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The Auditor General's programme of value for money studies

Briefing paper for the Public Accounts Committee

The Auditor General's programme of value for money studies

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Introduction

- 1** This paper provides the Public Accounts Committee (the Committee) with:
 - a** an update on my programme of value for money studies¹ and other audit work in progress that could result in published outputs for consideration by the Committee between now and summer 2015; and
 - b** an opportunity to comment on potential topic areas for future value for money studies.
- 2** Some of the potential topic areas outlined in this paper pick up issues on which Committee members have previously expressed an interest. I would welcome any further views that members may have on these topics. The Committee might also wish to consider whether there are any other topics of interest that it might wish to pursue over the next 12 months through a Committee-led inquiry, supported by a factual memorandum prepared by the Wales Audit Office rather than a full value for money study.
- 3** While not referenced explicitly as potential topic areas for future work, I will be keeping in view key developments affecting Welsh public services over the short to medium term, including the Welsh Government's response to the recent 'Williams Commission' report on public services and issues relating to NHS service reconfiguration and the governance of NHS bodies.
- 4** At any point in time, Wales Audit Office staff will also be looking into a range of issues arising from concerns that are brought to my attention through correspondence. In such cases, I will consider whether it is in the public interest to examine these matters in more detail and to report formally on them.
- 5** Drawing on the content of this paper, I will be undertaking some wider consultation on my proposals with key stakeholders including Welsh Government officials, other audit, inspection and review bodies and organisations representing the interests of persons with protected characteristics under the Equality Act 2010. I will also be inviting views from other National Assembly committees. In particular, I will be looking to confirm any areas of potential overlap with committees' own plans and identify opportunities for studies to inform their work.
- 6** In finalising my plans I will, as ever, be considering the range and volume of work already in progress. This is all with a view to: retaining a balanced programme across different areas of policy delivery; including within my programme studies that require different levels of resourcing; and ensuring a regular stream of material to support the Committee's own work programme.

¹ These studies examine issues relating to the economy, efficiency and effectiveness with which the Welsh Government and its sponsored and related public bodies use their resources to discharge their functions.

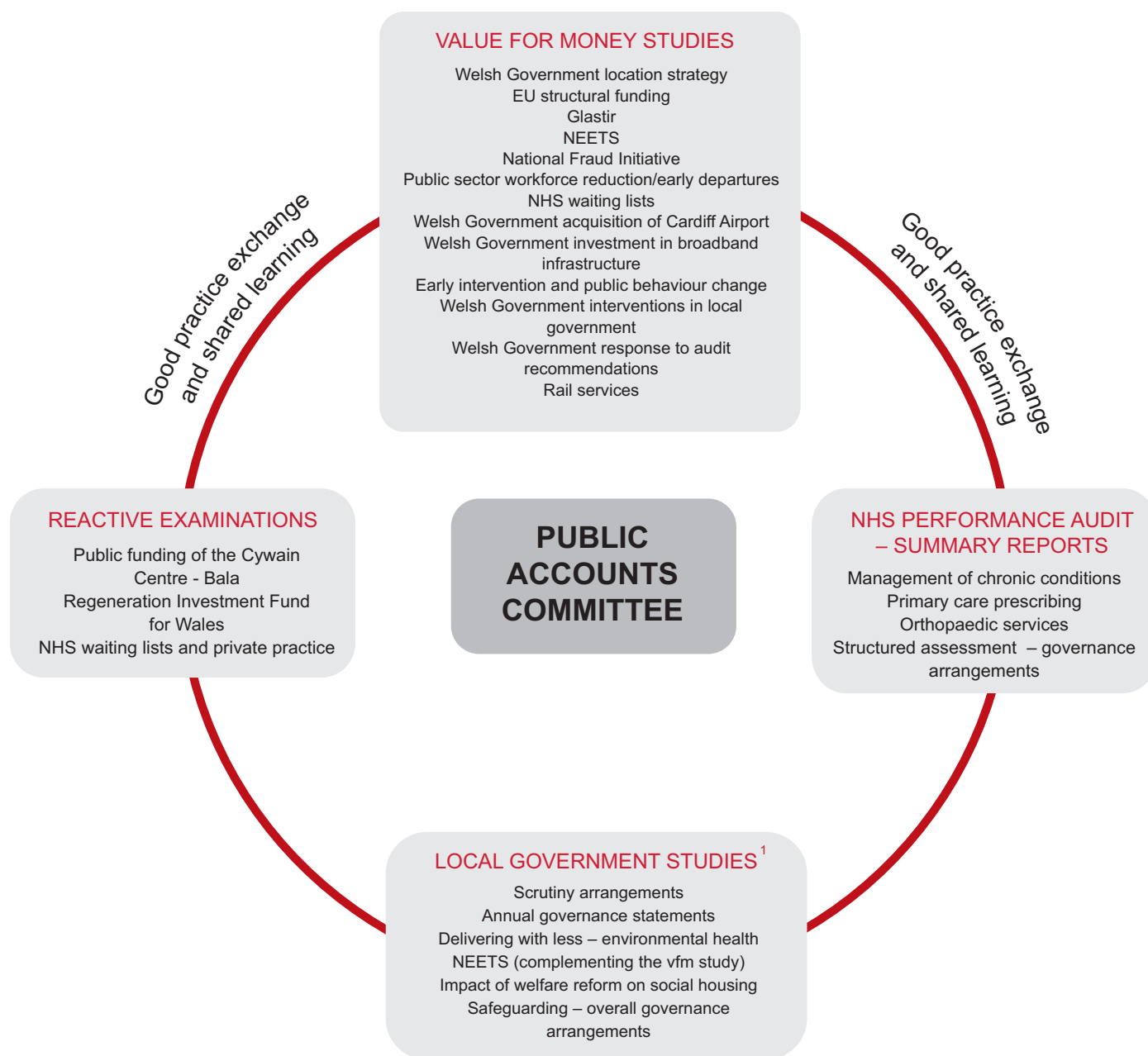
- 7 I aim to produce between 10 and 12 products each year to underpin the Committee's work. To date in 2013-14, I have presented 11 reports or memorandums to the Committee, with a further two reports due for publication by the end of this month². Two of these products were prepared at the request of the Committee; the memorandum on senior management pay and that on the intra-wales air service. This is all in addition to a number of summary reports on local government matters that the Committee has not formally considered and public interest reporting by my Appointed Auditor for local government that is informing the Committee's inquiry on senior management pay.

