

**National Assembly for Wales**  
Public Accounts Committee

**Wider issues emanating from the  
governance review of Betsi  
Cadwaladr University Health Board**

February 2016

Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



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# Public Accounts Committee

The Committee was established on 22 June 2011. The role of the Public Accounts Committee is to ensure that proper and thorough scrutiny is given to Welsh Government expenditure. The specific functions of the Committee are set out in Standing Order 18. The Committee will consider reports prepared by the Auditor General for Wales on the accounts of the Welsh Government and other public bodies, and on the economy, efficiency and effectiveness with which resources were employed in the discharge of public functions.

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## Current Committee membership:



**Darren Millar (Chair)**  
Welsh Conservatives  
Clwyd West



**Mohammad Asghar**  
Welsh Conservatives  
South Wales East



**Jocelyn Davies**  
Plaid Cymru  
South Wales East



**Mike Hedges**  
Welsh Labour  
Swansea East



**Sandy Mewies**  
Welsh Labour  
Delyn



**Julie Morgan**  
Welsh Labour  
Cardiff North



**Jenny Rathbone**  
Welsh Labour  
Cardiff Central



**Aled Roberts**  
Welsh Liberal Democrats  
North Wales

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The following Members were also Members of the Committee during this period:



**William Graham**  
Welsh Conservatives  
South Wales East



**Alun Ffred Jones**  
Plaid Cymru  
Arfon

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## Chair's Foreword

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Following publication of our report into governance arrangements at Betsi Cadwaladr University Health Board in December 2013, the Committee has closely monitored the implementation of the recommendations contained within the report by receiving regular written and oral updates from the Health Board and the Welsh Government. This monitoring has also given us an opportunity to consider how the Health Board has responded to being placed in special measures.

During our work, the Committee decided to look more generally at governance arrangements for Welsh health boards and followed up issues arising from the independent review of Princess of Wales and Neath Port Talbot hospitals, "*Trusted to Care*", published in May 2014.

This report summarises our work and findings, and makes a number of recommendations which seek to improve health board governance and strengthen performance management at the Betsi Cadwaladr University Health Board and more widely across Wales.

As part of our work, the Committee also received an update on NHS Finances following the Committee's previous work in 2013 and 2014 and the implementation of the National Health Service Finance (Wales) Act 2014. Our previous work identified concerns regarding financial planning within the NHS and it appears from the evidence to this inquiry that many of these are yet to be addressed.

We welcome the Auditor General for Wales' intention to undertake a review of the impact of the NHS Finance (Wales) Act during the Fifth Assembly and recommend that our successor Committee considers any lessons arising from his work.

I commend this report to its readers and trust the recommendations will be of use to the organisations concerned.

Darren Millar AM  
Chair

## Recommendations

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**Recommendation 1.** The Committee is concerned that attendance at Board meetings, by some Independent Members at Betsi Cadwaladr UHB, has previously been unsatisfactory, and recommend the Welsh Government works with health boards across Wales to monitor and address non-attendance appropriately with proper consideration of the circumstances. (Page 19)

**Recommendation 2.** We recommend that all health boards' annual reports must disclose details of board member attendance at board meetings and that a process for the dismissal of persistent non-attenders be developed. (Page 19)

**Recommendation 3.** The Committee recommends that the Welsh Government explore in more detail how it can enhance the sharing of good practice, in relation to good governance, and where possible give greater direction on such practice and monitor compliance with any directions issued. (Page 21)

**Recommendation 4.** We recommend that the Welsh Government require health boards to routinely share with them the outcome of all work commissioned as a result of serious concerns arising from complaints. (Page 25)

**Recommendation 5.** We recommend that the Welsh Government implements a more systematic approach that ensures that concerns/complaints in the future are adequately dealt with at health board level, and if not, that these are escalated to the Welsh Government much sooner than is currently the case. (Page 25)

**Recommendation 6.** We recommend that the Welsh Government should consider installing a central database for dealing with Ministerial correspondence to detect emerging trends and to safeguard against clinical negligence. (Page 26)

**Recommendation 7.** The Committee recommends that the Welsh Government review the process for Chief Executive appointments in the Welsh NHS to reduce the reliance on references provided by personal referees provided by applicants. (Page 35)

**Recommendation 8.** The Committee recommends that the terms of departure for all senior managers in the Welsh NHS are monitored by



the Welsh Government and that departure terms, which it does not consider represent value for money for Welsh taxpayers, are expressly prohibited from proceeding. (Page 35)

**Recommendation 9.** We recommend that the Welsh Government take into account the evaluation of independent advisors undertaken by Betsi Cadwaladr UHB and if the arrangements are found to have worked well, consider establishing a framework for the use of independent advisors across health boards. (Page 37)

**Recommendation 10.** The Committee recommends that the Welsh Government develop a national suite of quality and safety indicators to support health boards in delivering high quality care and to promote early identification of safety concerns. (Page 37)

**Recommendation 11.** 106. We recommend that the Welsh Government review the re-appointment process for independent board members to enable re-appointments to be made on a case by case basis depending on the balance and composition of independent board members. (Page 38)

**Recommendation 12.** We recommend that Betsi Cadwaladr UHB provide an update to our successor Committee in the fifth Assembly on progress towards improving mental health services by June of 2016. (Page 41)

**Recommendation 13.** The Committee does not believe that GP Out of Hours coverage is acceptable in Betsi Cadwaladr UHB and we recommend the Health Board urgently addresses this. (Page 44)

**Recommendation 14.** The Committee recommends that all health boards undertake comprehensive reviews of primary care estate and that they prepare plans to improve accommodation for primary care services and review these plans regularly. (Page 44)

**Recommendation 15.** The Committee recommends that our successor Committee to in the fifth Assembly, monitors the progress Betsi Cadwaladr UHB makes during the period of special measures including GP Out of Hours services (Page 44)

**Recommendation 16.** The Committee recommends that Healthcare Inspectorate Wales and the Welsh Government provide an update on progress achieved against the Marks review recommendations,

including the identification and delivery of any immediate and more straightforward priorities by March 2016. (Page 46)

**Recommendation 17.** We recommend that strengthened performance management and reporting processes are put in place in relation to the preparation and publication of inspection reports, to ensure that Healthcare Inspectorate Wales meets and delivers its reporting targets. (Page 49)

**Recommendation 18.** We recommend that published Healthcare Inspectorate Wales inspection reports should include a publication date, to enable increased transparency of reporting and accountability. (Page 49)

**Recommendation 19.** We recommend that Healthcare Inspectorate Wales and Community Health Councils jointly develop and implement plans to ensure better working relationships; the 2015 Operating Protocol should be reviewed, to identify how it is working in practice, to address areas for improvement and ensure effective and timely sharing of information. (Page 52)

**Recommendation 20.** We recommend that HIW agree with health boards' processes for securing Healthcare Inspectorate Wales timely and regular access to summarised complaints data from health boards, to inform their work. (Page 52)

**Recommendation 21.** We recommend that an electronic solution is put in place to enable Assembly Members to contact the Chief Executive of Healthcare Inspectorate Wales directly. (Page 52)

**Recommendation 22.** We recommend that Healthcare Inspectorate Wales puts in place focused, robust and effective arrangements with partner agencies to improve joint working and learning, better developing shared intelligence resources to support the inspection work of HIW and others. (Page 54)

**Recommendation 23.** We recommend that Welsh Government take into account the outcome of the consultation on the Green Paper and agree a prompt, appropriate and statutory response in terms of ensuring the visibly independent position of Healthcare Inspectorate Wales. (Page 55)

**Recommendation 24.** We recommend there is a need to look in detail at the range of responsibilities of Healthcare Inspectorate Wales and identify any that might be more appropriately placed elsewhere.  
(Page 56)

**Recommendation 25.** We recommend that the Welsh Government commissions an urgent and focused independent review to audit existing and potential future requirements for lay assessors to support the inspection regime in Wales, and that clear joint strategies are developed to ensure effective and sustainable recruitment and retention.  
(Page 56)

**Recommendation 26.** The Committee identified its concerns regarding financial planning with the NHS in its previous report *Health Finances 2012-2013 and beyond*. We re-endorse recommendation 8 of that report, which stated:

The Committee further recommends that given the risks of financial planning over 3 years, the Welsh Government should require:

- a) Fully balanced plans over three years for each Health Board with supporting detail;
- b) Collective financial planning showing how budgets will balance across the whole NHS every year (so as to stay within DEL);
- c) Detailed contingency plans setting out how Health Boards will respond if planned savings from up-front investment do not materialise and/or there are additional cost pressures. These contingency plans should include an assessment of risks to patients/services.  
(Page 60)

**Recommendation 27.** The Committee notes that the Auditor General for Wales intends to undertake a review of the impact of the NHS Finance (Wales) Act during the Fifth Assembly and recommends that our successor Committee consider any lessons arising from the Auditor General's report.  
(Page 60)

# 1. Introduction

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1. Following publication of the Public Accounts Committee's report into Governance Arrangements at Betsi Cadwaladr University Health Board (BCUHB)<sup>1</sup> in December 2013, the Committee has closely monitored the implementation of the recommendations in its report and held regular evidence sessions with the Chief Executive and Chair of BCUHB.
2. During this follow up work, the Committee decided to look more generally at governance arrangements for Welsh health boards using BCUHB as a case study. As part of this work, the Committee followed up issues arising from the independent review of Princess of Wales and Neath Port Talbot hospitals, "*Trusted to Care*",<sup>2</sup> published in May 2014. The Committee invited the report's authors, Professor June Andrews and Mark Butler, to provide evidence as part of the inquiry, but they refused to attend a Committee meeting or provide written evidence.
3. As part of this inquiry, the Committee considered a memorandum from the Auditor General on NHS governance arrangements, took evidence from Healthcare Inspectorate Wales (HIW) on its role in health board governance and relationships with health boards and Community Health Councils (CHCs).
4. The Committee also received an update on NHS Finances following the Committee's previous work in 2013 and 2014 and the implementation of the National Health Service Finance (Wales) Act 2014.
5. The Committee held oral evidence sessions with witnesses including the Welsh Government, BCUHB, Abertawe Bro Morgannwg University Health Board (ABMUHB), Healthcare Inspectorate Wales (HIW) and Sarah Rochira, the Older People's Commissioner for Wales. The full list of witnesses can be found at Annexe A. Annexe B provides further detail about the witnesses who gave evidence on governance in Welsh Health Boards.

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<sup>1</sup> Public Accounts Committee Report - [Governance Arrangements at Betsi Cadwaladr University Health Board](#) (December 2013)

<sup>2</sup> The [review](#) was undertaken by Professor June Andrews and Mark Butler and is also commonly referred to as the "Andrews report"

6. The report details the Committee's conclusions and recommendations based on the evidence received during the course of its inquiry. The Committee would like to thank all those who contributed.

## **2. Governance Arrangements across NHS Wales**

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7. On 6 March 2014, the Committee considered the original Welsh Government response to its report on BCUHB. During that discussion, Members raised concerns regarding the clarity of NHS Wales-wide governance arrangements.

