



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

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[The Public Accounts Committee](#)

25/9/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn
ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle mae cyfranwyr wedi
darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in
the committee. In addition, a transcription of the simultaneous interpretation
is included. Where contributors have supplied corrections to their evidence,
these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

| | |
|--|--|
| Mohammad Asghar Bywgraffiad Biography | Ceidwadwyr Cymreig Welsh Conservatives |
| Neil Hamilton Bywgraffiad Biography | UKIP Cymru UKIP Wales |
| Vikki Howells Bywgraffiad Biography | Llafur Labour |
| Nick Ramsay Bywgraffiad Biography | Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair) |
| Lee Waters Bywgraffiad Biography | Llafur Labour |

Eraill yn bresennol
Others in attendance

| | |
|------------------|---|
| Maria Battle | Cadeirydd Bwrdd Iechyd Lleol Prifysgol Caerdydd a'r Fro Chair, Cardiff and Vale University Local Health Board |
| Owen Evans | Dirprwy Ysgrifennydd Parhaol, Grŵp Addysg a Gwasanaethau Cyhoeddus Deputy Permanent Secretary, Education and Public Services Group |
| John Herniman | Swyddfa Archwilio Cymru Wales Audit Office |
| Matthew Mortlock | Swyddfa Archwilio Cymru Wales Audit Office |
| Dave Rees | Swyddfa Archwilio Cymru Wales Audit Office |
| Len Richards | Prif Weithredwr Bwrdd Iechyd Lleol Prifysgol Caerdydd a'r Fro |

Chief Executive, Cardiff and Vale University Local
Health Board

Huw Vaughan Thomas Archwilydd Cyffredinol Cymru
Auditor General for Wales

Mike Usher Swyddfa Archwilio Cymru
Wales Audit Office

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

Claire Griffiths Dirprwy Glerc
Deputy Clerk

Meriel Singleton Ail Glerc
Second Clerk

Katie Wyatt Cynghorydd Cyfreithiol
Legal Adviser

Dechreuodd rhan gyhoeddus y cyfarfod am 14:00
The public part of the meeting began at 14:00

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest

[1] **Nick Ramsay:** I welcome members of the committee to this afternoon's Public Accounts Committee meeting. Headsets are available, as usual, in the room for translation and sound amplification. Please ensure mobile phones are on silent. In the event of an emergency, follow directions from the ushers. We have received an apology from Rhianon Passmore and there is no substitute. Do Members have any declarations of interest they'd like to make at this point? Okay.

Papurau i'w Nodi
Papers to Note

[2] **Nick Ramsay:** Item 6: we have a number of papers to note from previous meetings and what's been received. First of all, the Welsh

Government oversight of further education colleges' finances and delivery. We received additional information from the Welsh Government on 18 July 2017. Happy to note that? Good. The Welsh Government's funding of Kancoat Ltd: the Welsh Government have provided further information regarding the ongoing definition of the advanced materials and manufacturing sector, which is of particular interest to Mike Hedges, a previous member of this committee. Are Members happy to note the detail on that advance manufacturing?

[3] **Lee Waters:** I don't think there's much profit in pursuing it further.

[4] **Nick Ramsay:** If Mike was here, then he probably would pursue it a little bit further, but there we are. Okay, further to earlier correspondence, Dr Kate Chamberlain, chief exec of Healthcare Inspectorate Wales, has provided further information on the use of voluntary lay reviewers in their inspection plans. Note the letter? Good. And Dr Andrew Goodall, chief executive of NHS Wales, has sent additional information on the changes to performance indicators introduced as part of the new ambulance response model. That's following the evidence session held on 10 July. So, I propose we note that letter. Further to earlier correspondence, the Welsh Government have sent an update on the review being undertaken as part of Working Together for Safer Communities. The Welsh Government anticipate that the final draft report will be completed in October and published in December, and we've been promised sight of the final draft to comment on. So, I propose we note that. The Welsh Government's response, then, to the Auditor General for Wales's report into the implementation of the National Health Service Finance (Wales) Act 2014 has been copied to me for information. We can note that response. Do you wish to comment on that, auditor general?

[5] **Mr Thomas:** I think I ought to express disappointment that the Welsh Government has only partially accepted the need for additional guidance. In a sense, the Welsh Government has read the report as really being focused on the finance, but we were making a point that in the implementation of the legislation, there was a three-year planning arrangement that included finance, but it went wider, and that we felt there was a need to strengthen the guidance that was being given by the Welsh Government to the LHBs. The Welsh Government says, 'Well, there's an adequate guidance', but in reality, adequacy of guidance really depends on the recipients, rather than those who are writing the guidance. So, I would hope that the Welsh Government would look a little further on this. I understand that the Health, Social Care and Sport Committee is actually going to look at this area in more detail and

perhaps they can address that particular point.

[6] **Neil Hamilton:** Unless you want us to write to follow that—

[7] **Nick Ramsay:** I can write to the Chair of the committee if—. We could make those points and say we're pleased that they're looking at it.

[8] **Mr Thomas:** Yes, that's no problem at all.

[9] **Nick Ramsay:** Okay. We'll do that. Okay, Dr Andrew Goodall, chief exec of NHS Wales has sent an update on progress on waiting times for elective care and orthopaedic services. We need to note that letter and decide whether we're satisfied with the progress being made or if we wish to receive a further—. I would suggest we do receive a further update early in 2018. Yes? Okay. The Llywydd has written to all committee Chairs regarding the suggested date for the principal appointed day on which the reserved-powers model for Wales will come into effect, and the Secretary of State has subsequently replied advising that he is content for the principal appointed day to be 1 April 2018. Happy to note that? There was discussion before about whether it would be 1 April or later. The 5 April, I think, was originally proposed, but there's agreement on that now. On the twenty-first century schools and education programme, the Welsh Government's response to the auditor general's report into the programme has been copied to me for information. The committee received a briefing from the auditor general on 5 June ahead of the Welsh Government's response, and has agreed to revisit the issue later in the autumn term. So, happy to note that. A marathon of papers to note there.

14:05

**Rheoli Perygl Llifogydd ac Erydu Arfordirol yng Nghymru: Trafod
Ymateb Llywodraeth Cymru i Adroddiad y Pwyllgor
Coastal Flood and Erosion Risk Management in Wales: Consideration of
the Welsh Government's Response to the Committee's Report**

[10] **Nick Ramsay:** Okay. Item 7, coastal flood and erosion risk management, and the consideration of the Welsh Government's response to the committee's report. The Welsh Government has responded to the report, and has accepted six in full and three in principle—recommendations, that is—and has not accepted recommendation 10. That was:

[11] 'The Committee recommends that the Welsh Government undertake an audit on a two yearly basis to ensure that the necessary staff levels and skills are available within the Welsh Government, NRW, and Local Authorities to achieve the aims in the National Strategy.'

[12] Huw, did you want to comment on this?

[13] **Mr Thomas:** Yes, particularly in terms of recommendation 9, where we were looking at the medium/long-term plan for funding projects. The Welsh Government here, and indeed elsewhere, is referring to the strategic review that is under way, and I do think that the committee might want to return next year to just check with the Welsh Government what it is the strategic review is pointing towards.

[14] **Nick Ramsay:** Are Members happy with that approach? Lee.

[15] **Lee Waters:** Can I ask about recommendation 6, Chair, which the Welsh Government informed us to have accepted? I'm not quite convinced, when you read the nature of their acceptance. The recommendation is that,

[16] 'within the next 12 to 24 months the Welsh Government must produce a policy position which sets out a range of options for managed realignment.'

[17] And their acceptance says they agree

[18] 'with the PAC when it says there is no 'one size fits all' approach to managed realignment.'

[19] In other words, they can carry on as they are, which is not accepting our recommendation. It stresses the need for 'action at a local level'.

[20] This was one of the areas we found weakest in their previous approach, where they weren't showing any direct leadership on this. A euphemism for action at a local level is 'just letting things slip', and we found that wasn't good enough. So, I don't think they have accepted recommendation 6, and I think we should press them further on it because I don't think that answer is good enough.

[21] **Mr Thomas:** They are suggesting that the national strategy will be

produced in 2018. I think that if the committee wanted to say that they felt that the national strategy should include an element on managed realignment, then I think this would emphasise the importance the committee attached, as well as giving a handle to invite them back following publication of the national strategy.

[22] **Lee Waters:** Yes, okay. Thank you very much.

[23] **Nick Ramsay:** Happy with that course of action? Okay, we can do that. I can also write as Chair to the climate change committee, asking them to look in more detail at this.

[24] **Lee Waters:** Yes, and within the letter, express our dissatisfaction with the answer—trying to pass it off as an acceptance when it's nothing of the sort.

[25] **Nick Ramsay:** When it's not. Okay. Good.

14:07

**Ymchwiliad i Oruchwyliaeth Reoleiddiol ar Gymdeithasau Tai: Trafod
Ymateb Llywodraeth Cymru i Adroddiad y Pwyllgor
Inquiry into Regulatory Oversight of Housing Associations:
Consideration of the Welsh Government's Response to the
Committee's Report**

[26] **Nick Ramsay:** Okay, item 8 and the committee's report, the inquiry into the regulatory oversight of housing associations. We published, on 2 August, 15 recommendations for the Welsh Government. The report has received a positive reaction from the sector, with Community Housing Cymru stating that they

[27] 'found the inquiry to be a helpful and robust consideration of the regulation of the housing association sector,...vital to the provision of public services in Wales'

[28] and they welcome the recommendations that the committee put forward.

[29] The committee has been asked to conduct a workshop at CHC's

annual conference on 16 November on the findings of the PAC inquiry, for CHC members. I feel the workshop would be an opportunity to disseminate the findings of the inquiry. Are we interested in a workshop, as Members? Yes. Okay. We are looking for—. Well, I'll be attending, with the clerk, but we'll need at least one other member of the committee to go. If anyone has a particular interest in that, then—. Lee.

[30] **Lee Waters:** I'd be happy to. I'll check my diary, but hopefully.

[31] **Nick Ramsay:** Yes, okay. Yes. You don't have to agree just yet, but yes, the clerk will be in touch with you.

[32] The Welsh Government has responded to the report and accepted 14 of the 15 recommendations. Recommendation 1 has been partially accepted. Several of the responses reference actions to be completed in or around March 2018, although some will not be seen until summer 2018, and the response to recommendations 4 and 9 will not be due for completion until October 2018. The Government has indicated it anticipates introducing a Bill in October 2017 to reform the regulatory controls for registered social landlords in Wales, which relates to recommendation 10. We need to ensure that our work is shared with the scrutiny committee that receives the Bill at that point. Did you want to comment on this?

[33] **Mr Thomas:** No, nothing further.

[34] **Nick Ramsay:** Okay. The auditor general—. You haven't formally commented.

[35] **Mr Thomas:** No, but I was part of your considerations.

[36] **Nick Ramsay:** Yes, so you didn't need to. Do any Members have anything to say at this point?

[37] **Lee Waters:** Yes, a couple of comments, Chair. Recommendation 1, which, again, we're told is partially accepted, is not quite as simple as that. We recommended that the Welsh regulation team is routinely permitted to recruit externally, and their response, in partially accepting it, is they're going to carry on as they are, which is not to routinely advertise and recruit externally, but to first of all recruit internally, and if there's nobody suitable internally, they have to make a special case in order to be allowed to recruit externally, which is exactly what we were calling for a change in. So, they

haven't accepted that, other than to do what they currently plan to do.

[38] **Nick Ramsay:** I sense your suspicion of the partial acceptance of the recommendations.

[39] **Lee Waters:** So, I don't think they've accepted that at all and I don't think their answer is strong enough, given the recommendation we made in our report, so I'd like us to go back and tell them that we don't think that is in keeping with what we found.

[40] Similarly, recommendation 6, which, again, they've accepted, which is around scrutiny and the involvement of tenants in the scrutiny process, and they've simply said they accept our recommendation:

[41] 'Tenant scrutiny of housing association performance is intrinsic to performance standard 2.'

[42] So, in other words, they're going to carry on doing what they were going to do in the first place. In fact, looking at the other document that we've had, which is the response by Community Housing Cymru—sorry, the response by the Regulatory Board for Wales—to our report, that says, on the top of the second page:

[43] 'The Board...welcomes the Committee's prioritisation of tenant scrutiny of housing association performance. We believe that the opportunity to undertake such scrutiny should also be available to tenants of local authorities.'

[44] The explicit point we made is it's not simply making opportunities available for tenants to scrutinise, but to actively enable them to do so and to make sure that was built into the processes, because simply providing information, our report says, is not good enough. In exchange for transparency and greater freedom, there has to be an effort to challenge themselves, and I don't believe they're planning to do that, and they're again saying they're accepting the recommendation, but both the Government's response and the regulatory panel's response suggest that they're not really going to be doing much more than they were intending to do before we reported. So, I'm not sure—

[45] **Nick Ramsay:** So, you're generally not happy.