² *Continuing Healthcare; Governance Arrangements for BCU Health Board; Health Finances; Unscheduled Care; Covering Teachers' Absence; Higher Education Finances; Child and Adolescent Mental Health Services; Penmon Fish Farm; Intra-Wales – Cardiff to Anglesey – Air Service; Senior Management Pay; Meeting the Financial Challenges Facing Local Government.* The two reports due for publication later this month concern the *Welsh Government's Location Strategy* and *The Management of Chronic Conditions*.

Work in progress overview

- 8** **Figure 1** outlines the substantial body of work in progress that I expect to report on between now and summer 2015 which would be available for consideration by the Committee. This work is in addition to financial and performance audit work reported locally to individual audited bodies. That local audit work includes plans for a follow-up review of governance at Betsi Cadwaladr University Health Board, again to be reported jointly with Healthcare Inspectorate Wales (HIW). Other local audit work in progress across the NHS includes reviews of clinical coding and community nursing. Following the completion of that local work, I will consider the appropriateness for each topic of producing an all-Wales summary report.
- 9** **Appendix 1** provides further details about the work described in **Figure 1** and estimated timescales for reporting. Some of this work is still at an early stage of development and the programme will be subject to change, for example in response to new policy developments or to avoid the risk of duplication with other reviews.
- 10** When I presented my update to the Committee in March 2013, I indicated that one of the pieces of reactive audit work in progress concerned the Blaenavon Data Centre/Shared Resource Service collaboration between Torfaen County Borough Council, Monmouthshire County Borough Council and Gwent Police to deliver shared IT services. Wales Audit Office staff have now completed their examination of issues relating to the establishment of this centre and its management and governance arrangements.
- However, it is now likely that the results from this work will be reported back locally to the bodies concerned.
- 11** I have also decided recently to defer my planned study on educational performance and deprivation. I have taken this decision in light of the substantial coverage of this topic through other review work, including recent work by Estyn and the inquiry that the National Assembly's Children and Young People Committee is undertaking on educational outcomes for children from low-income households. I will, however, be keeping this topic in view as part of my ongoing monitoring.

Figure 1 - Work in progress



Note
 My local government studies and the public interest reports of my Appointed Auditor for local government are not undertaken with the Committee as the primary intended audience. However, these reports are still likely to be of interest to Committee members and, depending on their scope, can potentially feed the Committee's own work programme.

Potential topic areas for future value for money studies

- 12** Figure 2 lists a wide variety of topics that we have been considering as part of work to identify potential future value for money studies, and identifies how these topics align with some of the key themes in the Wales Audit Office's 2013-2016 strategy. The topics that I consider stronger candidates for work to start in 2014-15 are towards the top of the list in each section.
- 13** Separate to this list, I have already indicated to the Committee that I intend to produce a further report on health finances. As with my July 2013 report, this report will consider progress in delivering against the key service delivery priorities set by the Welsh Government. I have also agreed with the Committee that I will produce a short follow-up memorandum on Continuing Healthcare to support further Committee scrutiny of this issue in autumn 2014. In addition, in response to the Health and Social Care Committee's recent report, the Chief Executive of HIW has asked me to consider undertaking a review of the overall effectiveness of HIW and delivery against its 2014-15 operational plan. I intend to include such a review in my programme of new studies to start in 2014-15. This, of course, would be subject to any action taken by the Welsh Government to review HIW's functions in response to recommendations from the Health and Social Care Committee.
- 14** In some cases, topics that were included in the equivalent list I presented to the Committee in March 2013 no longer feature in this paper. This may be because the Wales Audit Office is investing resources in these topic areas other than through value for money studies, or because the topic is being covered by other recent review work. For example:
- a** I had previously highlighted the possibility of examining Finance Wales. However, the Minister for Economy, Science and Transport has commissioned a review into the availability of finance for small and medium-sized enterprises, and the National Assembly's Finance Committee has launched an inquiry looking into Finance Wales.
 - b** I had previously highlighted the possibility of taking forward a review of public sector buildings management. However, I was mindful at that time of the Finance Committee's review of asset management which followed up issues arising from the Wales Audit Office's May 2010 report on *Buildings Management*. Buildings management related issues have also featured prominently in our recent good practice exchange work. Nevertheless, I have included a proposal to undertake a more focused examination in respect of the NHS estate.