8. The Committee took evidence from ABMUHB to get a broader perspective on NHS governance arrangements. That evidence session also provided an opportunity to follow up issues arising from the independent review of Princess of Wales and Neath Port Talbot hospitals – *Trusted to Care* – published in May 2014.<sup>3</sup>

9. Following publication of the joint Auditor General/HIW review of progress that BCUHB was making in addressing the substantive areas of concern identified in the original joint review from December 2013 the Older People’s Commissioner for Wales, Sarah Rochira (Ms Rochira) wrote to the AGW. In her letter she questioned whether health boards had sufficient grasp of the quality of their services, and the evidence upon which they base their assurances. She considered this to be the core business and responsibility of a Health Board and its members, an issue she had consistently raised with the NHS in Wales and its Chief Executive over the previous 18 months. This point is clearly reflected in the *Trusted to Care Report*.<sup>4</sup>

10. Ms Rochira told the Committee:

“...The NHS in Wales takes very seriously its duties to deliver high quality care. Whilst I have spoken many times about unacceptable care, I am also told frequently by older people about the good care they receive. I have also seen much evidence of activity being undertaken to improve care. However my work to date and the responses I have received in relation to my work in the light of the *Trusted to Care Report* leave me with concerns, particularly around variability.”<sup>5</sup>

11. During oral evidence, Ms Rochira explained that her evidence was based upon her visits to hospitals and health centres. She asked: “How

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<sup>3</sup> The [review](#) was undertaken by Professor June Andrews and Mark Butler and is also commonly referred to as the ‘Andrews report’

<sup>4</sup> PAC(4)-31-14 Paper 4, 9 December 2014

<sup>5</sup> PAC(4)-31-14 Paper 4, 9 December 2014

does the NHS, as one body in Wales, define what ‘good’ looks like? How does it define what ‘quality’ is?” She expected to see consistency across Wales, in relation to board scrutiny, showing a “good” model. However in reality, when assessing the variety of evidence before her, there were major inconsistencies and variations. Ms Rochira explained she had been clear with all parties that there needed to be a “core dashboard” to provide consistency across the health boards of Wales.<sup>6</sup>

### **Securing assurance and accountability**

12. An escalation and intervention framework for the NHS in Wales was launched by the Welsh Government in March 2014 following a recommendation in the Committee’s report of December 2013 on Governance Arrangements at BCUHB. BCUHB is the first and only Welsh NHS organisation to date have been escalated to special measures, the highest level of intervention under the new arrangements.<sup>7</sup>

13. A number of reports have been of concern to the Committee and specifically those regarding some aspects of care at ABMUHB and follow-up reports on the situation at BCUHB. The Committee questioned the Welsh Government on whether sufficient progress is being made to address these issues, and the effectiveness of the escalation processes that operate within NHS Wales.<sup>8</sup>

14. In response, Dr Andrew Goodall, The Welsh Government’s Director General Health/NHS Chief Executive, Health and Social Services Group (Dr Goodall), contended that progress had been made regarding governance arrangements in Wales, and there had been a framework in place over many years, which had set out expectations for health boards. He added that a good governance guide had been issued and was scheduled to be refreshed in February 2016, which will take account of the recommendations of the Public Accounts Committee.<sup>9</sup>

15. The Committee asked for the current status of all health boards and trusts within the NHS escalation framework and what the Welsh Government has done to make the escalation status of NHS bodies publically available. Dr Goodall advised that the framework is still in its

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<sup>6</sup> Record of Proceedings (RoP), paragraph 50, 9 December 2014

<sup>7</sup> Welsh Government [NHS Wales Escalation and Intervention Arrangements](#) (March 2014)

<sup>8</sup> RoP, paragraph 9, 24 November 2015

<sup>9</sup> RoP, paragraph 10, 24 November 2015

early stages; however, reinforcing expectations of the service was important to provide a rounded perspective. He said that this means that the Welsh Government and Regulators are able to share intelligence.<sup>10</sup>

16. In written evidence, the Welsh Government provided details of the current escalation status of Health Boards and NHS Trusts in Wales. The Table below, was correct at 10 December 2015:<sup>11</sup>

<b>Organisation</b>	<b>Current Status<sup>12</sup></b>
Abertawe Bro Morgannwg UHB	Enhanced monitoring
Aneurin Bevan UHB	Routine arrangements
Betsi Cadwaladr UHB	Special measures
Cardiff and Vale UHB	Enhanced monitoring
Cwm Taf UHB	Routine arrangements
Hywel Dda UHB	Enhanced Monitoring
Powys tHB	Routine arrangements
Public Health Wales NHS Trust	Routine arrangements
Velindre NHS Trust	Routine arrangements
Welsh Ambulance Services NHS Trust	Enhanced monitoring

17. The Committee considered the tripartite meetings between Healthcare Inspectorate Wales, the Wales Audit Office and the Welsh Government to discuss health organisations in terms of sharing intelligence and identifying issues. Members asked Dr Goodall whether it was necessary to involve additional parties in these discussions, to avoid issues being missed that might emerge through other individuals and organisations. Dr Goodall stated that “the arrangements work with the Regulators and has provided clarity given the respective roles of the individual organisations”.<sup>13</sup>

18. He added that he was aware of concerns emerging through other channels including Welsh Ministers’ offices and complaints from individuals and acknowledged that “the escalation framework has worked with the balance between Healthcare Inspectorate Wales, Wales

<sup>10</sup> RoP, paragraph 10, 24 November 2015

<sup>11</sup> PAC(4)-01-16 Paper 5, 12 January 2016

<sup>12</sup> Within in the NHS Wales escalation framework there are three levels of escalation above “Routine Arrangements” they are: Enhanced Monitoring, Targeted Intervention and Special Measures

<sup>13</sup> RoP, paragraph 13, 24 November 2015



Audit Office and ourselves [Welsh Government] but must be kept under review”.<sup>14</sup>

19. Members explored the governance challenges encountered by some of the larger NHS bodies in Wales and whether the Welsh Government considered that the size and complexity of some health boards created specific and inherent governance risks and challenges.

20. Dr Goodall said that irrespective of the size of an organisation, having clarity and common purpose is key in bringing focus to achieving goals and improving performance and that leadership was imperative:

“...although you may raise that size is the issue, I think that the bit that I’ve learnt is that it’s really important how you bring the leadership teams in place around these individual issues.”<sup>15</sup>

21. Members pursued further whether size had any impact on the performance of health boards. Dr Goodall added:

“...size definitely raises a challenge about the way in which you find opportunities to build up the relationships on a community basis. ...given the special measures arrangements for Betsi Cadwaladr, one of our worries for north Wales has been the ability for the organisation, at scale, to really engage properly with the local community.”<sup>16</sup>

22. The Committee raised concerns about the uncertainty arising from speculation regarding the splitting up of BCUHB, particularly given comments made by the First Minister in Plenary.<sup>17</sup> Dr Goodall stated that those decisions were not for him to focus on. His responsibility was to give focus on ensuring that the organisation is in the right place to move forward.<sup>18</sup>

23. Members explored the processes for appointing Independent Health Board Members. In its evidence sessions with BCUHB, the Committee heard about the actions taken to strengthen the Health Board’s capacity through the appointment of additional Committee Advisors.

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<sup>14</sup> RoP, paragraph 13, 24 November 2015

<sup>15</sup> RoP, paragraph 56, 24 November 2015

<sup>16</sup> RoP, paragraph 58, 24 November 2015

<sup>17</sup> Plenary, 17 November 2015

<sup>18</sup> RoP, paragraph 34, 24 November 2015

24. Members wished to establish whether the processes for the selection of Independent Members to health boards adequately considered and tested they have the right skill set for the role. The Committee was told that there were a range of means for achieving this including the personal development of existing Members and a range of activities by Academy Health Wales provided to Health Board.<sup>19</sup>

25. Ms Joanna Jordan, the Welsh Government's Director of Mental Health, NHS Governance and Corporate Services told the Committee:

"...in terms of the appointment of independent members now, we have introduced extra scrutiny at the time of appointment with assessment centres that are quite rigorous, actually, to help ensure that those that are appointed do have the necessary skills and expertise.

"Ms Jordan went on to say this had been addressed allowing a better feel that those in post are fulfilling their roles effectively."<sup>20</sup>

26. The written evidence from the Welsh Government confirmed the use of an assessment centre and interviews, which entailed a more holistic approach to allow selection panels to make more informed decisions on candidate's suitability for appointment. The written evidence also confirmed that all Independent Health Board Members are Ministerial appointments governed by the Commissioner for Public Appointments.<sup>21</sup>

27. The Committee discusses the use of Independent Advisers further in Chapter 3.

28. In the evidence he gave to the Committee on 17 November 2015, Dr Peter Higson, Chair of BCUHB, stated that there should be no automatic re-appointment of board members once their term ends. He told the Committee that BCUHB had no shortage of candidates during a recent Board member recruitment:

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<sup>19</sup> RoP, paragraph 125, 24 November 2015

<sup>20</sup> RoP, paragraph 129, 24 November 2015

<sup>21</sup> PAC(4)-01-16 Paper 5, 12 January 2016

“...When we recruited the three who took up post in the early summer/late spring, we had 57 applicants for three roles. We had a very, very strong field to work with.”<sup>22</sup>

29. In explaining the reappointment process in detail, Dr Goodall stated the health board Chair had two options, to approach the Minister to endorse an individual member for reappointment to the position; or alternatively, to look at the evidence available such as appraisals, circumstances and the specific situation of the board, to determine if change is required, the latter being most frequently adopted. In these circumstances Dr Goodall explained that the member could be stood down or be tested against other applicants following advertising. He added that the reflection from previous sessions with regard to BCUHB, was that at the end of a four year term members might automatically be subject to testing against the external recruitment process and that this was something that could be looked into further.<sup>23</sup>

30. Members highlighted that a balance needed to be struck between having experienced Board Members and new members with a fresh perspective. Members also wanted to understand what protections were in place to protect Board members, who challenge issues, from not being re-appointed.

31. Dr Goodall explained:

“I would hope that it’s a rounded process and that the assessment works for all the right reasons. I don’t think the outcome we would be looking for is just because people have asked some awkward questions around the table—. I think it’s really important that boards in Wales have really strong governance and have strong scrutiny monitoring. Actually, it’s really important that they discharge that responsibility on behalf of communities, whatever their respective roles.”<sup>24</sup>

32. Members were not convinced that the system adequately protected Independent Board Members who had appropriately made challenges. Dr Goodall agreed and told the Committee that he would

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<sup>22</sup> RoP, paragraph 114, 17 November 2015

<sup>23</sup> RoP, 24 November 2015, paragraph 144

<sup>24</sup> RoP, paragraph 158, 24 November 2015

consider these concerns when looking at potential options for the future.<sup>25</sup>

33. Members welcomed these improvements to the selection process. They also noted the importance of regularly reviewing the performance of Independent Board Members given the pattern of non-attendance at Board meetings by some independent Board Members at BCUHB.

34. Following concerns raised by the Auditor General and HIW about the breadth of the Board Secretary role in BCUHB, the Committee had previously recommended that the Welsh Government consider statutory protection for the role of Board Secretary on all health boards. The Welsh Government accepted this recommendation and published a Green Paper in July 2015, entitled “*Our Health, Our Health Service*”, which sought views on the how the Board Secretary role could be given greater statutory protection and clarity.<sup>26</sup>

35. The Committee refocused its attention on the importance of the role of the Board Secretary highlighting their role as “gatekeepers” of the flow of information to the board and the sharing of the board’s intelligence to other members of staff. Members questioned whether improvements had been secured with regards to timely flows of information through the Board Secretary to the Board Members.

36. Simon Dean, Interim Chief Executive of BCUHB, explained that:

“The role of board secretary is critically important as that bridge between the board and the executive part of the organisation. I think a number of people have responsibilities to make sure that that works effectively. That includes the chair and the chairs of committees, and it includes the chief executive and directors. So, it’s about how that part of the system works, rather than how one individual functions. Clearly, we have further work to do to make sure that that part of our system works in a way that supports the board in the work that it is trying to do, which, in turn, supports the executive in the discharge of its functions.”<sup>27</sup>

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<sup>25</sup> RoP, paragraph 160, 24 November 2015

<sup>26</sup> Welsh Government [Green Paper](#), *Our Health, Our Health Service* (July 2015)

<sup>27</sup> RoP, 17 November 2015, paragraph 137

## Conclusions and Recommendations

We note that tripartite meetings occur between Healthcare Inspectorate Wales, Wales Audit Office and the Welsh Government to discuss health organisations in terms of sharing intelligence and identifying issues. This is explored further in Chapter 3.

**The Committee is concerned that attendance at Board meetings, by some Independent Members at Betsi Cadwaladr UHB, has previously been unsatisfactory, and recommend the Welsh Government works with health boards across Wales to monitor and address non-attendance appropriately with proper consideration of the circumstances.**

**We recommend that all health boards' annual reports must disclose details of board member attendance at board meetings and that a process for the dismissal of persistent non-attenders be developed.**

### Management Processes

37. Members considered the approach taken by ABMUHB in appointing hospital managers to ensure they have management on site rather than at a location some distance away. Members questioned whether this was a form of governance and management that the Welsh Government supports and if so, would it be rolled out to the rest of Wales.

