Autumn 2021 – Autumn 2022	Drawing conclusions	Completed
<b>Building Social Resilience and Self reliance</b>	Review of how local authorities can build greater resilience in communities	Autumn 2021 – Autumn 2022	Drawing conclusions	Completed

## Estyn

Estyn planned work 2022-23	Scope	Timetable	Status
<b>Local Government Education Services Inspections</b>	Estyn inspected Anglesey and Swansea local government education services during the summer term. The reports will be published in August and early September. The <u>Torfaen</u> report was published on 18 May. Estyn will be reviewing the inspection guidance to reflect a greater emphasis on socio-economic disadvantage and inequity and to make minor tweaks in response to feedback from inspections in 2021-22	Inspection guidance review – July. Published on website 1 September.	N/A
<b>Curriculum Reform thematic review</b>	The Welsh Government have also asked Estyn to review the school improvement services in south-west Wales.	Evidence collecting in June/July – published in September.	N/A

## Care Inspectorate Wales (CIW)

CIW planned work 2022-23	Scope	Timetable	Status
<b>Programme 2022-23</b>	CIW will continue to run its pilot cyclic programme of assurance checks, improvement checks and performance evaluation inspections.	April 2022 – March 2023	In progress
<b>Development</b>	<p>CIW will continue to develop its approach to inspection and review of local authorities.</p> <p>CIW will consult further regarding its approach.</p>	September 2022 – December 2022	In progress
<b>Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2021-22</b>	Following the publication of the 2020-21 report, planning is underway for the next report publication date to be confirmed.	Publication to be confirmed	Data collecting
<b>Annual meeting with Statutory Directors of Social Services</b>	CIW will meet with all Directors of Social Services	December 2022 and January 2023	Planning

CIW planned work 2022-23	Scope	Timetable	Status
<p><b>National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings</b></p>	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre proceedings' and the publication of the PLO working group report 2021 including best practice guidance.</p>	<p>September 2022</p>	<p>Planning</p>
<p><b>Joint Inspection Child Protection Arrangements</b></p>	<p>Cross-inspectorate approach. Area to be determined. We will complete a further four multi agency joint inspections.</p> <p>We will publish a national report in late 2023.</p>	<p>Autumn 2022-Spring 2023</p>	<p>Planning</p>
<p><b>Cafcass Assurance Check</b></p>	<p>CIW will continue to develop its approach to inspection and review of Cafcass Cymru. We will evaluate our approach and will consult on our revised approach in late 2022.</p> <p>Assurance check completed. Drafting letter. Due to be published August 2022</p>	<p>September – December 2022</p> <p>August 2022</p>	<p>Review</p> <p>Drafting</p>

## Audit Wales national reports and other outputs published since January 2022

Report title	Publication date and link to report
Tackling the Planned Care Backlog in Wales – and waiting times data tool	<a href="#">May 2022</a>
The new Curriculum for Wales	<a href="#">May 2022</a>
Unscheduled care – data tool and commentary	<a href="#">April 2022</a>
Direct Payments for Adult Social Care	<a href="#">April 2022</a>
Local Government Financial Sustainability data tool	<a href="#">February 2022</a>
Joint Working Between Emergency Services (including data tool)	<a href="#">January 2022</a>

## Audit Wales national reports and other outputs (work in progress/planned)<sup>1</sup>

Title	Anticipated publication date
NHS finances data tool update	July 2022
Welsh Community Care Information System  (Update for the Public Accounts and Public Administration Committee)	July 2022
COVID response and recovery/Welsh Government grants management – third sector support  (Briefing for the Public Accounts and Public Administration Committee)	July 2022
Climate change – baseline review <sup>2</sup>	July/August 2022
Sustainable Tourism in Wales’ National Parks <sup>3</sup>	July 2022
Welsh Government setting of well-being objectives	July 2022
Collaborative arrangements for managing local public health resources	July 2022

<sup>1</sup> We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for the Public Accounts and Public Administration Committee.

<sup>2</sup> An initial overview report followed by a more detailed evidence paper.

<sup>3</sup> Summary based on local audit work.

Title	Anticipated publication date
Welsh Government workforce	August 2022
Orthopaedic services	August/September 2022
Equality impact assessment	August/September 2022
Quality governance in the NHS	September 2022
Flood risk management	September 2022
Cyber resilience	October 2022
Digital inclusion/Broadband infrastructure	October 2022
National Fraud Initiative (summary report)	October 2022
Welsh Government accounts commentary	To be confirmed – plans for this work have been under review
COVID-19 response and recovery – business support	To be confirmed
Affordable housing	To be confirmed

## Good Practice Exchange resources

Title	Link to resource
Direct Payments Provision – A webinar discussing our report on Direct Payments Provision and how they can be a key part in implementing the principles of the Social Service and Well-Being (Wales) Act 2014	<a href="#">Direct Payments Provision webinar recording</a>
Responding to the Climate Emergency in Wales A webinar discussing emerging findings from our baseline review of public bodies' arrangements to respond to the Welsh Government's carbon reduction targets for 2030.	<a href="#">Responding to the Climate Emergency in Wales recording</a>
Covid Perspectives: A series of recorded conversations learning how organisations have adapted to the extended period of uncertainty following the initial covid emergency.	<a href="#">Good Practice   Audit Wales</a>

## Recent Audit Wales Blogs

Title	Publication date
<a href="#"><u>Direct Payments in Wales</u></a>	15 June 2022
<a href="#"><u>Unscheduled Care in Wales – a system under real pressure</u></a>	21 April 2022
<a href="#"><u>Skills Competition Wales</u></a>	18 February 2022
<a href="#"><u>Cyber resilience – one year on</u></a>	9 February 2022
<a href="#"><u>Helping to tell the story through numbers</u></a> (Local government financial sustainability data tool)	3 February 2022
<a href="#"><u>Call for clearer information on climate change spending</u></a>	2 February 2022
<a href="#"><u>Actions speak louder than words</u></a> (Building social resilience and self-reliance in citizens and communities)	14 January 2022

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**Reference:** 2997A2022

**Date issued:** May 2022

Annwyl Eifion

## Assurance and Risk Assessment progress update

Following on from our meeting with the Leadership Group earlier this year we said that we would more formally feedback on some specific aspects of our assurance and risk assessment work that we have undertaken. This letter provides a progress update on the Council's arrangements for:

1. recovering from the pandemic; and
2. performance management and responding to the requirements of the Local Government and Elections (Wales) Act 2021.

This work was undertaken as part of our 2021-22 Assurance and Risk Assessment (ARA) project to help discharge the Auditor General's duties<sup>1</sup>.

We recognise that the Council's recovery from the pandemic and its response to the Local Government and Elections (Wales) Act 2021 are ongoing. This feedback

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<sup>1</sup> These duties include under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act). It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Well-being of Future Generations (Wales) Act 2015.

provides a point in time assurance and risk progress update on the Council's arrangements in these areas.

## 1. Recovering from the pandemic

### What we did

Throughout the COVID-19 pandemic Audit Wales has continued to meet with the Council's key contacts on a regular basis to undertake assurance work on the Council's response to the pandemic and provide real-time feedback to the Council.

### What we found

The Council has continued to provide vital information, services and additional support to its communities during the pandemic. By establishing a critical incident command, it was able to take important decisions quickly. The Council's response to the pandemic is being managed over three phases these being, Phase 1 – Preparedness – Closing down of all non-essential services, Phase 2 – Implementation – Delivering services under lockdown conditions and the current Phase 3 – Adjustment and long-term resilience – establishing medium to long-term strategies that identify new working practices while ensuring that the Council's core vision and values are promoted.

In response to the pandemic's legal requirements to work from home, significant numbers of the Council's workforce and elected members quickly moved to agile working.

The pandemic has also accelerated the Council's plans for Agile working, with the Council introducing Hybrid working for staff, where appropriate. This way of working will facilitate a commitment for many services to continue to be delivered remotely for the long term. The pandemic has also promoted several positive operational and cultural changes such as, colleagues working together to deliver a joined-up response for citizens and strengthened relationships with partners and stakeholders.

## 2. Performance management and arrangements for responding to the Local Government and Elections (Wales) Act 2021

### What we did

We undertook our assessment of the Council's progress in responding to key requirements in the Local Government and Elections (Wales) Act 2021 between January and April 2022. The evidence was gathered through interviews and document reviews and drew on relevant findings from our other ongoing and recent work at the Council. Our work looked at the new performance management arrangements the Council is putting in place as well as arrangements it is putting in place to respond to the Local Government and Elections (Wales) Act 2021 (the 2021 Act). The work was not an assessment of the effectiveness of these arrangements.

### What we found

- **Arrangements for Performance Management**

The Council has refreshed its approach to Performance Management with a new business, planning and performance process launched during 2021-22. and has plans to develop them further going forward. The main areas of focus for its refreshed performance management arrangements are: ensuring that it supports the evidence gathering for the self-assessment requirements of the 2021 Act, a clearer focus on defining and distinguishing objectives, tasks and measures, integrating risk management into the arrangements, and developing robust and more granular reporting to support its decision making.

- **Arrangements for Self-Assessment and Panel Assessments**

The Council has an outline approach for undertaking its self-assessment required by the 2021 Act, which is based around key lines of enquiry. At the time of our work, the overall approach had generally been accepted by the Council's senior leadership, and was being worked up in more detail to be agreed by the Council's wider Leadership Group and Cabinet. The approach as outlined has several positive attributes including:

- engagement of both Members and Senior Officers to provide overview and challenge at key self-assessment milestones;
- integration with the existing performance management framework and related software to support annual business planning and performance reporting at the Council's Quarterly Performance Boards; and

- integrating the self-assessment output with the review and reporting of progress on delivering its Well-being Objectives.

The Council intends to produce a self-assessment output, with the first of these being published in January 2023. However, for subsequent years it plans to move the publication date to November each year.

The decisions for the arrangements and timing for the statutory Panel Assessment as required by the 2021 Act will be taken by the new administration after the May 2022 elections, however, the Council indicated that the panel assessment will likely take place in 2024.

- **Arrangement for the Consultation Duty and Participation Strategy**

Whilst the Council recognises the need to engage and consult on its self-assessment, it told us that its approach for this first year will be to use evidence from existing engagements and not to undertake a specific consultation on the self-assessment report. In taking this approach the Council should assure itself that it has fully discharged its consultation duty around self-assessments.

The Council is currently amending its Engagement Policy, which it stated will encompass both the approach to consultation on the self-assessment and its participation strategy. This work will be supported by the Council's newly established engagement team. Whilst at the time of our review the policy was at too early a stage of development to share, the Council intends to finalise this policy after the new administration is formed.

- **Arrangements for the changes to Governance and Audit Committees**

The Council's new Governance and Audit Committees (G&AC) composition has been approved by the Council and its Audit Committee and involves six Councillors and three Lay Members. Despite some early challenges with attracting suitable candidates, by the time of our review all three new Lay Members had been recruited and appointed. The Council was also intending to undertake training for the new Lay members prior to the May elections. The Council has told us that it is in the process of making all the required changes to its Constitution prompted by the new 2021 Act, and that further changes may be made in line with the WLGA model constitution.

- **Arrangements for establishing Corporate Joint Committees (CJCs)**

The Mid Wales CJC was established on 25 January 2022 in conjunction with the other statutory partners, Powys County Council, and the Brecon Beacons National Park Authority. Key statutory decisions were taken at this meeting, such as appointment to the governance structure and approval of the Budget.

The Mid Wales CJC has been organised around a sub-committee structure, with two of the three areas of responsibility, Regional Transport and Regional Development being discharged through the existing regional groups of Mid Wales Transportation (TraCC) and The Mid Wales Growth Board. The third area of responsibility 'Regional Planning' will require the establishing of a new sub-group to manage these responsibilities. The Council highlighted that this third area of responsibility as one that presents the most challenge, due in part to the different stages of development of the individual partners' Local Development Plans.

Resources to deliver the CJC responsibilities will be met from existing partner resources, other than for the appointment of a full-time project manager until April 2023.

The Council also expressed some concern over the current lack of clarity around the agreed legal status of the CJCs across Wales. With this posing a risk that monies that may potentially flow through the CJC could be subject to VAT and Corporation Tax. The Council is working with the WLGA to seek a solution to this.

- **Use of the General Power of Competence**

The Council told us that it has no immediate plans to use this power. However, this position will be reassessed once further guidance on the power has been received from the Welsh Government.

This letter forms part of the feedback on our Assurance and Risk Assessment work. We will also be reporting in due course on two further subject areas: carbon reduction and an update on financial sustainability. It is intended that the work on these two areas will be reported in Summer 2022.

I would like to take this opportunity to thank you and your officers for the ongoing support you provide to enable us to carry out our work. We look forward to continuing to work positively with you going forward.

Diolch yn fawr.

Yn gywir,

Non Jenkins  
**Audit Manager**

# Springing Forward – Strategic Asset Management – Ceredigion County Council

Audit year: 2021-22

Date issued: May 2022

Document reference: 2970A2022

This document has been prepared for the internal use of Ceredigion County Council as part of work performed/to be performed in accordance with Section 17 of the Public Audit (Wales) Act 2004, and Section 15 of the Well-being of Future Generations Act (Wales) 2015].

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

# Summary report

The Council's strategic approach to managing its assets is improving and the pandemic has accelerated plans for how it will use its key assets to deliver its priorities. The Council recognises there are areas where its approach could be strengthened.

## Summary report

Summary 4

## Detailed report

The Council's strategic approach to managing its assets is improving and the pandemic has accelerated plans for how it will use its key assets to deliver its priorities. The Council recognises there are areas where its approach could be strengthened 7

The Council has several initiatives that are shaping the use of its current and future assets, which have in part been accelerated by the pandemic 7

The Council has arrangements for asset planning, monitoring and governance that take account of long-term need, and supply, and recognise that there are areas where this could be strengthened 9

The Council's financial stability and ability to regularly attract funding will continue to support its ambitions for its assets, and it is aware that the costs of maintaining its assets and projected budget deficits remain key risks 11

There are several examples of where the Council has or is planning to work with partners to make better use of its asset portfolio to support the delivery of its corporate priorities and well-being objectives 12

The Council has made use of available workforce benchmarking and learning to support specific asset decisions and recognises it needs to further strengthen these areas 13

# Summary report

## Summary

### What we reviewed and why

- 1 As the world moves forward, learning from the global pandemic, this review has looked at how the Council is strengthening its ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We reviewed the Council's arrangements for managing its Assets. For Assets, our focus has been on the challenges and opportunities that have been exacerbated and accelerated by the pandemic.
- 3 We looked at how the Council strategically plans to use its Assets, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements.
- 4 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 5 This project had three main aims:
  - to gain assurance that the Council is putting in place arrangements to transform, adapt and maintain the delivery of services;
  - to explain the actions that the Council is taking both individually and in partnership to strengthen its arrangements as well as further embed the sustainable development principle; and
  - to inspire the Council and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 6 As of October 2020 (excluding land assets), Ceredigion County Council had the following asset portfolio.

#### Exhibit 1: asset portfolio

Vacant Properties	19
General Properties	95

Schools	45
Leasehold Property	40
Miscellaneous	4
Total	203

- 7 The Council has a current conditions survey (2019) which covers approximately 30% of its asset portfolio.
- 8 We undertook the review during the period January 2022 to March 2022.

## What we found

- 9 Our review sought to answer the question: Is the Council’s strategic approach to its assets strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?
- 10 We have concluded that the Council’s strategic approach to managing its assets is improving and the pandemic has accelerated plans for how it will use its key assets to deliver its priorities. The Council recognises there are areas where its approach could be strengthened.
- 11 We reached this conclusion because:
  - the Council has several initiatives that are shaping the use of its current and future assets, which have in part been accelerated by the pandemic;
  - the Council has arrangements for asset planning, monitoring and governance that take account of long-term need, and supply, and recognise that there are areas where this could be strengthened;
  - the Council’s financial stability and ability to regularly attract funding will continue to support its ambitions for its assets, and it is aware that the costs of maintaining its assets and projected budget deficits remain key risks;
  - there are several examples of where the Council has or is planning to work with partners to make better use of its asset portfolio to support the delivery of its corporate priorities and well-being objectives; and
  - the Council has made use of available workforce benchmarking and learning to support specific asset decisions and recognises it needs to further strengthen these areas.

## Recommendations

### Exhibit 2: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
<b>R1</b>	<b>Early engagement on key changes to asset use</b> The Council should ensure that it undertakes early engagement with Council Members, the wider Leadership Group, citizens and other stakeholders on the impact that key changes within its Hybrid Working Strategy will have on some of the Council's key assets, such as the offices at Penmorfa and the future plans for how citizens will access services.
<b>R2</b>	<b>Workforce vision and planning</b> The Council's processes around its asset planning, monitoring and governance could be strengthened by: <ul style="list-style-type: none"><li>• refreshing its 2018 Service and Corporate Asset Management Plans, ensuring that these reflect the current strategic long-term vision for assets and that they are integrated into business planning;</li><li>• developing robust plans to manage the risks identified by the 2019 condition survey; and</li><li>• clearly articulating how it is using the Sustainable Development principle to shape future asset-focused strategies and plans.</li></ul>
<b>R3</b>	<b>Benchmarking</b> The Council should develop and use further benchmarking data to: <ul style="list-style-type: none"><li>• more routinely support the development of its Corporate and Service Asset Management plan; and</li><li>• strengthen its business planning and self-assessment arrangements.</li></ul>

# Detailed report

**The Council's strategic approach to managing its assets is improving and the pandemic has accelerated plans for how it will use its key assets to deliver its priorities. The Council recognises there are areas where its approach could be strengthened**

**The Council has several initiatives that are shaping the use of its current and future assets, which have in part been accelerated by the pandemic**

- 12 To coordinate its response to the pandemic, the Council established a Critical Incident Command structure. This structure facilitated how the Council's assets and those of some of its partners, such as Registered Social Landlords and private care homes, could help to respond to the pandemic, such as: repurposing leisure centres into field hospitals, setting up temporary morgue facilities and testing/vaccination centres.
- 13 Also, in response to the pandemic's legal requirements to work from home, significant numbers of the Council's workforce moved to agile working, with many key services being available within 48 hours of this decision. Whilst agile working was an existing objective within the Council's Workforce Plan, the pandemic accelerated this change.
- 14 As a result, and to manage the significant changes to how the Council makes use of its assets and workforce – both now and in the future – it established a Way we Work Project – now called the New Ways of Working project. Through extensive consultation with staff, the New Ways of Working project has developed a Hybrid Working Strategy. The Council is developing the way it will deliver the ambitions for hybrid working through projects that include:
  - the future footprint of the workspace with the immediate focus of this being on the modifications planned for the main Council building in Aberaeron;
  - designing Hub working environments for staff and Members;
  - the right digital platforms to support these changes;
  - work to support a better customer experience and how customers/citizens can continue to access the services they need, such as the proposals for digitally enabled virtual meeting spaces in the Council's main libraries;
  - changes to Human Resources policies and procedures to reflect the new hybrid landscape; and
  - virtual learning and improved electronic Human Resources software to support staff and managers in the new agile environment.

- 15 Whilst key deliverables within the Council's Hybrid Working Strategy are still being developed, it will be important for the Council to engage early with Members, the wider Leadership Group, citizens and other stakeholders on the impact that the related changes will have on some of the Council's key assets such as the offices at Penmorfa, and how citizens will access services in the future.
- 16 The Council told us that using assets for different purposes during the pandemic has resulted in a shift in attitudes to how assets might be utilised in the future to support the delivery of its priorities. There are several examples of how the Council plans to use its assets to deliver its priorities and whilst some of these have been accelerated by the pandemic others were already being planned, including:
- the use of surplus space, due to increased agile working, in the Council offices at Penmorfa for an assisted living training and demonstration venue.
  - repurposing leisure centres into Well-Being Centres, which will offer multidisciplinary through age services, with the first of these being in Lampeter.
  - the investment in low carbon solutions and renewable technology assets as part of its Carbon Management and Net Zero 2030 Plans.
  - the new Community Housing scheme – using a shared equity scheme and offering Council-owned land to support the development of community housing and self-build projects for local younger people. This is aimed at redressing the migration of younger people out of Ceredigion over the longer term.
  - supporting the regeneration of town centres such as Lampeter, through acquiring key properties and repurposing them for commercial and residential use.
  - current discussions with the Welsh Government and the Health Board around options for a shared use of their assets in the Aberystwyth area.
- 17 The Council is aware of several risks that may impact on its ability to deliver its future ambition around the use of its assets including:
- the cost of maintaining the Council's current property portfolio. The Council's most recent 2019 condition survey, which covered 30% of its total asset portfolio, identified over £45 million of maintenance costs over the next ten years. The Council is currently developing a plan to respond to this.
  - the impact that the pandemic has had on the Council's ability to raise rents from its commercial portfolio, given many businesses have been struggling to pay rent during the pandemic and are now looking for significant rent reductions. This has been exacerbated by the significant increase in people shopping online. To address this, the Council has been investing in measures to encourage visitors to start to return to towns such as Aberystwyth.
  - climate change represents a significant risk for the Council's Asset portfolio. The Council's recent declaration of a climate emergency, and that Climate

Change is included in its Corporate Risk Register, highlights its commitment to addressing its long-term decarbonisation challenges.

## **The Council has arrangements for asset planning, monitoring and governance that take account of long-term need, and supply, and recognise that there are areas where this could be strengthened**

- 18 The Council has clearly articulated its approach to how it is using the Sustainable Development Principle to support the delivery of its own and its partners' priorities. There are also several examples of where decisions around its assets support this approach and more recent plans, such as the Community Housing Scheme, more clearly demonstrate how it is using the sustainable development principle to deliver better outcomes around community housing. However, ensuring that it is using the sustainable development principle to support the delivery of future asset-focused strategies and plans would strengthen its asset management arrangements going forward.
- 19 As a result of a review of the Council's approach to assets by its Corporate Resources and Overview and Scrutiny committee in 2020, the Council made changes to the way it monitors and manages its asset disposal and acquisitions. In March 2020, it approved a Draft Corporate Asset Development Policy. This policy outlines an updated governance framework for assets which includes a Development Group comprised of senior Members and Officers and its sub working group, the Asset Development Panel.
- 20 This Development Group and related panel have responsibility for challenging and assessing changes to the Council's assets, including, development, disposal, leasing, reuse and acquisitions. The Development Group makes recommendations for acquisition or disposal to the Cabinet and Council for final decisions. Whilst the Development Group has responsibility for developing a strategic view on assets, the Council recognises that this element of its responsibilities is not fully optimised and work on this aspect continues to develop.
- 21 The initial stage of the Council's asset development process invites expressions of interest from Officers and Members for alternative use of assets that are surplus to requirement. This approach provides a framework that should continue to ensure assets are considered by the Council in a strategic and integrated way.
- 22 Whilst the Development Group and Asset Development Panel are the primary ways in which the Council manages its assets, it also has several other forums and groups that support its planning, monitoring and governance of asset management, such as its:
  - Capital Monitoring Group – focused on agreeing and monitoring the finances around the Council's capital programme.

- Cross Party Transformation and Efficiency Consultative Group, which facilitates early dialogue on emerging plans for transformation projects, including assets and receives feedback on their progress.
  - Climate Change Group – for developing and implementing actions for Carbon Management and Net Zero 2030 ambitions.
  - the Corporate Project Management Group. A cross service group focused on delivering successful large scale development projects and which provides an initial assessment for proposed decisions on key projects.
  - and others, including: the Quarterly Performance Boards, Cabinet and its Overview and Scrutiny committees.
- 23 The Council has a Corporate Property Asset Management Plan 2018 which articulates its strategic approach to asset management. In 2018-19 the Council also used Service Asset Management Plans to support the development of the Corporate Asset Management Plan. Whilst the pandemic has impacted on the Council's intention to update these plans, refreshing both its Service and Corporate Asset Management Plans will enable asset planning to better reflect the current landscape, future strategic asset vision and for these to be integrated into its annual business planning.
- 24 The coordination and management of assets and estates are the responsibility of the Council's Economy and Regeneration Service. However, whilst planning for assets is set within a strategic framework, it is initiated by individual services identifying how current assets might be disposed of or acquired to support the delivery of services and ultimately corporate priorities.
- 25 In planning for its assets there are several positive examples of where the Council is using its analysis of need, and condition of its assets to help shape its decisions on their use. Such as:
- using its understanding of the condition of its leisure centres to support the business case to repurpose them into Well-being Centres.
  - undertaking a detailed needs assessment to determine the location of the first wellbeing centre in Lampeter.
  - commissioning the 2019 property condition survey, which covered approximately 30% of the corporate assets. The Council is currently developing a ten-year strategy to consider how the results of the condition survey undertaken by Faithful & Gould can be effectively managed and how this may impact the asset portfolio over the longer term.
  - undertaking detailed needs analysis work as part of the Through Age Well-being Model, resulting in greater consideration of delivering services locally through community assets.
- 26 To support the Council's decision making it has developed an Integrated Impact Assessment. This assessment requires all key decisions and policies to be considered in the light of their impact on the Council's key statutory obligations such as: the Well-being of Future Generations Act; the Socio-Economic Duty and Equality Duty.

- 27 Whilst much of the Council's planning is aligned to local government election cycles or external funding commitments, many of the initiatives contained within these plans are focused on delivering change over a much longer time horizon. However, there are also several examples of where the Council is considering long-term risks and planning for opportunities in its use of assets to support its priorities. Some examples of this include:
- the risk analysis and asset-based initiatives underpinning Boosting Ceredigion's Economy A Strategy for Action 2020-2035;
  - the various renewable, carbon reducing projects outlined in its 2018-2029 Carbon Management Plan and Net Zero by 2030 Plan; and
  - the development of leisure centres into Well-being Centres to focus resources at early intervention and prevention to improve wellbeing over the longer term.

## **The Council's financial stability and ability to regularly attract funding will continue to support its ambitions for its assets, and it is aware that the costs of maintaining its assets and projected budget deficits remain key risks**

- 28 As previously mentioned, the Council's 2019 conditions survey, undertaken across approximately 30% of the Council's asset portfolio, has identified nearly £45 million of maintenance costs over a ten-year period. This significant cost requirement and the unknown condition of the remaining portfolio represent an ongoing financial risk. To manage this risk, the Council is developing a ten-year action plan which will identify options for the future asset portfolio.
- 29 Our Audit Wales recent Financial Sustainability report<sup>1</sup> (June 2021) highlights that overall – 'The Council remains financially stable and is focussed on future challenges and [that] the Council has a good track record of meeting its overall annual budget although there continues to be significant overspends in Social Care. The Council has a good track record of meeting savings targets, however, delivering the required savings will be more challenging going forward specifically in relation the savings in social care.'
- 30 The Council's latest Medium Term Financial Plan 2021-2025 highlights that the Council is required to save at least £15 million by March 2025 although it also notes there are no savings required for 2022-23.
- 31 The Council's Capital Strategy for 2021-2025 highlights several asset-focused projects including several significant projects such as: the 21st Century schools (band B) programme; and coastal erosion project. However, the Council has told us that both the capital investment in its coastal defences and the requirement to

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<sup>1</sup> Audit Wales, [Ceredigion County Council – Financial Sustainability Assessment](#), June 2021

maintain its seven care homes continue to represent specific risks to its future capital programme.

- 32 The Council has also prioritised its investment in several decarbonisation schemes including: installing photovoltaics on Council assets; replacing original lighting with light-emitting diodes; and the roll out of electric vehicle charging.
- 33 The Council has a good track record of attracting regional and national funding, which has supported its priorities around the use of its assets including: funding from the Welsh Government to transform Lampeter Leisure Centre into its first Wellbeing Centre; and successful bids from the UK Government's Community Renewal Fund and Levelling Up Fund. In addition to these are the potential projects that will germinate as part of the Growing Mid Wales Agreement.