15 I have also been consulting recently on the content of my 2014-15 programme of local government studies. The topics that I have consulted on include:

- a** A 'delivering with less' review examining how councils are continuing to deliver their statutory obligations with fewer resources. To focus on leisure services, regulatory/enforcement/planning services, or waste.
- b** A review examining whether councils are effectively supporting older people to live independently, including through joined up working across health and social care.
- c** An examination of how councils are meeting the needs of gypsies and travellers in Wales, in the context of the Welsh Government's 'Travelling to a Better Future' policy framework.
- d** An examination of councils' investment in the improvement of transport links, specifically the local highways infrastructure.
- e** A review of councils' economic development services and their impact in support of a stronger Welsh economy.
- f** A review of councils' waste recycling and waste prevention services, following up issues arising from my February 2012 report on *Public Participation in Waste Recycling*.

16 In July 2013, I confirmed to the Committee my plans to take forward further work on medicines management through my 2014 programme of local audit work across the NHS. Following on from my review of GP prescribing, the new work will focus on medicines management in the acute sector. I am also likely to take forward through this local audit work a review of the effectiveness of NHS bodies' arrangements for managing follow-up outpatient appointments and some high-level diagnostic work to assess whether budgetary pressures are impacting on capacity within NHS bodies' informatics teams and the IT infrastructure.

Figure 2 - Topics under consideration for future value for money work

<p>A – Undertake value for money work with an austerity emphasis B – Enhance work on benchmarking and performance comparison, sharing of audit knowledge and exchange of good practice C – Provide further assurance on the effectiveness of governance arrangements and other issues of public interest D – Report more comprehensively on sustainable development, equality and use of the Welsh language</p>	A	B	C	D
Health and social services				
<p>NHS Wales informatics programme The NHS Wales Informatics Service (NWIS) was created in April 2010. Working with NHS bodies and GP practices, NWIS is responsible for the development of new national products, such as the ‘master patient index’ to link patient identity records across a range of information systems, and the delivery of operational technology and information services. This review would consider the overall performance of NWIS, including examining whether new national products are being delivered to cost, time and quality. Taken together with the proposal below on NHS shared services, and possibly also extending to cover the Welsh Health Specialised Services Committee, I may decide to take forward a broader study looking at governance and delivery across these three organisations.</p>		•	•	
<p>NHS shared services The NHS Wales Shared Services Partnership (NWSSP) was launched in April 2011, and was established as a hosted organisation of Velindre NHS Trust on 1 June 2012. The NWSSP now encompasses a range of services including primary care contractor services, procurement, facilities management, employment, legal and risk, and internal audit. The partnership influences a significant amount of NHS expenditure. For example, the partnership has reported that, in 2012-13, it processed orders for goods and services for NHS hospital and community services worth more than £1 billion. The proposed study would provide an independent assessment of the performance of the partnership in streamlining back-office functions, maximising the value of NHS spending, and improving service delivery.</p>	•	•	•	
<p>Managing the NHS estate This study would examine the overall management of the NHS estate in Wales and would pick up issues arising from my July 2013 report on <i>Health Finances</i> which noted that NHS bodies are struggling to maintain existing buildings and other assets thereby storing up problems for the future. A study in this area could also consider whether investment in new and/or improved buildings is delivering the expected results, for example in terms of improved energy efficiency.</p>	•	•		•
<p>Value for money from primary care contracts In 2012-13, the seven local health boards in Wales spent in excess of £800 million on primary healthcare services – general medical services, pharmaceutical services, general dental services and general ophthalmic services – excluding prescribed drugs and appliances. The largest portion of this expenditure, around £460 million, was for general medical services. This study would examine issues of value for money in relation to primary healthcare services. During its current inquiry on unscheduled care, the Committee has received evidence relating to changes to the general medical services contract in 2014-15 and this study would provide an opportunity to follow up on issues arising from that evidence and from a previous report by the Wales Audit Office on the general medical services contract in August 2007.</p>	•	•		

