WALES AUDIT OFFICE
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Auditor General for Wales

Structured Assessment 2019 – **Swansea Bay University Health Board**

Audit year: 2019

Date issued: December 2019

Document reference: 1654A2019-20

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Summary report

About this report

1 This report sets out the findings from the Auditor General's 2019 structured assessment work at Swansea Bay University Health Board. The work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

2 Our 2019 structured assessment work has included interviews with officers and Independent Members, observations at committee meetings and reviews of relevant documents, performance and financial data.

3 The key focus of structured assessment is the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. This year, auditors paid specific attention to the finance and performance of the Health Board in the context of short-term performance improvement actions and developing long-term strategic change and transformation plans to ensure service sustainability for the future. We also considered the progress made in addressing previous audit recommendations and the overall effectiveness of governance arrangements. The report groups our findings under five themes:

- Strategic planning;
- Transformation and organisational design;
- Finance and performance;
- Governance arrangements; and
- Workforce management.

Background

4 The Health Board remains in targeted intervention under the NHS Wales Escalation and Intervention Framework. Escalation in 2016 reflected significant challenges in respect of the organisation's financial position, its ability to produce an approvable three-year Integrated Medium-Term Plan (IMTP) and concerns around specific aspects of performance[1].

5 In 2018, we found that the Health Board was improving governance and strategic planning, but it recognised the need to strengthen quality governance and design a more coherent operating model for the organisation. A continued focus on managing workforce risks and improving performance and efficiency was also needed, but there were positive signs of resources being managed more

[1] Performance areas included: unscheduled care, referral to treatment times, cancer, stroke, and healthcare associated infections.

strategically and of an evolving values-based approach. This was in contrast to the fragility of the organisation noted in our 2017 review.

6 At the end of 2018-19, the Health Board reported a financial deficit of £9.9 million. Although a notable improvement on the £32 million deficit in 2017-18, it still added to the three-year cumulative deficit of £82 million at the end of March 2019. The Health Board had developed an organisational strategy and clinical services plan but was unable to produce an approvable IMTP for 2019-2022. It continues working to an annual plan and is focussed on meeting key Welsh Government targets and designing sustainable service transformation. However, despite improvements in some measures, performance remains a challenge, particularly for unscheduled care.

7 Preparing for and managing the transfer of healthcare responsibility for the Bridgend population to Cwm Taf University Health Board required significant focus and consumed much organisational capacity. The change took place on 1 April 2019 resulting in a revised geographical footprint and new name: Swansea Bay University Health Board.

8 This report provides a commentary on key aspects of progress and issues arising since our last structured assessment. It should be read with consideration to our 2018 review for the former Abertawe Bro Morgannwg University Health Board[2].

Main conclusions

9 Our overall conclusion from the 2019 structured assessment is that a clear strategic vision and an open and engaged leadership have set a positive direction for the organisation. The Health Board is now organising itself to deliver its objectives through an ambitious transformation programme. However, progress against ambition has, to some extent, been limited by the capacity needed to deliver the Bridgend boundary change. There is a systematic approach to maturing governance and strengthening important aspects of quality governance. Progress is also being made in addressing workforce issues despite limited HR resource. Actions to improve finances and performance are also evident, with a focus on developing sustainable efficiencies and value-based approaches. However, this has not yet secured the improvement in performance needed and there is an increasing risk that the Health Board will fail to achieve financial balance. The challenge for the Health Board is balancing a present tension between immediate performance turnaround and transforming services for long-term sustainability. Our key findings are summarised below.

10 With a clear strategic direction, a focus on partnership working and maturing planning and reporting arrangements, the Health Board is starting to implement its clinical services plan. While working to an annual plan the Health Board is aiming

[2] The former Abertawe Bro Morgannwg University Health Board covered the areas of Swansea, Neath Port Talbot and Bridgend.

to produce an approvable IMTP for 2020-2023. Monitoring of annual plan delivery is now aligned to organisational objectives but reporting on clinical services plan critical paths will need development.

11 An ambitious transformation programme is helping the Health Board reshape how it operates and organises itself to deliver its strategic objectives. The Health Board has clear aims and ambition for transformation and with the Bridgend transfer complete, is now developing a new operating model and structures for better whole system response. With a Transformation Board and programmes established, capacity is being marshalled to support programme management, change, and service improvement. The scale of re-design and improvement work is challenging and the need for immediate performance improvement is creating a tension between transformation and turnaround.