### **There are several examples of where the Council has or is planning to work with partners to make better use of its asset portfolio to support the delivery of its corporate priorities and well-being objectives**

- 34 The Council participates in several strategic partnerships to support its approach to managing its assets. such as:
- the work with Powys Council on the ambition for the Growing Mid Wales Board around the economy, skills/learning and energy.
  - Ceredigion Public Service Board. On projects such as the decarbonisation of the Aberystwyth area.
  - the recently established Mid-Wales Corporate Joint Committee which has regional responsibilities for transport, development planning, and economic development.
  - proposed discussions with partners such as the Welsh Government, Health Board, other Council services, housing associations and the University, to understand their asset needs and to look at repurposing assets across the public sector family.
- 35 In addition to these strategic partnerships, the Council is engaged in several other collaborations and partnering activities to support its asset decisions, ranging from Membership of asset-related best practice and data sharing groups to specific initiatives such as working with the Police and third sector in the development of the Well-being Centre in Lampeter. As the Council continues to develop its approach to collaboration around its assets, it will have further opportunities to use the Sustainable Development Principle to maximise these opportunities and the benefits it could derive from them.

## **The Council has made use of available workforce benchmarking and learning to support specific asset decisions and recognises it needs to further strengthen these areas**

- 36 The Council's Annual Report 2020-21 (Annual Review of Performance and Well-being Objectives) references that due to the COVID-19 pandemic, the reporting of the Performance Accountability Measures (PAMs) was suspended, for all councils, for the 2020-21 year. Also, there are very few asset-related PAMs that have been reported in prior years.
- 37 However, there are examples of Council benchmarking which had been undertaken to support particular strategies and projects. For example, the rationale for the proposed actions within the Council's Community Housing Plan initiative, was based on a mix of national and local benchmarking data such as – Housing affordability and average earnings, amongst other metrics.
- 38 The Council no longer captures performance data within its Asset Manager software as this is no longer requested by the Consortium of Local Authorities in Wales (CLAW). However, more routine use of benchmarking data to support the development of its Corporate and Service Asset Management plan would help to strengthen its business planning and self-assessment arrangements.
- 39 Some of the examples where the Council has used evaluation and learning to help shape its approach to how it uses its assets include:
- the development of its Draft Hybrid Working Strategy, which will have a significant impact on the future use of the Council's offices, was extensively consulted on with staff and this learning is shaping the development of the evolving approach.
  - Boosting Ceredigion's Economy – A Strategy for Action 2020-2035 has been developed through detailed consultation, where the results of this learning have been used to identify priorities and shape the strategy.
  - the consultation on its COVID Safe Zones in several key towns and the Use of Space assessment for the Aberystwyth promenade. The Council has told us that both are now helping to shape the future use of space in its town centres.
  - the work undertaken by the Council's Corporate Resources Overview and Scrutiny Committee to consider how assets were acquired and disposed of across the Council resulted in an updated approach to asset management and the establishment of the Council's Asset Development Panel.



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# Springing Forward – Strategic Workforce Management – Ceredigion County Council

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# Summary report

## Summary

### What we reviewed and why

- 1 As the world moves forward, learning from the global pandemic, this review has looked at how the Council is strengthening its ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We reviewed the Council's strategic arrangements for managing its workforce. For the workforce, our focus has been on the challenges and opportunities that have been exacerbated and accelerated by the pandemic.
- 3 We looked at how the Council strategically plans to use its workforce, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements.
- 4 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015, we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 5 This project had three main aims:
  - to gain assurance that the Council is putting in place arrangements to transform, adapt and maintain the delivery of services;
  - to explain the actions that the Council is taking both individually and in partnership to strengthen its arrangements as well as further embed the sustainable development principle; and
  - to inspire the Council and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 6 This is important because Ceredigion County Council has the following workforce profile:
  - 66% of the workforce are female and 34% male.
  - 57% of the workforce are over the age of 44. The largest single group within this percentage is in the 45-54 years-old category, which represents 28% of the workforce.
  - nearly 18% of its leavers are in the 16-24 years-old category.
  - 2.2% declare that they have a disability whilst 31.1% preferred not to say.

- 76.9% chose 'White' as their ethnicity, followed by 'Other ethnic group' (0.4%), 'Black/African/Caribbean' (0.2%), 'Mixed ethnicity' (0.2%), and 'Asian' (0.2%). 22% of the workforce chose 'prefer not to say'.

7 We undertook the review during the period January 2022 to March 2022.

## What we found

8 Our review sought to answer the question: Is the Council's strategic approach to workforce strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?

9 We have concluded that the Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks.

10 We reached this conclusion because:

- the pandemic has accelerated the move to new ways of working and promoted positive operational and cultural changes within the Council. Continuing to embed these will help it to manage its known workforce risks and support the delivery of its priorities.
- the Council has well developed plans, monitoring, review and improvement arrangements for its workforce.
- whilst the Council is financially stable, it is aware that projected future efficiency savings represent an ongoing challenge to investing in and continuing to deliver its transformation ambitions at pace.
- the workforce arrangements put in place by the Council to deal with the pandemic have helped to strengthen existing partnerships and promoted further improvements in joint working across key service areas.
- the Council has made use of available workforce benchmarking and learning to support specific workforce decisions and recognises it needs to further strengthen these areas.

## Recommendations

### Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
<b>R1</b>	<b>Workforce vision and planning</b> The Council's workforce vision, planning and monitoring could be strengthened by: <ul style="list-style-type: none"><li>• refreshing its corporate workforce vision;</li><li>• having a clearer integration with its tier one annual Business Planning process;</li><li>• an annual review of its strategic workforce plans;</li><li>• developing a more comprehensive picture of workforce skills and competencies;</li><li>• more clearly demonstrating how it consistently uses the sustainable development principle to support the delivery of its workforce planning; and</li><li>• developing specific targets and timescales for its Hybrid Working Strategy success measures.</li></ul>
<b>R2</b>	<b>Benchmarking</b> The Council should undertake more routine workforce benchmarking to strengthen its business planning and self-assessment arrangements.

# Detailed report

The Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks

**The pandemic has accelerated the move to new ways of working and promoted positive operational and cultural changes within the Council. Continuing to embed these will help it to manage its known workforce risks and support the delivery of its priorities**

- 11 During 2020-21, the Council established a critical incident command structure, this structure facilitated how the Council made the best use of its workforce and assets to respond to the pandemic and to keep people safe.
- 12 Also, in response to the pandemic's legal requirements to work from home, significant numbers of the Council workforce moved to agile working, with many key services being available within 48 hours of this decision. Whilst agile working was an existing objective within the Council's Workforce Plan, the pandemic accelerated this change.
- 13 As a result, and to manage the significant changes to how the Council makes use of its assets and workforce – both now and in the future – it established a Way we Work Project – now called the New Ways of Working Project. Through extensive consultation with staff, the New Ways of Working project has developed a Hybrid Working Strategy. The Council is developing the way it will deliver the ambitions for hybrid working including projects to consider:
  - the future footprint of the workspace with the immediate focus of this being on the modifications planned for the main Council building in Aberaeron;
  - designing Hub working environments for staff and Council Members;
  - the right digital platforms to support these changes;
  - work to support a better customer experience and how customers/citizens can continue to access the services they need, such as the proposals for digitally enabled virtual meeting spaces in the Council's main libraries;
  - changes to Human Resources policies and procedures to reflect the new hybrid landscape; and
  - virtual learning and improved electronic Human Resources software to support staff and managers in the new agile environment.

- 14 The way in which the Council has and is planning to use its workforce has become more integrated between and within services. This has been helped by the changes to job descriptions to allow greater flexibility for staff to move between roles. This flexibility is an important principle for the transformation being undertaken across adult and children services in the new Through Age Wellbeing Model.
- 15 The Council has told us that the pandemic has also seen a change in the culture of volunteering and flexible working, with very positive responses to recent volunteering campaigns and staff supportive of being redeployed to support other services if needed.
- 16 Other workforce changes brought about by the pandemic have included:
- the acceleration of IT skills across all levels of staff;
  - a legacy of skilled staff from the Ceredigion Track, Trace and Protect team;
  - the appointment of a health professional as a Health and Wellbeing Manager; and
  - mapping community services and continuing to support community groups that were established during the pandemic.
- 17 The Council's single biggest impact on its current and future workforce will be the embedding of its Through Age Wellbeing Model. This transformation programme around social care (adults and children) has and will continue to look at new ways of working, rebalancing its services to shift need from the high-cost intensive services to lower-cost early intervention preventative investment. In doing so, it is expected that this will have a significant positive impact on service users' personal resilience and wellbeing, as well as ensuring that these services are financially sustainable for the future. The pandemic has been a catalyst for an increased speed of change to this new model.
- 18 The Council is aware of several key workforce risks and is managing these to ensure that it can deliver on its priorities, these include:
- the changed needs of citizens as a result of the pandemic and how this changed landscape might impact the workforce planning for the Through Age Wellbeing Model;
  - capacity to concurrently support major corporate changes;
  - sickness absence increases because of COVID-19 and longer-term conditions due to 'long COVID';
  - the ability to recruit and retain staff within the social care sector. The Council told us that some Through Age Wellbeing teams have a vacancy rate of 30%, and that it is already taking steps to try and mitigate this risk. For example: through working with Aberystwyth University to develop training for social care, developing their own staff by increasing the number of social care apprenticeships and by staff working co-operatively and flexibly across the Through Age Wellbeing Model.

## **The Council has well developed plans, monitoring, review and improvement arrangements for its workforce**

- 19 The Council has well developed planning, monitoring and governance arrangements for its workforce which have been supported by:
- undertaking a detailed workforce assessment in 2017, based on current and future requirements, using a Strategic Workforce Development Toolkit;
  - having a Strategic Workforce Plan 2017-2020 which is aligned to the corporate priorities and includes a detailed action plan;
  - ensuring that workforce planning is a primary business planning objective within the key transformative services;
  - workforce planning progress updates presented to the Corporate Resources Committee in October 2019;
  - key workforce objectives and metrics regularly monitored and challenged at the Council's Quarterly Performance Boards;
  - the Council's 2017-2022 Corporate Strategy identifying Workforce Planning as one of the key strategies for delivering the Council's priorities;
  - specific work undertaken as part of the Through Age Wellbeing Model to align citizen need and future workforce models;
  - using data to help shape workforce changes such as in the development of a centralised customer contact service; and
  - developing a Health and Wellbeing Strategy 2021-2027 as a direct response to its staff Health and Wellbeing Survey undertaken in November 2020.
- 20 To support the Council's decision making it has developed an Integrated Impact Assessment. This assessment requires all key decisions and policies to be considered in the light of their impact on the Council's key statutory obligations such as: the Well-being of Future Generations Act, the Socio-Economic Duty and Equality Duty.
- 21 The Council is working to further improve its workforce planning by ensuring that the next iteration of its Strategic Workforce Development tool and the resultant Strategic Workforce Plan:
- reflects the changed environment since it was last completed in 2017;
  - has a clearer integration with the tier one annual Business Planning process;
  - is reviewed at least on an annual basis;
  - builds a more comprehensive picture of skills and competencies;
  - more clearly demonstrates how it consistently uses the sustainable development principle to support the delivery of these future strategies; and
  - reflects any changes to the vision for its workforce since 2017.

- 22 The Council's Draft Hybrid Working strategy has identified several high-level metrics that will be used to measure its success. It will be important for these to have specific targets and be monitored as part of the Council's current performance planning process.
- 23 The timeframes for the Council's strategic review of its workforce planning align with local election cycles. However, many of the transformative changes within the workforce related plans are focused on addressing systemic issues over a much longer time horizon. For example: the Through Age Wellbeing Model which is transforming the Council's workforce in this area, to deal with longer-term need.

**Whilst the Council is financially stable, it is aware that projected future efficiency savings represent an ongoing challenge to investing in and continuing to deliver its transformation ambitions at pace**

- 24 Our Financial Sustainability report (June 2021)<sup>1</sup> highlights that overall – ‘The Council remains financially stable and is focussed on future challenges and [that] the Council has a good track record of meeting its overall annual budget although there continues to be significant overspends in Social Care. The Council has a good track record of meeting savings targets, however, delivering the required savings will be more challenging going forward specifically in relation the savings in social care.’
- 25 The Council's latest Medium Term Financial Plan 2021-22 to 2024-25 highlights that:
- the Council is required to save at least £15 million by March 2025; and
  - there are some financial risks related to the cost of the Council's workforce, such as pension cost pressures, that are likely to continue due to people living longer, mitigated in some part by new regulations requiring higher pension contributions from employees.
- 26 Whilst there is clear member support for delivering the Through Age Wellbeing Model ambitions, the Council recognises the scale and pace of the significant cost savings required to fund this new approach and other challenges such as:
- the changing needs of the population due to the pandemic – the impact of this is still being evaluated;
  - the requirement to continue to fund care for existing citizens under the old approach whilst still having to reallocate monies to early intervention and prevention during the transition period of the model;
  - factors outside of the Council's control such as the trend for an aging population relocating to Ceredigion; and

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<sup>1</sup> Audit Wales, [Ceredigion County Council – Financial Sustainability Assessment](#), June 2021

- recruiting skilled social care staff to service the new approach.

## **The workforce arrangements put in place by the Council to deal with the pandemic have helped to strengthen existing partnerships and promoted further improvements in joint working across key service areas**

- 27 The Council told us that the collaborative public sector response to the pandemic has strengthened some existing relationships, such as those with the Health Board, Registered Social Landlords and Private Care homes.
- 28 At the heart of the Council's Through Age Wellbeing Model is the use of collaborative and co-productive principles, whilst working collaboratively across the internal teams, Health Sector, Third Sector and with other external partners. These include the planned collaboration with other bodies and groups around the development of the Lampeter well-being centre. It is also working with local micro businesses to support the delivery of specific support and thereby promoting a wider positive economic impact.
- 29 There are also several other examples of where the Council is engaged in partnerships and collaborations which impact its workforce planning including:
- its leadership of the Joint Learning and Training Working Group under the West Wales Care Partnership;
  - engagement with Aberystwyth University to develop modules for social care and the relationship with the Business School to offer third-year business-degree students work placements;
  - establishing the Mid-Wales Education Partnership with Powys Council to replace the Education in Regional Working (ERW) consortia, focusing on shared resource around school improvement;
  - working with Powys Council and other partners on the Mid Wales Growth Deal and establishing the Mid Wales Growth Board; and
  - the recently established Mid Wales Corporate Joint Committee with Powys Council and the Brecon Beacons National Park. This Committee will need to make use of a collaborative workforce to deliver its regional transport, development, economic and energy plans.

## **The Council has made use of available workforce benchmarking and learning to support specific workforce decisions and recognises it needs to further strengthen these areas**

- 30 The Council's Annual Report 2020-2021 – Annual Review of Performance and Well-being Objectives – referenced, in its 'Benchmarking Our Performance' section, that due to the COVID-19 pandemic, the reporting of the Performance

Accountability Measures (PAMs) was suspended, for all councils, for the 2020-21 year. Therefore, only a small number of PAMs were collected by the Council during the year. One of these included a Human Resources metric around sickness absence:

- 31 Where the Council had examples of recent benchmarking these tended to be for specific exercises such as salary benchmarking for Social Workers and the Chief Executive.
- 32 The Council's report to the Corporate Resources Oversight and Scrutiny Committee in January 2022 included benchmarking of specific Human Resources metrics between services and several other Human Resources metrics.
- 33 There is currently limited routine workforce benchmarking undertaken by the Council's People and Organisation Service. One of the reasons cited for this was that previous attempts to benchmark had proven difficult due to differences in workforce structures between organisations. Whilst there are always challenges with comparability, having a more routine approach to benchmarking would strengthen its business planning and self-assessment arrangements.
- 34 The evaluation of the Council's workforce Health & Well-Being surveys for 2020 resulted in the development of the new Health & Well-Being Strategy 2021-2026. The Council also plans to evaluate the progress being made against this Strategy and its respective performance measures at the end of 2022-2023.
- 35 There has been significant engagement activity with staff around the Hybrid Working Strategy, with over 74% of staff working from home having engaged in one of the engagement activities. This engagement and learning have helped the Council to shape its Hybrid working approach.
- 36 The Council's Quarterly Performance Boards are also an opportunity for it to learn lessons. Corporate Lead Officers and Members have the opportunity to challenge and suggest changes to address any issues with progress against key objectives and measures.
- 37 The Council has also told us that it uses its appraisal process as a key tool for learning. This process is used to provide evidence of what is and is not working across its services, with this information then being used to support improvement.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

# The new Curriculum for Wales

Report of the Auditor General for Wales

May 2022



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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# Key messages

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## Context

- 1 The Welsh Government has been undertaking a programme of major education reform over the past decade or so. The reform programme features prominently in the current Programme for Government. One of the Welsh Government's wellbeing objectives is to 'Continue our long-term programme of education reform, and ensure educational inequalities narrow and standards rise'<sup>1</sup>.
- 2 These changes have led to a new Curriculum for Wales (the curriculum) that will be implemented in phases from September 2022. The curriculum will be a significant departure from the previous one by allowing each school flexibility to develop its own curriculum according to local needs, although within certain parameters. The new curriculum is for 3-16 year olds. It replaces the Foundation Phase (3-7 year olds) and the Curriculum for Wales for key stages 2-4 introduced in 2008. Unlike the previous curriculum, it extends to special schools and pupil referral units. In this report, we generally include these other settings within our use of the term 'schools'.
- 3 This report looks at the Welsh Government's management of the planning and implementation of the new curriculum. The new curriculum has been in development since 2015 and action plans and the timetable have changed since then. Our aim was to provide assurance that implementation is on track in the context of the revised plans announced in July 2021. Following earlier changes to the timetable in 2017, the Welsh Government announced in July 2021 that implementation of the curriculum will still start in all years of primary schools from September 2022. However, it will now be optional for year 7 in secondary schools, special schools and pupil referral units before becoming mandatory for years 7 and 8 and other settings from September 2023.
- 4 **Appendix 1** sets out our audit approach and methods. **Appendix 2** shows a timeline of key events relating to curriculum reform.

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1 Welsh Government, Programme for Government – Update, December 2021

## Overall conclusion

- 5 The Welsh Government worked well with the education profession to co-design the new curriculum. While the Welsh Government had a challenging programme of legislation and other work leading up to September 2022, much of this is completed. However, the pandemic has affected the timetable and schools' ability to prepare.
- 6 The Welsh Government did not assess the likely costs when it started the journey of curriculum reform. Estimates provided to support more recent legislative scrutiny were limited, preventing a full assessment of value for money. We recognise it is difficult to accurately quantify the cost of curriculum reform. However, current budgets suggest that direct expenditure may be at the high end of, or more than, the Welsh Government's 2021 estimates. There will be significant opportunity costs to schools until at least March 2026.
- 7 The Welsh Government is alert to some key risks and will need to continue to manage these to ensure the new curriculum realises its anticipated benefits.

## Key findings

- 8 The Welsh Government did not assess the direct or opportunity costs when it began to develop the new curriculum. It later estimated its sunk costs, and those of schools and others involved in developing the curriculum, in the regulatory impact assessment published alongside the Curriculum and Assessment (Wales) Bill in July 2020 and later updated. Its best estimate was that developing the new curriculum cost £159 million between 2015-16 and 2020-21, although it recognised this total does not include some costs.
- 9 The Welsh Government anticipated future direct costs of £198.5 million (ranging from £184 million to £213 million) between 2021-22 and 2030-31. Schools also face substantial opportunity costs, estimated at around nine times their direct costs. Recent Welsh Government budget papers suggest that spending related to curriculum reform is likely to be at the high end of, or more than, the Welsh Government's April 2021 estimates.
- 10 The Welsh Government and regional education consortia worked well with schools to co-design the new curriculum and identify the skills and knowledge required to realise it. The Welsh Government has also funded a programme of professional learning and support to schools to help them develop and implement the new curriculum although its effectiveness is unclear.

- 11 The COVID-19 pandemic has affected schools' ability to plan for the new curriculum. This prompted the Welsh Government to offer secondary providers flexibility to delay starting to teach the new curriculum until September 2023. Nearly half of secondary, middle and special schools plan to introduce the new curriculum in September 2022.
- 12 Despite the disruption, the pandemic has led to some changes that have benefitted the developing curriculum. For example, suspending the curriculum in 2020 allowed schools to be more experimental, it resulted in schools giving priority to pupils' health and wellbeing, and teachers' and pupils' digital skills have also improved.
- 13 Once the primary legislation was in place in April 2021, the Welsh Government had a significant role supporting schools and others to prepare. This included finalising guidance to schools, ensuring that the secondary legislative framework was in place and that support was available to schools. Much of this work is now complete.
- 14 Although two terms later than planned, the Welsh Government's national network for curriculum implementation started work in Autumn 2021. In February 2022, the Welsh Government announced long-term support for schools on progression and assessment as well as support for developing bilingual resources and a national entitlement to professional learning for all school staff from September 2022. In October 2021, Qualifications Wales announced high-level details of GCSEs aligned with the new curriculum. Work is underway to co-design detailed qualifications.
- 15 Looking beyond September 2022, the key risks that the Welsh Government will need to continue to manage include:
  - financial and workforce pressures that could affect schools' ability to realise a high-quality new curriculum;
  - ensuring the new curriculum supports the Welsh Government's aim of reducing inequalities in education;
  - ensuring that new qualifications are aligned with the new curriculum and support progression to the full range of post-16 options;
  - ensuring greater engagement with parents, carers and learners; and
  - clarifying what information will be available to support a new approach to self-evaluation, improvement, accountability and transparency.



The new Curriculum for Wales represents a considerable change for learners, parents, carers and the education profession and, while the pandemic has understandably affected the timetable and schools' preparations, September 2022 will mark a major milestone. The spirit in which the curriculum has been developed is good to see, but future policy development on this scale needs to give more attention to the likely costs of implementation to provide for an earlier and fuller assessment of value for money.

Some significant work is still needed in key areas to deliver the full benefits of curriculum reform and the Welsh Government will need to keep track of the substantial ongoing costs of the reform programme to support wider scrutiny.

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**Adrian Crompton**  
Auditor General for Wales



# Key facts



## Settings

- 550** funded non-maintained early years settings
- 1,219** primary schools
- 182** secondary schools
- 23** all-age schools (3-16 or 3-19)
- 35** special schools
- 10** pupil referral units



## Costs

- £159 million** estimated direct costs 2015-16 to 2020-21
- £198.5 million** estimated direct costs 2021-22 to 2030-31 (ranging £184 million - £213 million)
- £263 million** estimated opportunity costs for schools, 2021-22 to 2025-26 (ranging £131 million - £394 million)



## Staffing

- 23,941** qualified teachers (full-time equivalent)
- 23,779** support staff (full-time equivalent)



## Key milestones

- September 2022** first teaching of the new curriculum in primary schools and optional for year 7
- September 2023** mandatory for years 7 and 8 in secondaries and other settings
- 2026/27** first qualifications awarded

# Recommendations

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## Recommendations

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### **To better understand and to support scrutiny of the cost of curriculum reform**

**R1** It has not been easy for the Welsh Government or us to identify expenditure on curriculum reform to date. In part this is because of difficulties in calculating expenditure specific to curriculum reform as opposed to other elements of the education reform programme, or the Renew and Reform programme, some of which may benefit curriculum reform. However, understanding the cost of curriculum reform is vital to support scrutiny and inform any consideration of value for money.

We recommend that the Welsh Government monitors and reports annually on the costs of its curriculum reform programme including costs to partners and schools. In developing and reporting on its best estimate, the Welsh Government will need to consider the impact of any additional data collection on schools in particular.

### **To evaluate the effectiveness of the professional learning programme and support to schools**

**R2** The Welsh Government has funded professional learning aligned to the new curriculum alongside its wider investment in teachers' professional learning. It has also funded the regional education consortia and partnerships to provide bespoke support for schools. It recently announced a national entitlement to professional learning for all teachers and teaching assistants.

We recommend that the Welsh Government ensures that the effectiveness and value for money of its investment in professional learning for teachers and other school staff is evaluated.

## Recommendations

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### To design and implement new qualifications that support the Welsh Government's ambitions for the new curriculum

**R3** The Welsh Government and Qualifications Wales know that qualifications need to change to align with the new curriculum. Qualifications Wales is working with schools, further and higher education and others to co-design the new GCSEs and, subsequently, other qualifications. The detail of the qualifications and forms of assessment is not yet decided.

We recommend that the Welsh Government works with Qualifications Wales to:

- a monitor teachers' and learners' participation in developing the new qualifications;
- b plan an effective national professional learning programme that will support teachers to deliver the new qualifications; and
- c assess the resources needed for professional learning for the new qualifications and any changes to the assessment process, including any greater role for teacher assessment and/or digital technology.

### To evaluate the effectiveness of schools' engagement with parents, carers and learners

**R4** A positive impact of the pandemic has been to strengthen engagement between schools and families in many cases. Schools will be required to engage with parents and carers about the curricula. Parents, carers and learners should be able to participate in schools' evaluation and improvement. This is underway in some schools.

We recommend that the Welsh Government supports schools to engage effectively with parents, carers and learners and evaluates how well schools are doing this to support improvement.

## Recommendations

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### **To establish the information needed for a rounded understanding of schools' activities and outcomes**

**R5** Work to support a national approach to self-evaluation is due to be completed by the end of the 2021/22 academic year. There is less clarity about the process for democratic accountability and transparency, including what information will be available to governors, local or diocesan authorities, parents, carers and the public.

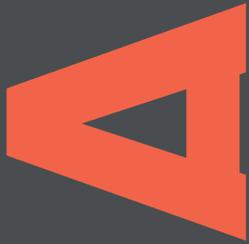
We recommend that the Welsh Government:

- a establishes what information those charged with holding schools to account, require as part of a new approach to accountability; and
- b sets out details on how it will ensure transparency for parents, learners and the public.

### **To ensure the new curriculum remains fit for purpose**

**R6** The Curriculum and Assessment (Wales) Act 2021 introduces a requirement for Ministers to keep the new curriculum under review. It does not set out the mechanism for cyclical review.

We recommend that, once the milestone of first teaching of the new curriculum is achieved, the Welsh Government sets out how it intends to keep the curriculum under review to ensure that it can become embedded and yet remain fit for purpose.



**Initial planning:  
The curriculum is  
central to the Welsh  
Government's  
long-term programme  
of education reform  
but was initially  
developed without  
assessing its direct  
or opportunity costs**

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**01**

- 1.1 Curriculum reform is central to a wider, long-term programme of educational reform in Wales (**Exhibit 1**). This part of the report looks at the background to the new curriculum and what is known about its actual and estimated costs.

### Exhibit 1: the four enabling objectives of education reform in Wales



**Developing a high-quality education profession.**



**Inspirational leaders working collaboratively to raise standards.**



**Strong and inclusive schools committed to excellence, equity and well-being.**



**Robust assessment, evaluation and accountability arrangements supporting a self-improving system.**

Source: Welsh Government, Education in Wales: Our national mission, Action plan 2017-21, September 2017

### **Curriculum reform is central to a wider education reform programme that the Welsh Government has been undertaking over the past decade or so**

- 1.2 In December 2010, disappointing PISA test results<sup>2</sup> sparked national debate about education in Wales. Results in mathematics and reading were below the average of 65 participating countries. Mean scores in mathematics, reading and science in Wales were significantly lower than other UK nations.