[46] **Lee Waters:** Well, on those two points I'm not happy.

[47] **Nick Ramsay:** So, do you wish for me to write to them and express our dissatisfaction?

[48] **Lee Waters:** That's one option, yes.

[49] **Nick Ramsay:** Yes, okay. I sense a wider disillusionment with the way that the recommendations are being accepted or not accepted as well.

[50] **Lee Waters:** Well, I've got no problems with Government not accepting our recommendations, but I'd rather they say so rather than trying to pretend that they've accepted them and then, in their commentary, actually just obfuscating to the point they're not accepting. It's disingenuous, I think.

[51] **Nick Ramsay:** Yes, okay. We can contact them and explain that. I'll be looking closely, now, at the way these recommendations are accepted or refused.

[52] **Lee Waters:** Perhaps we can make a broader point to the Permanent Secretary about the way that our responses are dealt with, because it's a good part of the scrutiny process that they actually turn us down sometimes; that's fine. But at least have the courage of their convictions to say so.

[53] **Nick Ramsay:** Yes, that's a good point. We can also—. Well, we can ask for further updates as well—March and November—in the meantime.

14:13

**Cyllid Cychwynnol Llywodraeth Cymru ar gyfer Prosiect Cylchffordd
Cymru: Y Wybodaeth Ddiweddaraf ar Lafar
The Welsh Government's Initial Funding of the Circuit of Wales Project:
Oral Update**

[54] **Nick Ramsay:** Item 9: the Welsh Government's initial funding on the circuit of Wales project. Following the evidence session with the Welsh Government on 26 June, I wrote a letter seeking further information from the Government. This has now been received, and the auditor general has commented. I did want to bring that correspondence to committee today, but due to the very detailed responses, coupled with a busy agenda, there wasn't

adequate time, so I suggest we either consider this at our next meeting on 2 October, or hold an additional meeting on a Tuesday morning, if that's not possible, at some point. How do Members feel about that? Happy to bring it on 2 October, if possible? Yes? Okay, good.

14:14

Cyflogau Uwch-reolwyr: Gohebiaeth gan Lywodraeth Cymru
Senior Management Pay: Correspondence from the Welsh Government

[55] **Nick Ramsay:** Item 10: senior management pay. The Permanent Secretary wrote to advise that the Welsh Government was publishing a report on senior management pay across the public sector. This report was prepared to help improve the transparency of senior management pay across the devolved public sector, following the recommendation by the Public Accounts Committee that the Welsh Government collate information on senior pay. The organisations included in the report are health bodies, local authorities, national parks, fire and rescue authorities, the police, other organisations funded by the Welsh consolidated fund or sponsored by the Welsh Government and, where the information is available, institutes of higher education. The relevant recommendation was recommendation 23, which recommended that the Welsh Government collate the information on senior pay across the Welsh public sector in line with that produced by the Wales Audit Office for PAC, to include those sectors receiving significant funds from the Welsh Government. Did you want to comment on this, Huw?

14:15

[56] **Mr Thomas:** Yes. The Welsh Government has discharged a recommendation from the previous PAC. However, once they did let us have, if you like, sight of it just before publication, I think we would have welcomed a chance for further consultation with the Welsh Government before they published this document. One of the areas that I do find surprising is not included is further education, a subject on which we've previously had discussions. Also, I would have thought, given what we've just been talking about in terms of housing associations—that that too is an area that could be captured. So, I think this is a good start and I'd welcome further discussion with the Welsh Government to improve it for the next annual publication.

[57] **Nick Ramsay:** Any comments?

[58] **Neil Hamilton:** What's striking about this is the way that the university vice-chancellors' remuneration is way above everywhere else in the public service, and that's true of England as well of course. Some more egregious examples still have been in the headlines there in recent months. There's no adequate explanation why that should be, I think. This is not something that is peculiar to Wales or the Welsh Government, but who is actually authorising these payments? They're all clustered around a pretty similar figure, so it's a case of back scratching and mutual support, I suppose. I don't know. Why should the vice-chancellor of Wrexham Glyndŵr University be paid £300,000 a year? It seems remarkable to me.

[59] **Nick Ramsay:** It is interesting when you see it set out in that form. I think mainly it's because it's been done that way before that that's happening now. But I think having the further education organisations in there is very helpful—

[60] **Neil Hamilton:** I think what Huw said is absolutely right. We need more comparators.

[61] **Nick Ramsay:** —and the social landlords.

[62] **Mr Thomas:** Could I just draw your attention to the footnote? The Glyndŵr figure in particular is a construct put together out of an interim and a current. It's exactly to try and get rid of some of those difficulties that I'd appreciate the Welsh Government having some discussion with us in advance.

[63] **Neil Hamilton:** The other interesting point that came out of the consideration of payment of vice-chancellors is the two cases where there were interim vice-chancellors appointed through agencies for relatively short periods of time. The sums of money paid are colossal. In one case, I think it was only for 5 months and it was £180,000.

[64] **Nick Ramsay:** It's certainly helpful that we have that information and that the Welsh Government continue to provide it. So, I'm happy to respond to them and say, 'The more information, the more transparency on this, the better', so that we can see exactly what the relative pay scales are.

[65] **Lee Waters:** It might be an interesting exercise, Chair—because the argument often is that these people could find alternative employment in the

private sector—it might be an interesting exercise to work with some headhunters to identify what potential roles some of these people could have in the private sector at those salary levels. I'm sceptical.

[66] **Nick Ramsay:** Yes, we can look at that.

[67] **Neil Hamilton:** They are fundamentally bureaucratic appointments, aren't they? You can't really compare running a university—even though universities are not the somnolent institutions they were in my day, and in terms of management, they operate on an international field—but I know they're mostly academics who are bumped up from professorial levels onto vice-chancellors' pay levels, which are stratospherically bigger than what they've been used to hitherto. So, it seems unlikely to me that their skills are automatically transferable into the private sector.

[68] **Nick Ramsay:** What do you mean 'your day'? It's not that long ago.

[69] **Neil Hamilton:** Well, it's 50 years this year since I went to university.

[70] **Nick Ramsay:** Very good. Okay. Right, our witnesses have arrived. I propose a 10-minute break and we'll recommence at 2.30 p.m., half an hour earlier than planned. But as they're here already, we might as well get on with it. Yes? Okay.

*Gohiriwyd y cyfarfod rhwng 14:20 ac 14:31.
The meeting adjourned between 14:20 and 14:31*

**Archwiliad o Gydberthynas Gytundebol Bwrdd Iechyd Lleol Prifysgol
Caerdydd a'r Fro gydag RKC Associates Ltd a'i Berchennog: Sesiwn
Dystiolaeth**

**Audit of Cardiff and Vale University Local Health Board's Contractual
Relationships with RKC Associates Ltd and its Owner: Evidence Session**

[71] **Nick Ramsay:** Can I welcome our witnesses to this afternoon's meeting of the Public Accounts Committee? Thanks for being with us. Would you like to give your names and positions for the Record of Proceedings?

[72] **Ms Battle:** Yes, certainly. My name is Maria Battle, and I'm chair of Cardiff and Vale university health board.

[73] **Mr Richards:** And my name is Len Richards. I'm the chief executive of Cardiff and Vale.

[74] **Nick Ramsay:** Great, thanks. We've got a number of questions for you, but I understand, Maria Battle, that you wanted to make a short statement before we begin those questions.

[75] **Ms Battle:** Yes please, if I may. Thank you, Chair. I'd just like to say on behalf of Len and myself, thank you for calling us to attend today. As chair of Cardiff and Vale university health board, I'd like to apologise to elected Members, to our dedicated and hard-working staff, and to the public for the failings identified in the report. It's unacceptable, deeply disturbing, and we fully accept the report's findings. I'd like to thank the Auditor General for Wales for the report, and also for my new chief executive, Len Richards, who's worked tirelessly to minimise the risk of this ever happening again.

[76] As the report clearly says, appropriate procurement policies and procedures are in place at Cardiff and Vale university health board, but they were not followed, and the consultancy contracts were outside the system, and in order for the audit committee to scrutinise contracts, they must be within the system. On receipt of the report, immediate action was taken. The comprehensive action plan, which will be signed off by the board this week, is being delivered at a senior level to ensure confidence in our procurement systems and processes, and this includes regular oversight and review by the new chief executive and the audit committee.

[77] Very importantly, Len and I have met with staff representatives to share the findings of the report, to listen and to assure them of our actions, and this will continue. At the same time, as a board, we've sought assurance as to whether this was a one-off or is symptomatic of a wider problem. Assurance has been provided in a number of ways. The chief executive issued an amnesty, encouraging staff to come forward with any procurement concerns. Three consultancy contracts were highlighted and, on investigation, it was found they were all awarded in accordance with proper process. Also, all manual payments between 2014 and 2017 have been reviewed. During that period, the health board entered into 711,000 contracts—227 were manual payments, and 10 were found to be outside of process. Those responsible have been spoken to and two have been referred to NHS counter-fraud services by us. We've also instructed NHS Wales's independent internal audit to carry out a review, and oversight of this will be provided by the audit committee.

[78] So, the evidence is that this is not symptomatic of a wider problem. However, there are examples where we should have achieved better compliance. Steps have been taken to strengthen our processes, to minimise the risk of contracts being awarded outside of procedures. This is being done in a number of ways, which we have detailed in the written report, or the written evidence to you, but, if I may briefly highlight two, firstly, we've introduced a 'no purchase order, no payment' system. A purchase order guarantees that the contract is within the system, and therefore the checks and balances are in place and the audit committee has oversight. It's also then overseen by our procurement experts. The consultancy contract subject to the Wales Audit Office report did not have purchase orders.

[79] Secondly, the terms of reference of the remuneration and terms of service committee are being amended to ensure that any executive consultancy contracts will come to that committee for scrutiny. We accept that the recruitment process was compromised by the involvement of the applicant, but the appointment itself was based on merit. The appointment panel unanimously agreed to appoint Miss Chana on a one-year, fixed-term contract. This was based on her request for some remote working, the mixed views of the panel about her performance on the day, and also on her excellent performance as the interim, which included the most significant reduction in sickness rates in the last five years, with a cost reduction to the board of £600,000. Also, it enabled us to test the market in six months' time. However, a full review of the procedures to recruit executive directors and senior managers has taken place and has already been implemented.

[80] Fundamentally, we're a people organisation and our systems and processes depend on the integrity of our staff to abide by them. It's important that staff feel able to speak out no matter how senior the people are within the organisation who may be involved. But, to do this, staff need to know where they can go and feel confident, safe, and supported. The board set up a successful 'safety valve' process four years ago, and this has empowered staff to raise patient safety concerns with me personally. It's a simple solution-focused process, where staff are supported, and it's been widely used by porters, chaplains, nurses, consultants, receptionists—they are the safety valves. It's developed to include a 24/7 telephone line, guidance to staff and managers, and training, and we're going to use the lessons learnt from the safety valve to encourage and empower staff to come forward with non-compliance concerns.

[81] One of our new seven independent board members, a respected solicitor, will take the lead so that staff who feel, for whatever reason, they cannot raise their concerns in the usual way, have a dedicated board member they can go to. They will also have the choice of speaking to myself and to the chair of the audit committee.

[82] To summarise, Chair, we hope that our comprehensive action plan will assure you that we've learned from these events and have already taken significant steps to put things right. Diolch—thank you.

[83] **Nick Ramsay:** Diolch. So, you've spoken about an amnesty for staff who've got concerns to come forward. You've just spoken at length, at the end of your comments, about the need for them to feel totally comfortable. Are you saying that, in the past, there hasn't been a culture within the health board structure where the staff have felt able to report their concerns?

[84] **Ms Battle:** There's been a successful culture, which is evidenced by the safety valve, where people have come forward, and I know that personally because they've come to me, and there have been a range of issues, which we've immediately dealt with. But, based on the auditor general's report, it would appear, in this particular instance, that staff didn't feel able to come forward, hence why it's not merely, 'We have the process and the procedures'—it's people not only using them, but, where people feel they're not being used, feeling able to speak out and alert us to that so that we can take the necessary action.

[85] **Nick Ramsay:** So, although there were, as you said, hundreds of thousands of other contracts, areas, which you think worked fine and procedure was followed, nonetheless, the auditor general's report did actually identify more than one failing, where procedures were broken multiple times. Are you concerned that it took that report for this to become an issue and that, before that happened, it was clear that members of staff weren't feeling comfortable to report, that they weren't happy with coming to yourself or anyone else or a previous chief executive? Do you think that that has truly been resolved?