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Sustainable futures				
<p>Tackling fuel poverty/promoting home energy efficiency</p> <p>Despite the Welsh Government’s target to eradicate fuel poverty by 2018, in 2012, 30 per cent of households in Wales (386,000 households) were estimated to be in fuel poverty with ‘vulnerable households’ – those with an elderly person or child – being more likely to experience fuel poverty. This study would examine the effectiveness of the Welsh Government’s efforts to improve home energy efficiency and alleviate fuel poverty, for example through key schemes such as Arbed and NEST.</p>	•	•		•
<p>Regenerating Wales – vibrant and viable places</p> <p>In March 2013, the Welsh Government launched its new regeneration framework <i>Vibrant and Viable Places</i>. The new framework is intended to lever in funding from other public, private and third sector sources, and to deliver a different approach to regeneration by supporting more targeted interventions. To help to deliver the framework, the Welsh Government has made available £100 million over three years from 2014, across 11 local authority areas. A study in this area could consider whether in its development, design and early implementation the framework is likely to deliver the Welsh Government’s regeneration objectives.</p>	•		•	•
<p>Flood and erosion risk management</p> <p>A study in this area would assess how the Welsh Government, Natural Resources Wales (NRW) and local authorities are managing risks arising from flooding and erosion and the prioritisation and delivery of related spending. This study would provide an opportunity to follow up the Wales Audit Office’s October 2009 report on <i>Coastal Erosion and Tidal Flooding Risks in Wales</i> and to look at how climate changes are influencing flood and erosion risk management. The exact scope and timing of a study in this area would need to take account of review work already underway in response to recent coastal flooding and the development by the Welsh Government of a single investment programme.</p>		•	•	•
<p>Welsh Government stewardship of the natural environment and biodiversity</p> <p>Optimising the benefits of good environmental stewardship of the natural environment and for biodiversity is vital for sustainability and for economic benefit and, taking into account national and international obligations, a study in this area could consider the extent to which these issues are mainstreamed across Welsh Government and wider public sector activity, with clear responsibility for related outcomes.</p>			•	•

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<p>Welsh Government preparation for, and response to, animal diseases</p> <p>The Welsh Government has budgeted £38 million in 2014-15 for animal health and welfare with the aim of better protecting the public from animal diseases and to improve the resilience of the farming industry in Wales to outbreaks of animal diseases. The Welsh Government is also planning to consult on a new Animal Health and Welfare Framework for Wales that covers these issues. A study in this area would examine evidence in relation to the overall value for money of this expenditure and would take an early look at the development and implementation of the new framework, also taking into account the impact of the planned closure of some animal disease testing laboratories in Wales.</p>	•			•
Local government and communities				
<p>Communities First follow-up</p> <p>The Wales Audit Office's July 2009 report on <i>Communities First</i> identified weaknesses with the extent to which public services engage with the Communities First programme. The programme is now central to delivery of the Tackling Poverty Strategy and the success of this key plank of Welsh Government policy depends on Communities First delivering more effective 'programme bending'. At the same time, the annual budget of around £40 million is set to reduce. A study in this area could focus primarily on the programme bending elements of Communities First and would provide an opportunity to follow up issues arising from the previous Wales Audit Office report.</p>		•	•	•
<p>Welsh Government leadership of public service reform</p> <p>Public services face the double challenge of fiscal tightening and rising/changing demand. Key elements of public service reform include programme support for the Public Services Leadership Group, the 'Williams Commission' on Public Service Governance and Delivery, and implementation of the Simpson Review. This study would consider the overall effectiveness of the Welsh Government's leadership of public service reform with a view to producing a series of real-time outputs using an action learning type approach.</p>	•		•	
<p>Working with the third sector</p> <p>I previously deferred a study in this area and, since that time, the Committee has taken forward considerable scrutiny of issues relating specifically to grants management. A future study in this area would not focus on grants management but would centre, instead, on examining evidence in relation to the extent to which the third sector can and does provide public service of the same or better quality at a lower cost. The study could seek to quantify in financial terms the overall contribution of the third sector in particular areas of service delivery.</p>	•	•		•

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Economy, science and transport				
<p>Bus services and concessionary fares</p> <p>Changes in bus services funding have seen the consolidation of the former Bus Services' Operators Grant, Local Transport Services Grant and Community Transport Concessionary Fares Initiative into a single Regional Transport Services Grant worth around £25 million in 2013-14. In addition, the current three-year agreement between the Welsh Government and bus operators in respect of the level of reimbursement under the concessionary fares scheme comes to an end as of 31 March 2014. This study will examine the impact of funding changes on bus services in Wales and on the Welsh Government's sustainable travel objectives.</p>	•	•		•
<p>Enterprise zones</p> <p>The Welsh Government established seven enterprise zones in April 2013 – Anglesey, Cardiff, Deeside, Ebbw Vale, Haven Waterway (Pembs), Llanbedr (Gwynedd) and St Athan. Each zone has a business-led advisory board and is aimed at a particular sector (aerospace, energy and environment, financial and professional services or advanced manufacturing). The enterprise zones have no prescribed budget other than a small marketing budget and £20 million available over five years for business rate relief. A report by the National Assembly's Enterprise and Business Committee in December 2013 found that the zones had no published strategic plans or objectives, no performance indicators and that the scale of resourcing was unclear. A future value for money study in this area could examine the performance of the enterprise zones and emerging benefits, comparing the development of enterprise zones in Wales with those in England.</p>		•	•	
<p>Public Sector Broadband Aggregation (PSBA)</p> <p>The PSBA network was created to provide a national information and communications platform with the aim of enabling greater efficiency and collaboration across public services to support the delivery of improved services. In July 2013, I confirmed plans for a study that would examine PSBA. However, I also indicated that this study could extend to consider wider issues relating to investment in broadband infrastructure and I have since decided to focus that planned study on the rollout of Superfast Cymru (Appendix 1). Following the re-tendering of the contract for maintenance of the PSBA network, I will be keeping in view options for a study to consider whether public services are realising the anticipated benefits from the PSBA network.</p>	•	•	•	
<p>Public investment in tourism promotion/iconic events</p> <p>In 2010, the Welsh Government published <i>Event Wales: A Major Events Strategy for Wales 2010-2020</i>. The proposed study would consider the effectiveness of the Major Events Unit in delivering the 2010 strategy, drawing on relevant evidence including an evaluation of the economic impact of the 2010 Ryder Cup. The study could extend to consider, more broadly, the work undertaken under the umbrella of Visit Wales. The study would not consider the issue of inward investment, which is currently the focus of an inquiry by the National Assembly's Enterprise and Business Committee.</p>		•		•

