

Mr Simon Dean
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Dear Simon,

HEALTHCARE INSPECTORATE WALES AND WALES AUDIT OFFICE REVIEW OF PROGRESS SINCE IMPOSITION OF SPECIAL MEASURES

As you are aware, staff from Healthcare Inspectorate Wales and the Wales Audit Office have recently been involved in high-level review work to examine the progress made in the key areas that were identified as challenges for Betsi Cadwaladr University Health Board (BCUHB) when it was placed in special measures by the Minister for Health and Social Services in June of this year.

This high-level and targeted overview of progress has been undertaken in order for us to have an evidence base on which to draw when we meet with Welsh Government officials on 21st October to discuss the Health Board's escalation status. We will not be issuing a separate report and will publish this letter and any response that the Health Board wishes to make. The work that we have done replaces the more substantive governance joint review work which had originally been planned to follow up our previous recommendations. We intend that this follow-up work will now take place in the spring of 2016, subject to the outcome of the discussions on the Health Board's escalation status.

The remainder of this letter sets out the findings from the high-level review of the progress made since the Board was placed in special measures. It is important that the Health Board has the opportunity to see our conclusions, and also that we receive your written response before we meet with Welsh Government officials on 21st October.

Overall, it is clear to us that much work and effort has gone into tackling the key challenges that have been identified previously by ourselves and other external reviewers, and also by the Minister when he placed the Health Board into special measures. There have been positive developments in a number of areas, which can be built upon. However, some fundamental

challenges remain which will require specific leadership skills and resolute determination to address.

It was clear to our reviewers that the approach to leadership that you have personally adopted since becoming interim Chief Executive has been welcomed by senior staff and board members in the Health Board. The increased visibility and engagement with both internal and external stakeholders has been a particularly important facet of this, with encouraging evidence that the Health Board is actively listening to the views and concerns of its staff, its partners and the public. We do not underestimate the challenges this presents in terms of re-energising an organisation that has been the subject of significant external criticism whilst trying to re-gain public confidence and having to take difficult decisions about the future shape of health services in North Wales. It will of course be necessary to demonstrate that, having listened, the Health Board is taking the appropriate action to respond to issues raised and to embed sustainable approaches to future internal and external engagement.

In our view, the concept of introducing 100-day plans was a sound one in the context of the situation the Health Board found itself in. The plans have been a good device to focus attention and galvanise action in the areas that require specific and urgent attention. We note the Health Board has been transparent in publicising the progress it has made against these plans, and that those updates highlight examples of positive progress. What will now be important is the action that the Health Board takes to maintain the focus in these areas to achieve and demonstrate tangible improvements.

The additional support that has been provided from Ann Lloyd, Dr Chris Jones and Peter Meredith-Smith has given the Health Board access to necessary expertise and capacity in some of the specific areas where it needs to secure improvement. The work that these individuals are doing does, however, demonstrate that the Health Board still needs help with some basic aspects of governance, leadership, and service planning and turnaround, which raises questions about the organisation's ability to maintain momentum after the external support has ended.

A crucial factor in generating that momentum will be the speedy resolution of the current position involving the Chief Executive post. The Health Board urgently needs a permanent Chief Executive with the vision, leadership, drive and experience to build on the work undertaken through the 100-day plans; an individual who can connect with staff and stakeholders, and also build public confidence in the Health Board. We understand that the Health Board is getting close to a position whereby it can advertise for a new Chief Executive. Securing the right appointment will be vital, and this must be achieved as quickly as possible to create stability and ensure that the necessary pace of change is maintained.

Whilst securing the right person to fill the Chief Executive role is vital, that post holder will only succeed if they are part of a cohesive board and executive management team that has the right skill sets and capacity. Our fieldwork identified a widely held view that this remains a highly problematic area for the Health Board. Despite the various board development activities undertaken in recent years, it was clear from our interviews and observations that this has not had the desired effect. Specific work is needed on board etiquette and behaviours to ensure that the constructive challenge which must necessarily exist between Independent Members and the executive is healthy and provokes, rather than represses, the necessary discussions and debates.