[86] **Ms Battle:** I am concerned that that was the case and, as you say, the auditor general found, in this particular instance, that there were three breaches within that procurement process. We ourselves have found that 10 have been outside of the process, of which two we've referred to NHS Wales's counter fraud service. I am concerned about that. I'm concerned that,

because these particular procurements were outside of the process, then my audit committee wasn't sighted on them, and we've strengthened the compliance report to the audit committee. But I am assured, with the work that Len has been doing with the senior executives, that the risk of this occurring again has been minimised, based on all the actions that we have put together in our action plan for you today. I don't know if you'd like to add to that, Len.

[87] **Mr Richards:** Yes, could I just add to that? I think the way in which we've treated the report is very much to send a signal to the organisation about openness and transparency. I and Maria have met with staff on numerous occasions since the report was published. We also had detailed discussions with the staff side. We also had detailed discussions with our senior leadership across the organisation, making it very clear that it doesn't matter who is—. It doesn't matter how senior you are, if you're doing something wrong, then people need to come forward and have a responsibility to raise particular issues. I think it's my job and Maria's job to make sure that there is a safe environment in which people can raise concerns. For whatever reason, I don't think people did feel as if they could raise concerns before, but we've made a very concerted effort to treat this report in a very open and transparent way. We've had many conversations with people around the things that went wrong or how we need to encourage feedback, and I think we're on the start of the journey to change the culture of the organisation. It will take some time—these things don't change overnight—but we've started that journey, and I think certainly I and the board are very clear that we need to continue down that line.

[88] **Nick Ramsay:** So, in the case of Miss Chana, how long was she in post before questions were raised about the appointment process?

[89] **Ms Battle:** Questions were raised about the appointment process through the auditor general's report.

[90] **Nick Ramsay:** So, she was in post for around 14 months.

[91] **Ms Battle:** She was in—. Yes.

[92] **Nick Ramsay:** It seems quite a long time for someone to be in post without there having been a proper appointment process at the start of that.

[93] **Ms Battle:** When she was taken on as a consultant, it was because the

head of workforce at that time, at very short notice, had gone to the Welsh Ambulance Services NHS Trust. As you will recall, during that time there were a lot of challenges. Together as an NHS team within Wales discussions took place as to who would be the best chief executive to go and help out, and Mrs Myhill was identified, and, as a board, we agreed to that, and she did an excellent job. She was seconded so we couldn't appoint to a permanent post until the end of her secondment. And so, once she was appointed to the substantive post in the Welsh ambulance trust, then we appointed a recruitment agency and they undertook a robust search for a permanent person.

[94] **Nick Ramsay:** Lee Waters.

[95] **Lee Waters:** Yes, thank you. Can I just clarify what you've just said? You said that the first concerns you were aware of about this whole process was when the auditor general wrote their report. Is that right?

[96] **Ms Battle:** I was briefed by the acting chief executive and by the Wales Audit Office that an investigation was ongoing, but I was not aware of the full detail until about two and a half, three, weeks before the report was published.

[97] **Lee Waters:** Are you surprised that you weren't aware?

[98] **Ms Battle:** I was deeply saddened.

[99] **Lee Waters:** No doubt, but were you surprised?

[100] **Ms Battle:** Yes.

[101] **Lee Waters:** And what have your reflections been on how that could've arisen?

[102] **Ms Battle:** My reflections are that there were obviously gaps within the governance process. So, for example, the remuneration committee didn't consider consultancy contracts, so that was dealt with organisationally and didn't come before a committee. That is being rectified. I was surprised that it wasn't considered by the audit committee because single tender actions should go before the audit committee, but this was actually outside of that in that there was no purchase order. So, there were obviously—. Although we had processes and procedures, in governance terms there were some gaps

which we've now filled.

[103] **Lee Waters:** You're an experienced and respected chair of the health board. Would a chair of a health board not normally be aware of and involved in recruitments that involved contracts of more than £1,000 a day?

14:45

[104] **Ms Battle:** No. It's operational.

[105] **Lee Waters:** It is operational, but it's a fairly significant amount of money for the health board to be spending, a £1,000-a-day contract. Would the chair of a health board not normally have sight of that?

[106] **Ms Battle:** Not ordinarily, as I understand it. That would be the accountable officer's decision. However we've changed the terms of reference of the committee so that, if there are any consultancy contracts like that—and I hope there are not; I understand there are two people at the moment, but they're very short term—they come before the committee and we scrutinise it and we ratify it or not. So, that was a huge gap. I was more than surprised at the amount, the daily rate, that was being paid, but there was no oversight of it by any committee. That has now been rectified.

[107] **Lee Waters:** You wouldn't have expected the chief executive at that time to make you aware that a contract of that size was being awarded?

[108] **Ms Battle:** Yes, I would have expected it.

[109] **Lee Waters:** Right. So, that speaks to either a breakdown in the relationship or speaks to the performance of the previous chief executive.

[110] **Ms Battle:** I wouldn't say it was a breakdown of relationship.

[111] **Lee Waters:** Okay.

[112] **Ms Battle:** I would say that I would have expected to be informed.

[113] **Lee Waters:** Okay. Well, we'll come back to that, I'm sure. Thank you.

[114] **Nick Ramsay:** And even if you weren't informed—and I know you're saying that in a heartfelt way, and you obviously are distressed that you

weren't aware of that—. Leaving the chief executive aside—the previous chief exec, of course—the director of finance, the director of governance, they would certainly have been aware, wouldn't they, of the way that the appointment had been made, and where breaches had occurred.

[115] **Ms Battle:** I can only go on what the auditor general's report has stated about awareness. What you're saying is that there were lots of people blaming each other. You have found it very difficult to get information from the organisation. I would expect others to have known. Hence why we're doing this piece of work at the moment, to enable people to speak up no matter how senior the people are who are involved in the organisation.

[116] **Nick Ramsay:** And, just looking to the future for a moment, before I bring other Members in, you said earlier that you felt that the changes that have been made, and that the new officers are making, you feel minimise the risk of this happening again. You said 'minimise', not 'rule out completely'.

[117] **Ms Battle:** Yes. Well, I've had this discussion with Len, and it's his advice that it's minimised as much as we possibly can. So, I don't want to make false promises, but we're doing everything that we can. I have confidence in the organisation and in Len's leadership as accountable officer—and the other senior leaders as well have been very much involved—that it minimises the risk.

[118] **Nick Ramsay:** And a better relationship; you talk to each other more.

[119] **Ms Battle:** Well, I had a good professional relationship with the former chief executive, and I have a good professional relationship with my current chief executive.

[120] **Nick Ramsay:** Did you want to—

[121] **Mr Richards:** Can I just comment on that? I think these organisations are very big, very large organisations. We rely on people complying with process, and then we're relying on a number of background checks or governance arrangements to actually highlight anomalies or irregularities that take place. Maria said 700,000 transactions through our procurement—over the course of three years, but over 200,000 per year—some of which are very big, some of which are quite small. I think to say that it will never happen again is certainly at this point in our journey a difficult comment to make. Our sense is, though, it's all about managing the risk, and what we've

got to do is make sure that we have the systems and the processes in place, (1) to make sure people are aware of what their responsibilities are, (2) that they fulfil those responsibilities, and (3) that we have the background checks in place to make sure that there's oversight of those transactions. I think this report has enabled us to strengthen the processes in our organisation, but I do think it's a journey that we're on. But we are making every effort to make sure that we comply fully with the standing orders, the standing financial instructions, and all of the regulations around procurement.

[122] **Nick Ramsay:** Okay. Mohammad Asghar.

[123] **Mohammad Asghar:** Thank you very much, Chair, and thank you, Maria. You are giving us information that—you have filled the gaps. It's nice to know about that. I think it's a little bit too late, but I hope the lesson will be learned on that. What assurance can you give to committee that the matters raised in the auditor general's report are not symptomatic of the way the health board operates generally? It has rules in place, but disregards them if inconvenient.

[124] **Ms Battle:** I think, in respect of procurement, as I set out in my opening statement and also the action plan—. I hope that gives you assurance. We had to find out: was this symptomatic of a wider problem? It doesn't appear to be the case based on the things that we've put in place. We've also asked for the independent internal audit in Wales to come and do a piece of work, and that will continue to be scrutinised, but, to date, it does not appear to be a wider problem than what was identified in the report and what we've found out ourselves.

[125] We've recently also received a gold standard award for corporate governance in respect of staff morale and staff engagement, so there has been a journey with the culture. But unfortunately, it would appear in this particular instance that we need to do, and will do and will continue to do, more work in the area of procurement.

[126] **Mohammad Asghar:** I think that when decisions are made wrongly from the top down, it has a very wrong impact on the public's perception and all things are going wrong in that direction.

[127] **Ms Battle:** Yes. If I may respond to that, I totally agree, and the biggest challenge for us is the trust with our employees, because this is at the very top of the organisation, and that's why we've been meeting with them. The

first meeting we had was just before the report was published and it was right the way across—it was representatives of the nurses, the doctors and all the employees. And we will continue those conversations. They have said that they have confidence in us to work with them to put it right, but trust is easily lost and we need to keep building those bridges, and we'll do that by working together. So, I really regret that impact internally within the organisation, because we have very dedicated and hard-working staff within Cardiff and the Vale.

[128] **Mohammad Asghar:** Thank you. Paragraphs 13 and 14 of your evidence statement to the committee records that the health board has reviewed 227 contracts awarded between 2014 and 2017 on the back of the auditor general's findings. In the 10 instances where contracts were awarded without reference to the health board's procurement department, was this because officers were not aware of the requirements or was it that they chose not to follow them?

[129] **Mr Richards:** My sense of that is that, in those contracts, a number of those were quite small contracts, and therefore my sense of it is that people weren't aware of the thresholds at which they should have either gone to tender or gone out to competition for those particular contracts. None of them broke *Official Journal of the European Union* thresholds, but they were above our own internal policies. I think that was because people weren't aware.

[130] We've launched a training programme within the organisation, and that started with the board. The board had some training just a couple of weeks ago. We are now cascading that right throughout the organisation just to remind people of their responsibilities and remind people of the policies and procedures that are in place. In each of those individual contracts—and just to reinforce what Maria said earlier—two of those have been referred on to counter-fraud, but, in the other area, I've had one-to-one discussions with the individuals concerned around their responsibilities.

[131] **Mohammad Asghar:** Thank you very much. The thing is, the contracts were small, but it doesn't mean—. If you look after the pennies, the pounds will look after themselves.

[132] **Mr Richards:** I agree entirely.

[133] **Mohammad Asghar:** My next question: paragraph 167 to 187 of the

auditor general's report sets out a catalogue of failings in the process that led to Ms Chana's appointment as the health board's director of workforce and organisational development on a salary of £150,000. The report makes clear that the chair of the health board was personally involved in the process as a member of the recruitment evaluation panel and the health board's remuneration and terms of service committee, which approved the salary of £150,000. What is your comment on that?

[134] **Ms Battle:** I was included. We instructed the recruitment agency, which did a robust search across the UK. They told us that there were very few people with those qualifications who were interested. They told us that the remuneration that we were offering in Cardiff and the Vale was not competitive compared to England, which had smaller organisations as well. We had a recruitment panel with the director of workforce from the Welsh Government, myself, an independent member, the chief executive and the recruitment agency. Eight people applied. We shortlisted three. The board was very impressed with Ms Chana's performance during the time that she was a consultant. As I say, she reduced sickness, she reduced the time to hire, she improved personal appraisal development reviews, she improved training. Employee engagement increased, which had a direct positive result on patient safety and on mortality rates. So, she was very well thought of by the board. So, we ended up, before Christmas, with just one candidate, and we were going to go ahead and interview that one candidate because of their calibre. Before the Christmas period, the former chief executive encouraged Ms Chana to apply, which she did after Christmas, and then the remaining candidate withdrew. So, we had a decision: 'Do we go ahead with one candidate?' Based on her excellent performance during the 14 months that she'd been with this, we decided to go ahead. I totally accept what the report says about the involvement and the access to questions. We weren't aware of that as a panel.

[135] We interviewed Ms Chana on the day. As often happens with a panel, there was a disagreement—or there wasn't a consensus of views—about the performance. That's happened; I've had that experience on a number of occasions. Then you take the opportunity to discuss why and weigh things up. So, we took into account performance on the day, the performance over the past 14 months, both locally and nationally. The requests for remote working: would that work at an executive level post or not? So, we unanimously agreed and we unanimously supported the request for the salary at the appointment panel. That then went to the remuneration committee on 2 February, and all the reasons were put to the remuneration

committee, which can be seen from the report and from the minutes: critical post, not competitive, the dearth of applicants and, obviously, the performance of Ms Chana. It was agreed at the remuneration committee to ratify the salary subject to Welsh Government approval, which is the process that you have to go through in this country, and that approval was applied for by the chief executive.