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Education and skills				
<p>Regional education consortia</p> <p>The Welsh Government has encouraged the development of joint working between local education authorities across four regionally based consortia. A study in this area would examine issues of governance and financial management across the four consortia and consider whether the consortia are well placed to respond to the Welsh Government’s education policies. The study could complement work that Estyn is taking forward to look at the progress that is being made by the consortia and to develop a framework for inspection of the consortia. My work will be delivered in a way that responds to, and provides real-time feedback on, emerging developments.</p>		•	•	
<p>Further education finances</p> <p>There has been significant change across the further education sector in recent years with the development of 14-19 partnerships and a succession of college mergers. Reductions in Welsh Government budgetary provision are expected to impact disproportionately on post-19 education where female students are overrepresented. This study could consider the overall financial standing of the further education sector and the sector’s financial planning and management arrangements, as well as the impact of recent structural changes across the sector and reductions in Welsh Government funding.</p>	•	•		•
<p>School places</p> <p>The Wales Audit Office’s 2010 report on <i>Capital Investment in Schools</i> pointed to the failure of some local authorities to manage surplus places and school reorganisation. Local authorities have made slow progress addressing the issue of surplus places across Wales and the picture is becoming more complex as some parts of Wales are facing increasing demand for primary places while others seem to be facing population decline. In the context of ongoing capital investment planning through the 21st Century Schools programme, this report would consider how the Welsh Government and local authorities are managing the issue of school places, both now and for future generations. Other specific issues that the study might address include Welsh-medium provision, faith schools, and the impact of school travel.</p>	•	•		•
<p>ICT in schools</p> <p>This study would examine issues relating to ICT provision in schools. For example, in January 2013 the Welsh Government announced investment of nearly £40 million to improve internet connectivity for schools in order to support access to other web-based learning resources. Separate to this, the study could look to identify potential financial savings in relation to schools investment in ICT-related hardware and software and the extent of any inequality between schools in Wales in terms of access to modern technology.</p>	•	•		•
<p>Educational performance and deprivation</p> <p>Having decided to defer my planned study in this area for the reasons outlined in paragraph 11, I will be keeping in view opportunities to take forward further work in this area in 2015-16.</p>		•		•

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<p>Welsh for Adults</p> <p>The Welsh for Adults programme provides opportunities for adults to learn Welsh, whether in their local communities, workplaces or with their families. A recent Welsh Government commissioned review, reported in July 2013, identified a lack of relevant data on outcomes and progression for learners. Among other things, the report recommended the establishment of a new national entity to provide strategic leadership, reduce duplication and ensure consistency and a reduction in the number of providers. In the meantime, the Welsh Government is planning to reduce by eight per cent its budget for Welsh learning between 2014-15 and 2015-16 (from £15.5 to 14.5 million). I will be keeping a watching brief over the Welsh Government's response to the recent review to inform my prioritisation of work to start in 2015-16.</p>	•			•
<p>School funding</p> <p>The Wales Audit Office published a <i>School Funding Analysis</i> in March 2006 and there followed a series of other reports in this area by a National Assembly 'Committee on School Funding' and the former Enterprise and Learning Committee. School funding remains an issue of concern for schools and unions who claim that Wales' schools receive lower funding than schools in England. The Welsh Government has committed to increase spending on schools by at least one per cent over its block grant. This study would examine whether school funding mechanisms have become clearer over recent years and are supporting improvement.</p>	•	•		•
Pan-public sector				
<p>Services for older people</p> <p>While I have recently consulted on the prospect of a local government study in this area (paragraph 15), I consider that there is an opportunity to adopt a staged approach to work in this area, or to join together an examination of local action alongside a national level review to consider at an early stage delivery of the 'Strategy for Older People in Wales: 2013-2023'. Joining together these two streams of work would reflect the approach that I have taken in bringing together my current local government and value for money studies on young people not in education, employment or training.</p>	•	•		•
<p>Public procurement and the national procurement service</p> <p>The National Procurement Service for Wales (NPS), launched in November 2013, manages contracts for common and repetitive expenditure across the Welsh public sector in Wales and aims to save £25 million per year through reducing expenditure, eliminating duplication, developing a sustainable procurement model and increasing efficiency. The NPS also intends to develop local supply chains to help Welsh businesses benefit from the £4 billion the Welsh public sector spends each year on goods and services. A value for money examination on this service would review the early development of the NPS and evidence of progress in delivering its strategic aims and objectives.</p>	•	•		•