2 The Programme for International Student Assessment (PISA) is a study of educational achievement organised by the Organisation for Economic Co-operation and Development (OECD). PISA provides governments with a benchmark for education policy and performance, to make evidence-based decisions and to learn from one another. It supports transparency.

- 1.3 The programme of education reform began in February 2012 when the Welsh Government announced changes including national literacy and numeracy frameworks and national testing. **Appendix 2** provides a timeline of key activities in developing and implementing the curriculum.
- 1.4 The Welsh Government announced a review of curriculum and assessment in October 2012. At that time, learners in Wales followed a national curriculum first established by the Education Reform Act 1988. Successive governments amended and added to it, notably in 2008 when the Welsh Government introduced the Foundation Phase (3-7 year olds) and the Curriculum for Wales for key stages 2-4 (7-16 year olds)<sup>3</sup>.
- 1.5 In March 2014, the Welsh Government announced a comprehensive review of curriculum and assessment arrangements<sup>4</sup>. It was to be led by Professor Graham Donaldson, formerly Chief Education Advisor to the Scottish Government, who had influenced the curriculum reform programme in Scotland. His February 2015 report<sup>5</sup> set out an approach to education for 3-16 year olds in Wales. The Welsh Government accepted his recommendations. **Exhibit 2** sets out the main elements of the new Curriculum for Wales.

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3 The Education (National Curriculum) (Attainment Targets and Programmes of Study) (Wales) Order 2008

4 Welsh Government, Written Statement – Review of Assessment and the Curriculum, March 2014

5 Donaldson, G., Successful Futures: Independent Review of Curriculum and Assessment Arrangements in Wales, February 2015

## Exhibit 2: about the new Curriculum for Wales

- A curriculum is all the learning experiences and assessment activities planned to achieve agreed education aims.
- The new Curriculum for Wales is an integrated curriculum for 3-16 year olds. It applies to all settings (including special schools and pupil referral units which are not required to follow the current curriculum).
- The Curriculum and Assessment (Wales) Act 2021 and regulations provide the legal basis.
- A new curriculum framework has been co-designed, with teachers and schools taking a key role. It is built on four purposes, to develop learners who are:
  - ambitious and capable;
  - enterprising and creative;
  - ethical and informed; and
  - healthy and confident citizens.
- Teachers have more flexibility to develop a curriculum in their school that meets their learners' needs. They are doing this using a common framework with six Areas of Learning and Experience (Areas): Mathematics and Numeracy; Science and Technology; Humanities; Languages, Literacy and Communications; Health and Well-being; and Expressive Arts.
- The broad requirements are set out in 27 statements of 'What Matters' in the Areas. Curriculum design breaks down traditional subject-to-subject boundaries to help learners consider different concepts and issues in the broadest possible way.
- Literacy, numeracy and digital skills cross all the Areas.
- The Areas support cross-curricular planning, so learners can apply learning to different academic or real-life situations.
- Qualifications Wales, the independent regulator of qualifications (other than degrees) for Wales, is developing qualifications to reflect the Curriculum for Wales through a co-construction approach.

Source: Audit Wales

1.6 In October 2015, the Welsh Government set out its ambition that the new curriculum could be available to schools as early as September 2018 with every school teaching it by September 2021<sup>6</sup>. With hindsight, the ambition that the new curriculum would be available for 2018 was unlikely; experience from other countries suggests that curriculum changes take a long time<sup>7</sup>.

<sup>6</sup> Welsh Government, *Qualified for life: A curriculum for Wales - a curriculum for life*, October 2015

<sup>7</sup> Mills, B., *How leading education nations develop and reform their curriculums*, Education Policy Institute, January 2021<sup>8</sup>

- 1.7 In September 2017, the Welsh Government published a revised implementation plan, delaying the date for starting to teach the new curriculum to September 2022 in primary schools and year 7. Alongside curriculum development, the Welsh Government gave timelines for other reforms vital to the successful implementation of the curriculum, including new professional standards for teaching in 2017 and on-going learning and qualification reform.

### **The Welsh Government did not assess the direct or opportunity costs when it began to develop the new curriculum**

- 1.8 We have not seen evidence that any assessment of direct or opportunity costs associated with curriculum reform was undertaken before the introduction of draft legislation. The Welsh Government had to estimate the sunk costs incurred by itself, some partner organisations and schools, to inform the regulatory impact assessment (RIA) for the Curriculum and Assessment Bill 2020 (the Bill) in July 2020. It collected this information retrospectively and some partners did not provide information. The Welsh Government also included in the RIA estimates of the future direct and opportunity costs for the new curriculum. It revised its estimates on sunk and future costs several times during scrutiny, with updates to the RIA in September 2020, and then February and April 2021.
- 1.9 We recognise that it is difficult to reliably identify expenditure. Partly, this is because the curriculum had been in development since 2015 and because expenditure was intertwined with other 'expenditure' when the RIA was prepared. This was particularly true for costs to schools where they incurred additional and opportunity costs not directly met by Welsh Government funding.
- 1.10 The RIA compared the cost of curriculum reform with maintaining the current arrangements but did not consider any alternative options for achieving the Welsh Government's ambitions other than total reform of the existing curriculum. This failure to document other options led the Senedd Finance Committee to state that 'RIAs often seem to be a "by-product" of the decision-making process, rather than driving it'. Following requests for better financial information from the Senedd Finance and Children, Young People and Education committees, the Welsh Government provided revised estimates in February and April 2021. Its estimate of sunk costs increased from £114 million to £159 million, driven by a 51% increase in its estimate of its own expenditure (**Exhibit 3**).

### Exhibit 3: Welsh Government estimates of the direct sunk costs of curriculum reform, 2015-16 to 2020-21<sup>1, 2, 3</sup>

	RIA estimate, July 2020 (£ millions)	Revised RIA estimate, April 2021 (£ millions)	% change between estimates
Welsh Government	89.1	134.1	51%
Qualifications Wales	1.7 <sup>4</sup>	1.4	-18%
Estyn	4.4	4.4	0
Regional education consortia	15.5	15.5	0
National Academy for Educational Leadership	3.3	3.3	0
<b>Total</b>	<b>114.1</b>	<b>158.7</b>	<b>39%</b>

#### Notes:

- 1 Excludes costs to the Catholic Education Service, Church in Wales and Wales Association of Standing Advisory Councils for Religious Education associated with the consultation on religion, ethics and values.
- 2 Excludes costs of education reforms not directly associated with the new curriculum but that will have contributed to it, including initial teacher education reforms, establishing the National Academy of Educational Leadership, learner assessment and early years and foundation phase support.
- 3 Excludes costs associated with Welsh language changes which are attributed to achieving the goals of Cymraeg 2050. Costs to parents from additional inset days are attributed to the Education (School Day and School Year) (Wales) (Amendment) Regulations 2019.
- 4 Figure is incorrectly recorded as £3,459,000 in Table 5 of the Explanatory Memorandum. We have adjusted the total figure and removed £1.7 million of costs incurred in 2015-16 and 2016-17 attributable to the previous GCSE reform.

Sources: Audit Wales analysis of Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes, July 2020 and Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes (revised), April 2021

- 1.11 The Welsh Government's estimates of future direct costs to schools in its RIA are subject to broad ranges. They also omit costs to some partners and settings including special schools, pupil referral units and early years settings. Again, the Welsh Government provided revised figures in February 2021 and April 2021.
- 1.12 An evaluation in 2017 highlighted that pioneer schools (see **paragraph 2.2**) varied in how, and if, they monitored the time and resources used in curriculum related work. Some were not asked to collect any information on resources used. Better monitoring of time and resources required at that point by pioneer schools would have informed national roll-out<sup>8</sup>. Instead, this information is based on estimates from a small number of pioneer schools, collected retrospectively in late 2019. As a result, the Welsh Government estimated the future direct costs of curriculum reform as £198.5 million between 2021-22 to 2030-31, but this estimate varied from £184 million to £213 million (**Exhibit 4**). Three-quarters of this expenditure falls between 2021-22 and 2025-26.

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8 Arad Research (2017). Formative Evaluation of the Pioneer Schools Model: Paper on Strand 1 and early Strand 2 activity. Cardiff: Welsh Government, GSR report number 72/2017

**Exhibit 4: Welsh Government estimates of future direct expenditure on curriculum reform, 2021-22 to 2030-31<sup>1</sup>**

		RIA estimate, July 2020 (£ millions)	Revised RIA estimate, April 2021 (£ millions)	% change between estimates
Welsh Government		175.4	162.6	-7.3%
Qualifications Wales <sup>2</sup>		6.5	6.8	4.6%
Schools	Low	14.5	14.5	0.0%
	Central	29.1	29.1	0.0%
	High	43.6	43.6	0.0%
<b>Total</b>	<b>Low</b>	<b>196.4</b>	<b>184.0</b>	<b>-6.3%</b>
	<b>Central</b>	<b>211.0</b>	<b>198.5</b>	<b>-5.9%</b>
	<b>High</b>	<b>225.5</b>	<b>213.0</b>	<b>-5.5%</b>

Notes:

- 1 Excludes costs falling to local authorities, diocesan authorities, some education settings and non-maintained early years settings. Also excludes costs associated with curriculum but not directly related such as digital infrastructure.
- 2 The revised estimate from Qualifications Wales represents slippage of £300,000 from 2020-21 to 2021-22. **Exhibit 3** shows a corresponding reduction.

Sources: Audit Wales analysis of Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes, July 2020 and Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes (revised), April 2021

## Direct costs look likely to be at the high end of, or more than, the Welsh Government's April 2021 estimates and opportunity costs are substantial

- 1.13 During plenary debate in March 2021, the Welsh Government agreed to provide the Senedd with updated and more complete information on future costs. This was included in a briefing to the Senedd Children, Young People and Education Committee in January 2022<sup>9</sup> and within commentary on the Welsh Government's 2022-23 draft budget<sup>10</sup>.
- 1.14 As acknowledged in **paragraph 1.9**, it is difficult to isolate expenditure on curriculum reform from other, closely aligned expenditure in the wider 'Our National Mission' programme and the current Renew and Reform programme. For example, the Welsh Government includes £15 million of its £74 million total spend on teachers' professional learning to curriculum reform but all improvements to professional learning will benefit the new curriculum at least indirectly.
- 1.15 We also accept that it is difficult to separate spending on elements such as progression and assessment associated with the pandemic response from that required by the new curriculum. However, simply comparing future budgets against revised RIA estimates suggests that spending is likely to be at the higher end of estimates, and in some years above estimates (**Exhibit 5**). This echoes our 2020 finding in other areas that RIAs tend to underestimate the cost of legislation<sup>11</sup>.

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9 Welsh Government, Evidence paper on Draft Budget 2022-23 – Education and Welsh Language Main Expenditure Group to the Senedd Children, Young People and Education Committee, January 2022

10 Welsh Government, Draft Budget 2022-23: A Budget to build a stronger, fairer and greener Wales, December 2021

11 Auditor General for Wales, Better law making: the implementation challenge, September 2020

### Exhibit 5: Welsh Government budgeted expenditure on curriculum reform, 2021-22 to 2024-25

	2021-22 (£ millions)	2022-23 (£ millions)	2023-24 (£ millions)	2024-25 (£ millions)
Revised RIA estimate, April 2021	23.8 - 36.6	23.6 - 33.8	20.1 - 23.3	19.1 - 20.7
Welsh Government budgeted expenditure	34.9	35.0	34.5	30.9

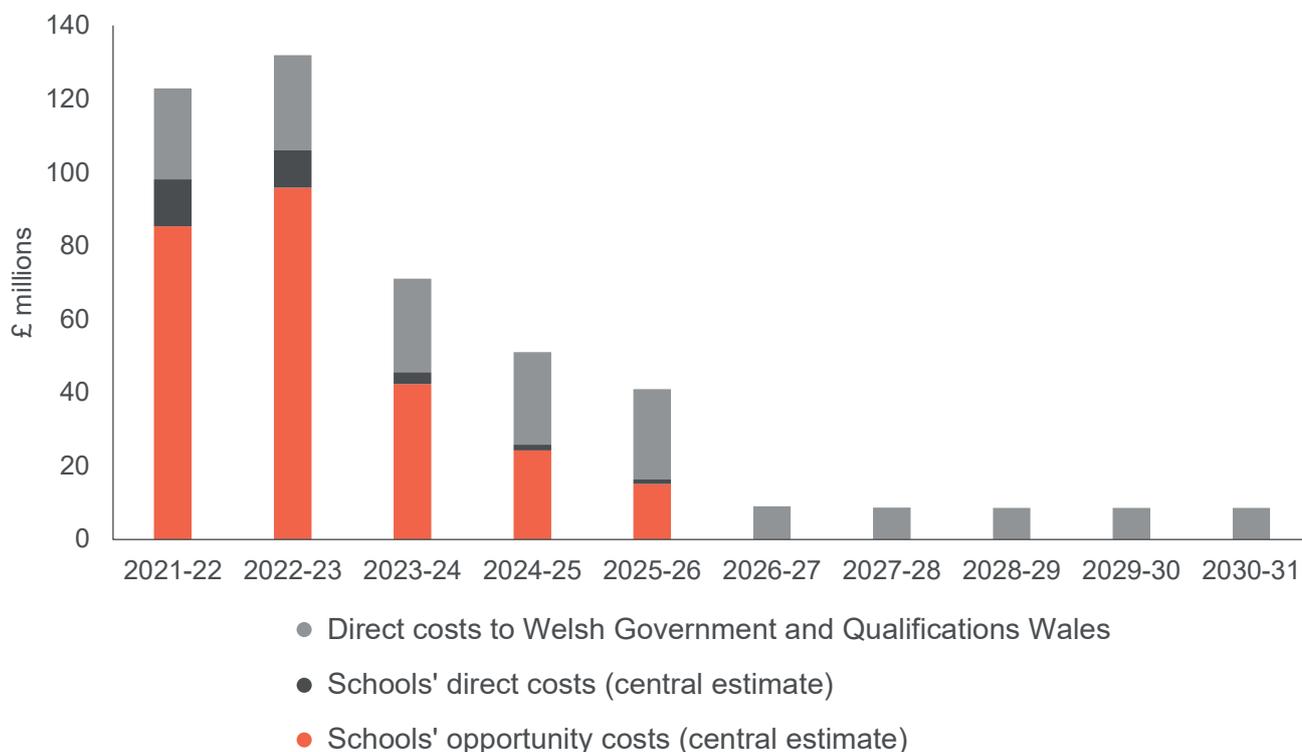
Note: These figures were compiled by the Welsh Government. The figures include professional learning directly related to the new curriculum, new materials and resources, costs to Qualifications Wales, Welsh Government administration costs and schools' direct costs including cover for staff absence.

Sources: Welsh Government, Ministers' written evidence to Senedd scrutiny committees on allocations within each MEG, Children, Young People and Education Committee, December 2021; Welsh Government, Draft Budget 2022-23: A Budget to build a stronger, fairer and greener Wales, December 2021 Annex G; Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes (revised) April 2021

- 1.16 In 2022-23, the Welsh Government's budget includes £35.05 million for curriculum reform. This is higher than the estimated expenditure in the RIA for 2022-23 (between £23.6 million and £33.8 million). Budgeted expenditure in 2023-24 and 2024-25 is also higher than RIA estimates.
- 1.17 The 2022-23 budget includes £5.3 million for progression and pupil wellbeing, taking forward work in 2021-22 funded through its Renew and Reform allocation. The RIA estimate did not include additional funding for new progression and assessment arrangements compared to the existing arrangements. However, schools have expressed a need for more support on progression and assessment and the Welsh Government told us that there have been additional demands to assess pupils' progression due to the pandemic. The total does not include the cost of any software that schools might choose to buy to support their new assessment procedures and/or to replace existing software aligned to the current curriculum, which would be met from delegated school budgets.
- 1.18 The budget does not include additional funding for supporting schools to implement the new qualifications. This will need to be reviewed in 2023 and onwards when Qualifications Wales considers the implications of changes to wider qualifications for learners aged 14-16 and A levels and announces further details about the content and form of assessment for new GCSEs. It will also need to consider any increased costs for awarding bodies or consequential increases in entry fees.

1.19 On top of the direct costs of curriculum reform, schools face substantial opportunity costs. These represent the time staff are not available for other work because they are doing activities related to the new curriculum and which is not covered by Welsh Government grants for supply teachers to replace them. The Welsh Government estimates that the opportunity costs associated with curriculum reform are £263 million between April 2021 and March 2026 (ranging from £131.4 million to £394.4 million) (**Exhibit 6**). Opportunity costs are estimated to be nine times the direct costs to schools in this period.

**Exhibit 6: Welsh Government estimates of the cost of the new curriculum including opportunity costs to schools, 2021-22 to 2030-31**



Note: Figures take account of inset days and the additional inset day for curriculum reform in 2021/22.

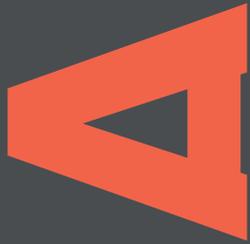
Source: Audit Wales analysis of Welsh Government, Curriculum and Assessment (Wales) Bill, Explanatory Memorandum incorporating the Regulatory Impact Assessment and Explanatory Notes (revised) April 2021

- 1.20 We estimate the opportunity costs to be equivalent to 1.4 million days between April 2021 and March 2026<sup>12</sup>. The RIA shows most of the opportunity costs falling in 2021-22 and 2022-23. However, there is a risk that some opportunity costs slip to later in the period as secondary providers take advantage of the flexibility to delay adopting the new curriculum for year 7.
- 1.21 Previously we questioned if schools could absorb this time without impacting on the progress of current learners and/or staff wellbeing. We also expressed doubt about whether sufficient cover staff would be available, given higher demand for cover for COVID-19 absences and due to the recruitment of around 1,800 staff for recovery support<sup>13</sup>. The Welsh Government expected opportunity costs to be absorbed in various ways, including through innovative practice and collaboration. We understand that research on schools' readiness, due to be published soon, will reflect in part on how schools have managed workload pressures associated with the new curriculum.

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12 Figures are calculated assuming a cost of £180 a day for supply teachers hired through the Welsh Government's framework contract in 2020-21. Subsequent years assume a 2.5% annual pay rise.

13 Auditor General for Wales, Response to the Senedd Children, Young People and Education Committee's consultation on the Curriculum and Assessment (Wales) Bill, September 2020. The figures used in this report are amended to include an allowance for the 2020-21 pay award.



**Preparing for implementation: The Welsh Government worked well with the education profession to co-design the curriculum although the pandemic has affected the timetable and schools' ability to prepare**

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**02**

- 2.1 This part of the report looks at the development of the new curriculum and how the Welsh Government has supported schools preparing to implement it ahead of teaching from September 2022.

### **The Welsh Government and regional education consortia worked with schools to co-design the new curriculum and identify the skills and knowledge required to realise it**

- 2.2 In October 2015, the Welsh Government set out its plans for networks of pioneer schools. The first network consisted of 68 curriculum pioneer schools focused on designing the new curriculum, supported by regional education consortia. This approach enabled schools to lead curriculum development, although a subsequent Welsh Government-commissioned evaluation found not all pioneer schools understood this expectation at the outset.
- 2.3 It took time to get a balance between practitioner ownership and strategic support and direction. Initially progress was slow, and, over time, the Welsh Government became increasingly involved in co-ordinating and supporting schools, consortia and other partners. It was easier for primary schools to develop and test a whole school approach to the new curriculum, partly because there were similarities between it and the existing foundation phase and because they were not constrained by examinations<sup>14</sup>.
- 2.4 A second network of 60 professional learning pioneer schools focused on identifying the skills and knowledge teachers need to realise the new curriculum and developing new professional standards for teachers. Both pioneer school networks formally ended in 2019 although a subset of 16 'innovation schools' continued to consider the draft curriculum into 2020. A report from Estyn in March 2022 showed that the majority of schools not in the pioneer schools network said they were not kept informed of national developments regularly enough<sup>15</sup>.
- 2.5 The Welsh Government provided £7.4 million to support pioneer and innovation schools in 2018-19 and 2019-20. Funding allowed schools to release one member of staff for two days a week in the early stages. The Welsh Government-commissioned evaluation found that, while initially adequate, schools later reported that they were spending more than two days a week and many practitioners did some curriculum work in their own time.

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14 Arad Research in association with ICF Consulting Limited, Formative Evaluation of the Pioneer School Model: Final Report, July 2018

15 Estyn, The Curriculum for Wales – How are regional consortia and local authorities supporting schools? March 2022

- 2.6 The Welsh Government recognises that co-designing the new curriculum took a long time. The approach was a new way of working for all involved. The 2018 evaluation found that it took time to find the appropriate balance between practitioner ownership and strategic support and direction. Over time, strategic leadership improved, with more shared responsibility for co-constructing the new curriculum arrangements between partners at all levels.

### **The Welsh Government has funded a programme of professional learning and support to schools linked to the new curriculum although its effectiveness is not clear**

- 2.7 The OECD has emphasised the centrality of improving teaching to reforming education in Wales<sup>16</sup>. In December 2020, Estyn found that, while there were some strengths, teaching and learning experiences required improvement in around a quarter of primary schools and just under half of secondary schools inspected<sup>17</sup>. The Welsh Government's wider reform programme includes several initiatives aiming to improve teaching standards aligned with the new curriculum, including changes to initial teacher education and the 2017 new professional standards for teachers<sup>18</sup>. In 2021, the OECD recognised that there has been a high level of commitment to teachers' professional learning within the Welsh Government's Education Directorate<sup>19</sup>.
- 2.8 The Welsh Government has supported a professional learning programme specifically to equip teachers with the knowledge and skills they need to understand the new curriculum, take on the new role of curriculum designers and realise the new curriculum. It provided just over £24 million to consortia in 2020-21 and 2021-22 (**Exhibit 7**). This included core funding for the consortia's work on curriculum reform, for support to individual schools and professional learning related to the new curriculum. The Welsh Government also provided £12 million to the consortia and local authorities to allow schools to release staff for professional learning activities, some of which will be related to the new curriculum.

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16 OECD, Improving schools in Wales: an OECD perspective, April 2014; OECD, The Welsh Educational Reform Journey: A rapid policy assessment, 2017; National Foundation for Educational Research and ARAD Research, A Rapid Evidence Assessment on the Impact of Curriculum and Assessment Arrangements within High Performing Countries, Welsh Government Social Research 65/2013

17 Estyn, The Annual Report of Her Majesty's Chief Inspector of Education and Training in Wales 2019-20, December 2020

18 Arad Research, Evaluation of the professional standards for teaching, leadership and assistant teaching: Year 1 report, November 2021

19 OECD, Teachers' professional learning study: Diagnostic report for Wales, July 2021

### Exhibit 7: Welsh Government funding to regional education consortia and partnerships for work directly related to the new curriculum<sup>1,2,3</sup>

	2020-21 (£ millions)	2021-22 (£ millions)
Curriculum and assessment support to schools	3.9	9.8
Core support to consortia on design and development of the new curriculum	1.8	1.2
Professional learning directly related to the new curriculum	2.3	5.2
<b>Total</b>	<b>8.0</b>	<b>16.2</b>

#### Notes:

- 1 This funding was distributed to the three regional education consortia and local authorities formerly in the Education through Regional Working consortium mostly based on an agreed formula.
- 2 Total excludes funding for general professional learning and activities related to the Renew and Reform programme that are not directly related to the new curriculum but are likely to support the development of it.
- 3 Going forward, the regional consortia have adjusted their activities and structures to support curriculum reform and do not expect further costs.

Source: Audit Wales analysis of data provided by the Welsh Government, January 2022

2.9 The professional learning work was paused in the early stage of the pandemic but has since increased in scale and pace. Much has been delivered online. Consortia and local authorities had freedom to develop support that meets their local priorities. This focus on supporting schools marks a change from the original focus of the consortia on providing challenge to schools. In 2021, the OECD found that this shift in approach was not always clear at school level (see **footnote 19**). They cautioned that ‘creating a system based on trust will be harder if consortia are still associated with the old model of top-down accountability’.

- 2.10 The Welsh Government asked Estyn to review consortia and local authorities' support for schools on the new curriculum. In work undertaken in Autumn term 2021 and reported in March 2022, Estyn found schools had been supported to develop their vision for teaching and the new curriculum (see **footnote 15**). Estyn also found schools would welcome more practical professional learning opportunities to help them understand how they can design and realise the new curriculum. Estyn recommended that the Welsh Government considers approaches to enable the regional consortia and local authorities to better evaluate the impact and outcomes of their work supporting curriculum and teaching and be held to account for it. The Welsh Government plans to establish a working group to consider this issue as part of a review of the National Approach to Professional Learning.
- 2.11 School improvement services in South-West Wales have changed in recent years. Until it was formally disbanded in August 2021, the Education through Regional Working (ERW) consortium included Neath Port Talbot, Swansea, Carmarthenshire, Pembrokeshire, Ceredigion and Powys councils. Neath Port Talbot Council gave notice to leave the consortium in March 2019. The other councils subsequently left.
- 2.12 Pembrokeshire, Swansea, and Carmarthenshire councils have formed the Partneriaeth consortium in which curriculum and innovation forms a key area of work. Ceredigion and Powys councils have formed the Mid-Wales Education Partnership, underpinned by a memorandum of understanding. Neath Port Talbot is not in a consortium or partnership. After leaving ERW, Ceredigion, Powys and Neath Port Talbot no longer have access to any new materials produced by consortia. In February 2022, the Welsh Government announced that, from September 2022, materials published by any consortia will be available to all through the Hwb, the Welsh Government's digital learning platform. In March 2022, Estyn commented that, while Partneriaeth, the Mid-Wales Education Partnership and Neath Port Talbot Council are developing suitable structures to support their schools, their work was in the early stages of development, and it was too soon to measure its impact.
- 2.13 Professional learning is available to teaching assistants or supply teachers although they face more difficulties in accessing resources. In February 2022, the Welsh Government announced a 'national entitlement' for teachers and teaching assistants to high-quality support and resources accessed through the Hwb and regional consortia and partnerships. It said that detail of this entitlement will be available by the beginning of the 2022/23 academic year.

## **The COVID-19 pandemic has affected schools' ability to plan for the new curriculum, prompting the Welsh Government to offer some flexibility to secondary providers to delay implementation**

### **The COVID-19 pandemic initially reduced schools' ability to respond to the draft new curriculum published in January 2020**

2.14 The Welsh Government published draft guidance on key areas of the new curriculum in January 2019 and a draft new curriculum framework in April 2019. After detailed consultation, it published updated versions in January 2020. This should have kick-started intensive work by schools to develop their own curricula. However, schools were not able to make progress as concerns about the COVID-19 pandemic grew, with schools closing to pupils in March 2020 (**Exhibit 8**). Schools and teachers prioritised supporting pupils' wellbeing and adjusting to remote learning and, in secondary schools, to delivering centre-assessed grades when 2020 exams were cancelled.

## Exhibit 8: national school closures in Wales, March 2020 to April 2021



Note: Some schools and local authorities had additional periods of closure.

Source: Welsh Government, Timeline of school closures during the coronavirus (COVID-19) pandemic, March 2020 to April 2021

2.15 The Welsh Government diverted many civil servants to work related to the pandemic but continued to treat the new curriculum as a priority. It updated its 'Education in Wales: Our national mission, Action Plan' in October 2020 with revised milestones for the whole educational reform programme. It also published 'Curriculum for Wales: the journey to 2022' outlining key activities for schools in each term to September 2022.