[136] **Mohammad Asghar:** I understand. Thanks very much for explaining, but the fact is, there was only one candidate and the date was changed backwards for the appointment and whatever happened.

[137] **Ms Battle:** Yes. That was unacceptable. We wouldn't have been sighted on that, but that is unacceptable. I don't know the reasons for it. I don't think it's in the report, but unacceptable.

[138] **Mohammad Asghar:** Thank you very much. Having read the auditor general's report, do you accept that the remuneration process was fundamentally flawed, and, if so, what lessons have been learned from this? Maria, you can answer, please.

[139] **Ms Battle:** Of course. I think the report that the chief executive gave to the remuneration committee would have been better if he could have discussed the panel—the actual appointments panel. He didn't do so, but the reasons that he gave for the funding to the remuneration panel were quite comprehensive, and we had the opportunity to discuss that together.

[140] **Mohammad Asghar:** Okay, thank you very much.

[141] **Nick Ramsay:** Just before I bring in Lee Waters, was the committee aware that Ms Chana had been involved herself in the recruitment process?

[142] **Ms Battle:** No. They wouldn't have been aware that she had access to any questions at all, no. Since then, we've also ensured we've reviewed the executive recruitment process. There is a firewall now. We recently recruited a head of workforce—he starts on 3 October—and we ensured that the acting director of workforce was well away from that system. That should have happened then, but it didn't.

[143] **Nick Ramsay:** But there was no awareness at the time that that—

[144] **Ms Battle:** No.

[145] **Nick Ramsay:** Okay. Lee.

[146] **Lee Waters:** It's difficult to know where to start, really, but just to pick up where you left off, you made clear that you were fully involved in the process and the fact that the interview panel hadn't gone as well as it could have, and there were question marks about her performance on the day. Is that right?

[147] **Ms Battle:** There was a difference of opinion. There were three members of the panel who thought she performed well on the day. There was one member of the panel—the director of workforce—who didn't. I've been in a similar situation with the director of workforce in the Government, where I believed someone didn't and she believed someone did, and we discussed it, and that person went forward.

15:00

[148] **Lee Waters:** But in this case, their reservations were sufficiently strong for Ms Chana not to be appointed on the basis on which you were hoping to.

[149] **Ms Battle:** We respected her opinion, but we also took into account this question about remote working, and that would have been in London. So, we agreed unanimously the 12-month fixed-term contract.

[150] **Lee Waters:** But there were sufficient question marks over her performance not to proceed with the appointment as planned.

[151] **Ms Battle:** Performance on the day, and according to one member of the panel.

[152] **Lee Waters:** Well, that's a slight caveat, because, yes, it was one member of the panel—a significant member of the panel. The objections of that member were sufficient for it not to proceed as you'd intended. So, you can't really minimise it by saying it was just one member of the panel. There were sufficient question marks over her performance not to proceed as planned.

[153] **Ms Battle:** Can I—?

[154] **Mr Richards:** I think—

[155] **Lee Waters:** With respect, Mr Richards, you weren't there. I'd rather just ask Maria Battle about this for now and I'm happy for you to come in in a second.

[156] **Ms Battle:** I think Mr Richards wanted to give a general—

[157] **Lee Waters:** I'm trying to get at a specific point here. There were doubts about her performance on the day that you are aware of.

[158] **Ms Battle:** By one member of the panel.

[159] **Lee Waters:** Indeed. Is that why, then, you failed to correct the chief executive when he told the board that she had performed excellently at interview?

[160] **Ms Battle:** I should have corrected him in retrospect. It was his opinion. It was actually my opinion as well, but it wasn't—. He should have said at the time, and I should have corrected him. I accept that.

[161] **Lee Waters:** So, it sounds to me that you, with hindsight, would have been content for her to have been appointed on a permanent basis to that post, based on her overall performance, and these are just process issues.

[162] **Ms Battle:** No, I respected the opinion of Mrs Rogers, and we also discussed it at the remuneration committee in detail, and, at the remuneration committee, as at the panel, there was the big issue about the homeworking and whether that would work in a director post, because an executive needs to be present at committees, needs to be present at meetings each week with their fellow executives, and we wanted to give her a try. So, it was another factor.

[163] **Lee Waters:** You see, I'm just worried there's a bigger picture here that these semantics are missing out on. You have somebody who was given a job despite the fact they were known to the person who gave them the job, a job they didn't apply for, a job they were involved in arranging. They performed poorly at interview, according to a significant member of the panel, and the then chief executive said that they had performed excellently, gave them the job and then delayed them taking a lower salary for three months so they could max out their existing contract, and what you seem to be concerned about is that some of the members of the panel thought she did okay and

there were questions about homeworking. Isn't that slightly missing the broader point?

[164] **Ms Battle:** The broader point is the issues that were raised there, particularly about the time when the contract was awarded compared to the contract, are absolutely unacceptable, and I totally accept that. We wouldn't have been sighted on that. But, the actual interview process—there was a detailed discussion, and I have also checked that with one of the other independent members. It was one of the factors; it was not the main factor.

[165] **Lee Waters:** The broader point I'm getting at here is the cultural question, okay. We'll come back to some of the details in a second, but the culture of, 'Does the organisation get what the problem was here?' I was very disturbed to read the evidence you submitted, the evidence statement for this committee. On page 5 of that, you say, in paragraph 29,

[166] 'The Recruitment Panel unanimously agreed to appoint Ms Chana on a one year fixed term contract',

[167] which, of course, is technically true. But that was a compromise because you couldn't get your way on what you wanted to appoint her on, because of the objection of the Welsh Government appointee. So, stating that it was 'unanimously agreed' to appoint her for a one-year fixed-term contract, to my mind, is a little disingenuous, given the broader context of the discussion that we know took place. But there's still a glossing over the fact that there was this problem with the process. You're presenting that to us as a matter of straightforward fact, when it's not straightforward.

[168] **Ms Battle:** If I may disagree, I'm not being disingenuous. There was—

[169] **Lee Waters:** That statement, I believe, is disingenuous—whoever wrote that.

[170] **Nick Ramsay:** Let Maria Battle finish.

[171] **Ms Battle:** May I respectfully disagree? At that particular discussion, when I was present—it was quite a broad discussion, lots of different factors, and we came to a conclusion in the end. I have had a similar experience where there's been disagreement in a panel and we have come to a unanimous conclusion after having a detailed discussion. It was a factor, but there was also the other factor.

[172] **Lee Waters:** So, you were content with the appointment in the end.

[173] **Ms Battle:** Well, Ms Chana went on to be the head of workforce, and, during that period of time—I'll just give an example, and the auditor general does say that he purposely doesn't talk about her performance—one of the things that she did lead in our organisation was to stop off-contract nurses from being employed or being retained. That started on 1 September 2016, and that's been a cost reduction to the health board of £0.5 million per month. She actually met her key performance indicators and was an excellent head of workforce.

[174] **Lee Waters:** I should think so, for £1,000 a day. I'm pleased to hear that because it's not unreasonable to expect performance like that when you're paying that kind of money, is it?

[175] **Ms Battle:** That was post that time.

[176] **Lee Waters:** One of the things that had to happen as a result of these decisions was that the amount of money that she was awarded on a permanent basis was higher than the—and I think you've explained some of the rationale for that, given the search that took place. But in terms of the process you went through to agree that, the approvals were not in place at the time when this was agreed, and you chaired the board meeting—do you accept that what was reported to the board was factually correct?

[177] **Ms Battle:** I believe that those approvals should have been in place and process should have been followed, and it's obvious that they weren't, and I think that's unacceptable. I've no reason to know, or I don't think the report actually says why. I think you say in the report that it was blamed on poor administration. Well, that's unacceptable.

[178] **Lee Waters:** I'll stop now because others want to come in, but we'll come back to some other questions. On the question of accountability, clearly, the two senior executives who were responsible for this are no longer in post. You still are. What are the consequences for the most senior level of the organisation for what's happened? There's been a shocking report by the auditor general—almost unprecedented. This is a stain on the reputation of the board that you still lead. I'm not sure what processes are in place for getting accountability for those who have left. Perhaps you can tell me a little bit about the consequences of these failures.

[179] **Ms Battle:** In respect of the accountability of those who have left, we have taken legal advice to see what we can do. But because there are things that are before counter-fraud, we are going to wait for the outcome of that. But we have taken legal advice and we have also had the same requests made to us from the trade unions. So, we will consider everything post the counter-fraud.

[180] **Lee Waters:** And the broader leadership?

[181] **Ms Battle:** On the broader leadership, I met with our trade unions, and obviously I share that it's an absolutely shocking report. I did apologise to the chief executive on the day I read it. For him walking into this—. It is, it's appalling. One of the things that I did with Len is meet with staff and, as I said before, for me, that's of critical importance to retain the confidence of staff. Each of the trade unions expressed that they respected me and had confidence in me taking this forward. You've got before you an action plan, which is very detailed, much of which has been implemented. I believe I've got a duty to see this through. We've also got almost a brand-new board. I've got seven new independent members and I've got three new executive members. I think, at this point in time, it's in the organisation's best interest if I still stay there to lead it to ensure that this is actually put in place. As I said, I've discussed this both with the executive and with the unions and they wish me to do so.

[182] **Lee Waters:** But do you accept some culpability for what went wrong?

[183] **Ms Battle:** As the chair of the board, I do accept that there were gaps in governance. I also believe that there are responsibilities in relation to organisational and accountable officer roles here. But as the chair of the board, there were gaps in governance and I deeply regret that.

[184] **Lee Waters:** Okay, thank you.

[185] **Nick Ramsay:** Neil Hamilton.

[186] **Neil Hamilton:** You've referred several times in the course of your evidence today to the cost reductions, which came about as a result of Ms Chana's time in the post of director of workforce, as a kind of extenuation, in a way, perhaps, of her appointment, but, of course, it could have been very different. In future, if such processes were to be repeated, you could have a

rather different set of events taking place where, instead of some financial benefits deriving from such an appointment, catastrophically bad decisions could be taken, which would have the opposite effect. So, the importance of this, as I'm sure you'll accept, is that the process, which was flawed, and which you accept was fundamentally flawed in this particular instance, is not repeated in order to minimise the possibility of those adverse consequences.

[187] One of the things that I'd like to explore a little further today, in relation to the appointment of Ms Chana, was given that—. You, of course, referred to the problematic nature of this appointment up to the time when she came into the picture for this one-year fixed appointment, given that all the shortlisted candidates withdrew. Ms Chana was not herself originally an applicant; she was apparently persuaded to put her name in. When the last of the initial shortlist then withdrew, leaving Ms Chana to be the sole candidate, clearly that was a suboptimal situation to find yourself in. The one-year appointment was agreed by the board with a view to opening it up to competition at the end of that period, or at least towards the end of that period. Why was it necessary to make this one-year fixed-term appointment before attempting to re-advertise the job so that you would telescope that process and you would be then within the guidelines that you'd be expected to follow?

[188] **Ms Battle:** I totally agree with what you say that there is no excuse for not following those processes and it could have been a different type of performance. The board were impressed with her performance and that's a matter of fact. Indeed, when she left we felt she would be a hard act to follow in the recruitment process. We could have gone out again. We were going to interview one sole applicant in any event, because it does depend on the calibre of the applicant. We were told by the recruitment agency that there were very few people out there with the requisite skills, and because of how she had delivered, we decided that we would go ahead with the interview. But it's no excuse for the process whatsoever. It was wrong.

[189] **Neil Hamilton:** You've said that you were—indeed, the board was—impressed by her performance, but the Welsh Government's director of workforce—a member of the panel—was quite clear that Ms Chana had not fully demonstrated the competencies required for a permanent appointment, and therefore it doesn't seem to be quite so clear-cut as you're attempting now to make it appear to us. It's quite a step to take to appoint a sole applicant to a job where there is a dispute within the appointing board as to the level of competence of the person who's in the frame.

[190] **Ms Battle:** Mrs Rogers was talking about the performance on the day. I've also had conversations with Mrs Rogers during the shortlisting process where she talked about the difference that Ms Chana was making at a national level, leading the temporary staffing group. So, there was no dispute about her performance de facto, but Mrs Rogers didn't think that she met the competencies at the interview. But there was disagreement on the panel about that.