The work that Ann Lloyd is leading on identifying board member skill sets will be vital in this regard. This must be a necessarily honest appraisal and used to get to the root of issues which are continuing to affect board cohesiveness and effective decision making.

We are aware that work is also underway in other areas relating to board governance, including a re-development of the board assurance framework and the corporate risk register. Given the fundamental importance of these aspects of board governance, progress to embed these re-developments needs to be swift. Our fieldwork has indicated that the revised structure is not yet working effectively; the work on the board assurance framework therefore needs to include a critical appraisal of the Health Board's committee structure. A key area for attention must be the operation of the Integrated Governance Committee (IGC) to ensure that it is working as intended, and not duplicating aspects of the work of the board. The status of the IGC in relation to its sub-committees should also be looked at. If the model relies on the IGC receiving assurances from sub-committees, the chair of the IGC should ideally be independent from those sub-committees to avoid the risk that they are holding themselves to account.

A further key area for review should be the work of the Quality, Safety and Experience (QSE) sub-committee. We still have concerns that the quality of debate at the QSE is not what it should be given the size of meeting agendas, with a lot of material 'to note' at the expense of high-quality discussions about important quality and safety information. This will necessitate further development of the structures which sit below the QSE to ensure there is an appropriate flow of information into that sub-committee, summarised in a way which allows QSE to focus its attention on both known and developing areas of risk. There is also scope to review the calendar of board and committee meetings, as current scheduling can result in the board receiving information before the QSE.

The wider review of the committee structure also needs to examine whether it gives sufficient prominence to workforce and information governance issues, given that these do not feature as specific committees or sub-committees within the current structure.

It was apparent to our reviewers that the executive director team are working under significant pressure, with several members carrying workloads that are resulting in unsustainably long and debilitating working hours. Whilst this reflects the fact that the Health Board is having to tackle multiple challenges at the same time, it also calls into question the current division of executive responsibilities and the extent of senior and middle management capacity that sits below the executive team. There is potential for senior managers, other than executive directors, to have more exposure to Independent Members and board level discussions. This may help alleviate some of the pressures on the executive team, and also raise Independent Members' awareness of the skill sets that exist amongst the wider senior management team.

During the fieldwork we heard positive views about the skill sets and experience that have been brought into the executive team as a result of many of the appointments made over the last 18–24 months. However, we also heard concerns that many of the executive directors who have crucial roles to play are becoming increasingly unsettled. This appears to be the result of frustration at the slow pace of organisational change, the culture and behaviours exhibited by the board, and a lack of adequate personal and professional support. When set alongside the uncertainty surrounding the Chief Executive post, this poses significant risks for the stability of the organisation's senior leadership.

A further concern is the pause that is taking place during the implementation of the organisation's new management structure. We understand that this pause was necessitated by

a lack of clarity over some lines of accountability in the new structure, and unanswered queries over its cost in relation to the benefits it would achieve. These are clearly questions which need answering as a matter of urgency, and which should have been asked and addressed at a much earlier stage in the implementation process. The Health Board therefore finds itself in the invidious position of having to examine some fundamental aspects of its new management structure at a time when it needs to be bedding in the new structure and empowering all of those holding new roles within it to secure the necessary pace of change.

We acknowledge the work that has been undertaken to develop the Health Board's vision and strategic goals. Whilst these are important steps to take, the Health Board is still far from being able to produce an integrated medium term plan (IMTP) for 2016-17 to 2018-19, as required by the Welsh Government's NHS Planning Framework. Clear and detailed strategies and plans are still needed across the various sectors that will underpin the IMTP and for the public engagement that will be necessary to accompany it. There will need to be an honest appraisal of whether or not the Health Board currently has the necessary skills and capabilities to take forward this work, and any gaps which are identified will need to be addressed as a matter of urgency.