**The Welsh Government responded to concerns about the readiness of some schools by offering secondary providers flexibility to delay their implementation of the new curriculum**

2.16 The plans outlined in 'Journey to 2022' did not allow for any further impact from the COVID-19 pandemic. However, most schools experienced significant disruption in the autumn term 2020, all moving to remote learning in January 2021. Secondary schools delivered centre-determined grades again in 2021. In July 2021, Estyn reported that secondary schools<sup>20</sup>, special schools and pupil referral units<sup>21</sup> varied widely in their preparations for the new curriculum. Primary school leaders sought reassurance that schools would not be expected to have their curriculum finalised by September 2022 but would be able to refine their curricula over time<sup>22</sup>.

2.17 An internal review of its own readiness for implementing the new curriculum concluded that the Welsh Government's work programme was mostly on-track but expressed concerns about some partners' and schools' readiness. The unpublished review highlighted the importance of being clear about the timetable. It also highlighted the urgent need for clarity about assessment and qualification decisions, seen as a major obstacle to secondary schools engaging fully with curriculum development.

2.18 In July 2021, the Welsh Government confirmed that roll-out of the new curriculum in primary schools would start as planned in September 2022<sup>23</sup>. However, it will be optional for secondary, 3-16 schools, special schools and pupil referral units until September 2023 when it becomes compulsory for years 7 and 8 and other settings. The Welsh Government also announced additional funding of £7.2 million and measures to reduce teachers' workload to create space for work related to the new curriculum<sup>24</sup>. Most stakeholders welcomed this flexibility, although some told us that there should not be any further delays so learners can benefit from the new curriculum which has been a long time in the making.

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20 Estyn, Engagement work: Secondary sector update, Summer term 2021, July 2021

21 Estyn, Engagement work: Maintained special school and pupil referral unit (PRU) update, Summer term 2021, July 2021

22 Estyn, Engagement work: Primary sector update, Summer term 2021, July 2021

23 Welsh Government, Oral statement: Curriculum reform – Next Steps, July 2021

24 These measures included further suspending assessments in primary schools which had been paused in 2020, delaying the restarting of Estyn inspections and making some changes to the first year of planned additional learning needs reforms.

2.19 In June 2021, the Welsh Government published its Renew and Reform programme<sup>25</sup> for supporting wellbeing and progression during the pandemic. In September 2021, the Welsh Government published its revised 'Curriculum for Wales: the journey to curriculum roll-out'. This superseded 'Journey to 2022', recognising the impact of ongoing disruption since October 2020 and more clearly integrating work on the new curriculum with work to recover from the impact of the pandemic. It sets out at a high level what schools need to do before starting to teach the new curriculum, making clear that this is the start of a cyclical process for schools of reviewing and refining their curricula. Nearly half of secondary, middle and special schools plan to introduce the new curriculum in September 2022.

**Additional work caused by the COVID-19 pandemic is reducing schools' ability to prepare for the new curriculum, but the pandemic has led to some beneficial changes**

2.20 Teachers and school leaders strongly support the new curriculum. In summer term 2021, 98% of senior leaders and 78% of practitioners agreed they were committed to the aspirations of the Curriculum for Wales. However, fewer felt that their schools were well-placed to design their own curriculum or to change their professional practice ahead of September 2022<sup>26</sup>. Two-thirds (67%) of school leaders and practitioners wanted additional support and/or resources ahead of roll-out. They wanted additional time to develop resources, access tailored professional learning opportunities, engage in reflection and preparatory work to refine teaching strategies and collaborate with other schools. They asked for more guidance and support relating to expectations around assessment and progression. A report submitted to the Welsh Government in November 2021 and published recently also identified concerns about support for leaders around the new curriculum<sup>27</sup>.

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25 Welsh Government, Renew and reform: supporting learners' wellbeing and progression, Our education COVID-19 recovery plan, June 2021

26 Arad Research, Practitioner Survey on preparations for the roll-out of the Curriculum for Wales: final report, January 2022. 81% of leaders and 53% of practitioners felt they were well placed to design their own curriculum for September 2022. 86% of senior leaders and 53% of practitioners considered that their school was well-placed to make changes to their professional practice ready for September 2022.

27 Harris, A., Hutt, M., Jones, M. and Longville, J, Independent review of leadership: Final report, Welsh Government, May 2022

- 2.21 In July 2021, Estyn reported that primary school leaders believed their schools needed a prolonged, uninterrupted period to develop their curricular approaches (see **footnote 22**). A survey in June and July 2021 found that 54% of senior leaders and 62% of practitioners said there had not been time in the school timetable for curriculum work<sup>28</sup>. The flexibility for secondary schools to delay implementation, and the measures to create space in the school timetable were widely welcomed, but schools have continued to experience significant disruption in the 2021/22 academic year. Many schools have experienced high absence levels and continue to do so. In the week 4-8 April 2022, an average of 86.8% of all pupils were in attendance, falling to 81% of year 12 and to 72% of year 13 pupils. Schools have also struggled with high levels of staff absence, and some have had difficulty finding cover, causing some to temporarily close.
- 2.22 In December 2021, the Chief Inspector of Education and Training commented on the unprecedented level of pressure that school staff have faced during the 2020/21 academic year. While many persevered with the curriculum reform journey and other elements of the reform programme, she emphasised that no-one should underestimate the toll on staff.
- 2.23 Nobody knows how the pandemic will affect schools in the rest of 2022 and beyond. Estyn has emphasised that it is important for schools to continue to prioritise pupils' welfare<sup>29</sup>. The Welsh Government asked Estyn to engage with schools to review progress on the new curriculum in this challenging environment and requested information from consortia about their work with schools. Together this information can inform the Welsh Government's thinking about the future amid concerns about their ability to prepare for the new curriculum given the continuing pressures from the pandemic.
- 2.24 In July 2021, Estyn found that in most schools visited leaders were working effectively with stakeholders and spending considerable time developing a vision for their school and its pupils (see **footnotes 20-22**). Unsurprisingly, Estyn found that schools that had been pioneer schools were further ahead in their thinking and preparations than others, but they identified common barriers to progress (**Exhibit 9**).

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28 Arad Research, Practitioner Survey on preparations for curriculum and assessment reforms in 2022: interim findings primary and secondary senior leaders, September 2021

29 Estyn, The Annual Report of Her Majesty's Chief Inspector of Education and Training in Wales 2020-21, December 2021

**Exhibit 9: common barriers to progressing the new curriculum in schools**

- **Creating time for curriculum development and professional learning** – given the pressures of the pandemic on top of normal workload.
- **Not all teachers have taken part in the professional learning needed to understand the approach** – this had led some schools to design a curriculum without fully understanding the principles of the approach.
- **Uncertainty about future qualifications** – research commissioned by Qualifications Wales found that uncertainty about future qualifications and the balance between individual subjects or integrated Areas of Learning and Experience meant that some secondary schools were reluctant to progress<sup>30</sup>. Following public consultation, Qualifications Wales announced high-level decisions about qualifications in October 2021, bringing more clarity<sup>31</sup>. It said it would work with teachers and other stakeholders including learners to co-design qualifications that reflect the new curriculum.
- **Ways of working related to the pandemic** – school leaders said they found it more difficult to inspire change through remote meetings. It was more difficult to gauge the impact of new approaches to teaching and learning as schools have delivered a reduced curriculum in restricted circumstances since returning to in-person teaching.

Source: Audit Wales, analysis of work by Estyn (see footnotes 20-22) and Qualifications Wales (see footnote 29)

2.25 While the pandemic has caused difficulties for implementing the curriculum, it has also led to some beneficial changes. Suspending the national curriculum in March 2020 and the requirements for end-of-stage testing allowed schools to experiment and develop their curricula. Schools and teachers have prioritised the wellbeing of pupils, kickstarting work on the health and wellbeing Area of Learning and Experience for the new curriculum (see **Exhibit 2**).

30 Arad Research and the National Foundation for Educational Research, Qualified for the future, Summary of findings, June 2020

31 Qualifications Wales, Qualifications for the Future: Reimagining qualifications in Wales, October 2021

2.26 Teachers' digital skills improved rapidly as they had to adapt to remote learning, which is in line with the ambitions of the new curriculum. Similarly, many teachers recognised the need to develop pupils' digital and independent learning skills in readiness for the challenges of a more dynamic and experiential approach to learning. The Chief Inspector of Education and Training has suggested that the experience of responding to the pandemic has increased schools' and teachers' resilience and their appetite to do things differently (see **footnote 29**).

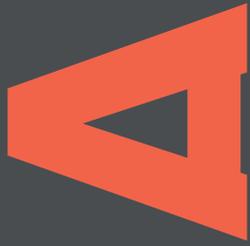
### **The Welsh Government had a challenging programme of work to complete before the September 2022 milestone, but this work is mainly complete**

2.27 The Welsh Government recognised it had a significant role supporting schools and others to prepare for the new curriculum once the primary legislation was in place in April 2021. Its work programme included finalising guidance to schools, ensuring that the secondary legislative framework was in place and making support available to schools. Much of this work is complete.

2.28 The Curriculum and Assessment (Wales) Act 2021 established the framework for the new curriculum and set out the requirements on headteachers and school governors. The Welsh Government published draft guidance for consultation on some key outstanding issues in May 2021, in part because the guidance needed to reflect debate and issues raised during scrutiny of the Bill. Topics included careers and work-related experience, early years settings (enabling pathways), the curriculum in non-maintained nurseries and cross-curricula skills (literacy, numeracy and digital skills).

2.29 The Welsh Government also published revised guidance on the controversial topics of religion, values and ethics (RVE) and relationships and sexuality education (RSE) in May 2021. During Autumn 2021 it laid final versions of the sub-ordinate legislation to enable the Curriculum and Assessment (Wales) Act 2021 before the Senedd and updated associated curriculum guidance. This provided greater certainty on these vital areas for schools as they were developing their curriculum.

- 2.30 The Welsh Government announced details of its national network for curriculum implementation in September 2021, two terms later than planned<sup>32</sup>. The national network is a major element of its support for schools, intended to facilitate collaboration and a national conversation for schools. The Welsh Government supports participation through its professional learning grant to schools. We were told that high levels of absence were reducing participation in initial conversations during early Autumn 2021. However, the Welsh Government told us that rates of participation subsequently increased.
- 2.31 The Senedd approved the Progression Code in December 2021, setting out what it means for learners to make progress under the new curriculum as they develop and improve skills and knowledge. In February 2022, the Welsh Government announced new national support for developing progression and assessment in the new curriculum and a three-year project to understand and develop progression and assessment (Camau I'r Dyfodol).



**Future risks: The Welsh Government is alert to some key risks and will need to continue to manage these to ensure the new curriculum realises its anticipated benefits**

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- 3.1 Introducing the new curriculum is not a ‘big bang’ event but an incremental process with a key milestone in September 2022. The Welsh Government will depend on other partners to realise the new curriculum, while it adopts a supporting role. Overshadowing all is the pandemic which continues to impact schools. This section of the report looks at the future key risks (**Exhibit 10**) and how the Welsh Government is responding to them. The Welsh Government recognises these risks, but we have made recommendations that highlight the importance of continuing to manage them.

**Exhibit 10: key risks that must be managed for the new curriculum to achieve its intended benefits**



**Financial and workforce pressures**

these could affect schools’ ability to realise a high-quality new curriculum.



**Inequalities**

ensuring the new curriculum supports the Welsh Government’s aim of reducing inequalities in education.



**New qualifications**

these will need to support the aims of the new curriculum and support progression to the full range of options available to post-16 learners.



**Engagement**

ensuring schools effectively engage with parents, carers and learners.



**Accountability, evaluation, improvement and transparency**

developing an approach that supports improvement as well as democratic accountability and transparency.

## Financial and workforce pressures could affect schools' ability to realise a high-quality new curriculum

### Financial pressures may reduce schools' ability to realise a high-quality curriculum

- 3.2 The Welsh Government's assessment of future costs in 2020 suggested the new curriculum will not require additional resources to the current curriculum other than for development work (see **Exhibit 4**). We think it would have been reasonable to assume there may be additional costs, at least from new requirements relating to modern foreign languages and careers education in primary schools which do not feature in the RIA cost estimate. But, putting this aside, in October 2021 we highlighted that school funding had fallen over the previous decade and many schools were struggling financially prior to the pandemic<sup>33</sup>. Together with the likelihood of tight public funding in future and competing pressures on council budgets, there is a risk that schools' ambitions for the new curriculum will be limited by tight or negative budgets.
- 3.3 Schools receive the majority of their funding from local authorities which, in turn, receive an un-hypothecated grant from the Welsh Government. A review of school funding in 2020 found that councils' delegated funding to schools varies across Wales after allowing for differences in learner and school characteristics<sup>34</sup>. The Welsh Government has not yet responded to the review.
- 3.4 In its report on the Welsh Government's 2022-23 budget<sup>35</sup>, the Senedd Children, Young People and Education Committee highlighted the concern of its predecessor committee about whether the local government settlement enabled local authorities to give adequate provision for school budgets. It recommended that the Welsh Government should clarify how Ministers work together with local authorities to ensure that schools receive sufficient funding to deliver on the Welsh Government's policy commitments, including the new curriculum.

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33 Auditor General for Wales, A Picture of Schools, October 2021

34 Sibieta, L., Review of School Spending in Wales, Welsh Government, October 2020

35 Senedd Children, Young People and Education Committee, The 2022-23 Welsh Government Draft Budget, February 2022

## **A shortage of teachers with Welsh language skills may hamper the Welsh Government's ambition to reform Welsh language teaching**

- 3.5 Extending Welsh language in schools and growing Welsh-medium education are key to the Welsh Government's ambitions to increase the number of Welsh speakers<sup>36</sup>. The Welsh Government has an ambition for an overarching approach to Welsh language; removing any distinction between first and second language speakers to create a single continuum from those with little or no exposure to Welsh to those working towards proficiency<sup>37</sup>. It had raised the possibility of one overarching qualification but that has proved difficult because learners have varying exposure to the Welsh language. In February 2022, Qualifications Wales announced three new Welsh language qualifications: combining Welsh language and literature for Welsh medium and bilingual schools; Welsh for English medium schools; and an additional qualification for learners in English medium schools who want more advanced Welsh.
- 3.6 However, the Welsh Government's ambitions are threatened by a longstanding lack of teachers who can teach Welsh and teach other subjects through the medium of Welsh. A July 2020 report on the teacher labour market found shortages in Welsh along with other subjects<sup>38</sup>. Estyn has previously found that Welsh medium schools face greater recruitment difficulties and have difficulty locating Welsh-speaking supply staff<sup>39</sup>.
- 3.7 Recent initiatives to attract people with Welsh-language skills do not appear to have led to a significant increase. The numbers of people starting initial teacher education either to teach in Welsh or who are fluent in Welsh increased in 2019/20 compared to the previous year but was still less than in 2014/15 (**Exhibit 11**). Education workforce statistics also show that the number of registered teachers able to speak Welsh (33.5% in 2021) or work through the medium of Welsh (27% in 2021) has remained fairly static over recent years<sup>40</sup>. The Welsh Government published a ten-year plan to tackle these issues in May 2022<sup>41</sup>.

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36 Welsh Government, *Cymraeg 2050 - A million Welsh speakers*, July 2017

37 Welsh language is a compulsory element of the current curriculum for key stage 2, 3 and 4. Currently, qualifications have different routes depending on whether Welsh is a first or second language.

38 National Foundation for Educational Research, *Teacher labour market in Wales annual report 2020*, July 2020

39 Estyn, *Effective management of school workforce attendance in primary schools*, January 2017

40 Education Workforce Council for Wales, *Annual education workforce statistics for Wales*, September 2021

41 Welsh Government, *Welsh in education workforce plan*, May 2022

### Exhibit 11: self-reported Welsh speaking ability and ability to teach in Welsh, students starting Initial Teacher Education

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Training to teach in Welsh	255	245	235	210	175	235
Fluent Welsh speaker	350	330	350	305	265	300

Source: Statistics for Wales, Initial Teacher Education in Wales, May 2021

### There is a risk that the new curriculum will not contribute to the Welsh Government's aim of reducing inequalities in education

- 3.8 The Welsh Government has stated that reducing the attainment gap – the difference in educational achievements between one group of learners and others – is a goal of the new curriculum<sup>42</sup>. On one important measure – the difference between GCSE results between those eligible for free school meals and others – the attainment gap widened between 2016 and 2021 at grades A\*-A for pupils eligible for free school meals and others. The gap at grades A\*-C also increased between 2016 and 2019 although it has reduced since. Other attainment gaps are observed between males and females, between ethnic groups and pupils with additional learning needs and others at GCSE.
- 3.9 Evidence presented to the Senedd Children, Young People and Education Committee in November 2019 has suggested that changing the curriculum was unlikely of itself to reduce the gap<sup>43</sup>. Research in pioneer schools<sup>44</sup> found that few teachers identified children from disadvantaged backgrounds as potentially benefitting from the new curriculum. Recognising there is a limit to the extent that any curriculum can tackle the multiple causes of unequal pupil attainment and that the Welsh Government plans to announce new measures to tackle the link between disadvantage and educational attainment, we think there is a risk that the new curriculum may fail to meet its equality goals. There is more work to do to understand how the new curriculum can contribute to reducing the gap.

42 Welsh Government, Curriculum and Assessment (Wales) Bill 2020 – Explanatory Memorandum, July 2020; Minister for Education, Plenary Debate - Curriculum and Assessment (Wales) Bill 2020, December 2020

43 Newton N., Evidence to the Senedd Children, Young People and Education Committee, November 2019

44 Newton N., Power, S and Taylor, C., Successful futures for all: Explorations of curriculum reform, Cardiff University, July 2019

- 3.10 There is also a risk that differences in schools' curricula will lead to inequalities. One of the arguments for introducing a national curriculum in the 1980s was to introduce more consistency in the curriculum offered by schools. However, over time amendments and additions were made, and the national curriculum came to be regarded more as a straitjacket, limiting professional autonomy. This balance between national consistency and local flexibility has been at the heart of debate about the new curriculum.
- 3.11 The previous Senedd Children, Young People and Education Committee recommended that the Welsh Government needs to be clearer about what checks and balances it will put in place to monitor whether learners receive a consistent, although not uniform, curriculum<sup>45</sup>. Collaboration within clusters, peer-to-peer support, the national network (see **paragraph 2.30**) as well as consortia and partnership oversight and inspection all have a role in ensuring consistency between schools, but we see this as an inherent risk that will continue to require oversight.

**The Welsh Government needs to continue to work with Qualifications Wales to ensure that new qualifications are aligned with the curriculum and allow progression to the full range of post-16 options**

- 3.12 The Welsh Government and Qualifications Wales recognised early on that qualifications would need to change to fit with ambitions for the new curriculum. The Welsh Government postponed this discussion until after the main features of the curriculum were decided to avoid the risk that qualifications would drive curriculum development. In recognising the need to change, the Welsh Government is managing the risk that qualifications become a barrier to successful implementation that has been observed in Scotland<sup>46</sup>.

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45 Senedd, Children, Young People and Education Committee, Stage 1 Scrutiny Report on the Curriculum and Assessment (Wales) Bill, December 2020

46 OECD, Scotland's Curriculum for Excellence - Into the future, June 2021

- 3.13 However, there is evidence from work by Estyn that some secondary schools slowed progress on developing their curricula because they were unclear about future qualifications (see **footnote 20**). Qualifications Wales consulted on the form of qualifications between November 2019 and February 2020. It told us that stakeholders expressed widespread support for learners aged 14-16 to continue to take formal qualifications, although there has been a call for significant changes to GCSEs<sup>47</sup>. In June 2020, Qualifications Wales announced that qualifications called GCSEs would continue but with reformed content and assessment to support the new curriculum. In October 2021 it announced high-level decisions on the new range of GCSEs that will be created. These include new qualifications (such as engineering, and film and digital media), merging existing qualifications (mathematics and numeracy and English language and literature) and a new double science qualification to replace all current science options.
- 3.14 Some stakeholders expressed concerns to us about the pace and volume of work that is required to co-create the qualifications in time for pupils to choose their GCSE options in 2024/25. ColegauCymru expressed concern about how the new qualifications would support A levels, students who cross the border to study<sup>48</sup> and those studying vocational qualifications which are mostly not Wales-specific. Qualifications Wales and the Welsh Government recognise that this work is urgent. Workstreams are underway; initially schools were struggling to release staff but after more communication and a recruitment drive, Qualifications Wales told us it secured enough teachers and lecturers to fully populate all 24 working groups established to support the co-construction of new GCSEs and related qualifications. They told us that there has also been a positive response from schools and colleges for its learners' engagement work in Spring 2021. It will be important to monitor progress of this work so that new qualifications are co-designed with stakeholders.

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47 Jones C. in collaboration with the Future Generations Commissioner for Wales, Fit for the Future Education in Wales, October 2019

48 The number of 16-19 year olds that cross the border to study in schools or colleges in England or Wales is thought to be relatively small in total but can be significant for institutions close to the border.

3.15 Over time the degree to which teacher assessment has featured in qualifications has changed in Wales. In December 2021, Qualifications Wales published research on the involvement of teachers in assessment in 12 other jurisdictions<sup>49</sup> and on teachers and learners' experiences of non-examined assessment<sup>50</sup> to inform the design of new qualifications. Teachers and learners will require support to move to these qualifications including:

- **Ensuring reliability and validity of assessment led by teachers** – in 2020 there was concern about the influence of bias on teacher assessment<sup>51</sup>. In 2021, Qualifications Wales and the WJEC introduced a quality assurance process and appeals system to ensure learners received results that fairly reflected their achievements in qualifications designed to be assessed primarily through external examinations. There will need to be a national programme of support and professional learning and frameworks to ensure a common approach and maintain public confidence in outcomes.
- **Understanding the workload implications for teachers** – delivering centre assessed grades during the pandemic resulted in additional work for teachers and diverted them from other work. As circumstances become more normalised, the workload implications of any changes in assessment will need to be considered, including evidence from other jurisdictions.
- **Understanding the impact of assessment on learners** – generally, learners feel positively about non-examined assessment methods, but some find the volume of work difficult to manage. There are contrasting views about the accessibility of non-examined assessment for learners, particularly those with lower ability levels.

### **Greater engagement with parents, carers and learners is needed to ensure successful implementation of the curriculum**

3.16 The new curriculum framework requires schools to consult and inform parents and carers about the curricula. Schools are developing ways of doing this such as parents committees and events, building on case studies and good practice. Schools' engagement with parents and carers has generally benefitted from new ways of working during the COVID-19 pandemic.

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49 Alpha Plus, International educational assessment systems and their involvement of teachers in the assessment cycles, Qualifications Wales, August 2021

50 Qualifications Wales, Teacher and learner perceptions and experiences of non-examination assessment (NEA) in approved GCSEs in Wales, December 2021

51 OFQUAL, Equality impact assessment: literature review, April 2020

- 3.17 Engagement will be particularly important in relation to aspects of the new curriculum that have proved controversial, such as the changes to religion, values and ethics, relationships and sexuality education and Welsh language. For example, in November 2020 the Senedd Children, Young People and Education Committee urged the Welsh Government to conduct a ‘myth busting’ exercise to inform parents about the relationships and sexuality education that will form part of future learning. The Welsh Government accepted this recommendation, and the Senedd approved the Relationships and Sexuality Education Code in December 2021. The Welsh Government has a communications campaign on relationships and sexuality education underway and has updated information on its digital platform, Hwb.
- 3.18 Schools must engage with parents about their curricula and enable parents and learners to participate in schools’ evaluation and improvement. It is not clear if the Welsh Government plans to measure the level of engagement with parents, as has been the approach in Scotland<sup>52</sup>.

**It is not clear yet what information will be available to support a new approach to self-evaluation, improvement, accountability and transparency**

- 3.19 The success of education systems tends to be judged, at least in part, by exam and test results. Over time, successive Welsh Governments have varied their approach to these high-stakes measures<sup>53</sup> with self-evaluation featuring increasingly as a feature of the Welsh Government’s approach to school improvement and accountability. Many stakeholders see this as a strength, breaking the link between assessment and accountability measures. However, an OECD review in 2018<sup>54</sup> found that there was no common understanding of what a good self-evaluation looked like.

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52 Scottish Government, Learning together: national action plan for parental involvement, engagement, family learning and learning at home 2018-21, December 2018

53 In 2012, the Welsh Government introduced changes relating to collecting, publishing and sharing information about schools and pupils to ensure robust self-evaluation and effective challenge and help drive up standards. A national banding system for schools (the National School Categorisation System) was introduced to identify schools in need of improvement. Numeracy and literacy tests were introduced for pupils between 7 and 14 years of age in 2013.

54 OECD, Developing schools as learning organisations in Wales, October 2018

- 3.20 Work on accountability and improvement has been subject to delay. In February 2019, the Welsh Government published initial draft guidance on evaluation and improvement for the new curriculum<sup>55</sup>. This proposed a system based on four principles: fair, coherent, proportionate and transparent. This was superseded by a more detailed draft in January 2021<sup>56</sup>. In October 2020, the Welsh Government said that guidance and support for schools' self-evaluation would be available ahead of the 2021/22 academic year<sup>57</sup>. The Welsh Government published the National Resource: Self-evaluation and Improvement for schools in October 2021 with guidance and practical examples to support a self-improving school system on Hwb, its digital platform for learning and teaching. Pilots began in November 2021 and the Welsh Government currently anticipates it will be completed by the end of the academic year with the majority of resources published by April 2022.
- 3.21 Welsh Government regulations prescribe the information schools must include in their annual report to governors and school prospectus<sup>58</sup>. Since 2018, schools have not had to include comparative information from national reading and numeracy assessment. In 2020, the requirement to report exam results and authorised and unauthorised absence was removed because of the uneven impact of the pandemic. This continued in 2021/22<sup>59</sup>. As yet, it is unclear what information will be reported publicly or to those charged with scrutiny and accountability<sup>60</sup>. There is an opportunity to include data relevant to all curriculum areas – for example health and wellbeing – and not just examination or test results.
- 3.22 The Welsh Government has commissioned research on the information needed for self-evaluation, improvement, accountability and transparency across all tiers of schools to report in September 2022, a year later than suggested in its October 2020 updated action plan. It will be important to include robust data that allows parents and governors to have a full picture of the schools' performance and enable scrutiny by governors and local authorities. Otherwise, there is a risk that external exercises such as PISA tests and exam results remain high-stakes tests for the education system and the Welsh Government.

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55 Welsh Government, Draft evaluation and improvement (accountability) arrangements for Wales, February 2019

56 Welsh Government, School improvement guidance: framework for evaluation, improvement and accountability: Draft guidance, January 2021

57 Estyn, Welsh Government and the Regional Education Consortia, The National Evaluation and Improvement Resource (NEIR) update and guidance v1.3, October 2020

58 The School Governors' Annual Reports (Wales) Regulations 2011

59 The relaxation of school reporting arrangements (Wales) (coronavirus) regulations 2022, February 2022

60 Governing bodies are the accountable bodies for their schools. Where schools are causing concern, local authorities can intervene, advised and supported by regional consortia. Democratic accountability in local authorities (Councils and Scrutiny Committees) and in regional consortia (Joint Committees and Company Board) supports schools through monitoring, challenging and supporting improvement.