38. Dr Goodall explained that clarity is needed about hospital site arrangements. He highlighted two different operating models, both of which have received positive responses. ABMUHB has introduced site management and BCUHB has area directors. He said that the important thing was for people to know who to report to when authority and governance are needed inside an organisation. He added that if they are successful, they should be shared as good practice, being clear about benefits and outcomes and that it could show whether an organisation has matured sufficiently.<sup>28</sup>

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<sup>28</sup> RoP, paragraphs 65 & 70, 24 November 2015

## Sharing of Good Practice

39. In terms of improving governance arrangement across health boards in Wales, Members queried whether good practice is shared widely.

40. Dr Goodall said it is the responsibility of the Welsh Government to ensure lessons are shared between organisations on how they are expected they perform explaining:

“...there are lots of opportunities to bring that learning together in the NHS Wales context and one of the central team’s responsibilities is to make sure that people have the information to improve services and focus in their organisations.”<sup>29</sup>

41. Members acknowledged that the sharing of good practice had been mentioned many times as being important improving performance but it didn’t seem to be working in practice. Members suggested that “the poorest traveller in Wales is good practice” questioning why this was consistently the case.<sup>30</sup> Members felt that although good guides have been produced repeatedly this had not prevented the status of some health boards being escalated. The Committee believes there is a problem of good governance guides being disseminated but good practice not being embedded sufficiently.<sup>31</sup>

42. Dr Goodall detailed some examples of good practice being shared including looking at international aspects of out-patient services and using the International Consortium for Health Outcomes Measurement.<sup>32</sup>

43. Ms Rochira alluded to the need for a consistent dashboard of key performance measures across health boards and suggested to the Committee that there “should be one core dashboard that health boards use to evaluate how safe and effective care is, and the extent to which it is dignified and compassionate as well”.<sup>33</sup>

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<sup>29</sup> RoP, paragraph 62, 24 November 2015

<sup>30</sup> RoP, paragraph 112, 24 November 2015

<sup>31</sup> RoP, paragraph 114, 24 November 2015

<sup>32</sup> RoP, paragraph 121, 24 November 2015

<sup>33</sup> RoP, paragraph 50, 9 December 2014

## Conclusion and Recommendation

The Committee remains concerned that good practice is not consistently being shared effectively amongst Welsh health boards.

**The Committee recommends that the Welsh Government explore in more detail how it can enhance the sharing of good practice, in relation to good governance, and where possible give greater direction on such practice and monitor compliance with any directions issued.**

## Complaints and concerns

44. In early 2014, the Minister for Health and Social Services, (the Minister), commissioned Keith Evans, former Chief Executive and Managing Director of Panasonic in the UK and Ireland, to review the complaints process in NHS Wales. His report, "*The Gift of Complaints*" published in June 2014, made over 100 recommendations including considering the adoption of a national approach to dealing with certain concerns.<sup>34</sup>

45. In November 2014, the Minister issued a written statement in response to the review by Keith Evans following a period of engagement about Mr Evans' recommendations. The Minister indicated that the actions being taken in response were grouped in three ways:

“...those that can be addressed immediately by NHS organisations; secondly some which require more detailed work and the development of proposals to consider changes to the existing arrangements, specifically aspects of the arrangements that could be undertaken on a national basis, and finally there are a small number which are for consideration in the longer term if the improvements set in train are not achieved. Some of these aspects could, depending on the detail of the proposals developed, also require new legislation.”<sup>35</sup>

46. The Minister referred specifically to work being undertaken by the National Quality and Safety Forum to develop a national complaints dataset and to revise the “Putting Things Right” guidance, including communication to eliminate variation in interpretation and to simplify

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<sup>34</sup> Keith Evans: [Review of concerns \(complaints\) handling within NHS Wales - 'Using the gift of complaints'](#) (June 2014)

<sup>35</sup> Welsh Government [written statement](#) (November 2014)

and make more accessible the complaints process. The Minister identified the development of a model for learning from complaints and the establishment of a public engagement reference group. The Minister also referred to an “IWantGreatCare” approach being piloted at Wrexham Maelor Hospital and the Princess of Wales Hospital Bridgend to capture real time patient and visitor feedback.<sup>36</sup>

47. The Committee explored the quality and safety monitoring undertaken by the Welsh Government and particularly how complaints are identified and escalated. Members wished to establish whether there was any provision within the system to pick up on issues raised in Ministerial correspondence. Janet Davies, the Welsh Government’s Specialist Adviser on Quality and Safety, told the Committee:

“In terms of ministerial correspondence, we don’t routinely share all ministerial correspondence with HIW, but we would take a judgment—I and other members of the team—in terms of, if we’re seeing concerns coming through around care quality or themes emerging, then we would potentially bring that to their attention. So, we do it more on an exception basis than routine.”<sup>37</sup>

48. The Committee questioned whether the use of Ministerial correspondence was based on a judgement call as to what is shared and is not. Members referred to the example of concerns raised by Assembly Members about the quality of mental health care at the Ablett Unit and other mental health care units in north Wales, over a long period of time before action was taken by BCUHB or by the Welsh Government to address these issues.<sup>38</sup>

49. The Welsh Government stated that the Minister received a large volume of correspondence each month and in preparing the responses, Civil Servants are clearly aware of what is in that correspondence and what the emerging issues are. This enables them to identify if there are any trends on a particular issue.<sup>39</sup>

50. Specifically in relation to concerns about mental health care in north Wales, Ms Jordan told the Committee:

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<sup>36</sup> Welsh Government [written statement](#) (November 2014)

<sup>37</sup> RoP, paragraph 254, 24 November 2015

<sup>38</sup> RoP, paragraph 256, 24 November 2015

<sup>39</sup> RoP, paragraph 257, 24 November 2015



“...it was actually some of the issues that we picked up through ministerial correspondence that were one of the first triggers to us in terms of there being some issues that we needed to address. So, correspondence around the Hergest unit, for example, was one of the key triggers for action that we took there even before the board was initially put on some enhanced monitoring under the old escalation things. So, I think it is true to say that we do carefully monitor ministerial correspondence and closely watch the emerging trends and information that’s coming through that.”<sup>40</sup>

51. Members referred to “The Holden Report”, published in 2014. The independent report undertaken by Robin Holden in 2013/14, had examined concerns about the "Management of the Mental Health Clinical Programme Group in their dealings with the Hergest Unit and a variety of other issues relating to the Hergest Unit”.<sup>41</sup>

52. In responding to a question from members of whether the report had been shared with Welsh Government, Ms Jordan, explained that the Holden report had not been shared with the Welsh Government but the contents were not unexpected and the Welsh Government had been aware of some of the issues raised in it. She added that the Welsh Government did not expect a health board to share every whistleblowing concern especially when they know that the Welsh Government is already aware of the issues.<sup>42</sup>

53. However, Members stressed the importance of sharing documentation, that outlines serious concerns, such as the Holden report, particularly given there were clearly issues at the Hergest Unit where patient care was being compromised. Furthermore, a report on mental services at the Tawel Fan Ward and a number of complaints about the Gwanwyn Ward in the Wrexham Maelor Hospital, highlighted significant issues across mental health services in north Wales. Given all of these issues Members asked why no investigatory work had been undertaken to look into these complaints.<sup>43</sup>

54. Members were told that work was still ongoing in terms of the Health and Social Care Advisory Service (HASCAS) investigation at the

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<sup>40</sup> RoP, paragraph 258, 24 November 2015

<sup>41</sup> PAC(4)-32-15 PTN1, 24 November 2015

<sup>42</sup> RoP, paragraph 260, 24 November 2015

<sup>43</sup> RoP, paragraph 261, 24 November 2015

Tawel Fan Ward.<sup>44</sup> In terms of the Gwanwyn Ward, Members were told that the Health Board was still investigating concerns.<sup>45</sup> However, the Committee remained concerned that the findings of such reviews, including the independent review by Donna Ockenden, published in September 2014<sup>46</sup> had been kept within the individual health boards and not routinely shared with the Welsh Government or published for wider learning.

55. In response, Dr Goodall explained:

“It can sometimes depend on the source of it, but, certainly, those that fit within the serious incident reporting mechanism, so they are seen to be the sentinel events, they do come in to us as a matter of routine.”<sup>47</sup>

56. Members were concerned that this process was flawed given its reliance on professionals within the health boards to determine whether an incident is serious and escalating it. This could be seen as a conflict of interest particularly in organisations where there has been an established culture for not raising matters as serious incidents. Members wished to see a systematic approach to ensure that such complaints were adequately dealt with at health board level and if not escalated to the Welsh Government much sooner

57. Dr Goodall stated that the Welsh Government’s expectation is for “health boards to take local responsibility first and the system has to have some trust and autonomy for individual organisations to get on to resolve their local problems and to deal with them in a proper manner”.<sup>48</sup>

58. However, he added “serious incidents would be naturally promoted within the system”.<sup>49</sup> The Committee pursued this matter of incidents only being reported to the Welsh Government if they are deemed to be “serious” in the first instance as otherwise they do not get escalated. For example, it took two years before BCHUB was put into special measures despite the publication of the joint HIW/WAO

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<sup>44</sup> RoP, paragraph 265, 24 November 2015

<sup>45</sup> RoP, paragraph 267, 24 November 2015

<sup>46</sup> [External Investigation into concerns raised regarding the care and treatment of patients Tawel Fan Ward, Ablett Acute mental Health Unit, Glan Clwyd Hospital](#), Donna Ockenden (September 2014)

<sup>47</sup> RoP, paragraph 272, 24 November 2015

<sup>48</sup> RoP, paragraph 272, 24 November 2015

<sup>49</sup> RoP, paragraph 274, 24 November 2015

report in June 2013,<sup>50</sup> which identified serious weaknesses in leadership and governance. However, other attempts to improve the situation were made including additional support and a change of leadership.

59. The Committee asked Dr Goodall whether, with hindsight, he thought it would have been better to put special measures in place when the original report was completed, and if so whether the health board could have been out of special measures by now.<sup>51</sup>

60. Dr Goodall stated it is expected boards will take responsibility for local matters first, the general approach being to have trust and autonomy for local organisations to resolve problems at a local level. He added that serious incidents are promoted in the system as part of the reporting process.<sup>52</sup>

## **Conclusions and Recommendations**

The Committee has concerns regarding the escalation of serious issues identified within health boards. We are concerned that independent reports identifying serious issues within mental health services in north Wales were not shared with the Welsh Government by Betsi Cadwaladr UHB. We are concerned that the process for escalating such issues is reliant on the individual health boards themselves determining whether an issue is serious or not, which we regard as inappropriate.

The Committee feels that Ministerial correspondence and complaints from individuals, can be a valuable resource which should be constantly reviewed for emerging trends and incorporated into an early warning system to prevent issues escalating at a later date.

**We recommend that the Welsh Government require health boards to routinely share with them the outcome of all work commissioned as a result of serious concerns arising from complaints.**

**We recommend that the Welsh Government implements a more systematic approach that ensures that concerns/complaints in the**

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<sup>50</sup> HIW/WAO - [An Overview of Governance Arrangements - Betsi Cadwaladr University Health Board](#) (June 2013)

<sup>51</sup> RoP, paragraph 275, 24 November 2015

<sup>52</sup> RoP, paragraphs 276-277, 24 November 2015

**future are adequately dealt with at health board level, and if not, that these are escalated to the Welsh Government much sooner than is currently the case.**

**We recommend that the Welsh Government should consider installing a central database for dealing with Ministerial correspondence to detect emerging trends and to safeguard against clinical negligence.**

### 3. Governance and Performance of Betsi Cadwaladr UHB

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61. The Wales Audit Office and Healthcare Inspectorate Wales published a follow up review of progress against their recommendations in July 2014<sup>53</sup> which indicated that the Health Board still needed to demonstrate its progress against many of the key concerns that were identified in 2013.

62. In November 2014, the Welsh Government determined that the Health Board's escalation status should be raised from "enhanced monitoring" to "targeted intervention".<sup>54</sup> The reasons for this escalation were concerns relating to:

- significant and negative in-year changes to the financial forecast position for 2014/15;
- the delivery, safety and quality of mental health services; and
- the management and control of capital schemes.