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<p>Wales Infrastructure Investment Plan</p> <p>The Wales Infrastructure Investment Plan for Jobs and Growth outlines the Welsh Government's strategic investment priorities and its approach to infrastructure investment. Around £3.5 billion is allocated to the plan from 2012 to 2015 and a further £15 billion of investment is expected over the following 10 years. A study in this area would, in the first instance, take a high-level view of the Welsh Government's overall delivery of the plan and the progress and funding of key projects. One of the projects featured in the plan is Next Generation Broadband for Wales (Superfast Cymru) which is already the focus of my stand-alone study on Welsh Government investment in broadband infrastructure.</p>	•		•	•
<p>Use of ICT and sustainable development</p> <p>A study in this area would consider how public bodies are managing the use of ICT in line with principles of sustainable development. For example, the study could examine the procurement of ICT equipment and supply chains, action taken by public bodies to minimise the environmental impact of the use of ICT, opportunities to reduce staff travel through the use of ICT and issues relating to waste and the disposal of equipment. The study would consider the overall costs incurred by public bodies in the procurement, use and disposal of ICT equipment and opportunities for financial savings.</p>	•	•		•
<p>Public health improvement</p> <p>This examination would look at whether the public sector is doing enough to tackle inequalities in health and to encourage people to lead more active and healthier lifestyles. It could examine specific themes such as smoking cessation and obesity to establish how well national and local actions are connected and to assess the overall impact on public services of these issues. In the short-term, my planned study on early intervention and public behaviour change is likely to have a strong public health dimension,</p>		•		•
<p>Compliance with/preparedness for key legislative duties (equality, Welsh language, climate change and sustainable development)</p> <p>I am keeping in view opportunities to undertake work in this area, for example in the context of the Welsh Government's preparation of its Future Generations Bill and will be taking forward further dialogue with relevant commissioners about plans in this regard and opportunities for joint working.</p>		•		•
<p>Internal audit services</p> <p>Effective internal audit services help to evaluate and improve the effectiveness of organisations' risk management, control, and governance processes and the assurance provided by a strong internal audit service can lead to efficiencies in the external audit function. This review would compare internal audit services across the Welsh public sector in terms of their scope, costs and quality. In the NHS, internal audit services have been taken in as part of the work of the NHS shared service and the recent 'Commission on Public Service Governance and Delivery' recommended the development of a public sector-wide shared services operation to provide back-office functions and common services such as internal audit.</p>		•	•	

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Central government administration				
<p>The development of Natural Resources Wales</p> <p>NRW became operational in April 2013 and has taken forward as a new organisation the functions of the former Countryside Council for Wales; Environment Agency Wales and Forestry Commission Wales, as well as some Welsh Government functions. NRW is the largest Welsh Government sponsored body with some 2000 staff; an annual operating budget of around £179 million and responsibility for managing seven per cent of the land area of Wales. This study would examine the overall development of NRW, with reference to the costs, benefits and risks identified in the original business case for its creation.</p>			•	•
<p>Role of the commissioners</p> <p>I am seeking further dialogue with the different commissioners in Wales about my thoughts on a study that could examine issues including arrangements for the appointment of commissioners, their relationship with the Welsh Government and other stakeholders, the different approaches adopted by commissioners to their work to identify good practice in delivering their remit, the overall management and governance of the commissioners' work, and any opportunities to streamline back-office functions. Any work in this area would need to take account of the review of the role and functions of the Children's Commissioner for Wales announced recently by the Welsh Government.</p>		•	•	•
<p>Governance and accountability of Welsh Government sponsored bodies</p> <p>Welsh Government sponsored bodies are directly funded by the Welsh Government, but operate on an 'arms-length' basis. Among others, they include NRW (as featured above), the Arts Council of Wales, Sport Wales, the National Museum of Wales, the National Library of Wales and the Higher Education Funding Council of Wales. This review could examine issues relating to the general governance and accountability of these bodies, including their relationship with central government departments, as well as the performance of these bodies and evidence of their value for money.</p>		•	•	
<p>Welsh Government central ICT services</p> <p>The Welsh Government spends around £30 million per year on its central ICT services. In June 2012, the Welsh Government signed a £70 million contract with its existing ICT provider Atos (formerly Siemens) that will extend the longstanding relationship between the parties until 2019. This study would examine the measures the Welsh Government has made in the contract to ensure value for money, including following up recommendations made in my August 2011 report on <i>The delivery of ICT services and ICT projects under the Merlin contract</i>.</p>	•	•		
<p>Welsh Government – capacity and capability</p> <p>This study would examine the measures that the Welsh Government has taken to ensure that it has the capability and capacity to deliver its legislative and policy programme in light of recent workforce reduction. An examination of this issue would, to an extent, follow on from coverage of the Welsh Government as part of my current pan-public sector study on workforce reduction and early departures.</p>	•		•	•

Appendix 1 - Work in progress – scope and planned timescales

The work in progress described in this appendix aligns with the topics presented in [Figure 1](#) of this briefing paper and contextualised in [paragraph 8](#).