- 3.23 The Curriculum and Assessment (Wales) Act 2021 requires ministers to keep the 27 'What Matters' Codes and the Progression Code under review. Headteachers and governors are also required to keep schools' curricula under review. However, the Act does not state how or how often it should be undertaken. There are a number of routes for review including the national networks. Welsh Government Ministers have offered to report annually to the Senedd on progress, providing an opportunity for scrutiny.
- 3.24 Research has shown that countries with respected education systems tend to undergo curriculum reform on a planned cyclical basis (see **footnote 7**). In the review of the Curriculum for Excellence commissioned by the Scottish Government in 2020, the OECD commented that the Scottish Government did not plan for a formal review of the Curriculum for Excellence framework, 'although such a review cycle is common practice in curriculum policy in other education systems' (see **footnote 46**). Since devolution in 1999, the Welsh Government has commissioned several curriculum reviews (in 2008, 2012 and 2014) but there has been no mechanism for cyclical review.



# Appendices

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- 1 Audit approach and methods
- 2 Timeline of key events relating to curriculum reform, 2008-2027

# 1 Audit approach and methods

## Audit approach

We focused on the Welsh Government's management of the curriculum reform implementation programme. Our aim was to support the implementation process and support scrutiny. Therefore, we provided a detailed response to the Senedd consultation on the Curriculum and Assessment (Wales) Bill in September 2020. We have met with Welsh Government officials regularly during this audit.

At the outset of our work in early 2021, we were focused on whether the implementation was on track, in particular in the light of early conversations with colleagues in Estyn and elsewhere of the impact of the COVID-19 pandemic on secondary schools' ability to develop their curricula and professional learning ahead of the planned implementation of the new curriculum in September 2022.

Our aim was to provide assurance that implementation was on track in the context of revised plans announced in July 2021. Our audit work focused on whether:

- the Welsh Government had a clear purpose for curriculum reform;
- the implementation of curriculum reform was progressing as planned;
- there were significant risks/barriers to successful implementation of the new curriculum; and
- the Welsh Government was effectively managing the main risks.

In recent years, there have been several reviews by the OECD and others as well as research associated with curriculum reform. Estyn has conducted several thematic reviews as well as engagement work in 2020 and 2021. We have referenced its work rather than duplicate it. The Welsh Government asked Estyn to review consortia and local authorities' support for schools on the new curriculum in 2021. We were in regular communication with Estyn about its work.

## Audit methods

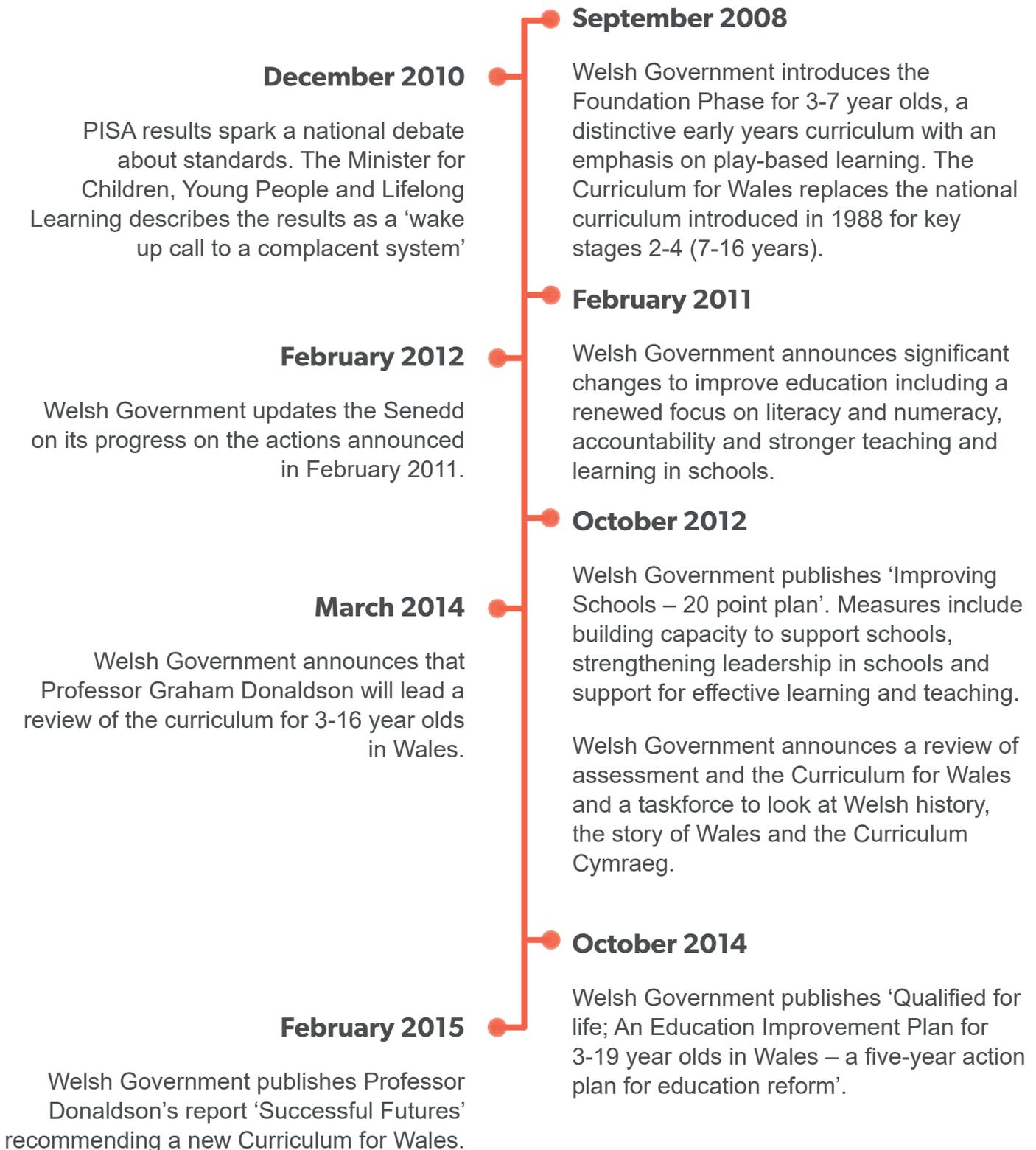
- **Document review:** we reviewed a large amount of documentation and research regarding curriculum reform, in a deliberate effort to not duplicate evidence gathered by others. We touched on some of the challenges around curriculum reform in our A Picture of Schools report in October 2021.
- **Semi-structured interviews:** we interviewed Welsh Government officials and staff from other key stakeholder organisations such as Estyn, Welsh Local Government Association, the Office of the Future Generations Commissioner, Qualifications Wales and the Office of the Children's Commissioner.
- **Data analysis:** we reviewed financial data on how much money had been spent on curriculum reform.
- **Call for evidence:** we invited interested parties to provide their views on progress with curriculum reform. We targeted organisations and individuals who had previously responded to the Senedd consultation on the 2020 Curriculum and Education (Wales) Bill which closed in September 2020.

We received feedback from 9 education organisations, including ColegauCymru who also asked to meet with us along with representatives from the further education sector.

We also received responses from 5 headteachers, 12 teachers, 7 parents and 4 members of the public. While these could not be considered representative, we considered them alongside other survey evidence (see **footnotes 26 and 28**) and the Education Workforce Survey 2021.

- **Workshop:** we held a workshop with Welsh Government officials to explore the background to, and status of, the curriculum reform programme.

## 2 Timeline of key events relating to curriculum reform, 2008-2027









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Mr Mark Isherwood MS  
Committee Chair  
Public Accounts and Public Administration

Sent via email to:  
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**Reference:** AC/309/caf  
**Date issued:** 1 July 2022

Dear Mark

## The Welsh Community Care Information System

I published my [report](#) on the Welsh Community Care Information System (WCCIS) in October 2020. WCCIS has been developed as a single system and a shared electronic record for use across a wide range of adult and children's services. The intention being that all 22 local authorities and seven health boards would implement it.

My report found that implementation and roll-out of WCCIS was taking much longer and proving more costly than expected. Despite efforts to accelerate the process, the prospects for full take-up and benefits realisation remained uncertain. Some important issues around the functionality of the system, data standards and benefits reporting were still to be fully resolved.

At the time of my report, 19 organisations were using WCCIS or had signed deployment orders, with four in active negotiation and six yet to commit. Of the 19 organisations, 13 local authorities and two health boards had gone live. However, 'live' meant different things. Differences in how organisations were choosing to deploy WCCIS limited opportunities for integrated working and raised other value for money issues.

I noted in my report that the potential benefits of a shared electronic record across health and social care were clear to see; even more so given some of the challenges presented by the COVID-19 pandemic. However, the Welsh Government's ambitious vision for WCCIS was still a long way from being realised. I emphasised that the

Welsh Government needed to work with the various organisations involved to take stock of expectations for the remainder of the contract term and resources and wider commitment to support progress.

The previous Public Accounts Committee (PAC) did not have time to undertake any detailed inquiry work on WCCIS. However, the Welsh Government provided a response to my recommendations, all of which were accepted as part of correspondence with the PAC in February 2021. The PAC had requested a wider update on matters arising from its November 2018 report on Informatics Systems in NHS Wales and my predecessor's January 2018 report on the same topic.

Since my report, the functions previously undertaken by the NHS Wales Informatics Service (NWIS) have moved from its previous structure, as part of Velindre University NHS Trust, to the new 'Special Health Authority' – Digital Health and Care Wales (DHCW). DHCW plays a key role in national programme management for WCCIS, although since my report staff turnover has seen two changes in previous temporary appointments to the role of WCCIS programme director. From early 2022, the role of WCCIS programme director has become a permanent position.

The WCCIS programme is now at a critical juncture. The Welsh Government has taken several actions in response to my recommendations, most notably an independent 'Strategic Review' which reported in February 2022. The review found that while support for the vision of an integrated health and social care system remained, there was also widespread frustration.

Many of the issues highlighted by my report were mirrored in the Strategic Review findings. The Strategic Review has recommended a series of actions to 'reset' and 'course correct' the programme. The Welsh Government has also recently announced further funding for national programme management to take this work forward. It will also provide further financial support to health boards and local authorities to support implementation.

The Annex to this letter provides a more detailed update on the main actions so far in response to my recommendations and on progress generally against key issues raised by my report. By way of summary:

- Relevant to my specific recommendations, the Welsh Government commissioned research to gather views from users and others about the performance and functionality of the system. The survey findings in June 2021 highlighted the system was having a more negative than positive impact on most users' ability to do their work. Preceding the Strategic Review mentioned above, there was also a programme assurance review which concluded in November 2021 and a further one scheduled for November 2022. DHCW also completed an exercise to learn lessons from the contracting approach for WCCIS.

- Ongoing rollout has seen two more local authorities 'go live' with the system since my report while one further health board has now signed a 'deployment order'. However, it remains the case that patchwork approaches to implementation mean that even where the system is live, it is not being used to its full potential or on a consistent basis. We have updated our interactive [data tool](#) which provides further detail on the overall roll-out position across the 29 organisations.
- Central support costs for the period to 31 March 2022 – excluding local costs to individual organisations and other opportunity costs – remain at around the £30 million expected at the time of my report, although the profile of those costs has changed. The Welsh Government has now committed a further £8.31 million for national programme support and support for health board and local authorities in accelerating implementation for 2022-23 to 2024-25. The Welsh Government has agreed that this figure may increase to up to £12 million if required. The overall business case for WCCIS has not yet been updated, something that I recommended should happen in advance of committing more funding. The Strategic Review has also now recommended that the business case be updated.
- Key aspects of functionality continue to be delayed. Areas where work continues to be needed include Welsh-language requirements, mobile functionality and interfaces with other NHS Wales systems. As of June 2022, all these areas of functionality remain outstanding although mobile functionality is due to be piloted later this calendar year and most of the interfaces are also now expected by the end of 2022. When I reported previously, it had been estimated that the remaining updates would be delivered through to the end of 2021.
- System performance issues became particularly acute during Autumn 2021 but overall system performance has since stabilised. Several organisations have identified specific risks to service delivery around the stability of the system at different points. Significant performance issues during a planned upgrade to the underlying platform for the system resulted in the system being unavailable altogether for certain periods during October and November 2021. These issues continued to some extent into early 2022 before being resolved in February 2022. Since this time, both the system suppliers and the National Programme Team have reported the system performance and stability has been good.
- National data standards work has continued but is still not complete. Development of these standards is key to realising some of the benefits of WCCIS.

- The overall arrangements for reporting the benefits from WCCIS implementation, which have been the subject of discussion and review from the outset, have still not been resolved. Work is still ongoing to develop a suitable reporting framework. Annual reporting on the progress of the WCCIS programme has also not been completed as expected to date, although the Welsh Government has been receiving quarterly updates from the National Programme Team. The National Programme Team produced a benefits realisation report in November 2021, although its key findings largely mirrored my own, that the 'patchwork' nature of implementation has resulted in difficulties realising some of the key information sharing and integrated benefits that the system was expected to support.

Following considerable diagnosis of the difficulties that have affected the WCCIS programme, strong leadership is now required to ensure value for money from the £30 million investment to date and future spending and to determine the overall future of the programme in partnership with those organisations currently using the system and those who are not. As part of this, a decision will be needed on the future contracting strategy and whether to retain the commitment to a single system solution or allow for different 'interoperable' systems using the same standards and ensure the development of those standards moves at a quicker pace than it has to date.

Time is now of the essence, with the strategic review identifying that at least two local authorities that had signed deployment orders have been reviewing whether to stay with the current system and some key contractual milestones not far ahead. There is added complexity from the fact that those organisations currently using the system have moved to it at different times, meaning their deployment orders will also expire at different times. My report set out details about the contractual framework. This included a Master Services Agreement (MSA), which expires in March 2023, but can be extended on a 1+1+1+1 basis until March 2027. Local deployment orders may run beyond March 2027 but must end by March 2030. Again, these deployment orders include opportunity for extension on a 1+1+1+1 basis but the first deployment order, signed by Bridgend County Borough Council, comes to the end of its initial 8-year period at the same as the MSA in March 2023.

The National Programme Team has pointed to various factors that have impacted on overall progress of the WCCIS programme since my report. These have included the ongoing impact of the pandemic, the transition from NWIS to DHCW and the significant attention that needed to be given to addressing performance issues that emerged in Autumn 2021. However, they have also emphasised their view that with stability to the system and clearer direction following the Strategic Review, the programme is in a better place to progress other key actions.

The Committee has signalled interest in returning to consider wider issues around digital health and care in the autumn. Any such scrutiny would provide an opportunity to explore matters arising from this letter and my previous report in more detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Crompton', with a long horizontal stroke extending to the right.

**ADRIAN CROMPTON**  
**Auditor General for Wales**

## Annex:

### **My previous recommendations and action taken in response**

- 1 In my October 2020 report I recommended that:
  - Before committing any further central funding, the Welsh Government works with the WCCIS National Programme Team, health boards, local authorities and the supplier to:
    - produce an updated business case that takes account of local, regional and national costs and sets out expectations for further roll-out of the system, its use over the remainder of the contract term, the development of national data standards and planning for any successor arrangements;
    - ensure the organisations involved have the necessary capacity to support implementation and are giving enough priority to the programme against a clearly agreed plan; and
    - pull together a clear national picture on feedback from front-line users about the performance and general functionality of the system.
  - The Welsh Government works with the National Programme Team to consider:
    - how the WCCIS contract might have been strengthened to support and incentivise delivery and manage risk; and
    - how relevant lessons can be applied to any successor contracting arrangements and wider public procurement.
- 2 The Welsh Government accepted the recommendations. Progress towards addressing them has included a programme assurance review which concluded in November 2021. There has also been a 'Strategic Review' carried out by external independent consultants. The consultants began their work in November 2021 and produced their final report in February 2022. The Strategic Review raised

several recommendations, all of which have been accepted by the Senior Responsible Officers (SROs) for the programme<sup>1</sup>.

- 3 The Welsh Government also commissioned independent researchers to carry out surveys and workshops with users and non-users of the system in June 2021. The purpose was to gather genuine and independently assessed views of the performance and functionality of the system.
- 4 Meanwhile, DHCW completed an internal Lessons Learned review in October 2021 that considered how the WCCIS contracting framework could have been strengthened.
- 5 An updated business case for WCCIS has not yet been produced but the Welsh Government has nevertheless committed some further central funding. The Strategic Review has also now recommended that the business case be updated. The National Programme Team has noted that further work is now needed following the Strategic Review to set out the technical and commercial strategy and associated costs and benefits to inform a revision of the business case.
- 6 The remainder of this update provides further detail about the actions set out above.

## General update on progress since my report

### Strategy and contracting

#### DHCW Lessons Learned review – the WCCIS contracting framework

- 7 The key lessons learned identified by DHCW's review were:
  - a phased approach should have been built into the contract at the outset as a default aspect for health boards to allow them flexibility for them to implement at their own pace.
  - a clear plan should have set out the approach to service and contract management arrangements during the procurement

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<sup>1</sup> The SROs are the Chief Executive of Powys Teaching Health Board and the Director of Social Services and Housing at Caerphilly County Borough Council.

along with a review process built in. This would have ensured roles and responsibilities were clearly understood across the programme.

- national standards could have been agreed at the contract specification stage.
- all organisations with contractual obligations should have had access to the contractual agreement and documentation.
- an overview of the contract and training should have been provided to all key stakeholders so that the key terms, obligations and relationships set out in the contract were understood.
- all parties should have had read access to contractual documentation in a central location. There should have been a flow of information between the National Programme Team and local organisations to ensure consistency and transparency to support management of contract delivery and supplier relationships.
- although a financial discount had been achieved on the large-scale purchase of licences to use the system, delays in implementing the system mean that the full benefit of that discount has not been achieved to date. This reflects some of my own observations about value for money risks in the contractual framework, which I noted had also needed to evolve over time for various reasons.

### **The programme assurance review**

- 8 The programme assurance review found that while the overall objective of the original March 2015 business case for WCCIS remained valid – to achieve a shared electronic record across health and social care – it was unclear how the objective would be realised. The review recognised that much of the challenge facing successful delivery of the programme’s overall objective was drawn out by my own report in October 2020. The review recommended that the SROs should consider a formal review and ‘reset’ for the programme.

## The Strategic Review

- 9 The Strategic Review's recommendations, which the programme SROs have accepted and that reflect many of the challenges set out in my report, concerned:
- stabilising the system so that performance and user experience is improved.
  - 'descoping' some areas of the current programme such as the work on national data standards and considering transferring responsibility for its delivery to other programmes within Digital Health and Care Wales.
  - simplifying the programme by transitioning the operational service management of the system away from the National Programme Team to other DHCW functions.
  - 'course correcting' the programme to enable it to focus on its key aim. This will include reviewing contractual and commercial arrangements and updating the business case.
  - resetting the programme so that all documentation, ways of working and governance are reviewed and refreshed.
  - creating a 'technology road map' that supports standards based inter-operability between WCCIS and other systems within health and social care.
  - standardising the approach to the roadmap by signing up to an agreed set out governing design principles so all work has a common objective and design correlates with relevant national digital architectures and standards.
  - improving collaboration between stakeholders.
- 10 A programme of work is now underway to deliver on the recommendations. The programme SROs have also initiated a further programme review process scheduled for November 2022.

## Roll out

- 11 I reported previously that estimated dates from the March 2015 business case, which were also reflected in the original contractual documents, suggested all 22 local authorities and 7 health boards would be using the system by December 2018. At the time of my report, 19 organisations were using WCCIS or had signed deployment orders, with four in active negotiation and six yet to commit. Of the 19 organisations, 13 local authorities and two health boards had gone live.
- 12 Deployment orders for individual organisations include common elements but can be tailored and with organisations having been able to commission additional functionality beyond that provided for in the original contract. However, even within the common elements, it remains the case that 'live' can mean different things as organisations can choose which elements of the available functionality they use and how widely they deploy the system. My report emphasised that the different approaches to implementation mean that it is difficult to realise some of the information sharing and integrated working benefits that the system was expected to support.
- 13 As of 31 May 2022, a further two local authorities that had signed deployment orders at the time of my report have gone live – Swansea Council and Conwy County Borough Council. We have updated our [interactive data tool](#) which provides further detail on the roll-out position across all 29 organisations. However, the Strategic Review highlighted that there are also at least two local authorities that are actively seeking to end their WCCIS contracts.
- 14 No further health boards have gone live since my report, although Cwm Taf Morgannwg University Health Board signed a deployment order in November 2021. The estimated go-live date now that the deployment order has been signed is yet to be agreed. While not yet live, some health board staff are accessing the system via local authority user licenses. As at the time of my report, the Health Board intends to implement the system in mental health services first.

- 15 At the time of my report, two health boards had signed deployment orders but were still working towards go live dates.
- Aneurin Bevan University Health Board signed a deployment order in March 2018. The first phase of implementation in mental health services was scheduled for June 2019 but this date was not met. A revised date for mental health services, along with the addition of learning disabilities, was scheduled for November 2021. This date was not met due to ongoing stability issues with the system. A further revised date for mental health services and learning disabilities, which was also expected to include mobile functionality, was scheduled for the end of March 2022. However, this date was also not met. The current target for first phase implementation is August 2022, but this will not include mobile functionality at that point.
  - After signing a deployment order in March 2016, Betsi Cadwaladr University Health Board had an initial go-live date of April 2017 for a phased implementation starting with mental health services. The date was not met, and the health board then discussed with the supplier an initial small-scale prototype implementation in its community nursing and therapies teams with a planned start date in November 2021, but this has now been delayed until September 2022.

## Costs

### The overall picture

- 16 My report provided an overview of the £30.16 million in central support costs spent or committed through to March 2022. This figure comprised of:
- £8.41 million – capital costs for software development, licenses, hardware and network infrastructure.
  - £8.62 million – national programme management support.
  - £13.13 million – support for health boards and local authorities for implementation and roll-out and related service transformation.

- 17 The final outturn figure to March 2022 has remained at around £30 million, but with some changes in the profile of these costs and some of the software development costs rolling forward beyond March 2022. The Welsh Government has also now committed at least a further £8.31 million in total for national programme support (£7.15 million) and support for health board and local authorities (£1.16 million) to accelerate implementation for 2022-23 to 2024-25. The Welsh Government has agreed that this figure may increase to up to £12 million if required.
- 18 The central support costs figure excluded local implementation costs and service charges met from organisations' own budgets and wider opportunity costs associated with the overall governance arrangements for WCCIS implementation and roll-out. We had been unable to arrive at a reliable overall estimate of local implementation costs met from organisations' own budgets, although it was apparent that these ran into several millions of pounds.
- 19 To the end of June 2020, those organisations that had progressed with implementation to the point of paying service charges had paid a total of £2.56 million to the system supplier. The overall extent to which this was new expenditure compared with the cost of previous systems was not clear. However, some organisations were realising modest savings compared with the cost of previous systems. By the end of March 2022, overall service charge payments had increased to £4.82 million.

### **Capital costs**

- 20 My report set out that the capital costs included the Welsh Government's approval, in December 2019 of additional capital grant funding from its Digital Priorities Investment Fund. The Welsh Government allocated £1.0 million for a planned central hardware refresh and £0.8 million for software development. The final cost for the central hardware refresh was £1.93 million, which the Welsh Government met from the Digital Priorities Investment Fund.
- 21 The £0.8 million approved for software development included £0.47 million to cover development costs within the original scope of the business case and contract. The remainder was for enhancements that were not within the original scope. At the time of my report, the latest estimate of those costs following commercial negotiation was £1.12 million. My report set out the expectation that deploying organisations would need to decide on the affordability and value for

money of the remaining enhancements not covered by the Welsh Government funding.

- 22 Since my report, the National Programme Team has advised that some of the software requirements from the original scope are no longer needed/or have been overtaken by other developments or cannot be delivered. Work is still ongoing to finalise what the final cost for delivery of the remaining developments costs and additional enhancements will be. The work was due to be completed by end of March 2022 but will now be incorporated into the programme of work flowing from the Strategic Review.
- 23 As of February 2022, £0.72 million of the £0.80 million previously approved for software development had been spent, mostly covering enhancements outside of the original contract scope.
- 24 Due to the additional cost associated with the central hardware refresh, the Welsh Government had committed a total of £9.34 million of capital grant funding to the end of March 2022. While this is still within the original March 2015 business case estimate of £9.89 million, the total costs have not yet been finalised. There is no further Welsh Government capital funding currently planned between 2022-23 and 2024-25.

#### **National programme support costs**

- 25 The £8.62 allocated for national programme management support to March 2022 came from a mix of direct Welsh Government funding and existing budgets for NWIS (and now Digital Health and Care Wales). This figure was around £1.7 million higher than estimated in the March 2015 business case for the same period.
- 26 Actual reported expenditure to March 2022 was £8.27 million, although as noted above the Welsh Government has committed at least a further £7.15 million for the period 2022-23 to 2024-25.

#### **Support to health boards and local authorities**

- 27 My report set out the sorts of costs organisations might incur to support local implementation including, for example: data cleansing, testing and migration; tablets/laptops to support mobile working; additional/upgraded hardware and software; local support desks and staff costs. My report noted that the March 2015 business case had estimated that these costs would total £2.58 million, compared with the £13.13 million that the Welsh Government had committed at the

time of my report<sup>2</sup> to support local implementation and roll-out and related service transformation<sup>3</sup>.

- 28 In February 2021, the Welsh Government allocated a further £2 million from its Digital Priorities Investment Fund to support local authority implementation during 2021-22. As at March 2022, a total of £12.44 million had been spent by local authorities and health boards. Despite the additional £2 million, this figure has come in below the £13.13 million commitment I reported previously because of an underspend by health boards.
- 29 As noted above, the Welsh Government has also committed at least a further £1.16 million for health boards and local authorities for the period 2022-23 to 2024-25 for health boards and local authorities.

### **Outstanding functionality**

- 30 My report highlighted that, under the contract, full system functionality was expected to have been delivered before the end of 2015 but that key aspects of the expected functionality had been significantly delayed. This included certain enhancements to the original contractual requirements. The estimate at the time of my report was that the remaining updates would be delivered on a phased basis through to the end of 2021. Areas where work was still needed included Welsh-language requirements, mobile functionality and interfaces with other NHS Wales systems.
- 31 A pilot for mobile functionality was scheduled before the end of 2020. Following the publication of my report, the Welsh Government reported to the Public Accounts Committee that the pilot had been delayed by the ongoing impact of the COVID-19 pandemic and would be available by March 2021. However, due to issues with the stability of the system, the pilot was cancelled. There was then a revised plan to rollout mobile functionality as a national product by the end of

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<sup>2</sup> This included committed funding for health boards to March 2022 but for local authorities only up to March 2021.

<sup>3</sup> My report noted that the National Programme Team had emphasised that the activity that this funding supports extends beyond the scope of the original business case, including wider service transformation work related to WCCIS. The funding has been distributed through Regional Partnership Boards.

February 2022, but this date was also not met. Testing is underway and the plan is now for a staggered release, starting with a pilot phase in Hywel Dda University Health Board and Aneurin Bevan University Health Board in October 2022 before the mobile functionality is made more widely available. The staggered release is intended to help manage the additional load on the system and prevent further performance issues. We now understand that only 11 out of 29 organisations intend to use the mobile functionality when it is available.

- 32 Some of the required interfaces with other NHS Wales systems were identified in the original scope of the contract, while others were agreed in 2019 as enhancements to the 2015 contract. In October 2020, of the 16 interfaces agreed, only two were live. It was estimated that the remaining interfaces would be delivered on a phased basis by the end of December 2021.
- 33 The latest position is that 12 of the 14 remaining national interfaces are currently being developed with Aneurin Bevan University Health Board. Some are scheduled for implementation in October 2022 and others by the end of December 2022. Once they have been successfully implemented in the Health Board, they will be available for all other organisations to use. Discussions on timescales for the remaining two interfaces have not yet begun.
- 34 Some key aspects of the functionality expected to meet Welsh-language requirements set out in the original contract that were not available when I reported also continue to remain unavailable. Currently there is no timescale for when this will be delivered, and it has not been a recent priority for the programme ahead of other issues.