63. The targeted intervention took the form of a diagnostic review by Ann Lloyd, who reported her findings in May of 2015.<sup>55</sup>

64. The Committee took evidence from the Health Board on 24 March 2015. Following the evidence session, the Chair of the Health Board forwarded additional information which covered the trail of discussions within the Health Board relating to Obstetrics and Gynaecology services at Ysbyty Glan Clwyd, work on the Well North initiative, training of board members, performance indicators, and management of capital schemes.<sup>56</sup>

65. On 8 June 2015, the Minister for Health and Social Services indicated that he was placing the Health Board in special measures.<sup>57</sup> The decision was taken following a meeting between senior Welsh Government officials, and staff from the Wales Audit Office and Healthcare Inspection Wales as part of the escalation and intervention framework within NHS Wales.

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<sup>53</sup> HIW/WAO Joint Report - [An Overview of Governance Arrangements - Betsi Cadwaladr University Health Board](#) (July 2014)

<sup>54</sup> PAC(4)-28-14 PTN4, 11 November 2014

<sup>55</sup> Ann Lloyd Report: [BCUHB - Targeted Intervention January/February 2015](#)

<sup>56</sup> PAC(4)-10-15 PTN 10, 21 April 2015

<sup>57</sup> Welsh Government [Written Statement](#) (8 June 2015)

66. On 9th June 2015, Dr Andrew Goodall, Director General and Chief Executive of NHS Wales wrote to the Chair of the Health Board setting out the details of the concerns that had resulted in the decision to place the Health Board into special measures, and later that day the Minister made a statement during plenary highlighting five key areas<sup>58</sup> in which demonstrable improvements were needed as part of special measures:

- on-going concerns about the governance, leadership and oversight of the Health Board, as highlighted in reports by the Auditor General for Wales and Healthcare Inspectorate Wales, and in the work undertaken by Ann Lloyd;
- concerns relating to mental health services, most notably the serious care failings that occurred in the Tawel Fan Ward on the Ablett Unit of Ysbyty Glan Clwyd;
- the need to resolve the issue of consultant-led maternity services at Ysbyty Glan Clwyd, acknowledging the significant challenges associated with quality, safety and sustainability of these services;
- GP and primary care services, and in particular the need to address the concerns identified in a report on out of hours GP services that was commissioned by the Health Board; and
- the need to reconnect and engage with the public, listening to the views of the local population.

67. The Minister indicated that progress against these areas would be reviewed in four months' time.

68. Between late September and early October 2015, staff of the Wales Audit Office and Healthcare Inspectorate Wales undertook high level and targeted review work to gauge the progress being made by the Health Board in these areas of concern. The findings from this work were communicated to the Health Board in a joint letter from the Auditor General and the Chief Executive of Healthcare Inspectorate Wales dated 12 October 2015.<sup>59</sup> The Health Board was given the

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<sup>58</sup> Welsh Government [Oral Statement](#) (9 June 2015)

<sup>59</sup> [Joint letter from Auditor General for Wales and Chief Executive of HIW to BCUHB](#) (12 October 2015)

opportunity to respond to these findings, which it did in the form of a letter from its interim Chief Executive on 20 October 2015.<sup>60</sup>

69. Following a further tripartite meeting between senior Welsh Government officials, and staff from the Wales Audit Office and Healthcare Inspectorate Wales, the Deputy Minister for Health announced on 22 October 2015 that the Health Board would remain in special measures for two years with progress being reviewed every six months. On the 4 November 2015 the Deputy Minister issued a further written statement in which he identified a number of further support arrangements for the Health Board which include the establishment of an improvement team and specific additional expert support for mental health services.<sup>61</sup>

### **Betsi Cadwaladr UHB response to imposition of special measures**

70. Following the Minister's announcement of 8 June 2015, placing the Health Board into special measures, the Board suspended the then Chief Executive Mr Trevor Purt, and the Minister asked Simon Dean, Deputy Chief Executive of NHS Wales to take up Accountable Officer responsibilities for the Health Board with immediate effect, and to assume the role of interim Chief Executive.

71. In addition to the appointment of an interim Chief Executive, the Welsh Government identified three individuals to provide additional expert support to the Health Board as part of the special measures arrangements. These individuals were:

- Ann Lloyd, former Chief Executive of NHS Wales, to assist with the strengthening and governance arrangements and Board effectiveness;
- Peter Meredith-Smith, Associate Director of the Royal College of Nursing in Wales, to support the development of improvements in mental health services; and
- Dr Chris Jones, Chair of Cwm Taf University Health Board, to provide advice and support in relation to GP and primary care services, including out of hours services.<sup>62</sup>

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<sup>60</sup> [Letter from interim Chief Executive BCUHB to Auditor General for Wales and Chief Executive of HIW](#) (20 October 2015)

<sup>61</sup> Welsh Government [written statement](#) (4 November 2015)

<sup>62</sup> Welsh Government [oral statement](#) by the Minister for Health and Social Services (9 June 2015)

72. Mr Dean established 100 day plans in each of the areas of concern that prompted the escalation to special measures. Regular updates on the progress against the 100 day plans were posted on the Health Board's website, and the Health Board's written evidence provided further updates in each of the areas of concern.<sup>63</sup>

73. The joint letter from the Auditor General and Healthcare Inspectorate Wales on progress made since the imposition of special measures, acknowledges that the introduction of 100 day plans provided "a good device to focus attention and galvanise action in the areas that require specific and urgent attention". It also highlighted the importance of maintaining a focus on those areas to achieve and demonstrate tangible improvements.<sup>64</sup>

74. Dr Higson welcome the imposition of special measures stating:

"...it provided much-needed help and support, which the health board has needed for some time. Having special measures for another two years gives us an opportunity to do a fundamental rebuild of the health board, building on the improvements made so far and making sure it's fit for purpose going forward, and fit to deliver the services the people of north Wales deserve."<sup>65</sup>

75. In reference to the 100 day plans, Mr Dean told us:

"The 100-day plans were about providing focus and impetus on some of the key things that we needed to do, many of which involve process, because we need good processes in place in order to allow us to achieve the outcomes that we desire. Much of the process we've put in place has been about supporting staff."<sup>66</sup>

76. In written evidence, BCUHB, provided an overview of progress made at the end of the 100 days period (September 2015) the main work to date has focussed on board governance, mental health, obstetrics and gynaecology, GP Out of Hours and reconnecting with

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<sup>63</sup> PAC(4)-31-15 paper 1, 17 November 2015

<sup>64</sup> [Joint letter from Auditor General for Wales and Chief Executive of HIW to BCUHB](#) (12 October 2015)

<sup>65</sup> RoP, paragraph 7, 17 November 2015

<sup>66</sup> RoP, paragraph 45, 17 November 2015



the public and staff. A detailed position of the progress made is included at appendix 1 of this written evidence.<sup>67</sup>

## **Conclusion**

We considered how the Health Board is responding to having to remain in special measures for a further two years and note the progress reported against its 100 day plans in each of the areas of concern that prompted the escalation to special measures. We also note the further developments at the Health Board following the first 100 days following the implementation of special measures by the Welsh Government.

## **Leadership of the Health Board**

77. In their work to review progress since the imposition of special measures, the Auditor General and HIW highlighted that the board's development activities in recent years had not had the desired effect, and that more work was needed on board etiquette and behaviours to provoke, rather than repress the debate and discussion which is needed at board level.<sup>68</sup>

78. The work undertaken by Ann Lloyd, a former Chief Executive of NHS Wales, had focused on board member skill sets with all board members completing a self-assessment against the "*Well Led Framework*"<sup>69</sup> developed by Monitor.<sup>70</sup> The written evidence from the Health Board indicates that these results will be analysed at the individual and board level to inform further board development work.<sup>71</sup>

79. In its commentary of progress against the recommendations made by the Public Accounts Committee in 2013, BCUHB indicated that during 2014/15, one day a month was committed to an externally facilitated Board Development Programme, which has continued as part of the support provided by Ann Lloyd. Following his attendance at Committee on 24 March 2015, Dr Higson provided further information including details of the externally facilitated board development programme, and which board members had attended the various

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<sup>67</sup> PAC(4)-31-15 Paper 1, 17 November 2015

<sup>68</sup> [Joint letter from Auditor General for Wales and Chief Executive of HIW to BCUHB](#) (12 October 2015)

<sup>69</sup> [Well-led framework for governance reviews: guidance for NHS foundation trusts](#) (updated April 2015)

<sup>70</sup> Sector Regulator for Health Services

<sup>71</sup> PAC(4)-31-15 paper 1, 17 November 2015

sessions. This information showed that attendance at these sessions during 2014/15 by board members was patchy, with some board members sending their apologies for the majority of the sessions.<sup>72</sup>

80. A letter to Simon Dean from the Auditor General and the Chief Executive of HIW highlighted concerns about the pressure that current executive directors were working under, and the need to ensure that there was sufficient capacity below the executive team. The letter also makes reference to executive directors with crucial roles to play becoming increasingly unsettled, and frustrated at the slow pace of organisational change, the culture and behaviours exhibited by the board, and a lack of adequate personal and professional support.<sup>73</sup>

81. In his written statement on 4 November 2015, the Deputy Minister for Health acknowledged the importance of recruiting a substantive Chief Executive to BCHUB, with the necessary vision, leadership and drive to rebuild the confidence of staff, the public and stakeholders in the Health Board, and indicated that the process to recruit was underway.<sup>74</sup>

82. Leadership of the health board is of concern to the Committee and Members wished to establish the current position in respect of the appointment of a substantive Chief Executive at the board. Members raised concerns regarding the recent “stepping down” of previous Chief Executive Mr Trevor Purt and sought to clarify whether he had departed the employment of the health board or not and, if so, what were the terms of his departure.

83. Dr Higson told the Committee:

“Mr Purt has relinquished his role as chief executive, but we have agreed a secondment for Mr Purt to a health organisation in England for a period of 12 months, ending in October next year.”<sup>75</sup>

84. Members were surprised and disappointed to hear that Mr Purt’s secondment to NHS England for a period of 12 months on his current rate of pay as a Chief Executive has been funded by BCUHB. Members

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<sup>72</sup> PAC(4)-12-15 Paper 4, 5 May 2015

<sup>73</sup> [Joint letter from Auditor General for Wales and Chief Executive of HIW to BCUHB](#) (12 October 2015)

<sup>74</sup> Welsh Government [written statement](#) (4 November 2015)

<sup>75</sup> RoP, paragraph 9, 17 November 2015

questioned whether this arrangement represented good value for money for the taxpayer and Dr Higson stated: “I think, in the circumstances we found ourselves in, and the options we had in front of us, this was probably the best value in terms of cost overall, and also in terms of allowing the health board to move quickly to recruit a new chief executive”.<sup>76</sup>

85. The Committee questioned Dr Goodall on whether his views had been sought by BCUHB in agreeing the exit arrangements for Mr Purt. He told us that he had been sighted on the exit arrangements but that the organisation itself, acting as the employer had to review the legal circumstances and the employment rights and work that through. He added:

“They sought professional advice on that—about whether, if they were looking for a secondment arrangement, it would fit with the responsibilities that they have, and there was no need for them to refer that to Welsh Government because it fitted with their responsibilities.”<sup>77</sup>

86. On being questioned on whether these arrangements were thought to be appropriate, Dr Goodall explained:

“I think the arrangements were such that the organisation at least could start to move on. And if the board felt, through its own governance arrangements—not least that I know it would have had to revisit this in its remuneration committee, but I feel it was in the interests of the organisation, given the situation, to actually be able to move on and make a substantive appointment for a chief executive.”<sup>78</sup>

87. The Committee notes that BCUHB have appointed Mr Gary Doherty as the next Chief Executive and that he will take up his appointment on 29 February 2016.<sup>79</sup>

88. The Committee is aware of recent criticisms of the Board and the various calls for certain Board members to resign. However, Members noted the absence of any criticism of the senior managers and

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<sup>76</sup> RoP, paragraph 17, 17 November 2015

<sup>77</sup> RoP, paragraph 87, 24 November 2015

<sup>78</sup> RoP, paragraph 95, 24 November 2015

<sup>79</sup> Welsh Government [written statement](#), 29 January 2016

suggested that where there were weaknesses senior managers with responsibility should be held to account.<sup>80</sup>

89. Mr Dean explained:

“I can only comment on what I’ve observed since I’ve been in the organisation from the beginning of June. But, my view is that senior managers were taking responsibility for the issues that were identified. The organisation has gone through a complete restructuring, from its clinical programme group model that was in place from the inception of the organisation to a new area and hospital team-based model, which was put in place by the now former chief executive. That model was in the process of being implemented. So, we’ve seen a new director of resources brought in, a new chief operating officer, a new director of secondary care, three new area directors, new hospital directors, and new clinical directors in the area teams and the hospital teams. So, the management team has been strengthened at all levels. There is more to do. There is no doubt about that; there is more to do. But that strengthening is there, and the commitment and passion is there from management colleagues as well as from front-line staff delivering care directly to patients.”<sup>81</sup>

## **Conclusions and Recommendations**

The Committee has concerns regarding the terms of departure for the previous Chief Executive of the Health Board, Mr Trevor Purt. We were very surprised to hear that Mr Purt has been seconded to NHS England for a period of 12 months on his current rate of pay as a Chief Executive funded by Betsi Cadwaladr UHB. We do not consider that this arrangement represents good value for money for the Welsh taxpayer.