The need to identify clinically and financially sustainable plans for the future shape of health services in North Wales has been a feature of our joint review reports in 2013 and 2014. It is therefore worrying that the Health Board still has much work to do in this regard. The need for a transformational approach to service planning is evidenced by the Health Board's challenging financial position, with a likely deficit of £30 million currently being predicted for the 2015-16 financial year. It is encouraging to see the more rigorous approach that is now being brought to the management of in-year savings by the introduction of the Programme Management Office, although current savings plans are likely to fail to bridge the deficit which is being forecast, highlighting the need for more transformational, rather than transactional approach.

We acknowledge the work that has been undertaken in relation to Obstetric and Gynaecology services in terms of filling midwife vacancies and consulting on options for temporary changes to women's and maternity services across North Wales, given the gaps that persist in medical rotas. However, work is still required to address the concerns previously identified by the Royal College of Obstetrics and Gynaecology with regard to working relationships between, and within, various professional groups on the Glan Clwyd site. This must be addressed as a matter of urgency if the further work that is planned with the Royal College to identify sustainable future service models is to be successful. Whilst the Health Board is to be commended for the efforts made to ensure operationally safe staffing levels on a day to day basis, we are concerned that some of the measures being used are not without longer-term consequences. In particular, there is a risk that some of the key activities that promote high quality delivery of care are being neglected - these include aspects of staff training, clinical audit, staff appraisals and the updating of clinical guidelines. The importance of achieving an early and sustainable solution to the problems the Health Board faces in relation to maternity services cannot be over-stated. It is clear to us from the staff we spoke to that these services are under intolerable strain.

More positively, the work led by Dr Chris Jones on GP out of hours services appears to have been a catalyst for a greater appreciation of how to develop more consistent and coherent primary and community services across North Wales. We understand that Dr Jones will be producing a report resulting from his work, and that a follow up of progress against recommendations within the Partners 4Health report is also planned. We anticipate that collectively, this should give the Health Board a clear route by which sustainable improvements to out of hours services can be secured.

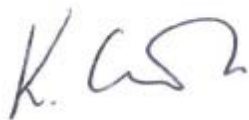
Our observations on the remaining area for attention as part of special measures – mental health services - are that these services need a long-term improvement plan, informed by the work that Peter Meredith-Smith has undertaken at the Health Board. Leadership, accountability, expertise and the development of a more coherent and integrated approach across mental health services are all areas that will need attention. We note that mechanisms are being put into place to secure these improvements. However, it is essential that those improvements are pursued at pace in order to ensure that the Health Board develops sufficient oversight of the service. This will help the Health Board to move away from an apparent dependency on external scrutiny as a catalyst for the identification and management of service issues (a point that is not confined to mental health services). Whilst pursuing its long-term improvement plan for mental health services, the Health Board should not lose sight of the need to tackle a number of significant issues that have been raised during recent inspections undertaken by Healthcare Inspectorate Wales

As a final observation, we found a universal acceptance amongst the staff we spoke to that the decision to place the Health Board into special measures was a necessary development, and that it has created an opportunity to refocus attention on some specific and long-standing challenges. Whilst there is evidence of a positive response to the special measures, staff acknowledge that there remains a significant amount of work to be done. That work needs to be underpinned by a robust and honest appraisal of the leadership and management capabilities, capacity and culture of the board and senior / middle managers. Further external support and expertise may be needed in the short term, but this must be accompanied by actions that enable the Health Board itself to tackle the challenges it faces in a sustainable way.

We have copied this letter to Dr Peter Higson, Chair of BCUHB, and we would welcome the Health Board's views on our observations to help inform our tri-partite meeting with the Welsh Government on 21st October to discuss the Health Board's escalation status.

A copy of this letter has also been sent to Dr Andrew Goodall at the Welsh Government.

Yours sincerely,



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HEALTHCARE INSPECTORATE WALES



HUW VAUGHAN THOMAS
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