## System performance

- 35 My report outlined that there had been significant ongoing performance issues with the system. Concerns due to system performance issues, including risks to staff and service users, had also been raised in some local reporting by Care Inspectorate Wales and Healthcare Inspectorate Wales.
- 36 I recommended that the Welsh Government should pull together a clear national picture on feedback from front-line users about the performance and general functionality of the system. In response, the Welsh Government commissioned a user survey, a non-user survey<sup>4</sup> and held a national workshop in June 2021.
- 37 Although the response rate for the user survey was not as high as the Welsh Government would have liked, it accepted that the findings were broadly representative of the WCCIS user base<sup>5</sup> and recognised there were some serious performance issues that needed to be addressed.
- 38 Overall, the system was found to be having a more negative, rather than a positive, impact on most users' ability to do their work. For a large proportion of users, the system was not able to support integrated working between health and social care and realise its intended benefits.
- 39 There were further significant performance and stability problems following planned migration to a new version of the underlying platform for the system, resulting in the system being unavailable altogether for certain periods during October and November 2021. These issues continued to some extent into early 2022 before being resolved in February 2022. We understand that since this time the system has stabilised and there have not been any significant performance issues or outages. The National Programme Team plans regular user surveys as part of future programme engagement work but no dates for this have yet been set.

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<sup>4</sup> The Welsh Government also commissioned a separate non-user survey but received only 20 responses.

<sup>5</sup> 1,252 people completed the user survey based on a total population of 13,803 potential users in May 2021.

## **Data standards**

- 40 My report highlighted how changes to programme governance structures, including a new national Information Management Board, had been intended to accelerate progress on national data standards which are key to realising some of the benefits of WCCIS. Work on developing national data standards has continued but is still not complete. As noted above, DHCW's contracting lessons learned review, suggested that local authorities and health boards could have agreed a set of common data standards before the contracting tendering process. This may have strengthened support for the programme and incentivised adoption.
- 41 Recognising the complexity of developing national data standards, the Strategic Review recommended that the data standards work is 'descoped' from the WCCIS programme. Discussions are currently ongoing with Digital Health and Care Wales to decide where this work would best sit.

## **Benefits realisation and reporting**

- 42 The arrangements for reporting the benefits from WCCIS roll-out have been the subject of discussion and review from the start of the WCCIS programme. At the time of my report, work was still ongoing to develop a suitable reporting framework. This remains the case.
- 43 As part of the expectations that went with some of its funding support, the Welsh Government was expecting the National Programme Team to produce a comprehensive annual report on the progress of the programme, starting with the period to the end of March 2020. The first report had been due by the end of April 2020, but at the time of writing my report completion was delayed by the impact of COVID-19. To date no annual reports have been produced, although the Welsh Government has been receiving quarterly updates from the National Programme Team. The Welsh Government has now commissioned the consultants who completed the Strategic Review to prepare broader annual reports, but for 2020-21 and 2021-22 only.
- 44 In November 2021, the National Programme Team finalised a benefits realisation report. The report recognised that to date the organisations that had commissioned WCCIS had done so largely to replace older systems that were reaching their contract end dates. It noted that while this has provided benefits of efficiency in procurement costs and timescales and laid the foundation to enable

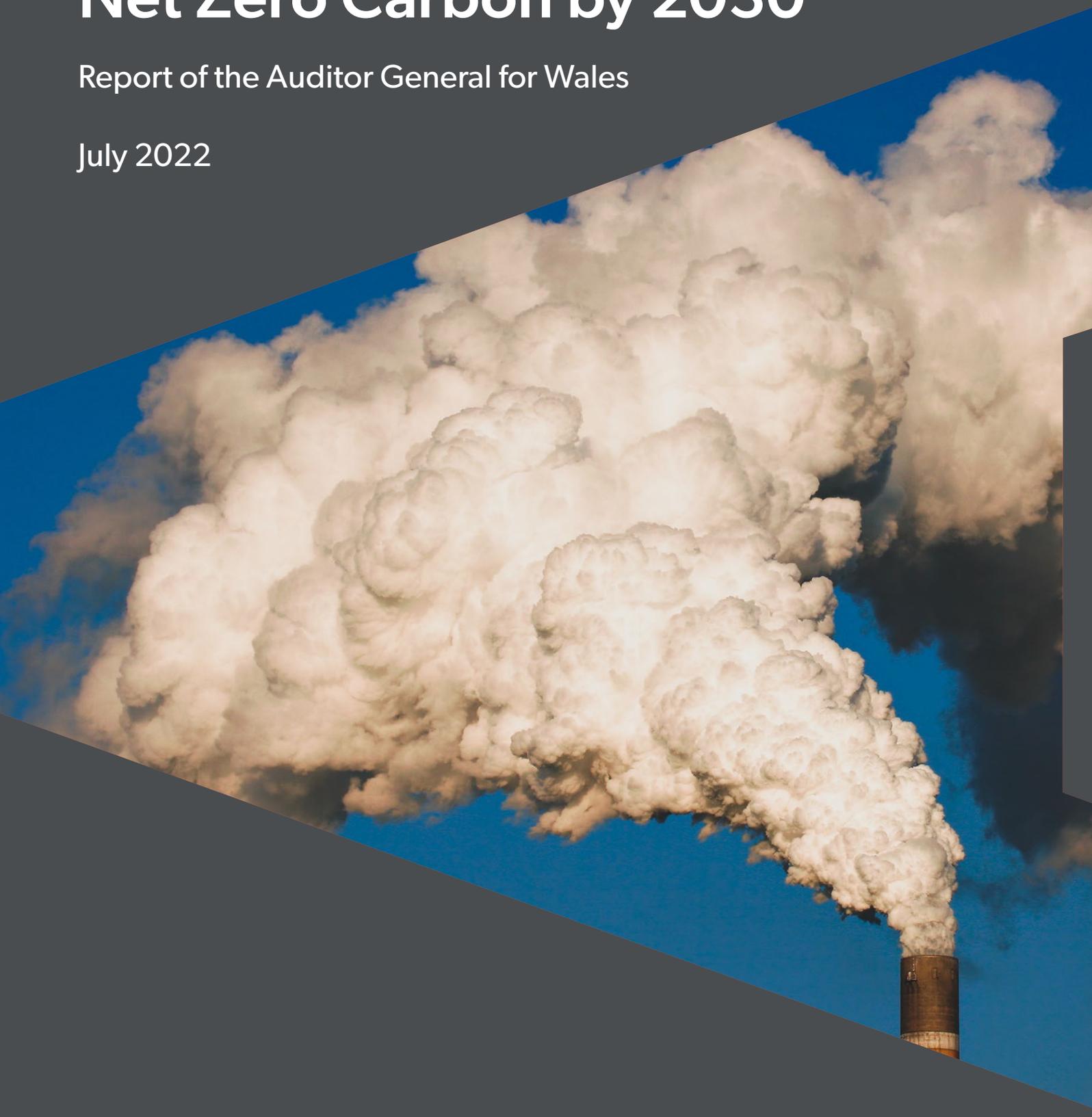
integration as other organisations deploy WCCIS, the ‘patchwork’ implementation means that realisation of benefits from integration across service and organisational boundaries has been slower than anticipated. This largely corresponds with the conclusions in my own report.

- 45 The benefits realisation report made several recommendations. In summary, they included ensuring that the benefits of the programme align with any refreshed vision or purpose for the programme following the Strategic Review. It also recommended that a review and updating of the benefits roadmap, definitions, metrics and baselines be undertaken in the context of the outcomes of the Strategic Review along with the establishment of a Benefits Management Community of Interest.

# Public Sector Readiness for Net Zero Carbon by 2030

Report of the Auditor General for Wales

July 2022



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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# Detailed report

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## Background

- 1 Climate change is one of the world's defining challenges and it requires immediate action from everyone. A landmark [report](#) by the United Nations in August 2021 said that human activity is changing our climate in unprecedented ways and that drastic reductions in carbon emissions are necessary.
- 2 The latest climate projections for Wales show an increased chance of milder, wetter winters and hotter, drier summers, rising sea levels and an increase in the frequency and intensity of extreme weather events. The implications are clearly stark.
- 3 A crucial way to mitigate the impacts of climate change is to reduce carbon emissions. In March 2021, following advice from the Climate Change Committee<sup>1</sup> in December 2020, the Welsh Government set new [targets](#) for a 63% carbon reduction by 2030, an 89% reduction by 2040, and a 100% reduction by 2050<sup>2</sup>. In addition, the Welsh Government set out a more challenging collective ambition for the Welsh public sector<sup>3</sup> to achieve net zero carbon by 2030 (the 2030 collective ambition).
- 4 In June 2021, the Welsh Government published its [Programme for Government 2021-2026](#) which puts tackling the climate and nature emergencies at the heart of the new government. The Programme for Government also makes a series of commitments to embed a response to climate change in everything the Welsh Government does.

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1 The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its role is to advise the UK governments on emissions targets and to report on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.

2 Net zero does not mean eliminating greenhouse gas emissions but balancing the greenhouse gas emissions with the amount of gases being removed from the atmosphere.

3 The Welsh Government's definition of the 'public sector' in this case covers 65 bodies as set out in Appendix 2 of the [Welsh Government, Public sector net zero data: baseline and recommendations, June 2022](#).

- 5 The Welsh Government has also published Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector (the public sector route map) to support the Welsh public sector in achieving the 2030 collective ambition. Alongside the public sector route map, the Welsh Government published the net zero reporting guide and associated spreadsheet to allow the public sector to capture and report emissions on a consistent basis.
- 6 The Auditor General has committed to carrying out a long-term programme of work on climate change. Our first piece of work is a baseline review that asks: '**How is the public sector preparing to achieve the Welsh Government's collective ambition for a net zero public sector by 2030?**'. To inform the baseline review, 48 public bodies, including the Welsh Government, completed a call for evidence. **Appendix 1** explains our audit approach and methods.
- 7 We are publishing two reports to share our findings:
  - **this key findings report:** this report targets senior leaders and those with scrutiny roles in public bodies, with the aim of inspiring them to increase the pace of their work on achieving the 2030 collective ambition. We have included questions at the end of each section of this report for organisations to reflect on. While these questions are not exhaustive, they provide important pointers for organisations to consider.
  - **evidence report – to follow:** a report that will provide more detailed findings and data from the call for evidence and our wider work.

## Overall conclusion

- 8 There is clear uncertainty about whether the public sector will meet its 2030 collective ambition. Our work identifies significant, common barriers to progress that public bodies must collectively address to meet the ambition of a net zero public sector by 2030. And while public bodies are demonstrating commitment to carbon reduction, they must now significantly ramp up their activities, increase collaboration and place decarbonisation at the heart of their day-to-day operations and decisions. Organisations need to be bold and innovative and share experiences of their successes and failures. The Auditor General will not criticise organisations for taking well-managed risks to address this unprecedented challenge.
- 9 We have set out five calls for action for organisations to tackle the common barriers to decarbonisation in the public sector. These are:



- 1 Strengthen your leadership and demonstrate your collective responsibility through effective collaboration



- 2 Clarify your strategic direction and increase your pace of implementation



- 3 Get to grips with the finances you need



- 4 Know your skills gaps and increase your capacity



- 5 Improve data quality and monitoring to support your decision making

- 10 We are not making specific recommendations given the high-level nature of our review. However, we encourage public bodies to consider the messages in this report, and through their internal governance structures, set out publicly how they intend to respond to the calls for action.

## Calls for action



### **Strengthen your leadership and demonstrate your collective responsibility through effective collaboration**

- 11 The Welsh Government showed leadership when it declared a climate emergency in 2019. Many of the other public bodies have followed suit, for example, 18 out of 22 Welsh councils have now declared a climate emergency.
- 12 The Welsh Government also demonstrated leadership when it set the 2030 collective ambition and in May 2021 when it established a new Ministerial portfolio for climate change. A related change to the Welsh Government's organisational structure came into effect from 1 April 2022.
- 13 We have found considerable activity by public bodies, supporting the move towards decarbonisation. So, public bodies are clearly taking this agenda seriously.
- 14 Despite this, they must do more because there is considerable uncertainty (and clear doubt from some organisations) about whether the 2030 collective ambition will be met. In the NHS, we found uncertainty that even a 34% reduction in emissions would be achieved across that sector<sup>4</sup>. Bodies told us about significant barriers to progress in decarbonising, such as difficulties in translating strategy into action, uncertainty about finances, a lack of skills and capacity, and issues with decarbonisation data. These matters are discussed throughout this report.
- 15 Now is the time for bold leadership. Public bodies must reduce carbon emissions from their estates, from their services, and from the goods and services they procure. On top of that, they must adopt a wider leadership role in championing the decarbonisation agenda in all sectors within the communities they serve to work towards a 'just transition'<sup>5</sup>.
- 16 Public bodies will need to demonstrate stronger collective leadership because collaboration between organisations will be critical to achieving the 2030 collective ambition. Some respondents told us that a wholesale change of thinking is required, with a more co-ordinated and joined-up approach across the public sector.

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4 The NHS Wales Decarbonisation Strategic Delivery Plan sets out 46 initiatives that are estimated to reduce carbon emissions by 34% by 2030.

5 A 'just transition' means taking action on climate change and greening the economy in a way that is as fair and inclusive as possible to everyone concerned. Policy 1 in [Net Zero Wales Carbon Budget 2 \(2021-2025\)](#) sets out the Welsh Government's views on a just transition.

- 17 Several cross-organisational panels and programme boards already exist to collaborate on climate issues including decarbonisation. And while public bodies expressed largely positive views about the way they are collaborating, there was also recognition that these efforts need to be ramped up. There is a collective responsibility on the public sector to make existing structures work. Public bodies also need to consider what additional collaboration is needed within sectors and across the public sector.
- 18 Senior leaders must do more to demonstrate they fully grasp the urgency and scale of the challenge and clearly identify this as a top priority for their organisation if they are to achieve their ambitions. Decarbonisation (and wider climate risks) must be at the core of day-to-day business decisions and operations. This agenda must be integrated into all services and operations, so that decarbonisation is delivered alongside other outcomes.
- 19 The frameworks provided by the Well-being of Future Generations (Wales) Act 2015 (including public services boards and the setting of well-being objectives) can be used to help organisations decarbonise. Application of the sustainable development principle in key areas such as procurement, workforce planning and finance will also help delivery of the decarbonisation agenda.
- 20 Those charged with governance and scrutiny roles in individual organisations need to support the direction of travel while at the same time challenging whether enough is being done.

### Questions that senior leaders and those who scrutinise them may want to ask

- Are we treating the climate crisis and the need to decarbonise as a real 'emergency'?
- Can we demonstrate that decarbonisation is at the core of day-to-day business decisions and operations?
- Is the urgency and scale of the challenge well communicated by senior leaders and understood throughout our organisation?
- Do we have specific and effective scrutiny and governance arrangements for managing the journey to net zero?
- Do we understand the main barriers to progress and how well are we collaborating to overcome them?

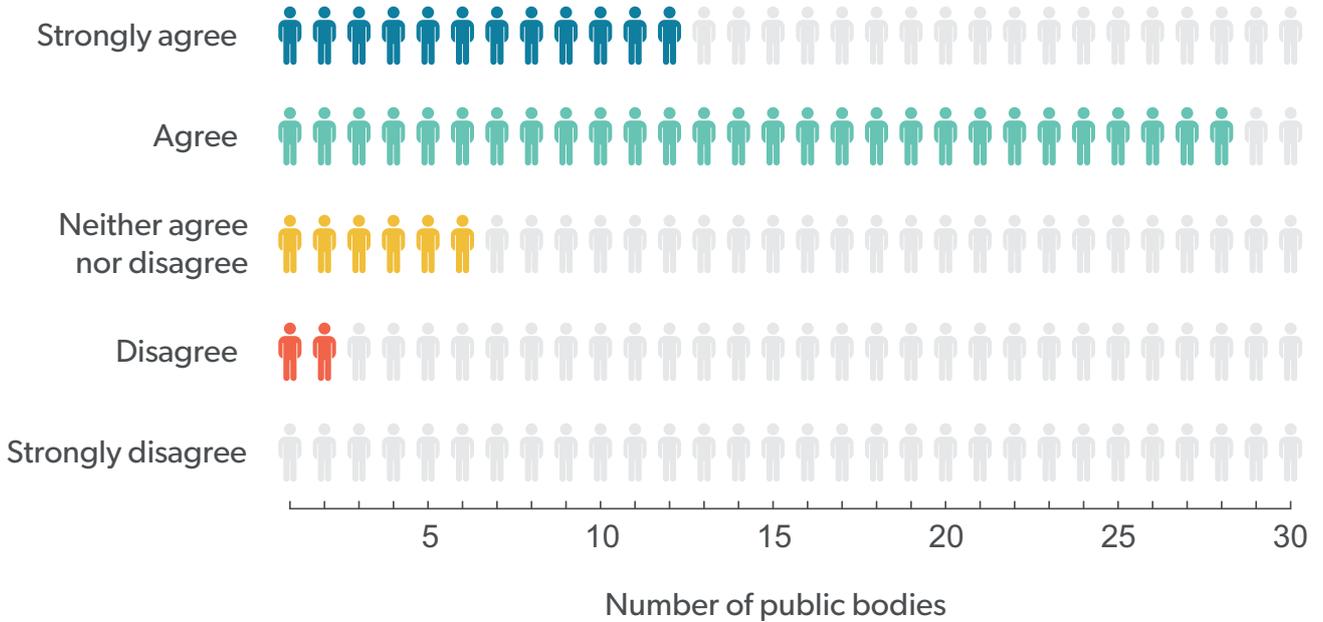




## Clarify your strategic direction and increase your pace of implementation

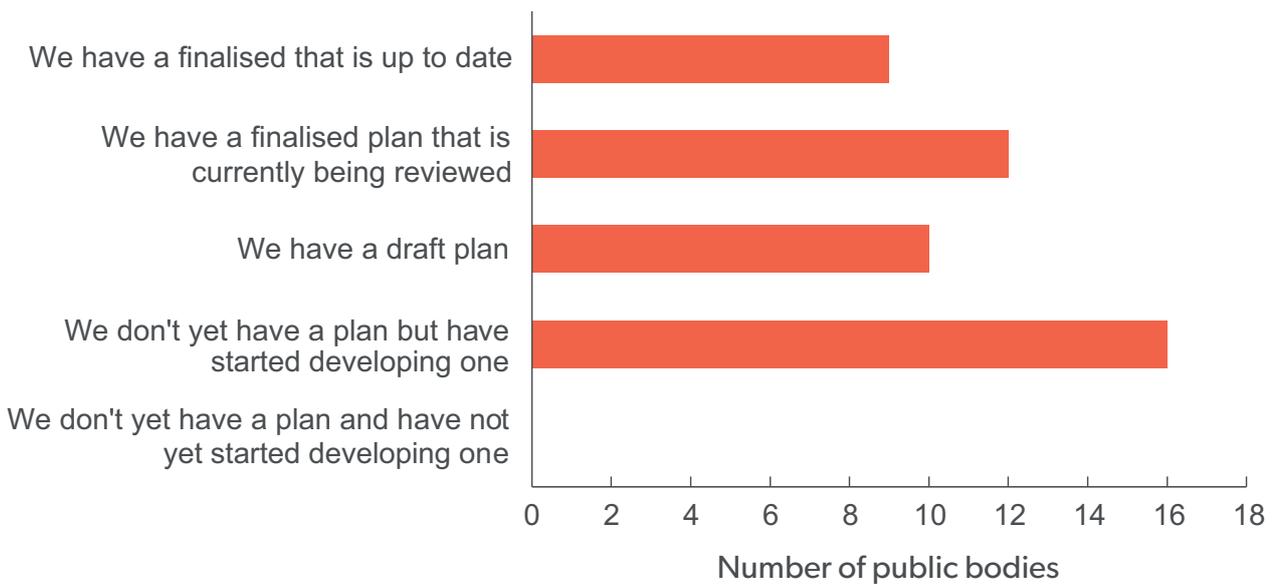
- 21 To deliver the 2030 collective ambition, it is essential that Wales has clear, joined-up, integrated strategies across the public sector. The action plans resulting from those strategies will also have to be implemented at pace.
- 22 In response to our call for evidence, public bodies were generally positive about the strategic direction set out by the Welsh Government and that it had been communicated well through the [public sector route map \(Appendix 3\)](#). In response to our question about the extent to which they were using the public sector route map, most public bodies said they were using it, to varying degrees, and only five said they were not.
- 23 Despite generally positive views about the national strategic direction, public bodies want more help to translate the strategy into action. Several organisations told us that while the public sector route map provides a high-level template, they need more clarity, support and guidance on how to decarbonise.
- 24 The Welsh Government told us that it deliberately designed the public sector route map to be a high-level framework to assist public bodies in developing local solutions based on individual circumstances, rather than a one-size-fits-all approach. The Welsh Government is providing other forms of central assistance on decarbonisation, including support through the [Welsh Government Energy Service](#), grant funding for various programmes and funding of the Welsh Local Government Association [transition and recovery support programme](#).
- 25 Some sector-specific guidance is available to support public bodies to translate the vision into action. For the NHS, the Carbon Trust and the NHS Wales Shared Services Partnership have set out more detailed actions in the [NHS Decarbonisation Strategic Delivery Plan](#). In local government, the Welsh Local Government Association is developing more tailored support and guidance for councils.
- 26 Overall, our work has shown that public bodies are at very different stages in setting out their action plans for decarbonisation. While **Exhibit 1** shows most public bodies feel they have set a clear strategic direction, **Exhibit 2** shows that just over a third of organisations did not have a decarbonisation plan at the time of our call for evidence. All organisations had at least started to develop their plan, and under Welsh Government policy they have until April 2023 to develop one.

### Exhibit 1: public bodies' responses to the statement, 'Our organisation has set a clear strategic direction to support the achievement of the 2030 carbon reduction targets'



Source: Audit Wales call for evidence

### Exhibit 2: status of public bodies' action plans



Note: One public body did not respond to this question.

Source: Audit Wales call for evidence

- 27 The public sector route map sets out milestones for 2021-22, during which the Welsh Government expects the public sector to be 'moving up a gear'. The Welsh Government considers there has been good progress and the public sector is picking up the pace. However, the Welsh Government recognises there is still significant work to be done and to date, the public sector has not fully achieved the 'moving up a gear' milestones.

### Questions that senior leaders and those who scrutinise them may want to ask

- Have we set out a clear strategic approach and action plan for decarbonisation? If not, why not?
- Have we given due consideration to recommendations from the Future Generations Commissioner on decarbonisation, including those within the Future Generations Report 2020<sup>6</sup>?
- Are we involving our staff, stakeholders and citizens in the development and delivery of our strategic approach?
- Have we collaborated with others to develop our overall approach?
- How will our approach to decarbonisation help us deliver against other strategic objectives (including well-being objectives) as well as meeting the 2030 collective ambition?
- Do our other corporate strategies, policies and operations reflect the strategic approach we have set out for decarbonisation?
- Does our action plan set out clear milestones that align with the 2030 collective ambition and is it being implemented at sufficient pace?



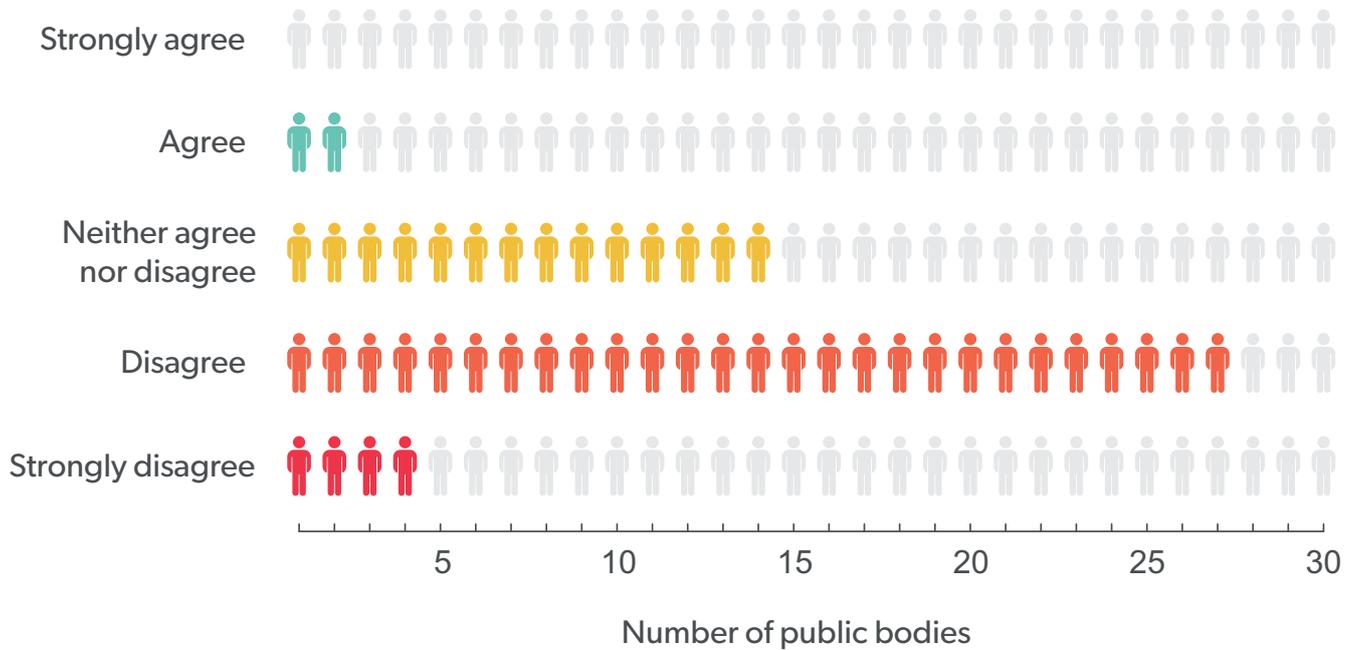
6 [The Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020.](#)



## Get to grips with the finances you need

- 28 Public bodies need to plan their finances in such a way that they can deliver their decarbonisation strategies and action plans. This will require long-term planning because decarbonisation will need investment for many years. It will also require immediate expenditure because if the 2030 collective ambition is to be met, urgent action is essential.
- 29 Public bodies recognised that significant investment in decarbonisation will be required, particularly for upfront infrastructure costs. But they were uncertain about where the funding for this investment would come from. The Welsh Government is providing funding to public bodies in various ways, but it has said it cannot fund everything. Public bodies will therefore need to think carefully about how they can use their existing funding in different ways, explore potential additional funding opportunities and consider how they might share costs with partner organisations.
- 30 Overall, public bodies told us that finances are a significant barrier to achieving the 2030 collective ambition. This is because of uncertainty in relation to the long-term additional funding they will have available to them, and about difficulties in getting to grips with the costs of decarbonising. **Exhibit 3** shows that most public bodies have not fully assessed the financial implications of the 2030 collective ambition. In some cases, this is because they have not yet set out a clear set of actions and activities to achieve net zero.

**Exhibit 3: public bodies' responses to the statement, 'Our organisation has fully assessed the financial implications of meeting the 2030 carbon reduction targets'**



Note: One public body did not respond to this question.