The Committee questioned the recruitment process used to appoint Chief Executives of health board’s. We believe that it is crucial that health boards are provided with sufficient information on candidates for the posts of Chief Executive through an independent report rather than through references only. We welcome the Welsh Government’s use of “head-hunters” as part of the most recent recruitment of a Chief Executive for Betsi Cadwaladr UHB.

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<sup>80</sup> RoP, paragraph 57, 17 November 2015

<sup>81</sup> RoP, paragraph 58, 17 November 2015

The Committee notes the recent appointment of Mr Gary Doherty as the next Chief Executive of Betsi Cadwaladr UHB.

**The Committee recommends that the Welsh Government review the process for Chief Executive appointments in the Welsh NHS to reduce the reliance on references provided by personal referees provided by applicants.**

**The Committee recommends that the terms of departure for all senior managers in the Welsh NHS are monitored by the Welsh Government and that departure terms, which it does not consider represent value for money for Welsh taxpayers, are expressly prohibited from proceeding.**

### **Governance arrangements and management structures**

90. The letter from the Auditor General and Chief Executive of HIW pointed to the fact that BCUHB still has work to do in respect of some fundamental aspects of board governance, namely the re-development of its board assurance framework and the corporate risk register, alignment of board and committee meeting dates, critically appraising the changes to its committee structures that were brought in last year, and ensuring effective operation of key committees such as the Integrated Governance and Quality Safety and Experience Committee.<sup>82</sup>

91. In his response to the letter from the Auditor General and HIW, Mr Dean points to a number of developments in relation to quality improvement and assurance but acknowledges that it would now be timely to review the effectiveness of these, including the role of Quality and Safety Committee.<sup>83</sup>

92. Members sought clarity from Dr Higson on concerns raised in the letter from the Auditor General and Chief Executive of HIW regarding the operation of the Quality and Safety Committee, he explained:

“The quality of the papers and the information has improved immensely, but there are still weaknesses there. There are still weaknesses in terms of—. I think, also, committee chairs and I

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<sup>82</sup> [Joint letter from Auditor General for Wales and Chief Executive of HIW to BCUHB](#) (12 October 2015)

<sup>83</sup> [Letter from interim Chief Executive BCUHB to Auditor General for Wales and Chief Executive of HIW](#) (20 October 2015)

have no compunction whatsoever in terms of not taking papers unless we feel they're fit for purpose.”<sup>84</sup>

93. More generally, BCUHB had previously sought to enhance the working of its committees through the external recruitment of ten ‘Committee Advisors’ to support the existing cadre of Independent Members. An evaluation of the impact of these advisors and a wider review of the Health Board’s committee structure form part of the work on governance that Ann Lloyd has been leading on. Mrs Lloyd’s recommendations on the future of the current committee structure and Committee Advisors was presented to the board on 23 October 2015.

94. The Committee referred to concerns it had raised previously with regards to the insufficient capacity of independent Board members and that although Mrs Lloyds review had found that the Board now had the right people on it with the right skills there were still [at the time of her report] independent advisors alongside the Board. The Committee sought to clarify whether these independent advisors were still needed and whether any assessment has been undertaken to evaluate their impact. Dr Higson said:

“...they [the Committee advisors] were there to provide a different set of perspectives and skills, which we felt would be complementary to the board as it was a year ago. They were recruited through open competition, through interview, and over the last two or three months, we have carried out an evaluation of how they’ve worked and we are going to be discussing that again next week in terms of going forward—is there still a role there, and if there is, what kind of role would that be?”<sup>85</sup>

95. Dr Higson subsequently wrote to the Committee with an Evaluation of the Committee Advisers use and total costs to date. The evaluation found that although Committee Advisers have a vast range of professional experience and expertise, greater impact would be achieved if the Health Board draws on them as necessary for individual

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<sup>84</sup> RoP, 17 November 2015, paragraph 130

<sup>85</sup> RoP, 17 November 2015, paragraph 141

expert advice and input. The role of Committee Adviser at BCUHB was stood down with effect from 31 December 2015.<sup>86</sup>

## **Conclusions and Recommendations**

The Committee explored concerns raised in the letter from the Auditor General and Chief Executive of Healthcare Inspectorate Wales regarding the operation of the Quality and Safety Committee at BCHUB. We note the developments in relation to quality improvement and assurance that have been made and welcome the Health Board's acknowledgement that it would now be timely to review the effectiveness the role of the Quality and Safety Committee.

We considered the recruitment process for the selection of independent board members and welcome the Welsh Government's strengthening of these processes to ensure individuals have the right skills to undertake the independent member role. However we note that Betsi Cadwaladr UHB have taken a decision to terminate the role of independent advisors. We believe that if the recruitment process for board members is sufficiently robust there should be no requirement to draw on additional expertise to boost the capacity of health board membership.

The Committee has concerns regarding the automatic re-appointment process for independent members wishing to serve a further term of office as we believe this could prevent a balanced mix of experience and new skills within the composition of boards being achieved.

**We recommend that the Welsh Government take into account the evaluation of independent advisors undertaken by Betsi Cadwaladr UHB and if the arrangements are found to have worked well, consider establishing a framework for the use of independent advisors across health boards.**

**The Committee recommends that the Welsh Government develop a national suite of quality and safety indicators to support health boards in delivering high quality care and to promote early identification of safety concerns.**

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<sup>86</sup> PAC(4)-01-16 Paper 4, 12 January 2016

**We recommend that the Welsh Government review the re-appointment process for independent board members to enable re-appointments to be made on a case by case basis depending on the balance and composition of independent board members.**

### **Financial Management at BCUHB**

96. This Committee's report on governance arrangements at BCUHB contained a recommendation aimed at getting assurances that the practices of budget holders within the Health Board giving "caveated" sign up to budgets had been discontinued.<sup>87</sup> In its update on progress against this recommendation, BCUHB has indicated that Accountability Agreements have been developed as a mechanism to formal sign off of budgets for 2015/16. The Health Board's response goes on to indicate that "work continues with all registered budget managers across the Health Board to complete and sign the agreements".<sup>88</sup>

97. The Health Board's update on budget planning highlights the significant financial risks and challenges that the organisation is facing, and records that in October 2015, a financial year end deficit of £30 million was being forecast. That forecast was predicated on a budget deficit of £14.2 million as a planning assumption, and non-delivery of planned savings amounting to £12 million.<sup>89</sup>

98. The update also makes reference to the fact that it has been looking to identify what further actions it could take to mitigate the financial risks it holds. These include "assessing further actions which could be taken to reduce expenditure within the financial year from both top down and bottom up initiatives, while obviously ensuring that they do not adversely affect patient care".<sup>90</sup>

99. Members referred to the financial position at BCUHB and that the board had failed to present a three-year financial plan within the designated timescale. Members highlighted the £26.6 million deficit for 2014-15 and the additional forecasted deficit of £30 million for the current financial year and questioned whether it would be possible to reduce this deficit within the three year period.<sup>91</sup>

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<sup>87</sup> Public Accounts Committee Report - [Governance Arrangements at Betsi Cadwaladr University Health Board](#) (December 2013)

<sup>88</sup> PAC(4)-31-15 Paper 1, 17 November 2015

<sup>89</sup> PAC(4)-31-15 Paper 1, 17 November 2015

<sup>90</sup> PAC(4)-31-15 Paper 1, 17 November 2015

<sup>91</sup> RoP, paragraph 191, 24 November 2015



100. Martin Sollis, the Welsh Government Health and Social Services Department's Director of Finance, explained that some of the costs currently being incurred were support costs that need to be funded and that there were opportunities to turn the financial position around at BCUHB. However, these opportunities are more long term rather than short term. Reference was made to the Minister for Health and Social Services' statement to the Finance Committee that it was unlikely that the deficit would be turned around within the three year arrangement.<sup>92</sup>

101. Mr Sollis added that it was difficult to financially plan without having a strategic and work force plan in place first adding:

“...one of the reasons that they were first escalated in financial terms was because of that absence of a plan... raised in the Ann Lloyd report. Without those three pillars—the strategic element, the workforce element, and other issues—we won't get them into the sustainable position. That's exactly why we have to put the special measures actions in place and support them.”<sup>93</sup>

102. Members were also told of the importance of ensuring that the quality of care and patient care continues and that financial decisions were not taken that would impinge on this. It was explained that as part of the special measures was to support the Health Board, monitor very closely and putting in the relevant support where it's needed to ensure the Health Board reaches a sustainable position.<sup>94</sup>

103. Members questioned Mr Dean on why the planned savings would not be achieved by the Board who said:

“...the original plan was to achieve 4.5 per cent savings this year, which is a significant undertaking. The current level of savings that have been achieved is 3.6 per cent, which, again, is quite a significant proportion of savings to be achieved. You may have seen recently comments from across the border where NHS England is saying that provider organisations should not be expected to achieve more than a 2 per cent

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<sup>92</sup> RoP Finance Committee, paragraphs 17-26, 11 November 2015

<sup>93</sup> RoP, paragraph 192, 24 November 2015

<sup>94</sup> RoP, paragraph 193, 24 November 2015

saving each year. So, 3.5 per cent is a good level of saving to achieve.”<sup>95</sup>

“Mr Dean went on to explain areas that were proving challenging were specialist that relied on the expertise of Locum Staff such as Mental Health and Acute Services. He stated everything would be done to reduce deficit but not at the expense of patient care.”<sup>96</sup>

“Members asked what further action could be taken to reduce expenditure, and whether it included cutting back on delivery of planned services especially patient care. Mr Dean said the deficit for this year will be about £30 million, approximately the same as last year. He was keen to point out that the ‘problem was not growing’ and patient care should not be affected. He explained that he is currently challenging the organisation on plans for services that would allow for longer term planning delivering services within the budget coupled with a reduction in locum staffing.”<sup>97</sup>

## **Conclusions**

We note the financial position at Betsi Cadwaladr UHB and that the board has failed to present a three-year financial plan within the designated timescale.

We note the £26.6 million deficit for 2014-15 and the projected additional deficit of £30 million for the current financial year. We acknowledge that opportunities to turnaround the financial position are more long term rather than short term but stress the importance of ensuring that the quality of care and patient care continues and that financial decisions are not taken to undermine this.

## **Mental health services**

104. There have been well publicised failings in the BCUHB’s mental health services, most notably the shocking treatment of patients at the Tawel Fan Ward in the Ablett Unit of Ysbyty Glan Clwyd as set out in

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<sup>95</sup> RoP, paragraph 181, 17 November 2015

<sup>96</sup> RoP, paragraph 183, 17 November 2015

<sup>97</sup> RoP, paragraph 187, 17 November 2015

the independent review report by Donna Ockenden, published in September 2014.<sup>98</sup>

105. The Health Board acted promptly and appropriately, immediately following the publication of the Ockenden Report, in relation to the Tawel Fan Ward. Full and public apologies were made, and Donna Ockenden's final report was shared immediately with North Wales Police, who commenced an investigation. In May 2015 the police, in conjunction with the Crown Prosecution Service, announced that no criminal prosecutions would be brought.