Value for money studies, reactive examinations and NHS performance audit summary reports

Planned publications between now and July 2014

Welsh Government location strategy

The Welsh Government published its Location Strategy in 2002. The strategy aimed to decentralise services from Cardiff and bring them closer to the people of Wales. This report will examine whether the Location Strategy Programme has delivered its objectives in a way that provides value for money. The programme centred on the construction of three new office buildings in Merthyr Tydfil, Aberystwyth and Llandudno Junction. It also included the relocation of posts and movement of staff into the new offices.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Andy Phillips

Management of chronic conditions – update report

This report, which complements my September 2013 report *Unscheduled Care – an update on progress*, will consider whether health boards are improving the efficiency and effectiveness of their approach to improving the management of chronic conditions. My report will compare the current position with that reported on previously by the Wales Audit Office in *The Management of Chronic Conditions by NHS Wales* (December 2008).

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Tracey Davies

European Union structural funding (2007-2013)

This report will consider whether the 2007-2013 European Union structural funding programmes have been administered effectively by WEFO and are on track to deliver their intended benefits, examining progress against targets for the allocation of funding, actual expenditure and key outputs. Wales is eligible to receive around €2.22 billion from the 2007-2013 EU structural funding programmes, which aim to reduce social and economic disparities between the regions of the EU.

Wales Audit Office Director: Ann-Marie Harkin

Wales Audit Office Project Manager: Ben Robertson

Public funding of the Cywain Centre – Bala

This report will consider whether decisions made by the Welsh public sector, in respect of the funding and subsequent closure of the Cywain Centre in Bala, provided good value for money. The Cywain Centre was built as a heritage, rural life and sculpture centre and received around £3.5 million in public funding from a variety of sources.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Steve Ashcroft

Planned publications between now and July 2014

Glastir – agri-environment scheme

This report will consider whether Glastir incorporates the lessons learnt from Tir Gofal and evidence from other agri-environment schemes. The Welsh Government plans to spend £122 million on Glastir from its launch in 2012 to the end of 2015. The scheme is part funded by the European Agriculture Fund for Rural Development.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Andy Phillips

Primary care prescribing

Local audit work has examined health boards' arrangements for promoting cost-effective and safe prescribing in primary care. This summary report will examine trends in primary care prescribing, management arrangements for this prescribing activity and the scope for cost and quality improvements.

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Malcolm Latham

Young people not in education, employment or training (NEETs)

I will be publishing two separate but complementary reports on this topic (a value for money study report and a local government study report). The value for money study report will focus on the Welsh Government's approach to reducing the numbers of NEETs and arrangements to monitor progress and assess value for money, with specific reference to the Youth Engagement and Progression Framework and Implementation Plan published by the Welsh Government in October 2013.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Stephen Martin

National Fraud Initiative

This report will set out the results from the 2012-13 National Fraud Initiative exercise. Since its commencement in 1996, National Fraud Initiative exercises have resulted in the identification of more than £22 million of fraud and overpayments in Wales, and £939 million across the UK.

Wales Audit Office Director: Anthony Barrett

Wales Audit Office Project Manager: Helen Pugh

Regeneration Investment Fund for Wales

Regeneration Investment Fund for Wales (RIFW) is a 'Limited Liability Partnership' wholly-owned by the Welsh Ministers, but operating at arms-length from them.

This report will examine the aims, governance and operations of RIFW, including its ongoing investment business, together with consideration of the effectiveness of Welsh Government oversight arrangements for the fund. A particular area of focus has been the disposal by RIFW of the land and property portfolio that was transferred to it at the outset by the Welsh Government. The exact timescale for reporting will be dependent on external factors.

Wales Audit Office Director: Mike Usher

Wales Audit Office Project Manager: Alastair McQuaid

Planned publications between August and December 2014

Orthopaedic services

Demand for orthopaedic treatment has increased significantly for reasons including the ageing population, growing levels of obesity and improved clinical practices as well as increased patient expectations. This report will consider whether orthopaedic services are efficient, effective and economical and being designed and delivered in a sustainable manner.

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Anne Beegan

Public sector workforce reduction/early departures

This study is examining the extent to which public bodies have made use of early departure schemes to support their efforts to control/reduce workforce costs and the related costs and savings of such schemes. The work aims to identify and share good practice both in relation to early departure schemes and other action taken by public bodies to control or reduce workforce costs.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Matthew Mortlock

NHS structured assessments – summary report on governance arrangements

Each year auditors undertake a 'structured assessment' of NHS bodies' governance arrangements that support the efficient, effective and economical use of resources. This report will summarise findings from this work, with a particular focus on the structure and overall effectiveness of NHS bodies' assurance frameworks and accountability arrangements, the use of information to support good governance and improvement, and organisational learning and transparency.

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Carol Moseley

Welsh Government acquisition of Cardiff Airport

This study will be considering whether the Welsh Government acquired Cardiff Airport in a way that is likely to deliver the intended social, economic and environmental benefits. It will look back at the lead up to the purchase decision but it will also consider whether the airport is being set up for success, drawing in part on work undertaken by the Welsh Government's Internal Audit Services.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Matthew Mortlock

NHS waiting lists

This study will be considering whether NHS Wales is taking a sound approach to managing elective waiting times. Performance against waiting list targets has deteriorated significantly since 2009 and Wales compares unfavourably to other countries and comparable parts of England.