Source: Audit Wales call for evidence

### Questions that senior leaders and those who scrutinise them may want to ask

- Do we know what we are currently spending on activities to help meet the 2030 collective ambition?
- Do we know how much we would need to spend to help achieve the 2030 collective ambition?
- How are we deciding how much to spend on decarbonisation?
- If we have not yet assessed the financial implications of the 2030 collective ambition, do we understand why we have been unable to?
- What are we doing to collaborate with others, to understand the financial implications, and to share costs?
- Do our budgets and expenditure reflect the need to reduce carbon emissions urgently?
- Are we setting out a good level of detail in our financial statements in relation to decarbonisation spending?  
(See [our blog](#) on this matter).





## Know your skills gaps and increase your capacity

- 31 Within public bodies it is everyone's responsibility to take action towards the 2030 collective ambition. Delivering that ambition will require public bodies to have staff in place with some specialist expertise. Our work found enthusiasm to deliver, but we also found widespread capacity issues and skills gaps. Skills gaps in relation to decarbonisation are not unique and are symptomatic of a wider challenge across the public sector. For example, in our [Picture of Public Services 2021](#) report, we highlight that staffing numbers have fallen and skills deficits have emerged.
- 32 Public bodies told us their resources are stretched in delivering their core services, and they are lacking specialist skills in carbon reduction and in monitoring carbon emissions. In addition, the complex nature of the field means that bodies are competing for limited expertise and knowledge.
- 33 Public bodies need to understand the staff capacity and skills they have in place through robust workforce planning. Training will play a crucial role in ensuring staff understand their decarbonisation responsibilities and are best equipped to deal with the task at hand. There is also an opportunity to share the knowledge, expertise and capacity that exists within the public sector as well as the private and third sectors.

### Questions that senior leaders and those who scrutinise them may want to ask

- Do we know what skills are needed, both now and in the future, to ensure we can deliver against the 2030 collective ambition?
- Do we have a plan in place to deal with any identified skills and capacity gaps through training, recruitment or working with peers and stakeholders to share resources and expertise?





## Improve data quality and monitoring to support your decision making

- 34 Public bodies need to understand where their emissions are coming from so they can check if they are making progress. We found that data issues are a major barrier to having a shared understanding of the problem and to taking strategic decisions about the solutions.
- 35 Carbon emissions monitoring and reporting is a complex and rapidly developing area worldwide. The Welsh Government has published a common reporting methodology for public bodies to report their emissions through the [Welsh Public Sector Net Zero Reporting Guide](#) and the net zero reporting spreadsheet. In doing so, the Welsh Government is trying new ways of improving emissions data. Welsh public bodies responded by putting new arrangements in place and by submitting their first set of annual data in October 2021.
- 36 The Welsh Government commissioned independent consultants, to review the first submission of emissions data from public bodies and in June 2022, the Welsh Government published the consultancy report in full. The report<sup>7</sup> provides the first estimate of the full range of emissions by the public sector in delivering services for the people of Wales. The report states that the figures include significant uncertainty, particularly in relation to supply chain emissions, and that the data has not been thoroughly audited. The figures suggest emissions across Wales for the public sector reduced by 5% between 2019-20 and 2020-21.
- 37 In response to our call for evidence, public bodies recognised the usefulness of having a common reporting methodology. However, some responses pointed to concerns over some calculation methods, particularly regarding supply chain and land use, and called for further clarity of definitions to ensure consistent interpretation and reporting. Some responses also noted that existing systems were not able to capture the required data, and had to be updated, or new systems had to be put into place. This was often time consuming and resource intensive. NHS bodies also raised concerns about duplication with existing reporting arrangements on carbon emissions.

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7 [See Footnote 3.](#)

- 38 It is important to get the data right because this information will underpin decision making and monitoring of progress for decades to come. However, we acknowledge this is the first year of the new arrangements to report a complex issue and the Welsh Government is committed to developing the guidance further to address the issues identified in the consultancy report (**paragraph 36**) and to reflect wider feedback. The Welsh Government published revised [reporting guidance](#) in July 2022. We also acknowledge that while there are concerns about supply chain data, the requirement to report this data reinforces the findings from previous studies that show the importance of reducing emissions from procurement and the supply chain<sup>8</sup>.

### Questions that senior leaders and those who scrutinise them may want to ask

- Are we playing our part in building a system that will provide consistent, accurate, high-quality data on carbon emissions across the public sector to support transparency and scrutiny?
- Do we know what the existing data is telling us and what further data do we need to support decision making?
- Based on our understanding of our own data, do we have plans in place to take appropriate action?
- How can we improve our understanding of emissions resulting from our supply chain and relevant third parties?



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8 [Welsh Government, A route map for decarbonisation across the Welsh public sector \(Appendix A\), May 2021.](#)



# Appendices

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- 1 Audit approach and methods**
- 2 Legislative and policy framework underpinning decarbonisation**
- 3 The public sector route map and reporting guide**

# 1 Audit approach and methods

In November 2021, we issued a call for evidence to 48 public bodies, asking questions about their baseline position in achieving the 2030 collective ambition. Most public bodies responded in the period December 2021 to January 2022. We sent the call for evidence to the bodies covered by the [Well-being of Future Generations \(Wales\) Act 2015](#) at the time. This included all principal councils, fire and rescue authorities, national park authorities, health boards and NHS trusts, and the larger Welsh Government sponsored bodies.

We also sent the call for evidence to the Welsh Ambulance Services NHS Trust, Digital Health and Care Wales, and Health Education and Improvement Wales to ensure we had a more complete picture across the NHS. We also sent the call for evidence to NHS Wales Shared Services Partnership (NWSSP), which is an independent mutual organisation, owned and directed by NHS Wales, that delivers a range of services for and on behalf of NHS Wales. NWSSP is hosted by and operates under the legal framework of Velindre University NHS Trust, which is itself covered by the Well-being of Future Generations (Wales) Act 2015.

We received responses from all bodies that were sent the call for evidence, although in a small number of instances not all questions were answered. Where questions were not answered by all public bodies, this is set out in a note to each relevant graph.

To inform our work, we held discussions with relevant stakeholders including the Welsh Government, the Office of the Future Generations Commissioner for Wales, representatives of NHS Wales and the Welsh Local Government Association. We also reviewed key documents, including policies and guidance, and other relevant information provided to us by the Welsh Government and other stakeholders.

We did not undertake a detailed review at each of the public bodies. While we have largely relied on what they reported through their call for evidence responses and any supporting documentation, we have also sought to triangulate our findings through discussions with stakeholders and evidence from our wider document and data review. We also shared and discussed our emerging findings at a [public webinar](#) held in May 2022. 109 people from outside Audit Wales attended the webinar, representing a range of public, private and third sector organisations.

As stated earlier in this report, the Auditor General for Wales has committed to a long-term programme of work on climate change. We have already reported on the decarbonisation efforts of [fire and rescue authorities](#), we have begun to review council decarbonisation action plans and we are preparing a report on flood risk management. Following a recent consultation on our future work programme, we are considering our next steps in relation to auditing actions to decarbonise and to adapt to the changes already happening to our climate.

## 2 Legislative and policy framework underpinning decarbonisation

The graphic below sets out the key legislation, policies and guidance related to decarbonisation and climate change that apply across the Welsh public sector. We refer to sector-specific legislation and policies in the main body of this report where relevant.



### April 2016

The Well-being of Future Generations (Wales) Act 2015 came into force and required public bodies covered by the Act to act in accordance with the sustainable development principle. The five ways of working set out in the Act aim to help bodies work together better, avoid repeating past mistakes and tackle long-term challenges.

### March 2019

The Welsh Government published the first statutory Low Carbon Delivery Plan, Prosperity for All: A Low Carbon Wales (LCDP1).

### November 2019

The Welsh Government published Prosperity for All: A Climate Conscious Wales, its most recent climate adaptation plan.



### March 2016

The Environment (Wales) Act 2016 came into force and placed a duty on Welsh Ministers to set targets for reducing greenhouse gas emissions and to set carbon budgets.

### July 2017

The Welsh Government set an ambition of achieving a carbon neutral public sector by 2030.

### April 2019

The Welsh Government made a Climate Emergency Declaration.



### March 2021

Following advice from the Climate Change Committee in December 2020, the Welsh Government set new legal targets for a 63% carbon reduction by 2030, 89% by 2040, and 100% by 2050.

### May 2021

The Welsh Government published the [Welsh public sector net zero reporting guide](#) and the [net zero carbon reporting spreadsheet](#). **Appendix 3** provides further detail.



### June 2021

The Welsh Government published its [Programme for Government 2021-2026](#) which puts tackling the climate and nature emergencies at the heart of the new government and makes a series of commitments to embed climate change in a number of ways.

### July 2021

The Welsh Government published [Net zero carbon status by 2030: A route map for decarbonisation across the Welsh public sector](#). **Appendix 3** provides further detail.



### October 2021

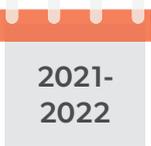
The Welsh Government published [Net Zero Wales Carbon Budget 2 \(2021 to 2025\)](#). This sets out specific policies for the public sector, including a target for decarbonisation plans to be in place by March 2023, targets relating to buildings, vehicles and procurement, and development of a new health and social care decarbonisation plan.

### July 2022

The Welsh Government published updated versions of the [Welsh public sector net zero reporting guide](#) and the [net zero carbon reporting spreadsheet](#).

### 3 The public sector route map and reporting guide

To support the public sector to achieve net zero, the Welsh Government published its [public sector route map](#) in July 2021. The route map sets out four priority areas for action: buildings, mobility and transport, procurement, and land use. It also sets out key milestones for the public sector to achieve, which are:



2021-  
2022

**Moving up a gear:** Where understanding the context and what needs to be done is vital, and where action needs to accelerate.



2022-  
2026

**Well on our way:** Where there is an expectation that low carbon is becoming the norm and the public sector is definitely on the way to net zero.



2026-  
2030

**Achieving our goal:** Where choosing zero carbon has become routine, culturally embedded, and self-regulating.

In May 2021, the Welsh Government published the [Welsh Public Sector Net Zero Carbon Reporting Guide](#). The aim of the guide is to develop a universal set of instructions for use by public bodies to assist in meeting the 2030 collective ambition, in particular to:

- **Baseline:** To understand the current situation and quantify organisational emissions and removals for a consistently drawn boundary. And to quantify the likely emission gap to carbon neutral operations by 2030.
- **Identify mitigation potential:** An assessment to identify significant sources of emissions enabling organisations and the public sector to prioritise action needed to move to carbon neutral operations by 2030.
- **Monitor progress:** A need to gather, collate and analyse data to assess whether organisations are on track to achieving their goal of carbon neutrality by 2030.

Alongside the guide, the Welsh Government published the [Net zero carbon reporting spreadsheet](#) for use by public bodies to capture and report their emissions data in a consistent way. The Welsh Government asked public bodies to submit the first data by October 2021 for the 2020-21 financial year. The second submission is required by September 2022 for the 2021-22 financial year.

The guide states that public bodies should report actions to reduce emissions and move to carbon neutral operations by 2030, but the format and narrative of that reporting are not prescribed. The guide does suggest it could be in the form of an annual report on progress against a published action plan or a separate document. It also suggests that management information used in collating an emissions report will provide a good basis for the narrative report. As part of our work, we have not reviewed any narrative reports produced by public bodies, although **paragraphs 34-38** of this report comment on the challenges relating to the carbon emissions data and reporting. Following feedback from public bodies and a review of the first year's data submissions, the Welsh Government published revised reporting guidance in July 2022.



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**Date issued:** July 2022

## Review of Unscheduled Care – Project Brief

### Background

- 1 The Auditor General has a statutory requirement to satisfy himself that NHS and local councils have proper arrangements in place to secure economy, efficiency, and effectiveness in the use of their resources as set out in Section 17 and Section 61 of the Public Audit Wales Act 2004.
- 2 In April 2022, we published a blog '[Unscheduled Care – a system under real pressure](#)' which described the numerous and significant challenges currently being experienced by the unscheduled care system in Wales. The blog considered the impact these pressures are having on patients and staff, the factors contributing to the pressure and what is being done in response. It also set out the Auditor General's intention to undertake a programme of work that will assess the extent to which the system and its leadership structures are responding to the pressures in the unscheduled system.
- 3 This project brief sets out the main areas of focus for our work on unscheduled care, together with the overall approach and timing of our audit work. Our approach recognises that the unscheduled care system is complex, with many different organisations involved in providing emergency and urgent care and ensuring that the wider system operates effectively and efficiently. Our work comes at a time when the COVID-19 pandemic has had a significant impact on unscheduled care services. While there was an initial easing of pressures on the ambulance service and emergency departments as people stayed home at the beginning of the pandemic, demand has since surpassed the pre-pandemic levels. Pressures within the wider system also means that there are significant challenges discharging patients out of hospital impacting on patient flow, with ambulance handover delays the worst on record and some patients experiencing severe delays in receiving an ambulance response and treatment in emergency departments. More detailed and up-to-date information on how the system is performing across a range of key indicators can be found in the [Unscheduled Care Data Tool](#) that accompanied [our blog](#).

## Audit approach

- 4 Our work will allow the Auditor General to answer the overall question: **Does NHS Wales and its partners have effective arrangements for unscheduled care to ensure patients have access to the right care at the right time?**
- 5 Given the complex and interconnecting nature of the issues within the unscheduled care pathway, we will be undertaking the work in three parts:
  - **Part 1 – patient flow out of hospital.** This element of our work will seek to address the following question: **Do health and social care bodies have effective arrangements in place to ensure efficient discharge of medically fit patients out of hospital?**
  - **Part 2 – access to unscheduled care services.** This element of our work will seek to address the following question: **Are health bodies effectively managing the demand for unscheduled care services to reduce unnecessary pressure on the system?**
  - **Part 3 – national arrangements.** This element of our work will seek to address the following question: **Are the national arrangements and leadership structures effectively overseeing, scrutinising, and driving change in the unscheduled care system?**
- 6 **Exhibit 1** sets out the key lines of enquiry we will consider for the different parts of the work.

### Exhibit 1: key lines of enquiry

Level one	Level two
<p><b>Do health and social care bodies have effective arrangements in place to ensure efficient discharge of medically fit patients out of hospital?</b></p>	<ul style="list-style-type: none"> <li>• Do health and social care bodies have effective plans and procedures in place for discharge out of hospital?</li> <li>• Are patients able to flow through the unscheduled care system in a timely and efficient way?</li> <li>• Are health and social care bodies doing enough to review services relating to discharge out of hospital and apply lessons learned to improve further?</li> </ul>
<p><b>Are health bodies effectively managing the demand for unscheduled care services to reduce unnecessary pressure on the system?</b></p>	<ul style="list-style-type: none"> <li>• Do health bodies have effective plans in place to manage demand for unscheduled care services?</li> <li>• Are arrangements in place to enable and encourage people to access the right care, in the right place, at the right time, and are these working?</li> <li>• Are health bodies doing enough to review unscheduled care services and apply lessons learned to improve further?</li> </ul>

Level one	Level two
<p><b>Are the national arrangements and leadership structures effectively overseeing, scrutinising and driving change in the unscheduled care system?</b></p>	<ul style="list-style-type: none"> <li>• Are the national arrangements (including the national programme boards) clearly set out and working as intended?</li> <li>• Are there realistic and ambitious plans in place to respond to the system challenges?</li> <li>• Are the national arrangements (including the Emergency Ambulance Services Committee) leading to improvements?</li> </ul>

- 7 All three elements of our work will be based on documentation, observations of relevant forums, and structured interviews with the appropriate people in NHS bodies and local councils, and Welsh Government.
- 8 For our work on patient flow out of hospital, we will also hold workshops with discharge co-ordinators and social care staff, and request and analyse data not already included in the Unscheduled Care Data Tool relating to discharge and social care capacity. Health Boards will also be required to complete a self-assessment against our previous 2017 discharge planning recommendations. Particular attention will be given to the role of the Regional Partnership Boards and the use of additional monies provided by the Welsh Government, for example, the Regional Integration Fund.
- 9 For our work on access to unscheduled care services, we will also look to gather feedback from ambulance crews through workshops and surveys, and review information available to patients via websites and phonelines. Particular attention will be given to how well 111, 'phone first' and 'same day emergency care (SDEC)' arrangements are working in local areas.
- 10 At a national level, we will give particular attention to the newly established Six Goals Board, designed to oversee the delivery of the six goals for urgent and emergency care. We will also include a focus on the role played by the Emergency Ambulance Services Committee.
- 11 We will be undertaking our audit work using a mix of remote and in person working. For any in person work, we will agree this in advance with the relevant contacts and ensure all appropriate risk assessments are undertaken in line with current COVID-19 guidelines.

## Timing of our work

- 12 The indicative timescales for the key stages of the audit work are shown in **Exhibit 2**. Where appropriate, we will give interim feedback if issues of concern arise during our work.
- 13 We will keep our delivery arrangements and the timescales under close review and adjust them to avoid unnecessary burden on NHS and local government bodies at a time when services are trying to recover from the impact of the COVID-19 pandemic.

## Exhibit 2: indicative timescales for the work

Audit focus	Key stage		
	Set up	Fieldwork	Reporting
Patient flow out of hospital	September 2022	September – November 2022	November – December 2022
Access to unscheduled care services	November 2022	November 2022 – January 2023	January – March 2023
National arrangements	June 2022	June – December 2022	January – March 2023

## Reporting our findings

- 14 We will prepare a number of reports as part of this work setting out our findings and any recommendations. With respect to our focus on patient flow out of hospital, we will prepare local reports based on the seven Regional Partnership Board areas reflecting the findings for the respective NHS and local councils. These reports will be supplemented by a short output for individual health boards specifically setting our progress against our previous 2017 discharge planning recommendations, and a summary of key findings for each local council.
- 15 With respect to access to unscheduled care services, we will prepare local reports for individual health boards and the Welsh Ambulance Services NHS Trust. In line with the Audit Wales arrangements for public reporting, we will publish these reports on our website once they have been formally considered by the relevant Board and Scrutiny committees. Note that as part of our wider work programme, we will also be reporting on how the Welsh Ambulance Services NHS Trust is managing its workforce<sup>1</sup>
- 16 With respect to our national focus, we will report these in a single national report which may also include a summary of the findings through our local work on patient flow and access to services, where we identify issues of wider relevance to NHS Wales and the 22 local councils. We may consider laying the report before the Senedd in line with the Auditor General's powers set out in Section 145A of the Government of Wales Act 1988.

<sup>1</sup> This work forms part of our all-Wales NHS thematic review of workforce which will be undertaken across all NHS bodies between September 2022 and March 2023.

## Other work of note

- 17 We are aware that commentary on the unscheduled care system is a crowded space in Wales with many interested parties. We have been engaging with relevant stakeholders throughout the scoping of our work, including Age Cymru, Older People's Commissioner for Wales, Healthcare Inspectorate Wales, Care Inspectorate Wales, Improvement Cymru and Welsh Government.
- 18 We will continue to engage with key stakeholders during the review to avoid duplication and maximise any opportunities to learn from one another where that may benefit and inform the reviews involved.
- 19 The Auditor General also has a duty under The Well-being of Future Generations (Wales) Act 2015 to carry out examinations of most public bodies that he audits to assess the extent to which they have acted in accordance with the 'sustainable development principle' when setting and taking steps to meet "well-being objectives". Where relevant, we will apply this duty to our review of unscheduled care services. Findings relating to the application of the 'sustainable development principle' will be used to inform the Auditor General's national report that he must produce before each Senedd election.

## Audit Wales contacts

- 20 Further information can be obtained from Anne Beegan, Performance Audit Manager ([anne.beegan@audit.wales](mailto:anne.beegan@audit.wales)), Fflur Jones, Performance Audit Lead ([fflur.jones@audit.wales](mailto:fflur.jones@audit.wales)) and/or Bethan Hopkins, Performance Audit Lead ([bethan.hopkins@audit.wales](mailto:bethan.hopkins@audit.wales)).

## Data Protection

- 21 Where we process personal data, this is in accordance with data protection legislation, including the Data Protection Act 2018 and the General Data Protection Regulation. Further information is set out in our fair processing notice attached at **Appendix 1**.

## Appendix 1 – Fair Processing Notice

This privacy notice tells you about how the Wales Audit Office processes personal data provided by NHS bodies, local authorities, and Welsh Government in connection with our review of unscheduled care services.

**Who we are:** The Auditor General for Wales examines how public bodies manage and spend public money, and the Wales Audit Office (WAO) provides staff and resources to enable him to carry out his work.

**Data Protection Officer (DPO):** Our DPO is Martin Peters, who can be contacted by telephone on 029 20320500 or by email at: [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

**The relevant laws (legal basis):** We process personal data in accordance with the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR). Our lawful basis for processing is the statutory powers and duties under the Public Audit (Wales) Act 2004, the Government of Wales Act 1998, and Well-being of Future Generations (Wales) Act 2015.

**Purpose of processing:** We are collecting opinions and information to help us carry out our review of unscheduled care services. Some of this information may be about identifiable individuals, which would make it personal information, even though the purpose of our work is not in itself to collect information about identifiable individuals. The information collected will be used for this work and may also be used in our wider statutory audit work.

**Who will see the data?** The Auditor General and the WAO audit team will have access to the information provided. We may share some information with senior management at the audited bodies involved, and our published reports may include some information. We may share some data with other regulatory bodies for the purpose of their reviews and such information will be processed in accordance with their respective privacy policies.

**How long we keep the data?** We will keep the information collected, including personal data, for a period of 6 years following publication of our report, or 25 years if published within a report, and we will hold data securely in accordance with our Information Security Policy.

**Your rights:** You have rights to ask for a copy of the current personal information held about you or to object to data processing that causes unwarranted and substantial damage and distress. Contact the Information Officer, Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ or email [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

**Our rights:** The Auditor General has rights to information, explanation, and assistance under paragraph 17 of schedule 8 Government of Wales Act 2006 and/or section 52 Public Audit (Wales) Act 2004 and/or section 26 of the Local Government (Wales) Measure 2009. It may be a criminal offence, punishable by a fine, for a person to fail to provide information.

**The Information Commissioners Office:** If you require further information in relation to your rights under data protection law or are dissatisfied with how we are handling your personal data you may contact the Information Commissioner at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF, or email [casework@ico.gsi.gov.uk](mailto:casework@ico.gsi.gov.uk) or telephone 01625 545745.

# **Consultation on Fee Scales 2023-24**

August 2022

## How to respond

Please respond by 16 September 2022.

Responses can be sent to the following address:

Fee scales consultation  
Audit Wales  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Or completed electronically and sent by email to: [info@audit.wales](mailto:info@audit.wales)

If you require this publication in an alternative format and/or language please contact us using the details provided above or by telephone on 029 2032 0500.

## Publication of responses – confidentiality and data protection

Information provided in response to this consultation may be published or disclosed in accordance with access to information legislation (chiefly the Freedom of Information Act 2000, but also data protection legislation, including the General Data Protection Regulation, and the Environmental Information Regulations 2004).

If you want any information you provide to be treated as confidential, you should tell us why you regard the information you have provided as confidential. If we receive a request for disclosure of information we will take full account of your explanation, but we cannot give any assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Auditor General or Audit Wales.

Personal data will be processed in accordance with data protection legislation. Where such data falls within the scope of a request for information from another person, the provisions of data protection legislation and the Freedom of Information Act will need to be considered in the particular circumstances. While no situation can be prejudged, this is likely to mean that information concerning senior officials and public figures is likely to be disclosed while the names and addresses of ordinary members of the public are likely to be withheld.

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# Consultation

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You will be familiar with our annual consultation on fee scales, which we are required to do for Local Government bodies, but choose to consult on more widely so that all stakeholders have an opportunity to respond to our fee proposals.

Legislation requires that the fees we charge **may not exceed** the full cost of exercising the function to which the fee relates. We set our audit fees based on our estimated cost base, the estimated skills mix for audit work and the estimated number of days required to complete the work. We do not and cannot make profits on our work.

Audit Wales remain determined to minimise audit fees whilst ensuring that our audit quality continues to meet rigorous standards.

For 2023-24, we are facing significant cost pressures on both staff and non-staff costs, and whilst we have various initiatives in place to reduce our overall cost base, some of these increases will unfortunately need to be passed on as increased fees.

We have been working hard to identify efficiencies and have identified areas that will deliver savings of £2 million over the next 5 years on travel and accommodation costs.

We do, however, need to recognise cost of living pressures on our staff and need to make provision for pay increases in line with the rest of the public sector.

As set out in our [Estimate for 2022-23](#), we continue to make significant investment in audit quality to respond to recent UK-wide reviews<sup>1</sup> of audit and new professional standards. These various reviews reflect increasing expectations of audit and of the quality of that audit. To maintain this investment in 2023-24, and to respond to pay and price pressures, we will need to increase our fee rates by an average of 5.5% in 2023-24.

We also plan to continue to provide access to the National Fraud Initiative on a free-of-charge basis.

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1 Competition and Markets Authority Review; Kingman Review; and Brydon Review

Our proposed fee rates for 2023-24 are set out in **Exhibit 1**.

### **Exhibit 1: proposed fee rates 2023-24**

<b>Grade</b>	<b>Rate (£ per hour) 2023-24</b>	<b>Rate (£ per hour) 2022-23</b>
Audit Director	170	163
Audit Manager	130	122
Audit Lead	107	100
Senior Auditor	86	84
Auditor	62	60
Graduate trainee	54	51
Apprentice	40	39

The Senedd Finance Committee scrutinises us on our spending, performance and budget plans and the assumptions in this consultation are subject to their approval of our Estimate in autumn 2022 and our Fee Scheme early in 2023.

Further information on our work and our expenditure is provided in our [Annual Report and Accounts 2021-22](#).

### **Facilitating thematic and cross sector reviews**

In the [supporting information for our 2022-23 Estimate](#), we set out that, as part of our emerging strategy, we would be asking the Finance Committee to switch the funding for some of our performance audit work in local government and health from audit fees to the Welsh Consolidated Fund (WCF) in our Estimate for 2023-24.

Specifically, this switch will apply to the 22 principal councils and seven health boards but not to other Local Government bodies or NHS Trusts and Special Health Authorities.

In its November 2021 [report](#) following scrutiny of the Estimate, the Finance Committee noted our proposal. However, it emphasised that ‘understanding the views of audited bodies will be crucial to gaining the Committee’s support’.

The elements of our performance audit fee that we are seeking to switch to WCF relate to delivery of 'thematic' or topic-specific reviews that typically involve audit work across a number of audited bodies (on an all-Wales and/or regional level) and often with a cross-sector or whole-system focus. We might also want to look at issues such as the Welsh Government's system leadership on the theme being examined, which cannot be funded from audit fees.

We see such reviews as adding value to our audit regime with their ability to give a whole-system view, helping improve the quality of services provided to taxpayers, and providing feedback on the Welsh Government's 'One Welsh Public Service' developments. We are therefore keen to make the delivery of these reviews as flexible and efficient as possible. The key constraints that we emphasised about the current funding model concerned:

- potential inflexibility in the way we disseminate findings – arising from any expectation from audited bodies paying fees that there would typically be an output specific to that body; and
- transactional complexity – given the need to balance time charging across multiple timesheet codes and with the 'charge no more than the full cost' requirements of the Public Audit (Wales) Act 2013, meaning we have to be careful that there is no cross-subsidisation from one body to another.