106. In his written statement on 4 November 2015, the Deputy Minister for Health stated that the improvement of mental health services continues to be a key priority for the Health Board under special measures. The Deputy Minister for Health announced that external consultants with a proven track record will be brought in to accelerate the development of a long term mental health strategy services in north Wales. He also announced a number of key appointments to BCUHB who will lead work to develop a new mental health governance framework.<sup>99</sup>

## **Conclusions and Recommendation**

The Committee notes the follow up work being undertaken in relation to mental health services in north Wales following the shocking treatment of patients at the Tawel Fan Ward in the Ablett Unit of Ysbyty Glan Clwyd alongside serious identified at the Hergest Unit at Ysbyty Gwynedd and the Gwanwyn ward in the Wrexham Maelor Hospital.

We note the commitment to appoint of a new Director of Mental Health Services and the creation of an improvement team within Betsi Cadwaladr UHB, which we hope will secure the essential improvements needed to mental health services across north Wales.

**We recommend that Betsi Cadwaladr UHB provide an update to our successor Committee in the fifth Assembly on progress towards improving mental health services by June of 2016.**

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<sup>98</sup> [External Investigation into concerns raised regarding the care and treatment of patients Tawel Fan Ward, Ablett Acute mental Health Unit, Glan Clwyd Hospital](#), Donna Ockenden (September 2014)

<sup>99</sup> Welsh Government [written statement](#) (4 November 2015)

## Out of Hours GP Services

107. A review of GP “Out of Hours” services in north Wales by Partners4Health in February 2015 highlighted significant problems with the sustainability of the service leading to low morale amongst staff and failure to achieve key national quality of service standards. Problems with availability of staff and unacceptable variations in management systems and processes across North Wales were key findings of the review.<sup>100</sup>

108. In written evidence, BCHUB has reported a number of positive developments within GP Out of Hours services linked to the recruitment of additional doctors, nurses and paramedical staff, significantly enhanced performance management, strengthened governance and accountability arrangements, and better working between Out of Hours services and Emergency Departments.<sup>101</sup>

109. BCUHB indicated that the work led by Dr Chris Jones as part of the special measures support has been a catalyst for continued improvement but also acknowledged that significant further work is going to be needed to secure safe and sustainable services in the longer term. As an example, whilst the Board reports significant improvements in its ability to fill GP rotas, it acknowledged that there can still be occasions when there is less GP availability than planned.<sup>102</sup>

110. In written evidence, the Committee was informed that the GP Out of Hours Service across north Wales continues to be developed and monitored to improve access and quality. Performance in relation to timeliness of response and access to appointments and home visits is reviewed daily. We were also told that in addition to home visits, GP Out of Hours services are provided at 8 locations across north Wales, 3 of which are co-located in on the main hospital sites.

111. Furthermore, written evidence from BCUHB informed us:

“The rota position for GPs and Nurse Practitioners continues to improve, with between 77% and 98% coverage of shifts across

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<sup>100</sup> [Review of General Practitioner Out of Hours Medical Services](#), Partners4Health (March 2015)

<sup>101</sup> PAC(4)-31-15 paper 1, 17 November 2015

<sup>102</sup> PAC(4)-31-15 paper 1, 17 November 2015

North Wales and additional GP shifts being booked to manage expected increase in demand over the Bank Holiday period.”<sup>103</sup>

112. Wider primary care challenges facing the Health Board were recently illustrated by two GP practices in the Prestatyn area choosing to terminate their contract with the Health Board following an inability to recruit GPs to replace those who have chosen to retire. The termination of these practices’ contracts means that the Health Board will need to establish alternative mechanisms of providing general practice services for over 20,000 patients from next April.<sup>104</sup>

113. In providing an update in the Boards proposals for Primary Care, the Committee were told that currently BCUHB is managing three GP practices in Blaenau Ffestiniog, Gyffin (Conwy) and Beechly in Wrexham. The Gyffin practice will return to independent contractor management in April 2016 and the Health Board will take over management of GP services in Prestatyn and Rhuddlan. A new model of primary care is being developed for the area which will be managed by BCUHB.<sup>105</sup>

114. The health board has commissioned a primary estates condition survey which will provide the baseline information to prioritise future new developments and estate improvements.<sup>106</sup>

## **Conclusions and Recommendations**

The Committee are concerned with the variance between the rota position for GPs and Nurse Practitioner of 77% - 98% coverage of shifts across north Wales.

We note the Health Board has commissioned a primary estates condition survey which will provide the baseline information to prioritise future new developments and estate improvements.

We acknowledge and welcome the Minister for Health and Social Services and the Deputy Minister for Health pledge to issue regular updates on the progress the health board is making whilst in special measures.

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<sup>103</sup> PAC(4)-31-15 paper 1, 17 November 2015

<sup>104</sup> PAC(4)-31-15 paper 1, 17 November 2015

<sup>105</sup> PAC(4)-01-16 paper 4, 12 January 2016

<sup>106</sup> PAC(4)-31-15 paper 1, 17 November 2015

**The Committee does not believe that GP Out of Hours coverage is acceptable in Betsi Cadwaladr UHB and we recommend the Health Board urgently addresses this.**

**The Committee recommends that all health boards undertake comprehensive reviews of primary care estate and that they prepare plans to improve accommodation for primary care services and review these plans regularly.**

**The Committee recommends that our successor Committee to in the fifth Assembly, monitors the progress Betsi Cadwaladr UHB makes during the period of special measures including GP Out of Hours services**

## 4. Role of Healthcare Inspectorate Wales (HIW)

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115. As part of the Committee's continued monitoring of health board governance, we have also considered an overview of the work of HIW.

116. The Assembly's Health and Social Care Committee published the outcomes of a short inquiry into the work of HIW in March 2014,<sup>107</sup> recommending that the Welsh Government should undertake an urgent and fundamental review of HIW to reform, develop and improve its regulatory and inspection functions.

117. In response to the Health and Social Care Committee's report, the Welsh Government commissioned an independent review, led by Ms Ruth Marks, former Older People's Commissioner for Wales. She was asked to:

- make recommendations about any immediate actions she felt should be put in place ahead of any legislative changes which may be required;
- develop proposals to inform a future Green Paper setting out the scope of a future Bill.

118. Ruth Marks' independent review of the work of HIW, *The way ahead: to become an inspection and improvement body*, (The Marks review) was published in January 2015.<sup>108</sup>

119. Progress against the recommendations of the Marks review of HIW.

120. Witnesses emphasised what they saw as good progress achieved by HIW against the review recommendations. Dr Goodall said:

"In terms of how its work programme has moved on, they've stabilised recruitment, brought people in and changed their ways of working. I said earlier that they've increased their level of activities. They're proposing to increase that level of

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<sup>107</sup> Health and Social Care Committee, The work of the Healthcare Inspectorate Wales, March 2014

<sup>108</sup> Ruth Marks - [The way ahead: to become an inspection and improvement body](#), (January 2015)

activities in this year, so I think the coverage has certainly increased.”<sup>109</sup>

121. Dr Kate Chamberlain, Chief Executive of HIW (Dr Chamberlain), supported this view, saying that HIW had achieved progress in a number of key areas; increased inspection activity and better targeting of inspections, the production of annual reports on health boards, better relationships with stakeholders, a more focused annual summit process to share intelligence on health boards with other regulators, increased inspections in primary care and better HIW advisory structures.<sup>110</sup>

### **Conclusions and recommendations**

The Committee recognised it was not possible to consider progress against all 42 recommendations contained in the Marks review, but noted the key developments.

The Committee had concerns in a number of key areas; communication, joint working with other stakeholders and weaknesses in the way HIW made use of intelligence and early warning systems to inform their inspection and follow-up. The Committee also felt that performance issues regarding the turnaround time for inspection reports and how HIW ensured its independence of action needing addressing.

The Committee was concerned that relatively straightforward areas where progress could have been made, such as improvements to the website and access to reports on the site, still remained outstanding.

**The Committee recommends that Healthcare Inspectorate Wales and the Welsh Government provide an update on progress achieved against the Marks review recommendations, including the identification and delivery of any immediate and more straightforward priorities by March 2016.**

### **HIW’s inspection and performance regime**

122. The Committee received evidence of how HIW has developed its inspection programme. During 2015-16 HIW moved from in-depth single ward visits to inspections of departments or a specific service

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<sup>109</sup> RoP, paragraph 6, 24 November 2015

<sup>110</sup> RoP, paragraphs 6, 9 & 18, 10 November 2015 & PAC(4)-30-15 paper 1, 10 November 2015



area within health boards. These inspections focused on the quality of the patient experience, delivery of safe and effective care and the quality of management and leadership.<sup>111</sup>

123. In its 2014-15 Annual Report, HIW set out that it had significantly increased its visibility in the NHS and ensured that its findings were reported in a timely fashion.<sup>112</sup> During 2014/15 HIW conducted 46 Dignity and Essential Care (DECI) inspections and 6 follow up inspections within health boards throughout Wales - an increase on the 8 HIW DECI inspections in 2013/14. The Committee also heard that HIW had put an increased emphasis on primary care inspections, including 77 dental practices and 34 General Medical Practices.

124. Dr Chamberlain explained that whereas in 2013-14 HIW had undertaken 50 single ward inspections, for 2014-15:

“...we will, for example, go in and look at women and children’s health within a health board, and we will visit a number of different sites and a number of different settings. During the course of those inspections, we will look at the type of issues that we raised previously to find out whether we are still finding those issues within other services, because that, for me, is a key test of the extent to which an organisation is learning, improving and making sure that issues that are identified aren’t replicated elsewhere.”<sup>113</sup>

125. Mr Alun Jones, HIW’s Director of Inspection, Regulation and Investigation (Mr Jones), endorsed this:

“...you might go back to the same ward, but if we’re looking at other wards we would seek to confirm whether or not the health board has learnt from our inspection last year and dealt with that issue across the whole health board...”<sup>114</sup>

126. However, Dr Chamberlain set out that HIW was only one tier of a service assurance system, which rested also on the first tier of individual clinical responsibility, the second tier at Board level and the third tier which is provided by regulators such as HIW. She emphasised

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<sup>111</sup> PAC(4)-30-15 paper 1, 10 November 2015

<sup>112</sup> Healthcare Inspectorate Wales, [Annual Report 2014-15](#) (page 6)

<sup>113</sup> RoP, paragraph 85, 10 November 2015

<sup>114</sup> RoP, paragraph 86, 10 November 2015

the role clinical professionals played as part of inspection teams<sup>115</sup> but stated:

“...we are not everywhere. We cannot be everywhere, and we cannot follow up on every individual recommendation or every individual inspection that we do because we simply don't have the capacity. That's why we are trying to do so much more in terms of drawing out the themes and issues from what we do and referring on to other bodies, cross-referring with other bodies, so that we can make the best use possible of the capacity that exists in that landscape.”<sup>116</sup>

127. The Committee noted the increased number and range of inspections undertaken by HIW. We remain concerned, nonetheless, about the ability of HIW inspections to identify areas where there is poor practice and inconsistency in services; for example, in the case of Tawel Fan ward in BCUHB it was difficult to understand how inspectors visited the ward and did not notice or report fundamental problems in terms of care provided.