12 The Health Board is focussed on delivering greater value and efficiency, although actions have not yet secured the improvements needed and financial and performance challenges remain. Financial performance has improved over the last three years and the Health Board is aiming to reach financial balance. However, with a worsening in-year position achievability in 2019-20 is unlikely. The Health Board has good financial controls and stewardship and is developing a focus on value and efficiency to achieve sustainable financial and performance improvements. But with loss of finance staff, the intended developments in costing, budget setting and driving sustainable efficiencies have not progressed fast enough. Service performance is also not where it needs to be despite good oversight and scrutiny, and unscheduled care is a challenge. The Health Board's new operating model and planned performance management framework are positive steps in improving performance management.

13 The Board is displaying visible leadership and strengthening overall governance but is aware that there is more to do to strengthen some aspects of quality governance. There is effective scrutiny with attention to continually improving governance and leadership. There is also a maturing approach to risk management, but the Board Assurance Framework (BAF) is yet to be implemented. Plans are in place to address remaining weakness in quality governance and ensure clinical audit fully contributes to the system of assurance.

14 The Health Board has developed a more strategic approach to workforce management and, while acting to address workforce risks, recognises further opportunities and challenges. The Health Board has developed a Workforce and Organisational Development (WFOD) framework with a clear focus on developing organisational values, staff engagement and well-being. However, HR capacity is limited and there is reliance on short-term funding. Mandatory training rates have improved, and two-thirds of staff have had an appraisal. Steps to improve workforce efficiency and productivity are being taken, with a proactive approach to attracting staff. But recruitment and retention challenges, high sickness levels and increasing agency expenditure remain a challenge.

Recommendations

15 The Health Board has made generally good progress in addressing our previous recommendations. Eleven out of 16 are complete although there is more to do to embed some actions. For recommendations in-progress, four are superseded by the 2019 recommendations reflecting the current operating context. One 2017 recommendation remains outstanding.

16 Recommendations[3] arising from this audit are detailed in Exhibit 1. We will place the Health Board's management response to these on our website along with our final report once considered by the Audit Committee.

Exhibit 1: 2019 recommendations

Recommendations
Strategic planning
R1 The Health Board is developing estates and asset plans to underpin the Clinical Services Plan and will need to ensure that asset and estates requirements are clearly defined and reflected in the long-term capital plan.
R2 Clinical Services Plan (CSP) implementation is moving forward but it is not yet clear how delivery will be reported. The Health Board should determine a CSP reporting framework to support effective monitoring and scrutiny of CSP delivery.
Transformation Programme
R3 The transformation programme has been set-up and its programme architecture designed. There is now a need to ensure organisational understanding of the transformation and change agenda, and that the portfolios properly align. The Health Board should: a. develop a communications and engagement strategy; and b. test the inter-connections between CSP and enabling programmes.
Finance and Performance
R4 The Health Board has included sustainable savings and efficiency in its plans, but these have under-achieved over the last two years. The Health Board should assess the reasons for under-achievement to ensure realistic plans are set and achieved in 2020-21.
R5 A range of benchmarking is used for planning, service improvement and efficiency work, but scope exists to extend the information used in respect of costs. The Health Board should progress its development and use of costing so that it better informs financial planning and management.

[3] We highlight many improvement opportunities in the report but have not made audit recommendations where there is evidence of planned Health Board actions.

Strategic planning

17 Our work considers how the Board has set the strategic direction and objectives for the organisation, and how well it plans to achieve these. We also examined the arrangements for monitoring delivery against objectives and the progress made in addressing our previous recommendations.

18 We found that **with a clear strategic direction, a focus on partnership working and maturing planning and reporting arrangements, the Health Board is starting to implement its clinical services plan**.

Setting the strategic direction

The Board has set out its strategic vision for the organisation and the clinical services it provides, with clear recognition of the importance of partnership working.

19 During 2018, the Health Board undertook focussed work to set the strategic direction for the organisation. Board members determined the aims and objectives informed by population health and recognising: values-based healthcare principles; key legislation (such as the Wellbeing of Future Generations Act and Social Services and Wellbeing Act); the Parliamentary Review of Health and Social Care; and A Healthier Wales[4].