In determining how much funding we would look to switch to the WCF, we are looking to strike an appropriate balance between work funded locally and that funded through the WCF, and recognising that other existing WCF funding streams already provide opportunity for cross-cutting work. The key principles being:

- retaining sufficient local audit fee to support the delivery of work that is specifically focused on individual audited bodies, including risk assessment, examination of corporate governance and financial management issues (including WFG Act work), and individual bespoke audit projects arising from our local assessment of risks;
- ensuring sufficient local audit fee is retained to support our routine local engagement with audited bodies, including regular meetings with senior leaders in audited bodies, and attendance at board, council and committee meetings as necessary; and
- applying the proposal to larger audited bodies (principal councils and health boards) to which our thematic work more typically applies.

We anticipate that we will be reducing the fees for our local performance audit work by around a third (£1.3 million) and switching funding for this work to WCF. To hold the WCF harmless for this change, Welsh Government would be asked, assuming the changes proposed are agreed, to adjust budget decisions accordingly.

We believe a change to our funding model will support the direction of travel we want to take with our work programme by giving us improved flexibility to examine more cross-cutting and whole-system issues – and also make that journey more straightforward to administer from a financial management perspective.

We would welcome your views on whether you support this proposed approach.

## **ISA315 and audit quality**

Our audits for accounts ended 31 March 2023 will be carried out under a revised auditing standard (ISA 315 Identifying and Assessing the Risks of Material Misstatement). The revised standard will have significant and far-reaching impacts on how auditors undertake audit risk assessments and therefore on the overall audit. It is expected that audits – particularly in the first year of implementation (2022-23 audits) – will require us to use more qualified staff to deal with the higher level of judgement necessitated by the standard.

Our initial assessment of the impact of this richer skills mix is a potential average increase in the fee scales for our financial audit work of between 12% and 18%. This is an estimate at this point and will be reviewed following the implementation of our revised approach in the first half of 2023. We are aware that private sector audit firms have written to clients informing them that fees are likely to increase by up to 20%, as a result of this new requirement.

We recognise the concern that this increase will cause but the new standards inevitably mean higher costs and whilst we will continue to do everything that we can to keep costs down, we must ensure that our audits remain of high quality. Our Engagement Directors will discuss audit-specific fees with each body as we complete our 2022-23 audit risk assessment.

## Our draft fee scales for local government bodies

The remainder of this document provides the fee scales for local government bodies and the National Fraud Initiative. The scales show the range of fees we expect to charge for a typical audited body in that sector with actual fees being set in response to local circumstances. These scales are not required for any other sector.

I would very much welcome your response to this consultation by 16 September 2022, to inform the Senedd's review of our Estimate and Draft Fee Scheme for 2023-24.

Audit Wales are required to comply with Welsh Language Standards that provide for the Welsh language not to be treated less favourably than the English language. More information can be found on [our Welsh language arrangements on our website](#). When reviewing this consultation, we would welcome your views on whether you consider there to be anything in this consultation that undermines or supports this requirement. We would also welcome your thoughts on any revisions that could be made to support opportunities to use the Welsh language or ensure we do not treat the Welsh language less favourably than the English language.

Many thanks



**Adrian Crompton**

Auditor General for  
Wales

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## Fee scales for work undertaken under the National Fraud Initiative (data matching)

- 1 We invite your views on continuing participation in the National Fraud Initiative (NFI) on a nil-fee basis.
- 2 We are required to consult on and prescribe scales of fees for data matching for mandatory participants in the NFI. The Auditor General conducts the NFI using his statutory data-matching powers under Part 3A of the Public Audit (Wales) Act 2004.
- 3 The NFI matches data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions. The NFI has been a highly effective tool in detecting and preventing fraud and overpayments. Our last biennial [report](#) identified potential savings and over-payments of £8 million across Wales’s public services, increasing cumulative savings to £42.9 million since 1996.
- 4 Since April 2015, the Senedd has met the costs of running the NFI through payment from the Welsh Consolidated Fund. This is intended to encourage participation of organisations on a voluntary basis and to simplify arrangements for mandated participants. As required by legislation, the fees for mandatory participants are shown in **Exhibit 2**.

### Exhibit 2: NFI fees

	Fee 2023-24
Unitary authority; police and crime commissioners and chief constables; fire and rescue authorities; NHS trusts; local health boards	Nil
Voluntary participants	Nil
All participants may also be provided with access to the NFI Application Checker (App Check).	Nil

## Fee scales for Local Government bodies

- 5 We invite your views on the proposed fee scales which will apply to Local Government bodies for the audit of accounts 2022-23 and for 2023-24 Performance audit work.
- 6 Our audit of accounts fee scale takes account of an average increase of 15% related to the implementation of ISA315 as discussed above. We are continuing to review the impact of this new standard and will reflect the outcome in our Fee Scheme for 2023-24 which will be published early in 2023.
- 7 Our proposed performance audit fee scale takes into account the proposed switch of funding for around one third of our local performance work at Unitary Authorities to the WCF from April 2023.

## Unitary authorities

### Exhibit 3: draft fee scale for the audit of 2022-23 accounts

Gross Expenditure £ million	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
100	135	159	182	139
200	162	191	219	167
300	181	212	244	186
400	195	229	264	200
500	207	243	280	213
600	217	255	294	223
700	226	266	306	233
800	234	276	317	241
900	242	285	327	249
1,000	249	293	337	256
1,100	255	300	345	262
1,200	261	307	353	268

**Exhibit 4: draft fee scale for 2023-24 performance audit work**

All unitary authorities	Minimum £'000	Median £'000	Fee range	Previous Year
			Maximum £'000	Median £'000
	70	74	84	105

**Local Government Pension Funds****Exhibit 5: draft fee scale for audit of 2022-23 accounts**

All pension funds	Minimum £'000	Median £'000	Fee range	Previous Year
			Maximum £'000	Median £'000
	36	48	57	41

**Fire and Rescue Authorities****Exhibit 6: draft fee scale for audit of 2022-23 accounts**

Gross Expenditure £ million	Minimum £'000	Median £'000	Fee range	Previous Year
			Maximum £'000	Median £'000
20	40	46	53	41
40	48	56	64	49
60	53	62	72	54
80	57	67	77	59
100	61	71	82	62

**Exhibit 7: draft fee scale for 2023-24 performance audit work**

All fire and rescue authorities	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	17	17	17	17

**National Park Authorities****Exhibit 8: draft fee scale for audit of 2022-23 accounts**

Gross Expenditure £ million	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
2	24	29	33	25
4	29	35	40	30
6	33	39	44	34
8	35	42	48	36
10	38	44	51	39

**Exhibit 9: draft fee scale for 2023-24 performance audit work**

All national park authorities	Fee range			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
	22	22	27	21

## Police and Crime Commissioners

- 8 Auditors undertake audits of two statutory bodies in a police area – the Police and Crime Commissioners (PCCs) and the Chief Constables (CCs). The split of the total fee between the two bodies in a particular police area will be a matter for auditors to determine, based on accounting requirements and the operational arrangements put in place by each of the bodies.

### Exhibit 10: draft fee scale for audit of 2022-23 accounts

Combined Gross Expenditure of PCC and CC £ million	Combined fee range for PCCs and CCs			Previous Year
	Minimum £'000	Median £'000	Maximum £'000	Median £'000
50	68	78	89	69
100	80	92	105	81
150	88	102	116	90
200	94	110	125	96
250	100	116	132	102
300	104	121	138	106
350	108	126	144	111

## Town and community councils with annual income or expenditure under £2.5 million

- 9 Town and community councils in Wales are subject to a limited assurance audit regime.
- 10 In October 2020, the Auditor General published a [paper](#) setting out how these audits will be carried out on a three-year cycle as set out in **Exhibit 11**.

### Exhibit 11: three-year audit cycle for town and community councils

	Group A	Group B	Group C
Year 1	Transaction testing	Limited procedures	Limited procedures
Year 2	Limited procedures	Transaction testing	Limited procedures
Year 3	Limited procedures	Limited procedures	Transaction testing

- 11 Charges for this work are based on time taken to complete the audit at fee rate charges as set out in **Exhibit 1** on page 5.
- 12 In circumstances where the auditor requires further evidence to properly discharge their responsibilities, including following publication of a related public interest report, additional testing will be undertaken to address the auditor's concerns.
- 13 It is emphasised that the actual charge made to any particular body will be dependent on the time actually worked on that particular audit. The range of fees provided in **Exhibit 12** is for indicative purposes only.

### Exhibit 12: estimated time charges for the audit of 2022-23 accounts of town and community councils

	Band 1 (<£10k)	Band 2 (<£25k)	Band 3 (<£50k)	Band 4 (<£100k)	Band 5 (<£500k)	Band 6 (>£500k)
Transaction audit	£145 – £185	£170 – £200	£235 – £285	£360 – £440	£640 – £765	£850 – £1,100

	<b>Band 1 (&lt;£10k)</b>	<b>Band 2 (&lt;£25k)</b>	<b>Band 3 (&lt;£50k)</b>	<b>Band 4 (&lt;£100k)</b>	<b>Band 5 (&lt;£500k)</b>	<b>Band 6 (&gt;£500k)</b>
Limited procedures	£110 – £135	£140 – £165	£140 – £165	£210 – £265	£210 – £255	£210 – £255

## Fee rates for other work in local government

- 14 Other than those types of bodies for which fee scales have been prescribed as shown above, there are a small number of other types of local government body where our prescription of the fee scale is a matter of converting the resource requirements into fees directly based on the costs of delivering the work or by applying the fee rates as set out in **Exhibit 1**. This will include audits of Corporate Joint Committees. It remains the case that for audits of these bodies we apply a zero-based approach to audit planning.
- 15 For all types of local government body, to meet his statutory responsibilities, it is sometimes necessary for the Auditor General to carry out work which goes beyond general duties (those set out in section 17 of the Public Audit (Wales) Act 2004 and in section 15 of the Well-being of Future Generations (Wales) Act 2015). Additional work can include reports in the public interest, extraordinary audit, special inspections and further work in relation to elector challenge and the prevention of unlawful expenditure. Charges for this type of work will reflect the nature of the work required.
- 16 Auditors may also undertake grant certification work at local government bodies on behalf of the Auditor General. The amount of grant certification work undertaken in any year is dependent on the number of schemes subject to audit and the number of audited bodies participating in those schemes. Charges for this work are made on a per-hour basis and reflect the size, complexity and/or any issues in respect of the grant in question as set out in **Exhibit 13**.

**Exhibit 13: estimates of the relative proportions of audit staff grades to be used for different types of grants work.**

Grade of staff	Complex grants staff mix	All other grants staff mix
	%	%
Engagement director	1 to 2	0 to 1
Audit Manager	4 to 6	1 to 2
Audit Lead	18 to 21	12 to 16
Auditor/graduate trainee/ apprentice	71 to 77	81 to 87

Complex grants include:

- BEN01 Housing and council tax benefits scheme
- LA01 National non-domestic rates return
- PEN05 Teachers' pensions return



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**Reference:** AC/324/caf

**Date issued:** 1 September 2022

Dear Colleagues

## Approach to auditing the Corporate Joint Committees and understanding their evolving arrangements

As the appointed auditor of the Corporate Joint Committees (CJCs), I set out in this letter that I will be doing an early landscape review to understand the CJCs' evolving arrangements. I also set out my approach to auditing the CJCs for 2021-22 and 2022-23 to meet my requirements under the Public Audit Wales Act 2004 and the Well-being of Future Generations (Wales) Act 2015.

### CJC commentary/landscape review

In my work programme consultation paper in March 2022, I set out that I would be keeping track of governance arrangements around the creation of new bodies, including the new CJCs in local government, where I have a statutory role.

In the autumn 2022, my team will be doing some work to gain an understanding of the CJCs' evolving arrangements and their plans. I will publish a summary of my findings. The commentary will also:

- provide an overview of the progress of the CJCs in setting up their arrangements to carry out their three functions and meet their legislative requirements;
- compare and contrast the approaches of the four CJCs;

- gain assurance that the CJs are putting in place proper arrangements to secure value for money in the use of their resources;
- provide early feedback to help the CJs learn and improve, and make recommendations where relevant to improve the economy, efficiency and effectiveness in the discharge of functions of the CJs;
- understand the approach the CJs are taking to respond to the WFG Act, including setting their well-being objectives;
- identify any emerging areas for improvement or issues that need to be addressed in order to facilitate regional collaboration; and
- help inform the focus of future audit work relating to the CJs.

This work will be done under Section 41 of the Public Audit Wales Act 2004. This Act places a duty on me to undertake studies designed to enable me to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions or services of local government bodies in Wales. The work will also support my responsibilities under the Well-being of Future Generations (Wales) 2015 Act (the 'Act') as the CJs are now named bodies under the Act. My team will shortly share a project brief providing more information about this work.

## **My audit requirements**

As the CJs are considered to be local government bodies under Part 2 of the Public Audit (Wales) Act 2004 (the 2004 Act), I am required to:

- Give an opinion on the annual accounts of the CJC;
- Satisfy myself that the CJC has proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- Provide opportunity for electors to ask questions or make objections at audit; and
- Consider whether there are any matters that come to my attention that should be brought to the attention of the public and/or whether I should make written recommendations under section 25 of the 2004 Act.

As the CJs are also now named bodies under the Well-being of Future Generations (Wales) Act 2015, I am also required to:

- assess the extent to which the CJs have acted in accordance with the sustainable development principle when:
  - setting well-being objectives; and
  - taking steps to meet them.

- carry out such an examination of each public body at least once in a reporting period and report on the results of those examinations to the Senedd.

## **2021-22 audit**

Proper accounting practice will be determined by the income and expenditure recognised by the CJs. For the 2021-22 Statement of accounts, where there have been no transactions in the year for the CJC, I would accept a statement of accounts that simply states that the CJC has had no transactions in the year. As such, there would be no specific proper arrangements audit work. I do not anticipate charging a fee to those CJs that fall into this category.

As with the accounts, we would accept an Annual Governance Statement that simply states that the CJC was established on 1 April 2021 but has largely been inactive throughout the year.

My audit opinion would simply confirm that we agree there has been no activity or minimal activity.

Those CJs with income and expenditure below £2.5 million will need to prepare accounts in the form of the normal small body annual return. The annual return includes a proforma annual governance statement. My accounts audit and proper arrangements work to inform my 2021-22 opinion will reflect the low level of activity during 2021-22. My audit opinion will be a limited assurance opinion confirming that no matters have been identified during my audit that indicate that the annual return has not been properly prepared or that the CJC has not complied with its statutory responsibilities. In addition to this work, my teams have been engaging with you over the year to understand your evolving governance arrangements. They will continue to do this. I anticipate charging a fee of approximately £2,000 for this work, but my team will discuss this with any CJs that fall within this category.

## **2022-23 audit**

At this stage, the CJs have set budgets for 2022-23 which sit below the £2.5 million threshold which would require a full set of financial statements. The CJs will, therefore, be required to prepare accounts in the form of the normal small body annual return. As for 2021-22, our audit work will reflect the extent of the CJs' activities.

However, I recognise that as the CJs develop, their budgets and levels of income and expenditure may change. For those CJs with income or expenditure exceeding £2.5 million, a full set of financial statements will be required as set out in the CIPFA/LASAAC Code. Where this is the case, I will discuss with each of the CJs

my intended work on the accounts and to satisfy myself that the CJC has proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### **Well-being of Future Generations Act**

The CJsCs are required to publish their well-being objectives by April 2023. I am required to undertake a dedicated examination of the extent to which each CJC has acted in accordance with the sustainable development principle when setting their well-being objectives. I will seek to incorporate this examination into my commentary work in a proportionate way.

I am also required to carry out examinations to assess the extent to which CJsCs have applied the sustainable development principle when taking steps to meet their well-being objectives. I will adopt a proportionate approach to this work. I will also integrate this work with my proper arrangements work in future audit plans.

If you have any queries about the commentary work or audits please contact Derwyn Owen ([Derwyn.owen@audit.wales](mailto:Derwyn.owen@audit.wales)) or Sara-Jane Byrne ([sara-jane.byrne@audit.wales](mailto:sara-jane.byrne@audit.wales)).

Yours sincerely



**ADRIAN CROMPTON**  
**Auditor General for Wales**

## Project Brief – Corporate Joint Committees (CJCs) commentary

Audit year: 2022-23

Date issued: August 2022

Publication reference number: 3143A2022

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# Project brief

## Legislative basis for the commentary

- 1 This project is being undertaken in accordance with Section 41 of the Public Audit Wales Act 2004. This Act places a duty on the Auditor General to undertake studies designed to enable him to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions or services of local government bodies in Wales.
- 2 It also supports the Auditor General in discharging some of his commitments and responsibilities in relation to the Well-being of Future Generations (Wales) 2015 Act (the 'Act') which requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities, and each other.
- 3 Our privacy notice can be found on [our website](#) and it provides information about the potential collection of personal information by the Auditor General as part of this work.

## Background to the commentary

- 4 In our programme consultation paper in March 2022, we set out that we would be keeping track of governance arrangements around the creation of new bodies, including the new Corporate Joint Committees (CJCs) in local government, where the Auditor General has a statutory role.
- 5 Four corporate joint committees have been established by regulations under the Local Government and Elections (Wales) Act 2021 to help regional collaboration between authorities:
  - South East Wales CJC
  - South West Wales CJC
  - North Wales CJC
  - Mid Wales CJC
- 6 The aim in setting up the CJCs is to strengthen regional collaboration. They became legal entities as of April 2021 and can have budgets, staff, assets and undertake functions. They are largely subject to the same or similar powers and duties as councils. From 30 June 2022, the CJCs have three functions:
  - Developing transport policies
  - Preparing a strategic development plan
  - Economic well-being - anything CJC considers is likely to promote or improve the economic well-being of its area
- 7 There are a series of statutory guidance documents to support the implementation of the CJCs, with further guidance due out later this year.

## Purpose of the commentary

- 8 The purpose of this commentary is to:
- gain an early understanding of the CJsCs' evolving arrangements and their plans;
  - provide an overview of the progress of the CJsCs in setting up their arrangements to carry out their three functions and meet their legislative requirements;
  - compare and contrast the approaches of the four CJsCs;
  - gain assurance that the CJsCs are putting in place proper arrangements to secure value for money in the use of their resources and make related recommendations where relevant;
  - provide early feedback to help the CJsCs learn and improve;
  - understand the CJsCs' plans to set their well-being objectives and apply the sustainable development principle;
  - identify any emerging areas for improvement or issues that need to be addressed in order to facilitate regional collaboration including understanding how the CJsCs align with other partnerships and regional structures; and
  - help inform the focus of future audit work relating to the CJsCs.

## Method

- 9 This commentary will include observing relevant meetings, document reviews and interviews with CJC officers and members. As a minimum, we would like to interview the Chair, Chief Executive and Director of Finance of each CJC. We will also get the perspectives of the constituent bodies of each of the CJsCs (ie the councils and national park authorities) through our regular liaison meetings with the Chief Executives and key contacts at these bodies.
- 10 We also intend to speak with Welsh Government and the Welsh Local Government Association.

## Overall commentary question

- 11 The question this commentary will seek to answer is: **Are Corporate Joint Committees making good progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration?** To answer this question, we will explore:
- the understanding of Welsh Government's aims for the CJsCs;

- have CJs established effective governance arrangements to meet the Welsh Government aims and statutory obligations;
- whether CJs have clear and effective plans to deliver the Welsh Government aims and meet their statutory obligations;
- how the CJs will fit in to existing partnership arrangements; and
- how CJs are planning to meet their requirements under the Well-being of Future Generation (Wales) Act 2015 including how they are setting their well-being objectives.

## Output

12 We will provide a report.

## Document request

### Exhibit 1: document request

Prior to the interviews, we will undertake a review of the documents identified below. However, we would be grateful if you could supply us with any additional documents which you feel may be relevant for this commentary. The list is not exhaustive and requests for additional documents may be made during the course of the commentary. Where documents in the list below are publicly available, we would be grateful if you could please direct us to where we can find them

#### Document Title

- Plans/documents setting out ambitions for each of the CJs
- Plans/documents outlining how the CJs will carry out the three functions conferred upon them
- Plans/documents outlining how the CJs will be resourced
- Plans/documents outlining how the CJs will meet the requirements of the Well-being of Future Generation (Wales) Act 2015, including publishing their well-being objectives by April 2023
- Plans/documents setting out CJC governance arrangements in meeting the legislative requirements of the Local Government and Elections (Wales) Act 2021, and regulations

## Timescales for the commentary

### Exhibit 2: Timescales for the commentary

Proposed timetable	
Project brief issued	August 2022
Document review Meeting observations Interviews	September-October 2022
Draft output	January 2023

## Audit Wales contacts

### Exhibit 3: Audit Wales contacts

The table below sets out the Audit Wales team that will be working on this commentary.

Name	Contact details
Director	Gary Emery Gary.emery@audit.wales
Audit Manager	Sara-Jane Byrne Sara-jane.byrne@audit.wales
Senior Auditor	Jason Williams Jason.williams@audit.wales
Senior Auditor	Allison Rees Allison.Rees@audit.wales



**Archwilio** Cymru  
**Audit** Wales

## Project Brief: Planning Service follow-up review – Ceredigion County Council

Issue Date: September 2022

Document Reference: 3137A2022

Audit year: 2022-23

### Background

1. Following our Assurance and Risk work in 2019-20 and 2020-21, we agreed with the Council to undertake a review of its Planning Service. This review took place between April to July 2021, and we issued our report in October 2021<sup>1</sup>.
2. Our review sought to answer the question: Is the Planning Service effectively and sustainably meeting its objectives and contributing towards the achievement of the priorities in the Council's Corporate Strategy? Overall, we found that **whilst Council members and senior officers view the planning service as strategically critical, significant longstanding weaknesses in the Development Control Committee's governance arrangements were not sustainably or cohesively supporting the Council to improve performance and achieve its strategic objectives and priorities.**
3. We issued 10 recommendations as shown in **Exhibit 1**.

#### Exhibit 1: recommendations

##### Recommendations

##### Governance

- R1 The Council should review its constitution to strengthen the governance of its development control arrangements. The review should:
- learn from the development control governance arrangements of other Local Planning Authorities (LPAs);
  - develop an agreed Terms of Reference for the Council's Development Control Committee, to clearly state its purpose, role and responsibilities, and how it links to Corporate Priorities;

<sup>1</sup> [Ceredigion County Council – Review of the Planning Service | Audit Wales](#)

## Recommendations

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- define what it deems as strategically important and ‘major’ planning applications;
- strengthen the Development Control Committee’s scheme of delegation by considering raising the threshold for planning applications called into Committee to allow it to better focus on more strategically important and major applications;
- ensure planning applications submitted by or on behalf of the Council’s officers and members are considered by the Development Control Committee and not under officer delegated powers to safeguard against any perceived conflicts of interest and to promote independence and transparency;
- review the balance of time local ward members have to speak on planning applications at committee meetings as compared to applicants and objectors; and
- review and include the Council’s Planning Code of Practice in the constitution and ensure members understand and act in accordance with it.

R2 The Council should ensure that its Development Control Committee and committee support arrangements comply with data protection principles and the processing of personal information in accordance with the Data Protection Act 2018<sup>2</sup> and the UK General Data Protection Regulation.

R3 The Council’s Development Control Committee members need to ensure that any planning decisions are based on sound material planning considerations, and not applicants’ personal circumstances.

R4 The Council needs to ensure that recordings of its ‘in public’ Development Control Committee meetings are made publicly available after committee meetings to adhere to the future requirements of the Local Government and Elections (Wales) Act 2021<sup>3</sup>.

R5 The Council should ensure that Development Control Committee decisions relating to ‘affordable’ homes in the open countryside are made and reported accurately in accordance with the Council’s Affordable Housing supplementary guidance<sup>4</sup>.

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<sup>2</sup> [Chapter 12 – Data Protection Act 2018](#)

<sup>3</sup> [Part 3; Section 46 – Local Government and Elections \(Wales\) Act 2021](#)

<sup>4</sup> Ceredigion County Council, [Supplementary Planning Guidance Affordable Homes, September 2014](#)

## Recommendations

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- R6 The Council and Development Control Committee should assess the cumulative implications and long-term infrastructure impact of approving single affordable dwellings and TAN 6 planning applications in the open countryside to ensure they contribute sustainably and cohesively to the Council's wider corporate priorities.
- 

## Service Planning

The Council's Planning Service should:

- R7 More clearly present its performance information and targets in its business plans.
- R8 Review the effectiveness and efficiency of combining the Development Management Officer and Enforcement roles including the impact on performance.
- 

## Monitoring

- R9 The Council should establish a framework to assure itself that the Development Control Committee contributes cohesively and sustainably to achieving the Council's corporate priorities.
- 

## Well-being of Future Generations

- R10 In making any changes to the planning service, the Council should take the opportunity to consider how it might act more closely in accordance with the sustainable development principle in contributing to the delivery of the Council's well-being objectives when making planning decisions.

## What will the review look at?

4. This follow up review will focus on assessing the Council's progress in addressing our 10 recommendations stated in **Exhibit 1**.

## How will the review be done?

5. Our work will include a review of documents, interviews with officers and members and we will observe Development Management committee meetings.

6. We will request interviews and focus groups with relevant officers and members as the review progresses.

## What will be the output?

7. We will agree with the Council how best to feedback the findings of our work and will provide a summary output.

## Documents we would like to review

8. Prior to the interviews, we will undertake a review of the documents identified below. However, we would be grateful if you could supply us with any additional documents which you feel may be relevant to our work in this area. The list is not exhaustive and requests for additional documents may be made during the course of the review. Where documents in the list below are publicly available on the Council's website, we would be grateful if you could please direct us to where we can find them:
  - Corporate Strategy (if changed from our previous review)
  - Council's detailed action plan in response to the Audit Wales Planning Service recommendations and any progress reports/updates on the Council's action plan
  - Evidence of the Council's learning from reviewing the development management governance arrangements at other Local Planning Authorities
  - Terms of reference for the Development Management committee
  - Terms of reference for the Development Management committee's 'cooling off' group
  - Planning Code of Practice
  - Scheme of Delegation
  - Training materials for the Development Management Committee since our last report
  - Member induction materials on the role and responsibility of the Development Management committee including materials presented to non-members of the Development Management committee
  - A list of all major planning applications since April 2022
  - Reports to Welsh Government on affordable housing
  - Council's framework demonstrating the Development Management's committee's contribution to achieving corporate priorities
  - Evidence demonstrating consideration and application of the sustainable development principle

- Evidence of the Council considering the long-term implications and infrastructure impact of approving single affordable dwellings and TAN 6 applications in the open countryside
- Latest staff structure for Development Management and Planning Policy
- Development Management Business Plan for 2022-23
- Planning Policy Business Plan for 2022-23
- Development Management Quarterly Survey returns for 2021-2022 and Q1 and Q2 2022-23 (when available)
- Any reports/presentations to members on the Development Management team's performance including reports to Scrutiny
- Outcome of the Council's review of combining Development Management and Enforcement roles

## Timescale and contacts

9. Our review is planned to take place Autumn 2022.
10. If you would like to discuss any aspect of this review, please contact
  - Non Jenkins – [non.jenkins@audit.wales](mailto:non.jenkins@audit.wales)
  - Bethan Hopkins – [bethan.hopkins@audit.wales](mailto:bethan.hopkins@audit.wales)
  - Allison Rees – [Allison.rees@audit.wales](mailto:Allison.rees@audit.wales)

## Legislative basis for the review

11. This project is being undertaken to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 18 of the Local Government (Wales) Measure 2009. It may also inform a study for improving value for money under section 41 of the 2004 Act, and/or an examination undertaken by the Auditor General under section 15 of the Wellbeing of Future Generations Act (Wales) 2015.
12. Our privacy notice can be found on [our website](#) and it provides information about the potential collection of personal information by the Auditor General as part of this work