128. The Committee agreed also there is a need for improved performance in HIW's turnaround of inspection reports. In 2014-15 only 61% of draft inspection reports were produced within the 3 week target; only 67% of final reports with accompanying action plans were published on the HIW website within the target of 3 months,<sup>117</sup> although performance had improved to around 72% during 2015.<sup>118</sup>

129. In his evidence to the Committee, Mr Jones acknowledged the importance of getting timelier reports into the public domain.<sup>119</sup> He reported that failure to achieve the targets was due to several factors, including the need for full team and health board input into reports, increased numbers of inspections, workload prioritisation within HIW, staffing illness and availability or other operational difficulties.<sup>120</sup>

## **Conclusions and recommendations**

The Committee believes Healthcare Inspectorate Wales performance for publishing inspection reports promptly and the reasons given for

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<sup>115</sup> RoP, paragraphs 90, 91 & 93, 10 November 2015

<sup>116</sup> RoP, paragraph 109, 10 November 2015

<sup>117</sup> Healthcare Inspectorate, [Wales Annual Report 2014-15](#) (page 40)

<sup>118</sup> RoP, paragraph 236, 10 November 2015

<sup>119</sup> RoP, paragraph 234, 10 November 2015

<sup>120</sup> RoP, paragraphs 232, 234, 236, 237, 10 November 2015

delays are unacceptable. Putting robust and accurate reports into the public domain in a timely fashion is vital. Indeed, it is difficult to track Healthcare Inspectorate Wales performance on publishing reports; reports on the Healthcare Inspectorate Wales website show the date of the inspection but not the date of publication.

**We recommend that strengthened performance management and reporting processes are put in place in relation to the preparation and publication of inspection reports, to ensure that Healthcare Inspectorate Wales meets and delivers its reporting targets.**

**We recommend that published Healthcare Inspectorate Wales inspection reports should include a publication date, to enable increased transparency of reporting and accountability.**

### **Relationships with Community Health Councils (CHCs)**

130. The Marks review recommended that HIW ensure greater collaboration with other agencies such as WAO, Care and Social Services Inspectorate Wales (CSSIW) and especially Community Health Councils (CHCs). This would enable sharing of intelligence as well as enhancing the impact of and better co-ordination of inspections.<sup>121</sup>

131. Dr Chamberlain explained how HIW carries out joint working, including the annual healthcare summits, the representation from professional and patient organisations - including CHCs and CSSIW - on its Advisory Board as well as joint working and information sharing concordats with partner agencies.<sup>122</sup>

132. The Committee is aware that the relationship with CHCs – the bodies representing the patient’s voice – is a key one for HIW. Dr Chamberlain felt the relationship with CHCs in particular had improved and enhanced the HIW focus on patients:

“...we have the operating protocol (*with CHCs*) in place that says how we’re going to work together, but, actually, there’s always a risk that things like that become documents—they don’t become a part of working practice. Now, within HIW, we’ve introduced a system of what we call relationship managers. So, there is a senior manager who is responsible for

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<sup>121</sup> Ruth Marks - [The way ahead: to become an inspection and improvement body](#), paragraphs 277-8 (January 2015)

<sup>122</sup> RoP, paragraphs 18, 19, 20 & 23, 10 November 2015

each of the NHS health bodies and maintains their ongoing intelligence about what's happening in that area. That's been very effective in terms of developing local working relationships with the chief officers of the community health councils. I wouldn't say it's perfect yet, and I'm sure Community Health Councils wouldn't, but we are beginning to see a much stronger flow of intelligence between the two bodies."<sup>123</sup>

133. Dr Chamberlain reported that HIW and CHCs had undertaken a series of joint visits to GP surgeries across Wales<sup>124</sup> and an updated Operating Protocol between HIW and CHCs had been agreed in March 2015 to support improved information-sharing:

"The communication is now much more structured, much more regular, and we do have a better common understanding of the respective roles of our organisations."<sup>125</sup>

134. At the same time, Dr Chamberlain recognised there was still progress to be made; she reported that HIW routinely shares all their reports with CHCs under embargo, but not all CHCs are routinely sharing their inspection reports with HIW. The Committee heard that neither of the witnesses from HIW were aware of HIW having received over 30 inspection reports from BCUHB which identified concerns in relation to older people's mental health services and a number of reports from the same CHC relating to GP out of hours services.<sup>126</sup>

135. The Committee subsequently received correspondence from both HIW and Betsi Cadwaladr CHC, who took very differing views about where and whether information had been shared on these services. The Committee does not intend to arbitrate between or attempt to resolve differing versions of events. Our view is that it is vital that agreed information-sharing processes between HIW and CHCs operate effectively and work in both directions. We agree with Dr Goodall who stated:

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<sup>123</sup> RoP, paragraph 25, 10 November 2015

<sup>124</sup> [HIW "General Practice Inspections Pilot 2014-15: Thematic Analysis"](#) (page 4) (May 2015)

<sup>125</sup> RoP, paragraph 46, 10 November 2015

<sup>126</sup> RoP, paragraphs 57-60, and 68, 10 November 2015

“I would expect important information like that to be in the system.”<sup>127</sup>

136. The Committee heard from both HIW and Welsh Government Officials about the value - in identifying areas for service improvement - of complaints data held by health boards, CHCs and the Public Services Ombudsman. Dr Chamberlain referred to complaints information as “an absolute goldmine” in terms of identifying trends and the location of issues which the NHS can learn from.<sup>128</sup> We are concerned, however, that the sharing of complaints information is inconsistent, does not occur routinely and would be a significant challenge for HIW in terms of managing a large amount of data.

137. Reflecting on the value of partnership working in regulation and inspection, the Committee also heard at an earlier session from Sarah Rochira, the Older People’s Commissioner for Wales. She told the Committee about her support for strong CHCs, their value as the patient voice and the need to see them properly resourced and invested in.<sup>129</sup> She stressed the importance of CHCs in identifying at an early stage where there are poor quality services and providing a voice to drive strategic improvement in healthcare.

138. Ms Rochira also discussed her own relationship with CHCs:

“I would like to see the relationship stronger than it is at the moment; I think there is more that we can do as two bodies to share the information and advice that we give, and also the pressure that we have to drive forward on that change.”<sup>130</sup>

## **Conclusions and recommendations**

The Committee recognises the improved working relationship between Healthcare Inspectorate Wales and other partners. However, there remain areas that need attention, especially around practical joint working between Healthcare Inspectorate Wales and Community Health Councils. The establishment of Healthcare Inspectorate Wales relationship managers is welcomed, but questions remain about how effectively this model is working in terms of liaising with health boards

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<sup>127</sup> RoP, paragraph 252, 24 November 2015

<sup>128</sup> RoP, paragraph 73, 10 November 2015

<sup>129</sup> RoP, paragraphs 86-87, 9 December 2014

<sup>130</sup> RoP, paragraph 86, 9 December 2014

and Community Health Councils across Wales. Equally, sharing of data is an area that needs further attention.

The Welsh Government Green Paper 'Our Health, Our Health Service' (July 2015) sought views on the potential for improved Healthcare Inspectorate Wales and Care and Social Services Inspectorate Wales joint working and a revised shape of healthcare inspection. We believe that better joint working and information-sharing is needed across health and social care regulators and inspectors. Consultation on the Green Paper ended in November 2015 and we await the outcome of the consultation process.

**We recommend that Healthcare Inspectorate Wales and Community Health Councils jointly develop and implement plans to ensure better working relationships; the 2015 Operating Protocol should be reviewed, to identify how it is working in practice, to address areas for improvement and ensure effective and timely sharing of information.**

**We recommend that HIW agree with health boards' processes for securing Healthcare Inspectorate Wales timely and regular access to summarised complaints data from health boards, to inform their work.**

**We recommend that an electronic solution is put in place to enable Assembly Members to contact the Chief Executive of Healthcare Inspectorate Wales directly.**

### **The gathering and use of intelligence**

139. The Committee supports the stance of the Marks review that it is impossible for HIW to carry out intelligence-led inspections based on the management of risk unless HIW has reliable data.<sup>131</sup>

140. Evidence to the Committee indicated that HIW's priorities are driven by several factors, including statutory requirements, work commissioned by others, knowledge of performance trends and previous work, nationally recognised priorities and intelligence gathered by HIW itself and from other organisations.<sup>132</sup>

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<sup>131</sup> RoP, paragraph 26, 10 November 2015 & Ruth Marks - [The way ahead: to become an inspection and improvement body](#), paragraph 296 (January 2015)

<sup>132</sup> [HIW Operational Plan, 2015-16](#)

141. The Committee heard from Dr Chamberlain on some of the ways in which HIW gathers its intelligence; again, there is a significant focus on the value of working closely with other agencies, including involvement in health board Quality and Safety Committees and scrutiny of health board self-assessments.<sup>133</sup>

“...we have concerns that are coming into us, which we will also track; we will talk, on a regular basis, to the Chief Officers to find out what concerns are coming in to them through the Community Health Councils...and finding out what sort of information they already have...”<sup>134</sup>

142. Dr Chamberlain added:

“...early warning systems, I think, are less likely to be effective if they are wholly reliant on data and numbers than if they are, particularly in an environment like Wales, dependent upon relationships and people talking to each other, and being able and willing to share things that they’re concerned about, before it gets to the point of being reflected in the numbers.”<sup>135</sup>

## **Conclusions and recommendations**

The Committee feels there are weaknesses in the way Healthcare Inspectorate Wales gathers and utilises intelligence. Healthcare Inspectorate Wales has around 60 whole time equivalent (wte) staff, with 3.5 wte staff in its Intelligence Team who obtain, analyse and provide the data and intelligence to support the inspection process.

The Committee believes that there are opportunities which have not been fully explored for better joint working with partner agencies in sharing, using and analysing intelligence. This is especially needed to ensure early warning systems can highlight potential areas of concern.

Healthcare Inspectorate Wales has been criticised in the past for failing to identify key pressure areas at an early stage, including in-patient services in Abertawe Bro Morgannwg UHB and Betsi Cadwaladr UHB and the ability of Healthcare Inspectorate Wales to identify and respond to evidence of poor quality care is a concern.

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<sup>133</sup> PAC(4)-30-15 Paper 1, 10 November 2015

<sup>134</sup> RoP, paragraph 29, 10 November 2015

<sup>135</sup> RoP, paragraph 30, 10 November 2015

The Marks review sets out how Scotland and England are harnessing clinical and other data to inform their inspection regimes. We believe there is potential for greater learning within Healthcare Inspectorate Wales from working practices elsewhere, and the organisation must ensure that it responds to those learning and developmental opportunities.

**We recommend that Healthcare Inspectorate Wales puts in place focused, robust and effective arrangements with partner agencies to improve joint working and learning, better developing shared intelligence resources to support the inspection work of HIW and others.**

### **Escalation processes and the independence of HIW**

143. The Marks review noted that stakeholders viewed HIW as insufficiently independent from Welsh Government; the review recommended consultation on options for visibly strengthening HIW independence.<sup>136</sup> The Welsh Government has sought views on this in the recent Green Paper.<sup>137</sup>

144. Dr Chamberlain noted that HIW determined its own work programme, priorities and actions from inspections independently of Welsh Government. The Committee believe this independence should be not just maintained, but given statutory backing.

145. The current NHS Wales Escalation and Intervention processes (March 2014) have tri-lateral arrangements involving HIW, Welsh Government and the Auditor General. Dr Chamberlain confirmed that similar tripartite arrangements exist for earlier stages, including enhanced monitoring arrangements for health boards, and also confirmed that there had been no occasions where Ministers had not accepted HIW advice to escalate.<sup>138</sup> However, HIW does not have the ability to independently put a health board into special measures.

### **Conclusion and Recommendation**

The Committee welcomes the green paper and feel it represents an important opportunity both for stakeholders' views to be heard and to

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<sup>136</sup> Ruth Marks - [The way ahead: to become an inspection and improvement body](#), paragraphs 152-5 (January 2015)

<sup>137</sup> Welsh Government [Our Health, Our Health Service](#) (2015)

<sup>138</sup> RoP, paragraphs 288-94, 10 November 2015



ensure there is clarity on how the continued independence of Healthcare Inspectorate Wales is maintained and guaranteed.

**We recommend that Welsh Government take into account the outcome of the consultation on the Green Paper and agree a prompt, appropriate and statutory response in terms of ensuring the visibly independent position of Healthcare Inspectorate Wales.**

### **Resourcing of HIW and the role of inspectors**

146. Dr Chamberlain told the Committee that she was “not uncomfortable with the remit that we (*HIW*) currently have” and:

“...The various functions that we have—whether they are the responsibilities for general assurance of the NHS, for regulation and inspection of the independent sector, or our specific responsibilities under the Mental Health Act 1983—do form part of a coherent whole. So, our remit, as articulated, in effect, is coherent and it is the right sort of remit.”<sup>139</sup>

147. The Committee noted Dr Chamberlain’s view that the organisation has insufficient staff to undertake its roles and responsibilities.<sup>140</sup> We do not accept that view but believe there are unexplored opportunities for better joint working with partner agencies in Wales and across the UK to develop more co-ordinated responses to delivering an effective inspection regime.