20 Detailed planning was underpinned by demand/capacity modelling and took account of regional service provision, including the transfer of the Princess of Wales Hospital and other Bridgend population healthcare services to Cwm Taf University Health Board in April 2019. Although the planning environment was complex with much capacity needed to prepare for the Bridgend boundary change, the vision for the organisation and its clinical services was developed and expressed through:

- a ten-year strategy: Better Health, Better Care, Better Lives (the strategy), approved by Board in November 2018, setting out long-term ambition, aims and enabling objectives; and
- a Clinical Services Plan (CSP) approved by Board in January 2019, setting out the shape of clinical services and the changes needed over five years.

21 Last year's service redesign work for the CSP was clinically led with staff and partner involvement, although more work was needed to secure full clinical engagement with the CSP. The Health Board has since mapped the critical paths for implementing the CSP across each of the five years and reports increasing clinical engagement in developing the supporting plans. The Strategy Directorate has re-aligned planning capacity to CSP priorities and work is progressing to

[4] A Healthier Wales: our Plan for Health and Social Care, Welsh Government. 2018

develop business case and delivery plans, ensure all CSP elements are fully costed and enable benefit assessment.

22 Good partnership working with Hywel Dda University Health Board continues, with regional planning arrangements well established through ARCH[5] and the Joint Regional Planning and Delivery Committee. The health boards are currently developing a regional clinical services plan (RCSP), building on work to align their respective clinical services plans in 2018. Increasingly, the regional working between the two health boards is becoming business as usual. In respect of tertiary services, the Health Board works closely with Cardiff and Vale University Health Board, with a memorandum of understanding in place.

23 The Health Board recognises the importance of partnerships and wider stakeholder engagement. The appointment of a Chief of Staff as part of targeted intervention support in October 2018, has enabled the Health Board to focus on developing a more systematic and consistent approach to building relationships with partners and stakeholders. As a result, the organisation is better placed for developing more strategic and productive interactions. Work includes:

- mapping stakeholders, current interactions and the multiple touch-points for service areas;
- establishing a local authority group, quarterly chief executive meetings, and attendance at scrutiny meetings to help mature relationships with local authority partners; and
- ensuring lead executive assignment to all key partnerships with the Director of Strategy managing the corporate partnership team and leading on partnerships crucial to planning, others are aligned with executive portfolios for functional fit and continuity of relationships.

Developing strategic plans

The Health Board's planning arrangements have matured and, while working to an annual plan, it is aiming to produce an approvable IMTP for 2020-2023.

24 The NHS Wales (Finance) Act 2014 places a statutory duty on the Health Board to produce an IMTP. For the past three years, the Health Board has been unable to produce a financially balanced IMTP and agreed with the Welsh Government to work to annual operating plans (AOPs), which have been supported by annual workforce, financial, IT and capital plans. During 2018 the Health Board ambitiously sought to develop an IMTP alongside development of the ten-year strategy and five-year CSP. Uncertainty on the financial implications of Bridgend boundary change complicated planning and the Health Board was unable to develop an approvable IMTP for 2019-2022 as planned.

25 The 2019-20 AOP has needed in-year revisions to unscheduled and planned care plans and trajectories to account for service pressures experienced in the first half

[5] ARCH: A Regional Collaboration for Health

of 2019-20, and to update the financial plan following conclusion of arbitration on the £7 million deficit for the transferred Bridgend services. The arbitration outcome, announced in August 2019, gives greater certainty for forward financial planning.

26 The Health Board is currently developing an IMTP for 2020-2023. The Board has considered the timetable and planning arrangements. Planning appears on track for the Board to consider a draft IMTP in December prior to Board approval[6] and submission to the Welsh Government in January 2020. Welsh Government approval of the IMTP will be dependent on whether the three-year plan is financially balanced and viable in terms of required performance.

27 The IMTP planning process is maturing. The Health Board has focussed on developing whole-system plans which cover key service areas[7], encompass CSP priorities and give greater emphasis to improving population health. The whole-system plans and supporting guidance are underpinning development of Unit delivery plans, which include cross-cutting areas such as primary and community services and partnership working. Steps to assess the financial and workforce implications, interdependencies, and alignment of Unit plans are in place. Cross referencing of delivery plan actions and operational risks has also been introduced to better link planning and risk mitigation.