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Steve Ashcroft

Planned publications between August and December 2014

NHS waiting lists and private practice – reactive examination

In its September 2013 report on *The Consultant Contract in Wales: Progress with securing the intended benefits*, the Committee recommended that I should investigate into local health boards' processes and procedures for patients moving between private and NHS practices. Separate to my main value for money study on waiting lists, I am taking forward a reactive examination on this specific matter in response to the Committee's recommendation.

Wales Audit Office Director: Dave Thomas

Wales Audit Office Project Manager: Anne Beegan

Other work in progress – publication timeframe still to be confirmed

Welsh Government investment in broadband infrastructure

This study will focus on whether the Welsh Government's approach to investing in broadband infrastructure for households and businesses is likely to deliver its intended benefits. The main programme for delivering fast and reliable broadband infrastructure across Wales is Superfast Cymru, a programme managed by the Welsh Government. The Welsh Government awarded the Superfast Cymru contract to deliver the broadband infrastructure to BT in July 2012.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Stephen Martin

Early intervention and public behaviour change

The precise scope of this study is still to be determined. However, it will consider whether Welsh public services are securing value for money from their efforts to change public behaviour. This will be a cross-cutting study looking across a range of policy objectives and taking account of previous Wales Audit Office work where relevant.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Andy Phillips

Welsh Government interventions in local government

The Welsh Government is making ever-increasing use of this technique to drive up standards amongst poorly-performing public bodies. A range of models of intervention have been used in response to concerns relating to corporate governance and the performance of education and social services. This study will examine the value for money of these interventions and principles of good practice, although the precise scope of the work is still to be determined.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Alastair McQuaid

Welsh Government responses to audit recommendations

The study will examine, in general terms, the Welsh Government's corporate governance arrangements for responding to audit recommendations. This work will also identify any need for more in-depth follow-up work in particular areas and it will assess the impact of recommendations in my previous reports and related reports by the Committee.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Steve Ashcroft

Other work in progress – publication timeframe still to be confirmed

Rail services

This study will examine aspects of the Welsh Government's role in the planning and delivery of rail services in Wales as co-signatory with the UK Government Department for Transport for the current Wales and Borders Franchise and through its funding for additional services and improvements in rail infrastructure. However, the precise scope of this study is still to be determined and I am mindful of the report published in December 2013 by the National Assembly's Enterprise and Business Committee on *The Future of the Wales and Borders Rail Franchise*.

Wales Audit Office Director: Paul Dimblebee

Wales Audit Office Project Manager: Matthew Mortlock

Local government studies

Planned publications

Scrutiny arrangements

This work involved real-time shared activity and joint working with local councils, self-evaluation, and peer learning to identify the extent to which challenge and scrutiny are operating effectively in local government and to support improvement. This report, summarising findings from the work undertaken locally, will build on the 'Scrutiny in the Spotlight' conference that the Wales Audit Office jointly hosted in November 2013.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Huw Rees

Arrangements for reviews of governance and the preparation of annual governance statements

Local audit work across local government has considered whether, in producing annual governance statements, councils have evaluated the effectiveness of their governance arrangements comprehensively and thoroughly. I will be publishing a short report, possibly in the form of a practice note, summarising key themes and lessons emerging from this work.

Wales Audit Office Director: Jane Holownia

Wales Audit Office Project Manager: Huw Rees

Delivering with less – environmental health services

This is the first of what I anticipate will be a series of local government studies examining how councils are continuing to deliver their statutory obligations with fewer resources. The focus of this study on environmental health services encompasses a wide range of activity including, for example, housing standards, health and safety, food safety, environmental protection, noise pollution and pest control.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Nick Selwyn

Planned publications

Young people not in education, employment or training (NEETs)

I will be publishing two separate but complementary reports on this topic (a value for money study report and a local government study report). The local government study report will focus on councils' work to reduce the numbers NEETs and will consider if councils are well placed to enable better outcomes for young people who are, or are at risk of becoming, NEET.

Wales Audit Office Director: Alan Morris

Wales Audit Office Project Manager: Stephen Martin

Impact of welfare reform on social housing

This local government study is examining whether councils are well placed to effectively manage the impact of welfare reform on social housing in Wales. In delivering this study, the Wales Audit Office is working closely with Community Housing Cymru and other relevant stakeholders. In addition to a summary report, the study will contribute to joint research findings that will be used by partner organisations to measure impact over time.

Wales Audit Office Director: Jane Holownia

Wales Audit Office Project Manager: Nick Selwyn

Safeguarding – governance arrangements

This local government study will review the adequacy and effectiveness of councils' assurance and accountability arrangements for ensuring that policies and procedures related to safeguarding children are in place and are being adhered to. The study is not a review of safeguarding practice per se but an examination of what councils have themselves done to seek assurance that its arrangements to support safeguarding are effective.

Wales Audit Office Director: Jane Holownia

Wales Audit Office Project Manager: Nick Selwyn