148. The Committee also heard evidence about the role of professional and lay assessors in HIW’s work and were concerned about the recent decision of HIW to cease paying its lay assessors. Dr Chamberlain set out that HIW was a relatively small organisation in terms of paid permanent staff:

“...there’s a number of reasons for moving to voluntary lay reviewers. I’m not saying that the financial benefits of that aren’t something that were taken into account, but I think there are also benefits in terms of making sure that we have a wide panel of volunteers who we can use quite broadly and we’re aligning ourselves with other organisations, third sector, thinking about how we can bring these people in on a slightly less formal and contracted basis. There’s also always a risk

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<sup>139</sup> RoP, paragraphs 190 & 193, 10 November 2015

<sup>140</sup> RoP, paragraph 127, 10 November 2015

with lay reviewers that the longer an individual is a lay reviewer the less lay they become because they become part of the inspection process.”<sup>141</sup>

## **Conclusions and recommendations**

We note Healthcare Inspectorate Wales’s intent to focus more on the patient experience but are concerned at the potential for loss of volunteer lay assessors involved in Healthcare Inspectorate Wales’s inspection programme. We note that Community Health Councils across Wales are experiencing challenges in attracting and retaining volunteer lay members who undertake their inspections. Additionally, the Older People’s Commissioner wishes to secure lay input into her work.

The Committee again believes that improved joint planning and working across agencies is essential; in this case to ensure there is sufficient current and long term capacity of lay inspectors who are appropriately deployed and supported.

**We recommend there is a need to look in detail at the range of responsibilities of Healthcare Inspectorate Wales and identify any that might be more appropriately placed elsewhere.**

**We recommend that the Welsh Government commissions an urgent and focused independent review to audit existing and potential future requirements for lay assessors to support the inspection regime in Wales, and that clear joint strategies are developed to ensure effective and sustainable recruitment and retention.**

### **Governance arrangements and service delivery issues in Betsi Cadwaladr UHB**

149. The Committee received evidence in relation to HIW’s role in the escalation process around BCUHB. In June 2013 HIW and Wales Audit Office (WAO) reported jointly on BCUHB prompted by concerns around governance, service delivery and accountability.

150. BCUHB was placed in special measures in June 2015 and will remain in special measures for the next two years with progress reviewed every six months.<sup>142</sup>

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<sup>141</sup> RoP, paragraphs 197 & 198, 10 November 2015

151. The Committee sought HIW's view on the escalation status and Mr Jones stated:

“... it's clear from our programme of work during 2014-15 that there was a strong emphasis on Betsi Cadwaladr. During that year—so, this would have started in April 2014—we conducted six large mental health unit inspections across Wales. Three of those were in Betsi Cadwaladr, so you can see that Betsi Cadwaladr is drawing our attention and that we're doing some very thorough work there. In fact, ultimately, as to the escalation of the health board towards special measures, which occurred in a number of stages, the thing that we were bringing to the party, to the tripartite conversation, was that the health board was not responding to our reports, or it wasn't taking the necessary action on the back of our reports, and that we were having to say the same thing time and time again. So, I'm confident that what we did in Betsi Cadwaladr was robust.”<sup>143</sup>

152. However, Dr Chamberlain has acknowledged that HIW's scrutiny at Tawel Fan ward failed to detect and respond to the concerns at an early enough point in this case. She added that HIW would use the learning from this event to look at their arrangements for handling concerns and ensure opportunities to intervene at an appropriate point are not missed. HIW has also since increased the volume of inspections it carries out.<sup>144</sup>

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<sup>142</sup> Welsh Government [Written Statement](#) (4 November 2015)

<sup>143</sup> RoP, paragraph 68, 10 November 2015

<sup>144</sup> [www.bbc.co.uk/news/uk-wales-north-east-wales-32935041](http://www.bbc.co.uk/news/uk-wales-north-east-wales-32935041) [accessed 18 January 2016]

## 5. NHS Finances

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153. The Public Accounts Committee has published two reports on NHS finances, *Health Finances*<sup>145</sup> in February 2013 and *Health Finances 2012-13 and Beyond*<sup>146</sup> in March 2014. The Committee made a total of 24 recommendations, all of which the Welsh Government accepted.

154. The Auditor General's third report on health finances, *NHS Wales: Overview of financial and service performance 2013-14* was published in October 2014.<sup>147</sup> Some of the key areas set out in the Auditor General's report were:

- the NHS in Wales continued to face significant financial and demand pressures;
- many NHS bodies struggled to contain spending and the Welsh Government has had to revisit its spending plans to provide additional funding to NHS bodies;
- the NHS has moved to a three year integrated planning framework,<sup>148</sup> with the Welsh Government approving just four of the ten NHS bodies' plans in the first year of operation of the framework;
- there was a mixed picture on service performance, with performance in some key areas deteriorating over the period of financial pressure; and
- the prudent healthcare agenda has potential to lead to improvements in service quality while reducing costs, although it was still an emerging area of work.

155. The Committee took evidence from the Welsh Government on the findings of the Auditor General's report in November 2014. The Committee also received an update from the Welsh Government on action taken in response to the 12 recommendations in its own March 2014 report. In late 2015, the Committee requested an updated projected financial position for all health boards and trusts at the end of the 2015-16 financial years. In written evidence, the Welsh

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<sup>145</sup> Public Accounts Committee Report - [Health Finances](#), February 2013

<sup>146</sup> Public Accounts Committee Report - [Health Finances 2012-13 and Beyond](#), March 2014

<sup>147</sup> Auditor General for Wales Report - [NHS Wales: Overview of financial and service performance 2013-14](#), October 2014

<sup>148</sup> Welsh Government, [NHS Wales Planning Framework 2016/17](#)

Government confirmed that discussions have been held on plans and financial expectations throughout the year. Dr Goodall advised that he had specifically met all organisations in early December 2015, to set out clear expectations and to confirm further improvements in their forecasts and that it is clear that these will materially improve the position of individual organisations and forecasts to the year-end whilst ensuring a local focus on quality and performance.

156. As at the end of Month 08 (November) 2015, the Table below sets out the projected financial position for all health boards and Trusts at the end of the 2015-16 financial year. The Welsh Government has advised that is now confident that in the last quarter of this financial year, focus has moved to resolving the last 1% potential overspend of the budget which is equivalent to around £50-60 million. The Welsh Government stated that this should start to be reflected in the NHS monthly position from month 09. Monitoring will continue to focus attention on achieving a satisfactory year end to attain the right balance between quality, performance and financial accountability.<sup>149</sup>

<b>Forecast - End of Year</b>	
<b>Organisation</b>	<b>Current Month (08 2015) (Surplus / Deficit - £000s)</b>
Abertawe Bro Morgannwg	-28,523
Aneurin Bevan	-19,701
Betsi Cadwaladr	-30,000
Cardiff & Vale	-23,209
Cwm Taf	0
Hywel Dda	-41,000
Powys	0
Public Health Wales	0
Velindre	0
Welsh Ambulance	0
<b>NHS Wales</b>	<b>-142,433</b>

### **Conclusions and recommendations**

We note the projected overspend of up to £142m at month 08 2015-16 but welcome the Welsh Government's confidence that this will be reduced by £50-60 million at the end of this financial year. However, we remain concerned that implementation of 3 year financial planning

<sup>149</sup> PAC(4)-01-16 Paper 5, 12 January 2016

through the NHS Finance (Wales) Act 2014 is not achieving its desired intention. Whilst bearing in mind the first full 3 cycle will not be completed until 31 March 2017, it is concerning that some health boards are likely to be going into the 2016/17 financial year (year 3) carrying accumulated deficits. We remain to be convinced that implementation of 3 year financial planning through the NHS Finance Act 2014 is achieving its desired intention.

**The Committee identified its concerns regarding financial planning with the NHS in its previous report *Health Finances 2012-2013 and beyond*. We re-endorse recommendation 8 of that report, which stated:**

**The Committee further recommends that given the risks of financial planning over 3 years, the Welsh Government should require:**

- a) Fully balanced plans over three years for each Health Board with supporting detail**
- b) Collective financial planning showing how budgets will balance across the whole NHS every year (so as to stay within DEL)**
- c) Detailed contingency plans setting out how Health Boards will respond if planned savings from up-front investment do not materialise and/or there are additional cost pressures. These contingency plans should include an assessment of risks to patients/services.**

**The Committee notes that the Auditor General for Wales intends to undertake a review of the impact of the NHS Finance (Wales) Act during the Fifth Assembly and recommends that our successor Committee consider any lessons arising from the Auditor General's report.**

## Annexe A

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The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at:

[www.senedd.assembly.wales/mgIssueHistoryHome.aspx?Ild=1311](http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?Ild=1311)

<b>Name</b>	<b>Organisation</b>
<i>4 November 2014</i>	
Professor Andrew Davies	Abertawe Bro Morgannwg University Health Board
Rory Farrelly	Abertawe Bro Morgannwg University Health Board
Hamish Laing	Abertawe Bro Morgannwg University Health Board
Paul Roberts	Abertawe Bro Morgannwg University Health Board
Dr Andrew Goodall	Welsh Government
Simon Dean	Welsh Government
Ruth Hussey	Welsh Government
<i>11 November 2014</i>	
Dr Andrew Goodall	Welsh Government
Simon Dean	Welsh Government
Martin Sollis	Welsh Government
<i>9 December 2014</i>	
Sarah Rochira	Older People's Commissioner for Wales
<i>16 June 2015</i>	
Dr Andrew Goodall	Welsh Government
Joanna Jordan	Welsh Government
Dr Grant Robinson	Welsh Government

*10 November 2015*

Dr Kate Chamberlain	Healthcare Inspectorate Wales
Alun Jones	Healthcare Inspectorate Wales

*17 November 2015*

Simon Dean	Betsi Cadwaladr University Health Board
Dr Peter Higson	Betsi Cadwaladr University Health Board

*24 November 2015*

Dr Andrew Goodall	Welsh Government
Janet Davies	Welsh Government
Joanna Jordan	Welsh Government
Martin Sollis	Welsh Government



## Annexe B

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### Glossary - Witnesses referred to in the Report<sup>150</sup>

#### *Betsi Cadwaladr University Health Board*

Out-going Chief Executive	Mary Burrows (stepped down by mutual agreement on the 16 December 2013)
Acting Chief Executive	Geoff Lang (March 2013 - June 2014)
Chief Executive	Trevor Purt (16 June 2014 - Present - Secondment end date 14 October 2016)
Interim Chief Executive	Simon Dean (9 June 2015 - currently 29 February 2016)
Chair of the Board	Dr Peter Higson (7 October 2013 - present)

#### *Abertawe Bro Morgannwg University Health Board*

Chief Executive	Paul Roberts (September 2011 - present)
Chair of the Board	Professor Andrew Davies (January 2013 - present)

#### *Welsh Government*

Director General for Health & Social Services/Chief Executive, NHS Wales	David Sissling (May 2011 - March 2014)
Interim Chief Executive, NHS Wales	Simon Dean (April 2014 - June 2014)
Director General for Health & Social Services/Chief Executive, NHS Wales	Andrew Goodall (June 2014 - present)
Interim Deputy Chief Executive NHS Wales	Simon Dean (June 2014 - 30 November 2015) (Working part-time from June 2015 to currently 29 February 2016 as Interim Chief Executive in BCUHB)
Deputy Chief Executive NHS Wales	Simon Dean (1 December 2015 - present) Janet Davis

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<sup>150</sup> Information correct at January 2016

Specialist Adviser on Quality  
and Safety

Director of Mental Health, NHS Governance and Corporate  
Services Joanna Jordan

Director of Finance Martin Sollis

*Healthcare Inspectorate Wales*

Chief Executive Dr Kate Chamberlain (7 January 2013 -  
present)