28 A longer-term financial plan with greater focus on sustainability and transformation is emerging with details being developed during our fieldwork. This work is being informed by external financial support secured by the Welsh Government. Workforce planning supports IMTP development but for the long term, more pace in progressing better joined-up workforce redesign across professional groups will be needed. The Health Board is also aware that supporting plans, enabling strategies, and longer-term capital planning need to be appropriately aligned with the IMTP and support the organisational strategy and CSP. Digital requirements are being built into the IMTP, and asset/estates plans are in development alongside CSP delivery plans. It will be important that asset and capital plans also address a significant level of backlog maintenance and out-of-life equipment.

Monitoring strategic plan delivery

Monitoring of annual plan delivery is now aligned to organisational objectives but reporting on clinical services plan critical paths will need development

29 The Health Board monitors delivery of its annual plan quarterly through operational performance reviews, Performance and Finance Committee scrutiny and update reporting to Board. Reports map delivery of the actions and quarterly milestones using a Red/Amber/Green assessment organised by strategic enabling objectives.

[6] Approval of the RCSP will progress through both Boards alongside IMTP approval.

[7] Unscheduled Care; Planned Care; Cancer; Stroke; Children and Young People; Maternity Services; Mental Health and Learning Disabilities

30 Reports comment on any off-track areas, corrective actions or revised milestones and are considered alongside the main Health Board performance report of key performance indicators. At quarter 2, 82 of 101 actions with expected milestones were either complete (51) or predicted to be on-track by December (31). Twelve were off track; and seven not assessed due to a milestone needing clarification or no update, which the Health Board needs to address.

31 The objective 'High Quality Outcomes from High Quality Care' is further assessed by service area, including quality, safety and patient experience. The service areas broadly match the whole-system plans being developed for the IMTP, which should assist future monitoring. However, it is not yet clear how delivery of CSP critical paths will be monitored and reported as detailed delivery plans are approved.

Previous recommendations

32 Exhibit 2 describes the progress made against our previous recommendations relating to strategy.

Exhibit 2: progress on our previous strategy recommendations

Previous recommendations	Description of progress
R8 2017: In developing its clinical strategy the Health Board needs to ensure: b. the emerging clinical strategy aligns to other strategic plans and change programmes within the Health Board; and c. that the clinical strategy is underpinned by supporting strategies and plans in key areas such as workforce, estates and asset management.	**b. Complete.** Change programmes and pre-existing strategies are aligned under the CSP and transformation programme. **c. Closed –superseded by 2019 R1** Workforce, capital, asset and estates plans are being driven through the detailed CSP delivery plans but are not yet fully in place.
R5 2018: The Health Board should develop an estates strategy, linked to the clinical services plan and IMTP, and reflected in the capital plan.	**Closed – superseded by 2019 R1** (See 2017 R8c above).

Transformation and organisational design

33 We considered the Health Board's arrangements to support transformational change and whether structures better promote whole system working. We also reviewed progress made in addressing previous recommendations.

34 We found that **an ambitious transformation programme is helping the Health Board reshape how it operates and organises itself to deliver its strategic objectives but there is a tension between transformation and turnaround.**

Transformation aims

The Health Board has clear aims and ambition for transformation and better whole-system working and, with the Bridgend transfer complete, is now making progress in implementing plans

35 In previous years we highlighted several issues hampering whole-system working including:

- different ways of doing things across units and a need to clarity how units share accountability for whole-system performance and relate to corporate functions;
- continuing complexity and disconnect between programmes and workstreams; and
- some concern about management capacity to service meetings across multiple programmes, overlaid with those for performance management.

36 The Health Board recognised the challenges and in September 2018, appointed a Transformation Director funded by Targeted Intervention support. This role has provided leadership in developing a transformation programme, 'Fit for the future', to develop a better connected and more agile organisation with:

- a single operating model for how the organisation does business;
- clear accountability, interfaces, and better whole system responses; and
- defined programme architecture, reporting lines and change management infrastructure.

37 By December 2018, the transformation programme principles had been agreed. However, the Health Board's ability to progress its transformation ambitions were limited by the capacity needed to deliver the Bridgend boundary change by April 2019. Subsequently, the Health Board has picked up pace and is making progress in implementing its plans.

Structures and capacity

The Health Board is organising itself for better whole-system response with a new operating model and structural changes

38 The Health Board's new operating model is based on four key areas: people, design, systems, and partnerships and process. Establishing new management arrangements for the Board has been the focus to date, with the approach to senior leadership a key feature. A senior leadership team (SLT) of executives and unit directors established last year has matured. Membership now includes all operational triumvirate members with plans for a buddy system to strengthen executive-unit links. Unit directors told us the SLT approach is breaking down silos, generating greater whole-system accountability and is valued.