[191] **Neil Hamilton:** It's always easy to be wise after the event, but I'm trying to get through to the mindset of those who were taking the decision at the time, and how reasonable, therefore, the process that you employed was in the circumstances, given that the guidelines that you have to observe were breached and the salary that you were going to offer was outside of the Welsh Government's own salary guidelines for that kind of position. There were a whole range of extraordinary circumstances surrounding this proposal that I'm surprised that you didn't halt the process still further at this point, in order, for example—. I'll give you another point: why not go, in the first instance, to the Welsh Government to ask for permission to make an appointment of somebody—even though it might not have been Ms Chana—at a salary level higher than that which the Welsh Government would accept as being within its guidelines, given that the letter authorising that came 15 days after Ms Chana had been put into post? That was yet another flaw in the system.

[192] **Ms Battle:** Absolutely. I totally accept that the systems were flawed. In relation to going out and advertising above the salary, I've been informed by our HR department that that is contrary to Welsh Government policy and one has to advertise within the job evaluation point range, and then make a case to apply for approval, which is the process that happened in this particular instance.

15:15

[193] **Neil Hamilton:** Yes, but my question was: why didn't you go to the Welsh Government for permission to do that sooner than you did?

[194] **Ms Battle:** I'm told that you're not allowed to advertise outside the range.

[195] **Neil Hamilton:** But if you went to the Welsh Government to ask for

permission to advertise outside the range, you would have been able to do it, would you, or am I misunderstanding?

[196] **Mr Richards:** So, my sense of how that would work is that the preference is to advertise the job at the rate at which it is evaluated and that's Welsh Government's objective, as well as ours. If you then get into a position where you want to appoint the preferred candidate, and I'm talking in general terms, and then they want a salary higher than that, you can only offer that subject to Welsh Government approval, and then the process is you apply to Welsh Government through the department to actually gain their agreement, or not, as the case may be, and there's a judgment then that takes place after that, rather than reviewing the salary before the appointment.

[197] **Neil Hamilton:** I understand, obviously, you don't make the rules. But it seems to me to be a fundamentally absurd proposition, because if you were able to advertise the post at a higher salary, you might get a whole different range of applicants who might have included several people who were better qualified than the person you wish to appoint.

[198] **Mr Richards:** Yes, I think the issue there is that you should only go outside of the band with Welsh Government approval and only for an exceptional candidate. It's the exception rather than the rule. So, the rule is that you put it out to advert at the rate at which it has been evaluated and then make a case subsequent to that.

[199] **Ms Battle:** If I could add to that? We often talk about the difficulties in recruiting nurses and doctors into the NHS. There are also difficulties in recruiting executives. They're very difficult and challenging jobs and, quite rightly, undertaken under the glare of political and media interest. So, for example, Cardiff and the Vale is an organisation of 14,500 employees and £1.23 billion. I've recruited at executive level in my five years as chair on a number of occasions, and each time I've been told by different recruitment agencies that our salaries are not competitive and it does have an impact. What we have in our favour is the integrated nature of the health board, which means that you can actually do more to provide healthcare to people than having to overcome artificial hurdles and join different organisations, which are separate. So, we do rely on that to attract people, as well as Wales itself.

[200] **Neil Hamilton:** I understand that, but this was an appointment that

was at the same salary level as the First Minister, for example, who has to cope with the stresses and strains of public life and life in public. So, whilst I understand that you're running a business, in a sense, and have to be competitive, it seems that there is a need here for greater flexibility in the system. Anyway, I think I've taken this as far as I can on that point.

[201] **Nick Ramsay:** Yes, okay. Vikki.

[202] **Vikki Howells:** You told us about some of the actions the health board has taken to address the issues contained in the report, and you focus largely on methods that have been put in place for staff to whistleblow if they have any concerns. But I'd like to take that back a step, really, because the main issue that the auditor general identified in his report was that processes weren't followed by senior officers. So, what I'd like to ask you both is: how has the health board actually addressed this now at root?

[203] **Mr Richards:** So, we've put together a comprehensive action plan. That covers a number of areas: the first one being training and development. So, we have used this example, and it's a poor example, but we've used that to really highlight the importance and the requirements for sticking within the procurement rules. We've also done some audits whereby we've scrutinised past performance. We've done a due diligence exercise to highlight any other gaps in our processes. The third thing is we've strengthened the reporting to the remuneration committee and to the audit committee. So, all appointments to executive level, whether they be a permanent appointment or a contracted position, will now get reported to the remuneration committee and will therefore be scrutinised by independent members. We've also strengthened what we call a compliance report that will go to the audit committee routinely. That will highlight any procurements that are exceptional by circumstance, which might be a single tender action; it might be a procurement that has been extended—those sorts of things. So, we've brought those together in a compliance report and we'll be reporting those to the audit committee more routinely.

[204] Also, one of the things I have done is: I have spoken to my executive team; I have spoken to the head of procurement; I've spoken to all senior members within the organisation around the importance of making sure that we can demonstrate any reasons for the way in which we've put these contracts in place.

[205] The last thing I'd say—and this is probably one of the more

fundamental steps—is that we’re working on a ‘no purchase order, no pay’ system. So, if you think about the procurement process, it starts with a purchase order—someone writes a purchase order to say, ‘This is what I want to buy; this is what I want to procure’. That automatically brings that purchase into the realms of procurement and, therefore, the experts in procurement then get sight of that and oversight of the process. So, our encouragement through ‘no purchase order, no pay’ is to make sure that every purchase goes through the procurement process. So, that means that the people with the skills and the expertise can advise, support or highlight through the audit committee any irregularity in that process. So, that’s being rolled out now across the organisation and we hope for that to be in place by the end of March in all circumstances. We’re rolling it out department at a time.

[206] **Vikki Howells:** Thank you. The observations of the auditor general in paragraph 10 of the report are particularly concerning, so if I could just share those with you—and I quote:

[207] ‘The audit has been complex and protracted. It proved extremely difficult to obtain a clear position of the facts relating to the matters subject to audit. UHB officers and former officers provided conflicting and inconsistent accounts and there was a tendency for them to blame each other for the failings identified in the report. My requests for information were not dealt with in a satisfactory manner and documents I was informed did not exist were produced several months after they were requested. The UHB did not keep an adequate audit trail of how key decisions referred to in this report were made and, in consequence, I still have doubt as to the level of involvement some officers had in decisions to enter into contracts with RKC Associates.’

[208] This experience suggests that there could be a wider cultural problem within the health board. Do you accept this and, if so, what actions are being taken to address it?

[209] **Mr Richards:** I think there are wider cultural issues and I highlighted that at the beginning of this meeting. I think we’ve got to set the example within the organisation. We have to treat this in a very open and transparent way. We have to be very clear about what’s expected of senior officers throughout the organisation—myself included in that.

[210] I think this was a difficult set of circumstances because it involved the

chief executive and it involved the chief operating officer—two very senior people within the organisation. In a sense, they were setting the culture of the organisation by working outside of the rules, because you'll see in the report that procurement weren't aware of the contracts that were being let, over the first two contracts particularly with regards, to Ms Chana. So, I think what we've got to do is really take hold of that—use this as an example and be very open and transparent about it. Maria identified earlier on the amnesty, and the discussion that I had with the senior team, which was, 'If you have any concerns around contracts that have been let in the past, you need to raise them now, and I will investigate them.' I guess I've got quite a unique position, coming in new, but it means that I can set the tone around this and that's what I've been trying to do.

[211] **Vikki Howells:** Thank you.

[212] **Nick Ramsay:** Mohammad Asghar.

[213] **Mohammad Asghar:** Thank you very much indeed. Following on from Vikki's question there, Maria, some senior staff within your organisation—why weren't they very co-operative with the auditor general when he was doing his audit and why is the culture there? Because, don't forget, they are the custodians of public funding—that's what they are getting paid for and everything, and that should be accountable and transparent. So, where is the leadership that is wrong here? Are you going to take some measure and action to make sure that this never happens again?

[214] **Ms Battle:** The actual report names three individuals and those individuals have left the organisation, but we have taken legal advice and, as I said before, we will await the outcome of any counter fraud investigation before we decide what to do. They're the only individuals who are named within the report and I think that the approach that we're taking, which Len has just outlined, is the best approach—it's about changing this culture. There's that old adage: 'culture eats strategy', and we've got to work hard on that and it has to be led at the top. The other one is 'a fish rots from the head'. So, it's even more of a challenge when it's been very, very senior, at the top of the organisation—the people involved—and we've got a challenge and a duty to lead by example, here. I think that the openness and the transparency with which we have been treating the report and trying to encourage people to come forward—and they have come forward—as well as doing the audits ourselves, is a step in the right direction on the journey to change the culture. Whoever is involved, someone needs to speak up and

alert people. I'm hoping that having those three people to speak to, and us leading by example, will change that.

[215] **Nick Ramsay:** Lee Waters.

[216] **Lee Waters:** Thank you. You said earlier that, in your view, this was not symptomatic of a wider problem and that the measures that you've put in place have been chiefly around procurement—new rules and procedures. Is that a fair assessment?

[217] **Mr Richards:** As well as in governance, by strengthening the report to the audit committee and strengthening the report to the remuneration committee.

[218] **Lee Waters:** Right. It strikes me that procurement is a proxy here and is just the means by which the system broke down; it wasn't the cause of the breakdown of the system. You're not blaming the people making the purchase orders at the junior level—

[219] **Mr Richards:** No, absolutely not.

[220] **Lee Waters:** There's a real risk, isn't there, that you could end up snarling the system up for people at a functional level by trying to address a problem that actually was at the senior leadership level and wasn't really about procurement, but about leadership and values.

[221] **Mr Richards:** I do think there was an issue of leadership and values. We have put in place training and education around procurement and around recruitment. That's been an opportunity for us to discuss, as a board and as a team of executives, the issues that did go wrong in this particular case, and to address those and to have some quite frank discussions about that. I think that's been positive in helping us to move it forward.

[222] But you've heard me say a number of times, and you've heard Maria say, about the openness and the transparency with which we are dealing with these issues. There is absolutely no sense of hiding this. We're out there; we're talking to staff. We've had some very uncomfortable conversations, as you can imagine, with staff around this, but what we want to do is demonstrate by example that we think this is very important. It's a very significant report. You'll have seen from statements that we've made that we're treating this from the top of the organisation to put these things right

and to identify that we are all required to work within the governance rules of the organisation.

[223] **Lee Waters:** You mentioned earlier this idea of a ‘no purchase order, no pay’ policy. How do you guard against that becoming a problem in itself?

[224] **Mr Richards:** I think there is a requirement anyway to have purchase orders as the start of the procurement process because that is the very way in which you involve the experts. Procurement law is quite a complex arena, but you involve the experts in the procurement process.

[225] Depending on the value of the purchase—it will depend on the rules with which you can expedite various purchases. So, I think that’s built into the procurement law and to our policies and procedures. So, my expectation is that it won’t snarl the system. We need to keep an eye on it to make sure that we don’t get delays in purchase orders and purchases going forward, but the problem is—

[226] **Lee Waters:** How will you do that?

[227] **Mr Richards:** I think we can do that by looking at metrics—so, from purchase order to the goods arriving. You look at various key performance indicators around that, so that we can see, on an ongoing basis, whether it’s posing a problem. But my sense of it is that one of the issues in health services is around planning: if you plan what you require, then you can raise a purchase order in sufficient time to have the procurement and the delivery of the goods on a just-in-time-type basis. My sense of it is that we really have to look at that procurement cycle and look at the whole procurement cycle to make sure that we don’t snarl the system, but we are governed by good process.

15:30

[228] **Lee Waters:** Okay, thank you.

[229] **Nick Ramsay:** Neil Hamilton, do you have any further questions?

[230] **Neil Hamilton:** Yes. Paragraphs 110 to 153 of the auditor general’s report record the fact that the tendering process for the consultancy contract with RKC was advertised after RKC had actually already been awarded the contract and the contract was then backdated in order to disguise the fact

that this was a complete sham. One member of the board was aware that Ms Chana had already started work before this decision to apparently go out to tender was made. So, clearly this is all highly questionable as a method of proceeding—even more so, perhaps, in a public sector organisation like yours. Given that catalogue of events, what assurances can you now give us that in the future this kind of thing will be made impossible to recur?

[231] **Ms Battle:** Could I pick up the first part about what actually happened? Again, it's totally unacceptable and as soon as we received the report, Len and I jointly wrote to those six other organisations who had tendered, drawing their attention to the report, apologising and suggesting that if they wished to meet, we would meet them, or if they wished to take legal advice. But on the future, I'll hand over to Len.

[232] **Mr Richards:** What happened in this situation is just wrong on all counts—that is not the way in which procurement should take place. I think there have been errors of judgment in the process and I also think that it was compounded by the fact that these decisions were being driven by the very top of the organisation—the chief executive and the chief operating officer.