39 To reflect the organisational strategy and CSP, and changes necessitated by the Bridgend boundary change, the Health Board is revising its organisational structure. Engagement responses were being considered during our fieldwork

following SLT workshops and leadership summit discussions, with formal consultation planned for November 2019 to January 2020. However, proposals to move from a five-unit model to a four-group model appear to be supported. Radical overhaul which could destabilise the organisation is not intended. Aims are:

- addressing post Bridgend transfer issues where Health Board wide services were formerly managed by the Princess of Wales Unit;
- bringing services under a single management structure where this was not previously so and maternity is an example of where this has already happened;
- reducing duplication and variation across structures; and
- promoting system leadership, removing hospital-based silos, group director accountability for whole-system issues and developing clinical system leaders.

40 The Health Board is benefitting from the contribution of the Director of Transformation and Chief of Staff as already noted, with plans to better join up some corporate functions and executive portfolios (eg communications and engagement, and risk management). Investment in important areas is being made, with a Deputy Chief Operating Officer post to strengthen capacity and system leadership. Separate consideration is being given to investment in the workforce function (discussed later). Changes and investment are being made with recognition of the challenges presented by a 28% funding reduction and retained costs post Bridgend.

Transformation programme

With a Transformation Board and programmes established, the Health Board is reshaping how it operates to support change, service improvement and delivery of strategic objectives.

41 Following early work in 2018, the Health Board is now organising to deliver on its transformation programme. The concepts and arrangements have been presented at board development sessions, the key objective being transforming clinical services through delivery of the CSP, whilst delivering financial sustainability and performance improvement. The underpinning building blocks include:

- aligning all strategic change programmes into a single transformation portfolio;
- strengthening structures and system leadership;
- marshalling programme management resource and standardising methodology with:
  - a Programme Management Office (PMO) formed July 2019;
  - business case model and PRINCE 2 derived techniques/templates/tools;

- a wider change resource including quality improvement and value-based health care; and
- an integrated change management team, developing the 'Bay way' and equipping staff with tools/skills for sustainable change and improvement.

42 A Transformation Programme Board is established reporting through the Executive to Board. The architecture and groups supporting portfolio governance (quality assurance and investment benefit) are defined. Programmes comprise:

- CSP delivery organised under three streams with clinical redesign groups developing models, standards and pathways of care;
- enabling programmes (eg digital, workforce); and
- improvement programmes linked to targeted intervention areas.

43 Much CSP delivery will be through joint West Glamorgan Regional Partnership Board (RPB) delivery. Partnership governance and performance in general need better scrutiny, which the Chair is seeking through a stronger focus at Board. The Health Board also knows a faster shift to community/primary based care is needed although our primary care report (January 2019) found that financial recovery and secondary care pressures were taking focus from primary care planning. However, with successful transformation fund bids, integrated 'hospital to home' services and primary care cluster development are progressing with both programmes part of the CSP portfolio.

44 Programme architecture, based on portfolios, is much clearer than previous programme arrangements but still complex. The Health Board recognises that it needs to develop a communication and engagement plan and to test arrangements as programmes bed in, particularly enabler and CSP programme connectedness.

Transformation and turnaround

Whilst designing for transformative change, the scale of re-design and improvement work is challenging and the need for immediate performance improvement creates some tension

45 The transformation portfolio is principally designed to deliver the CSP programmes but of necessity five delivery focused programme boards have been retained. These focus on immediate improvements in targeted intervention areas and to deliver the annual plan. The portfolio therefore spans both future transformation and present turnaround.

46 A delivery support team (DST) has been created to accelerate delivery of financial and performance improvement and develop a pipeline of sustainable efficiency improvements. The multi-disciplinary team is working alongside the transformation team and external support. It focusses on problem solving and unblocking any system issues. The PMO is also providing performance improvement support which limits its present capacity for supporting CSP strategic change programmes.

47 Achieving sustainable finances and performance is clearly an organisational priority but there is at present some tension balancing this present need with longer-term transformational change. There is also a challenge to sustaining pace given the volume of re-design, planning and improvement work.