[233] I've very clearly set out my expectations of our procurement department and there are systems and processes and professional guidelines in place around how a procurement process should run. We need to make sure that they do run like that and we need to use internal audit as a mechanism to scrutinise decisions that are being made on an ongoing basis. So, I have a number of internal audit days that are available to me to direct the organisation around areas where I think we may be weak and that we need to strengthen. Clearly, the issues that come out of this public interest report are going to be top of my mind. We've already asked internal audit to review our procurement processes and we need to use those on a more routine and regular basis to highlight any issues, if there are any, going forward.

[234] **Neil Hamilton:** The auditor general's report also records that concerns about the procurement processes within your organisation had been raised over a period of years and leading up to this particular contract. Basically, you're saying that you're a new broom sweeping clean and that you're satisfied that the actions that you've taken will be sufficient for the future to ensure that the board's procurement processes are now fit for purpose.

[235] **Mr Richards:** We've got to set the bar and we've got to set the bar at a

high level, and that's what I think we've done over the last couple of months. We need to put in the checking processes to make sure that people are acting in accordance with our policies and procedures, and that's what we will do. I have described in this session that I think we're on a journey. If you said to me, 'Is everything fixed?' I couldn't give you 100 per cent assurance of that, but I think we've made a great start. I think we've sent some very clear messages in the organisation. We've actually encouraged people to speak out, and they have. I'd echo what Maria said earlier in this session: when we talked to the trade unions and we talked to the staff, they said they had confidence in Maria in leading the organisation going forward. So, I think we've got a good basis to build the trust in the organisation and to move forward, but it will be a journey.

[236] **Neil Hamilton:** The auditor general also raises serious concerns about the conduct of certain former members of the board. They were obviously involved in many procurement decisions over the period of tenure of office. Have you considered the possibility that there are other errors that need to be uncovered in relation to their decisions, or are you confident with good reason that this is an isolated incident?

[237] **Mr Richards:** We did look at 227 contracts that had been let over the previous three years, and we looked at those because they were in the high-risk category. They were contracts that were let outside of process, outside of the purchase order-type system. They were manual payments. We looked at that and we found 10 of those 227 that we had real concerns around. We've dealt with two, as we've described, which have been referred on to counter fraud, and we've spoken to the individuals responsible for the others and drawn the line around those. I think it's really important that we actually do draw the line, that we do set the bar of what we expect, put the systems in place to make sure that we scrutinise our performance against that standard and then move forward.

[238] **Neil Hamilton:** Thank you very much.

[239] **Nick Ramsay:** And you do feel, going back to one of the earlier points raised by Neil Hamilton, that your internal audit procedures have been strengthened relative to when this all went wrong.

[240] **Mr Richards:** That's right. So, we've revised the compliance report to the audit committee, so that anything that is exceptional from a procurement point of view will be raised with the audit committee, which will then bring

external scrutiny through the independent members, and that actually sets the challenge between independent members and the executive directors. And we've also made sure that the remuneration committee will receive information around all executive appointments, whether they be a consultancy-type appointment or a permanent appointment. That wasn't in place before.

[241] **Nick Ramsay:** Good. Any further questions from Members? We started earlier, so we're finishing a bit earlier. No. Okay. Can I thank Len Richards and Maria—

[242] **Lee Waters:** Just one final point—

[243] **Nick Ramsay:** Ah, you just got in in time.

[244] **Lee Waters:** Just digesting Mr Richards's final statement there, because that is an extraordinary state of affairs that you've inherited then, isn't it, that these appointments were not subject to audit or the remuneration panel? Just in terms of the broader learning for NHS Wales, what have been the broader reflections of the system that you've been part of? Is this a situation that exists elsewhere? And is there learning for the rest of the NHS from this experience?

[245] **Mr Richards:** We've been quite open about this experience. I've talked at chief executives' meetings about it. I know that Andrew Goodall, as the director general, has written out to all chief executives across Wales around the events that were highlighted in the public interest report. I wouldn't be able to comment on what happens in other health boards, other than to say that our report has been used as an example to others and people are giving assurance back to Andrew on the processes that are in place in their own particular health boards.

[246] **Ms Battle:** If I could just add to that, the directors of corporate governance across the health boards have also shared the learnings in terms of governance.

[247] **Lee Waters:** Okay, thank you very much.

[248] **Nick Ramsay:** Okay. Back to where I was before. Thank you, Len Richards and Maria Battle, for being with us today and for being candid in your answers there. We'll send you a transcript of today's meeting for you to

check for accuracy before it's published.

[249] **Ms Battle:** Okay, thank you very much.

[250] **Nick Ramsay:** Thanks for being with us today.

[251] **Mr Richards:** Thank you. Thanks a lot.

15:39

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod
Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o'r cyfarfod yn unol â Rheol Sefydlog 17.42(vi).*

*exclude the public from the meeting
in accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[252] **Nick Ramsay:** Okay. I propose that we now go into private session to discuss the evidence we've just received, before then dealing with our final evidence session, item 12, afterwards.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 15:40.

The public part of the meeting ended at 15:40.

Ailymgynullodd y pwyllgor yn gyhoeddus am 15:57.

The committee reconvened in public at 15:57.

**Sesiwn Ffarwél: Owen Evans, Dirprwy Ysgrifennydd Parhaol, Grŵp
Addysg a Gwasanaethau Cyhoeddus
Valedictory Session: Owen Evans, Deputy Permanent Secretary,
Education and Public Services Group**

[253] **Nick Ramsay:** Welcome back to public session. Item 12 of this afternoon's Public Accounts Committee meeting is our valedictory session with Owen Evans, the deputy permanent secretary for education and public services group. I welcome our witness to this afternoon's meeting. We've got a number of questions, so if I kick off with the first question. It's a broad question. What would you categorise, looking back, as the most significant successes and failures of the education and public services group during your period as deputy permanent secretary?

[254] **Mr Evans:** I think I'd probably divide them into internal and external. I'll start perhaps with the internal, then I'll go on to external. I think what we've been able to do with the group is set sufficient governance and process in place that we have a very good handle on risk, which means that we've been able to do things that were probably more risk-neutral to risk-liking than the civil service might do sometimes. So, I think, if you looked externally—I'll go through a few of them—some of the reforms we've introduced in education, some of the reforms we introduced in communities, some of the reforms we brought into housing, some of the work we're doing in the Welsh language is of a different order than it might have been in previous years, I think, because we've had a warmer appetite to risk. But, also, we've done an awful lot of due diligence about what are the risks in pursuing what have been quite big reform agendas.

[255] So, I think the biggest things for me: obviously, my history in the Welsh Government comes through skills and education into this portfolio, and I think the two ways I'd look at it are vertical and linear. If I was looking at vertical, I think the risk forms we've put in place for education have been twofold. The first one was—and you can look at this either way—we needed to get the metrics right. Five years ago, the GCSE performance in Wales wasn't good enough. It had fallen to a 10 percentage point gap with over the border. I think we've got to a position now where the metrics around GCSEs in particular have caught up, although what that does is then beggar the questions about the system. Because if you go for too much high stakes it does cause you other issues around there. But I think some of the things we did, for example, bringing the Organisation for Economic Co-operation and

Development in in 2014, and having a very honest and transparent approach to what were the weaknesses in the system, paid dividends. A lot that we've put in place since then: having an overarching strategy, having a reform agenda around the curriculum, but also recognising that, in the past, when we've brought change about, probably we haven't spent enough time in actually preparing the system for that change. So, it was very welcome to me that when the OECD came back last year, one of the things they commented on was that the system has moved from reform fatigue to reform change.

16:00

[256] Now, it's funny, a valedictory session. A valedictory session sort of suggests that you leave and everything has been won and you go off with your rosette. I don't feel anything of that sort, because I know that the reforms that we've put in place for education, for example, will take another four or five years until they're bedded in and we see, finally, I think, what will be a system that can compete with the best in the world, and obviously PISA will be the test of that.

[257] **Nick Ramsay:** Well, I was going to ask you which area within the group you would identify as being where you've had the biggest impact, and you would say the PISA results, education results.

[258] **Mr Evans:** Long term. I think the reforms that we've put in place have been genuinely of an order not seen before. Reform, major changes and government sometimes don't go together, but I think what we've put in place is the bedrock and the foundations for a system that, I think, in the next PISA and subsequent PISAs, will make a big difference.

[259] But, that's just one. If you look at what we've done in communities, I think we took a very bold decision in, first of all, consulting on and then taking the decision to wind up Communities First. I think we had got into a situation where we were counting far too many outputs and not really looking at what the outcomes of our activities were. It also begged questions about the approach that where we see a need for action, we take a specific programme, whereas I think one of the things you're seeing now for the Valleys taskforce, through 'Prosperity for All', which is published, is that we need to make sure that the whole of Government actually supports that agenda and works as one on it. So, I think the reforms in communities will be different.

[260] I think the reforms of housing also will be interesting, long term. We've brought a lot of stuff in, but there is a lot more innovation, I think, to come. I think the Welsh language and the strategy that we've produced this year is, I think, genuinely far-reaching. Our 1 million target is pretty exceptional and I think we are, as a Government, going to have to get to grips with the milestones and targets that we need to put in place to get there. But it is an incredible balance that we're going to have to strike, of making sure that we are one nation, that we're not a nation that patronises people who don't speak Welsh, but that we bring everyone together, really, to celebrate the language and to make sure that the opportunities are there for people to learn.

[261] So those are the linear—. Sorry, that's the vertical. The linear, really, is what I was mentioning—things like the Valleys taskforce—and how we're going to bring more and more things together. And I think, over the two years that I've been at the helm, we have done more to bring grants together, to allow our delivery partners in particular more freedom to make decisions on the ground. Because I know that one of the frustrations that we often hear is that we have various grants, we have various objectives, we have various reporting mechanisms and when you're actually on the ground trying to deliver these things, sometimes, it can be quite frustrating trying to deal with those. So, I think providing more flexibility to our delivery partners but with clearer outcomes would be one of the things that we'll carry on delivering for years to come.

[262] **Nick Ramsay:** The Permanent Secretary has said that she intends to review the leadership of the Welsh Government, not at the ground level, but at the deputy permanent secretary level. Do you consider that the roles and remits of the current post meet the senior leadership needs, or do you think that she's wise to revisit the structure and see how it can be improved?

[263] **Mr Evans:** I think she's wise. I mean, every two to three years, you should be looking at structures anyway, and they'll have been in place for two and a half years, now, at Christmas time. We can start looking forward to Christmas. I think things have changed. In the past year, things have changed. We've got Brexit, we've got the challenges that that's going to bring, and we've got, potentially, tougher economic times again coming. There is, I think, a period that's coming up now where, yes, I think refreshing and having a think, 'Have we got the balance right?' is always welcome. I don't think that the deputy permanent secretary system has failed in any way. I think the benefits for the Government have been that I have been able

to do two things, actually. One is to see where the synergies are across the group and try and bring them together, but also trying to see where the synergies are across Government. It's much easier to negotiate with other DPSs or senior leaders when there are only two or three of you than when there are seven or so. So, I think the benefits of those have worked, but there is always scope to look at things again.

[264] **Nick Ramsay:** You've mentioned education at length already. I know that Lee Waters had some questions for you on that and no doubt other questions as well. So, Lee, over to you.

[265] **Lee Waters:** Just before I go on to them, picking up on what you just said—you think it's wise to review structures every two to three years. Isn't there just a danger that the civil service sees that as a displacement activity? Why is it wise to do it every two to three years?

[266] **Mr Evans:** Actually, when I restructure—. For example, for my portfolio, when I've restructured, I've looked less at the structures than the people. I look at the people I've got in my team and I look at what skills they can bring to what we need to do. So, the question is always around, for me, actually, breaking down barriers. An example would have been in a previous guise when we had a team looking at careers and a team looking at youth progression—well, the two should come together, just to remove barriers. So, for me, a lot of the restructuring I'm talking about is actually removing barriers, rather than setting new ones. I think you're right, restructuring can be displacement activity. I think restructuring, sometimes, when you have real issues in a policy area, can be the worst thing you can do. So, I absolutely accept that every three years or so you should look, but the way I have led the portfolio is that I have tinkered incrementally rather than having big-bang change every now and again.

[267] **Lee Waters:** Right, you've confused me now. I'm not sure whether you think it's a good idea or a bad idea.

[268] **Mr Evans:** Sorry, I think—. It's not so much that I think it's a good thing to do every two or three years, but I do it almost constantly. So, I tinker, for want of a better word. I will move people around. I will try and make sure that groups are working together. It's more about the people, typically, than the structures though, to be honest.

[269] **Lee Waters:** Okay. So, just to go on to education, because tinkering is

not something that you've been involved in in terms of curriculum reform. As you said, in terms of legacy, it's a huge operation and, interestingly, one that Leighton Andrews, after being education Secretary, said was one he wouldn't have touched. It's obviously going to take up a huge amount of resource and time, arguably more than was originally anticipated. You mentioned that you didn't do enough to prepare the system for change, and I understand the Cabinet Secretary is likely to announce a slowing down of the timetable tomorrow. So, do you think that the original assessments of how much of a change this would involve were wide of the mark?

[270] **Mr Evans:** No. I'm sure they will be, but when I refer to the fact that we failed to prepare the system for change, I'm probably going back a bit further than that. I remember, for example, back in 2012, when we changed things like GCSE specs, we didn't do enough work with the schools to make sure that teachers understood what was going on. I think we've learned from that. We've seen from the GCSE changes since then that we are better now at preparing the system, and we've learned a lot of those lessons for the curriculum. Now, will the curriculum come in on exactly the right date? We'll find out tomorrow when the Cabinet Secretary makes a statement. But I think we're much, much better now at change management, or actually preparing the ground for this than in the past.

[271] The curriculum change for me isn't the be-all and end-all. I think the curriculum did need looking at. However, the bigger challenge, in association with the changes in curriculum, is making sure that the system can cope with them, that we've got the leadership, that we've got the professional standards in place, that we've got the sort of pedagogy that will actually teach that curriculum successfully, but, as importantly, that we get the assessment right as we go through. I think teachers and pupils are probably overassessed now, and I think that, as the curriculum comes in, one of the things we'll have to look at in tandem is that. But they all come together. I think you can't look at the curriculum as a stand-alone here, because the implications for the rest of the system are so significant.

[272] **Lee Waters:** Just a two-part question on that: the Scottish system was seen as the one to emulate. Can I ask if you're worried by the decline the Scottish system has since shown? Secondly, you chose Graham Donaldson to deliver it. Well, now he's been chosen as well to the review Estyn, so we're putting an awful lot of faith and power in the hands of one man; why do you think he's the right person?

[273] **Mr Evans:** On the first question—sorry, can you repeat the first question again?

[274] **Lee Waters:** The first question was about—Scotland is the model and Scotland has subsequently declined in performance.

[275] **Mr Evans:** I'll give you a civil service answer, which is we are interested by the decline in Scottish performance. We looked at this a lot. Yes, there are definite things around what we're proposing that are akin to what went on in Scotland, but not everything, and there are some quite significant changes in the way that we've approached this to the way that they rolled out the curriculum for excellence. In fairness to the Scots, they've been very open about where they think things have gone wrong. So, for example, assessment was something they struggled with, and this is one of the reasons why I'm emphasising assessment so strongly now. We're working very closely with Qualifications Wales and others—experts from across the world, actually—in making sure we get that right.

[276] The Scots were actually very interested—interesting given the last time I was in this room—about the consortia. One of the things I think they're realising is that without a fairly strong middle tier, it's difficult to bring consistent change around education to the schools themselves. So, I think one of the things the Scots are looking at at the moment—and I know that John Swinney's been quite interested in it—is around how the consortia are operating, and how that might be replicated in Scotland.

[277] So, I think there are differences with what's happening in Scotland, but we would always be interested. They have got a lot of good stuff in there, but we can see the retentions and there has been a slight decrease in some of their performance. So, yes, we would be very interested in it, and immediately after the result came out, I did ask both Qualifications Wales and my own officials to look at Scotland, work out what was going on, and to come back and report to the change board, which is all of the partners involved in education, to explain what they'd learned, and whether there was anything we would have to do differently.

[278] **Lee Waters:** Donaldson?

[279] **Mr Evans:** On the second question, Graham, I genuinely think Graham is good. Is it too much in one hand? I think one of the problems when I started working in education, if I was to be frank, was that there was not an

education system per se, in that the various bodies involved in delivering education in Wales sort of did their own thing. This is one of the things the Organisation for Economic Co-operation and Development picked up, and one of the reasons we were so keen on having 'Qualified for Life' and now 'Education in Wales', which will be launched tomorrow. So, at least there's a blueprint, and everybody knows what they're meant to be delivering.

[280] In drawing that up, I think one of the reasons why I'm probably less worried about Graham reviewing Estyn as well as the curriculum is that sometimes you need a controlling mind that can actually plot how things come together. I think Graham is someone of international repute. He's someone the OECD regard very highly. I think he's someone who's managed to bring the sector onside in the reforms he's proposed—certainly the Cabinet Secretary, and before her, the Minister. I think in having him actually reflect on how Estyn needs to reshape to deal with what is a changing system isn't a bad thing. I think it's a good thing. Plus, also there's the fact that he has conducted this type of review before for other countries. So, he's experienced in this area, he has an international pedigree, and sometimes it's good to have someone who has that overarching view.

[281] **Lee Waters:** With your tolerance, Chair, can I ask one more question? It's about Schools Challenge Cymru. It lasted just three years and we spent £20 million on it before we abandoned it. Why didn't we get the results we anticipated?

[282] **Mr Evans:** I think we sort of got the results we anticipated. I wrote the original business case for Schools Challenge Cymru.

[283] **Lee Waters:** And you saw it as a three-year thing?

[284] **Mr Evans:** Yes. I think one of the issues for Government, and I've seen this time and time again, is that we start a programme that is meant to be a short, sharp shock and then 15 years later, we're still delivering it.

[285] **Lee Waters:** But wasn't it modelled on London and Manchester, which weren't short, sharp shocks?

[286] **Mr Evans:** They were longer term, but I think we needed a specific—. I remember coming into education back in 2012, and I remember getting the statistics and all the stats for school performance right across Wales, and I had performance figures for every single secondary school. When I saw that

we had probably 30 or 40 schools that were getting sub 30 per cent level 2 inclusive, I couldn't tolerate that, and I was lucky to work with politicians who wouldn't, either. So, we decided that whilst we were working out what the longer-term reform agenda was going to be, we needed to get something in place for the pupils in the system now. So, that was the reason why we had a three-year shock to the system, to try and get those schools at the tail of performance further up. I remember we learned an awful lot in that process, which actually is standing us in good stead now for how we change the system. It's been a pleasure to work with those schools, I've got to say. I don't tend to look at achievements per se—the achievements are for the people who work on those—but one of the proudest moments I've had is to drive past Barry comp and see the big banner on their fencing saying, 'Best GCSE results ever'. So, I think it delivered for many schools. Some could have done better, and you'll always find that. But overall I think it was worth doing. Would it have been better to carry it on? I'm not sure. It was designed as a three-year—. We've got a big reform agenda in place now. Sometimes having too many programmes overlapping is just going to confuse.

[287] **Lee Waters:** So, they're largely sorted now, are they?

[288] **Mr Evans:** I think about half to two thirds of them are largely sorted. I think there are still a handful that have significant need, and we're working very closely with the consortia and the local authorities on those. So, I think, by and large, for a good proportion of the schools, it did the trick, through various methods, actually, and we've learned a lot from the process as well. Actually, it was one of the things that grew our relationship with the trade unions and with the teaching profession itself, because I remember sitting in a hotel room in Cardiff giving our approach to how we would do this and being absolutely shot down by the headteachers involved. We listened and we redid the programme.

16:15

[289] **Lee Waters:** Okay, thank you.

[290] **Nick Ramsay:** Mohammad Asghar.

[291] **Mohammad Asghar:** Thank you very much, Chair, and thank you, Mr Evans, for giving us a good briefing, but the fact is that we are a very diverse society in Wales in the light of LGBTs, the not able-bodied and Travellers, Gypsies, black ethnic communities and all the rest. The education system is

very, very important. In the past, in the table list we have not been on the top; we are rather on the bottom. What radical changes are you going to bring in, what you said, in the next three years in the light of your changes for these people I just mentioned, or the children, and the schools, higher education and universities? That's my first question.

[292] **Mr Evans:** I think there are two elements there. The first is that we need to improve the whole system. I think one of the areas where Estyn have picked up on several occasions is the way that we differentiate learning within the classroom, depending on specific needs. I think some schools do that exceptionally well, and I've been to some schools that are real trailblazers that, actually, even the OECD would recognise as being world-leading, but I don't think it's common enough. So, I think some of the work we're doing to underpin the curriculum developments on things like pedagogy and just class leadership I think will help considerably there.

[293] On the other side, I think one of the things that's been within the system for the past three or four years, once the system had started to turn round, I think, is more of a focus on how do we make sure we don't leave anyone behind. And I think when that was introduced by Huw Lewis, I think, about three or four years ago, there was far more of a focus through the consortia but also local authorities about how the money that goes to support various groups is spent, and how they could actually show that those were making a difference. I'm not sure we've cracked that, if I was to be honest, but I think things are improving significantly.

[294] I think one of the things that we saw coming out from Schools Challenge Cymru, for example, was that many of the schools that have to deal with many of these communities were within that group, and many of them have benefited significantly from that, and it was much better for the process, I think.

[295] **Mohammad Asghar:** And the second one is: my portfolio is the skills sector, Chair, so my question relates purely to skills and the children that are not very academically brilliant at the school level up to 14–18, and they—. I won't call them dropouts; they were very good in skills. So, those who are not going into further or higher education, the skills sector needs to be looked at seriously for everyone because that is the most important thing, I think, in Wales and must be looked at, and we are not doing it properly at this stage here yet. So, have you got any plans to do it, because the thing is the children who go on to further education—yes, brilliant children who want

to go for further education and they're able to do it; let them have it—but those I'm talking about here at the moment are those who are not up to that level to go into higher education. So, the skills sector should be explored and expanded in Wales. Do you have any ideas or any plans for them to go into that education sector?

[296] **Mr Evans:** I think one thing we failed at—and this isn't a Welsh Government failure; this is a failure across the UK—is there is still almost a two-tier system where people at universities are regarded as having some sort of primacy and people who go to apprenticeships and other skills programmes don't. I think we're starting to erode that. We now have quite successful awards. The FE sector in particular has done a lot for this through the National Training Federation Wales, but also through the WorldSkills UK programme. So, I think it's starting to be eroded.

[297] I think we've built very good relations with major employers like Airbus UK, and I was actually involved personally in setting up the first programmes where Airbus could offer a higher level apprenticeship with Swansea University and Coleg Cambria. But the point was, in the same way as we used to operate when I was with BT, we would bring people in on apprenticeships and if they showed any academic spark—because you don't know with some people; they might show it later on—they could be channelled down that route.

[298] Now, I've just recently had colleagues—this isn't my portfolio area, so I've got to be careful what I say here, but I do keep track of it—. I know that colleagues have recently been over to the Netherlands to look at what the system there looks like: quite a successful system, quite akin to a European model that Switzerland and Germany also looked at, and then the Scandinavian countries as well. But whilst there were very great strengths in that system, where young people are selected quite early on for whether they're going to be academic or vocational, or a blend of both, the only danger is that they do tend to pigeonhole young people quite early. So, for example, in the Netherlands, at 12 years old, it will be decided whether you're going to follow a vocational or a higher educational route. I've learnt many things, but one of them is that everyone develops at different rates. And so, sometimes, I'd probably want to see some flexibility. But I think that mission to try and show a parity between vocational and more general qualifications, for example, is an ongoing one, and actually one that I know that Qualifications Wales have been very keen to try some new ideas out on. So, I suspect we will see things changing over the next couple of years.

[299] **Mohammad Asghar:** Thank you.

[300] **Nick Ramsay:** Vikki Howells.

[301] **Vikki Howells:** Thank you. Looking to the future, we know that 'Prosperity for All', the Welsh Government's national strategy, was published just last week. What do you think will be the key challenges, risks and also opportunities for your successor when they come into post?

[302] **Mr Evans:** I'll give you an answer in two halves. The first is what I think the challenges are, and then I'll use the old idiom that your strategy's as good as the first blow on your nose. I think the local government reform is probably going to be key for the portfolio over the next few years. I think if you look at what we've tried to do—. Many of the instances we've been in front of the Public Accounts Committee have been around the regional co-operation on consortia, whether it's regional co-operation on support for people, whether it's regional co-operation on housing. I think, over the next few years, the delivery of public services, and whether it makes that leap change to make the best out of the Welsh system—and that includes us—will depend on how well that reform goes.

[303] The reason I said about the punch on the nose is that I think, with the way that finance is going at the moment, just sustaining what are frequently complex public services in our communities is going to be tough. We have external shocks coming our way. Whatever your views on Brexit, we have uncertainty at the moment as to how that's going to work out. There may be short-term shocks, there may be medium-term shocks. We don't know. We have significant changes on welfare reform coming through. There are a lot of challenges out there that are going to make life more difficult in our communities whilst we're pulling money away from the front line. So, I think making sure that every penny we spend is spent wisely probably is going to be the biggest challenge. Now, in doing that, we need to make sure that we can get proper collaboration across the Welsh public services, and I think that's going to be the biggest challenge over the coming years. That's the overall picture.

[304] Of course, I would also say that getting education right and making sure the curriculum happens, and all the support services are done properly is another one. Making sure that our communities benefit from whole Government services is another one, and bringing housing in, bringing

health in. I think it's this joining up that's going to be the big challenge for the future and, obviously, that's what 'Prosperity for All' was getting at.

[305] **Vikki Howells:** What about the target for one million Welsh speakers by 2050? How realistic do you think that is? Have we got the mechanisms that we need in place for that now?

[306] **Mr Evans:** Not yet. We have published—. It was a toughie. A million is ambitious. It's achievable, I think, but it's a toughie. The strategy I genuinely think was a good piece of work. It's one that we've had a lot of support from outside on. It's ambitious, but it's relatively practical, and it does highlight where we have issues. I think one of the big things is in capacity building, making sure that the system can actually cope with the education, the support services, but also the questions around—. At the moment, I think we've got to a position where the Welsh language is a bit of a stick to beat people through. I think the standards are too onerous. Sorry, 'too onerous' is the wrong phrase; I think they're bureaucratic. I think they've worked in setting standards, and those are their purpose. But I think what we haven't done enough is the *hybu*, the promotion of the language, to try and get more people to use it in everyday life. We've been doing more things of that ilk, but I think there is a step change we're going to have to make on that.

[307] **Education:** I suppose you can't ignore the fact that education going to be the key of whether we delivery one million or not. And one of the things that I'm working on at the moment is how we sort the capacity out, both in infrastructure terms—enough Welsh-medium schools—but also the capacity of the teaching profession to be able to offer what will be a Welsh-language continuum in the future. I think it's a very interesting area. I mentioned that it's delicate because I regard everyone as Welsh, whether you're a Welsh speaker or not, and we don't want to create this two-tier system—we don't. I think the continuum is a good thing, and sometimes we need to get away from the very simple bilingual thing, where you've got to be great at that or not good at that. I think that, building a warmth to the language, we've done quite well over recent years, and I wouldn't want to lose that. But a million is ambitious and we are going to have to have a step change in our capacity to deliver it.

[308] **Vikki Howells:** Finally, what about the pledge to end the defence of reasonable chastisement? How difficult do you think it might be to obtain cross-party support for that legislation?

[309] **Mr Evans:** I'll look to the politicians on that. [*Laughter.*]

[310] **Nick Ramsay:** Ask us. Lee, do you have a supplementary?

[311] **Lee Waters:** Just a supplementary on the Welsh-language position. Is it the assumption that that'll be achieved by an expansion of Welsh-medium schools primarily?

[312] **Mr Owen:** No. That's what I like about the strategy—the strategy puts in place a number of things that we're going to have to do. I think if you take any one bit of those out, it weakens the position considerably. Welsh-language capacity in schools—you can't ignore it. We are going to have to increase the capacity that we provide. Is it a huge wholesale capacity increase? Probably not, but we are going to have to look at it and we are going to have to make realistic assumptions of what we can achieve. But I don't think, no—. It's a major one, but it's not a fundamental, as in, 'We could ignore other things as well.'

[313] **Lee Waters:** As an exercise in policy making, I'm always fascinated by the relationship between parties coming up with ideas in manifestos, plonking them on the desks of civil servants, who are told, 'Make sense of that one'. The Well-being of Future Generations (Wales) Act 2015 is almost a case study in how not to do it really. It was made up within Government; it wasn't thought through at the manifesto stage. Is that something you feel about the one million target as well? It's a catchy headline, but how much work had been done within Government before that was agreed?

[314] **Mr Evans:** There's always work under way about what can be achieved. I think it was a bold move, but I don't mean that in a 'Sir Humphrey' way. I think it was a bold move because it needed a bold statement, and I applaud the First Minister for making that bold statement: that we're not going to play at this; we're actually going to have a proper attempt at making Wales a bilingual nation. At the moment, I think there are so many arguments about, 'Should we have this there?' 'Do we have the Gaeltacht-type movement, where we just retain the Welsh language in certain pockets in Wales?', when I think there is a different system. I think making the statement about having a million really just changes the language and makes us think again about, 'Right, how are we going to approach this policy area?'

[315] **Nick Ramsay:** Neil Hamilton.

[316] **Neil Hamilton:** You referred to the next few years, and you think that local government reform is likely to be the biggest hot potato on your successor's desk. Perhaps you could give us a synopsis of what you think the key challenges he'll have to face might be in this respect. We, as a committee, responded to the Government's consultation on reform, based on the various inquiries to which you referred earlier on. There are lots of micro challenges that are included within that, but, looking at it in a broader perspective, what do you say are the big challenges of the next four years?

[317] **Mr Evans:** I suspect that the big challenge will be that borderline between, 'Have you got sufficient democratic oversight?' and, 'Are we being flexible and collaborative enough to deliver better services?' I think that would be the nub of most of the arguments in the next couple of years. I think, if they get it right, it could liberate and transform the way we deliver public services. But if we do not change, I think we'll continue to see the process that I've seen in my term here, where you have incredibly inconsistent services delivered, with some areas being excellent, but other areas being absolutely below par. I think, if nothing else, the reform agenda must deliver a better and more consistent approach to public service delivery. We have got good processes and we have got good people out there, but we just need to make sure that we're learning from them. I think there are too many examples—. You raised it in the report that the auditor general did on the Supporting People programme: sometimes we're a nation that doesn't look up enough and about, and I think that's one of the things that I'd really want to see from the reform agenda in the future. In the same way, to a degree, we've managed it in education—not perfectly, but we've got better at it, and I think that is the approach that I'd probably want to see.

16:30

[318] **Neil Hamilton:** And the mechanism for achieving this greater flexibility of co-operation, is that moving towards more regionalisation, for example? You referred to this in education a moment ago and how the Scots have been coming to learn and profit from our experience. We've made various constructive criticisms in relation to education regionalisation models in the work that we've done in the last year. So, what do you think are the key lessons to be learned in respect of the extension of this regionalisation model, which of course may be different geographical areas according to whatever service we are looking at? There's no reason to think that, say, in welfare, you'd have the same model as in education particularly. So, what do you think your successor will need to consider in order to deliver this aspect

of reform successfully?

[319] **Mr Evans:** I think the big one is—. I've learned many times over my career that to get commitment to change, you need to engage. And I think the model we devised in education, although, as I said, not perfect, we did spend an awful lot of time and an awful lot of shoe leather out and about, speaking to stakeholders, speaking to local authority directors of education, speaking to chief executives. The politicians played their role in making sure that they were briefing leaders, cabinet members for education.

[320] And I remember the dark days when it was Leighton Andrews on the PISA results in 2011 literally throwing everything up in the air and saying we have to sort this. I remember gathering Estyn, I remember gathering the directors of education, a couple of chief executives and a couple of experts into a room and saying, 'We've got to fix this'. I think that shared purpose is something we're going to have to establish with local government. You do not establish a shared purpose from within the confines of this building; you have to get out and do it together. And I think that will be the challenge, in overcoming that feeling that, sometimes, quite rightly, people will have of, 'Hang on, there might be a democratic deficit if we are handing it up a tier', or, 'We do this rather nicely ourselves, thank you very much; we're unique here'. We need to get over that. I hear that too often. The best need to teach the others, and the others need to look to the best.

[321] **Neil Hamilton:** A very philosophical note on which to end.

[322] **Nick Ramsay:** This committee has looked extensively at the regeneration investment fund for Wales in the past. Could you give us an update on where we are with RIFW and with the property assets, the buy-out and what lessons have been learned by the Welsh Government?

[323] **Mr Evans:** The first is an offer. I think it is good practice from the Government that, when all this is completed and all the arrangements are complete, we would write to the committee to give them a full synopsis of what has been achieved. I would just like to put that on the record.

[324] Where we are, which is the second part of the question, is that the overage figure for Monmouth has been agreed. As you know, there was an awful lot of to-ing and fro-ing over the various costs involved in that, but that has been settled now. We are in discussions over the Lisvane figures. The first couple of payments have been made, but we're still in the same

process as we went through in Monmouthshire in agreeing what are the reasonable disbursements.

[325] We are subject to legal proceedings with both Lambert Smith Hampton and Amber, and so I can't really discuss in open session where we are on that, but I think there was a clear understanding, and the First Minister was very clear about this, that the performance was sub-par and that we could have done better here. This was probably one of the cases that I've had to spend more time on in understanding how this happened. We have changed a number of things internally since the investigation was undertaken. We've learned from both the auditor general and also your own report about it in changing things like the principal accounting officer notes 3 and 7, in reconfiguring our audit and risk committees within Government, in actually providing training for people starting board duties, and in providing proper understanding for officials when they are involved as observer status. A lot of those, for example, went into the creation of Qualifications Wales. This was a stand-alone body being set up. We looked to RIFW an awful lot, and I had both teams together to understand this is probably not how to do it. So, I think that, as a Government, we have learned; as a good Cardi, I don't like wasting a penny of public money. So, we have taken the lead from the committee and the auditor general that we will pursue every penny we can.

[326] **Nick Ramsay:** There's currently a review going on into our governance of arm's-length bodies.

[327] **Mr Evans:** Yes, there is. We have had a couple of sessions on it already, but there is a review under way, as you say.

[328] So, not our finest hour by any means, but it's even worse if you don't learn from your mistakes. So, I think we've spent a lot of time and a lot of thought on how we can learn from this.

[329] **Nick Ramsay:** Thanks. Looking at this committee, and the work of the Public Accounts Committee during the last—well, since you've been the deputy permanent secretary, do you have any suggestions for any improvements in working practices that might be helpful to the committee and its successor, and the relationship between the committee and the Welsh Government?

[330] **Mr Evans:** I think it's to keep it constructive. Curiously, as someone who has come from the private sector into the public sector, I'm quite keen

on assurance. It's public money. It's the taxes that we all pay. So, when I set up the group, one of the first things I did was set up an assurance board. So, I have a board within the group that all the directors sit on, and any subject can be brought (1) if I'm not happy about how things are proceeding, or one of the directors feels that they would like greater scrutiny on an area that they are developing. It isn't a vehicle to kick things. It's a vehicle for people to give constructive comments about how we can improve things. What that's done, though—. And I think through quite extensive use of internal audit I've tried to introduce a culture of being warm towards audit, warm towards assurance, and warm towards having proper process. I think that's the same relationship that I have struck up with the auditor general's office, who have been very, very helpful—both in, yes, reflecting on where we have got things wrong, but also increasingly getting involved in how we build things for the future. I'm always keen to learn. One of the hallmarks, I hope, of my career is that I'm quite open. I'm always looking at what I can learn and what I can improve for the future. I think the relationship with the committee has been quite strong; you may feel differently, of course. The papers you write and the proceedings you discuss I read with great interest, and then I play them out with the group, about how we can improve things.

[331] **Nick Ramsay:** I didn't mean there to be a silence then, by the way, when you just said 'you may feel differently'—[*Laughter.*]

[332] **Mr Evans:** I did see feet fidgeting. But I think it's been a quite constructive process, and I hope—this will be one for you to reflect on—that the answers I've given always have been as open as they can, as honest as they can, because we've always sought to learn from what you say. I have genuinely sought to learn from what you say. I think the relationship with the auditor general's office, as I said, has been very constructive. I think we have got to a place, for the group, where people are not scared of having people have a look in to see can we do things better. I think that's a good thing.

[333] **Nick Ramsay:** Yes, we believe that scrutiny should be a two-way process, and we are willing to learn as a committee as well, so we're grateful for feedback. You are going on to pastures new—

[334] **Mr Evans:** I am.

[335] **Nick Ramsay:**—as the chief exec of S4C.

[336] **Mr Evans:** I am.

[337] **Nick Ramsay:** This will be your last appearance—well, intentionally, your last appearance—before this committee. [*Laughter.*] So, can I thank you for today, but also for previous meetings that you have attended with the committee, not just with myself but with the Public Accounts Committee in the previous Assembly as well, and my predecessor? It's been good having you as a witness to the committee. If no other Members have any further questions, did you want to make any final comment before you—?

[338] **Mr Evans:** No. Just to say that it's not always been enjoyable, but it's been valuable. So, I thank you for that.

[339] **Nick Ramsay:** Great. Thank you for being with us. Thank you, Owen Evans, and good luck.

16:39

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
o'r Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod, yn unol â Rheol Sefydlog remainder of the meeting, in
17.42(vi).*

*accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[340] **Nick Ramsay:** I move, unless Lee wants to, under Standing Order 17.42, that we move into private session—invoke the spirit of Mike Hedges.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 16:39.

The public part of the meeting ended at 16:39.