Previous recommendations

48 Exhibit 3 describes the progress made in addressing our previous recommendations relating to programme management and change.

Exhibit 3: progress on our previous programme management recommendations

Previous recommendations	Description of progress
R9 2017: New Programme Board arrangements are being implemented. As part of this organisational change the Health Board needs to: a. [closed in 2018]. b. re-map strategic change programmes and determine how they align to new Programme Boards. **c.** ensure the new arrangements and interfaces between the Programme Boards and delivery units are clear and better understood than previously. **d.** [closed in 2018].	**Complete**. Aligned under the Transformation programme.
R17 2017: The Health Board should consider programme management arrangements and the future role of the PMO in supporting wider strategic plans and change programmes.	**Complete**. A PMO is established. The Transformation Board will further review capacity and capability in January 2020.

Finance and Performance

49 We considered the action the Health Board is taking to achieve financial balance, improve performance and efficiency, and create longer-term financial sustainability. We also reviewed the progress made in addressing our recommendations.

50 We found that **the Health Board is focussed on delivering greater value and efficiency, although actions have not yet secured the improvements needed and financial and performance challenges remain.**

Managing the finances

Good financial stewardship has helped the Health Board improve its financial performance in recent years, but achieving and sustaining financial balance depends on picking up the pace in developing important aspects of financial management.

51 Financial performance – **Financial performance has improved over the last three years and the Health Board is aiming to reach financial balance but achievability in 2019-20 is unlikely**.

52 The Health Board has reduced its financial deficit year on year since 2016-17 but spending beyond its means has led to a cumulative deficit of £82 million (Exhibit 4). Consequently, the Health Board has continued to fail its first financial duty of the NHS Finance (Wales) Act 2014.

Exhibit 4: financial deficit over the last five financial years

	2014-15	2015-16	2016-17	2017-18	2018-19	Cumulative deficit 2014-19
Financial deficit	0	0	£39m	£32m	£9.9m	£82m

Source: Wales Audit Office analysis

53 The achievement of savings and financial efficiencies is key to improving the financial position. We have previously reported that the Health Board has not had a good record of delivering savings plans. Plans were overly ambitious, dependent on pay-related savings, which it failed to fully achieve, and reliant on non-recurrent savings. More sustainable plans identified in 2018-19 did not deliver in-year.

54 The 2019-20 Annual Plan identified a £22 million savings requirement. Savings plans for £16.9 million were in place at the start of the year, comprising local savings, cost containment, and sustainable high value opportunities. However, at month 7, the Health Board was overspent by £8.7 million mainly due to:

- expenditure increases and budget overspends, particularly in respect of unscheduled care;
- required savings not fully identified and £0.6 million under-achievement on confirmed plans; and
- corporate and clinical management diseconomies of scale linked to the Bridgend Transfer.

55 The Health Board is looking to meet the shortfall through mitigating actions, additional local savings and financial recovery plans, increasing the forecast savings to £20.4 million. Further mitigation may be needed for Bridgend diseconomies (£5.4 million) pending outcome of a due diligence review, and in-year operational pressures.

56 If performance conditions are not met, the Health Board may not receive £10 million non-recurrent Welsh Government funding, and £6.5 million planned care monies may be clawed back. The Health Board has been forecasting a break-even for 2019-20 but achieving this position appears unlikely. The Board will likely need to agree a control total deficit with the Welsh Government.

57 Financial management and controls – **The Health Board has good financial controls and stewardship, but with the loss of finance staff, intended developments in costing, budget setting and driving sustainable efficiencies have not progressed fast enough.**

58 Our annual accounts work has consistently identified that the Health Board has adequate budgetary, financial management and control arrangements. However, the Health Board's overspending suggested insufficient financial accountability in previous years, irrespective of the controls in place. Last year we reported improvements in financial stewardship and operational ownership of budgets.

59 These arrangements have continued, although accountability letters were not issued to budget holders in 2019 given ongoing discussions on the financial impacts of the Bridgend boundary transfer[8]. Unit directors we spoke to were clear about their financial responsibilities. There is standardised budget reporting, savings tracking, an established finance business partner approach, and regular financial recovery meetings. Each unit, and corporate function, has a control deficit total to reach for recovering the Health Board's in-year financial position. The DST interventions aim to provide further grip and control on in-year plan delivery.

60 The Health Board has adopted the All-Wales 'No Pay Order No Pay' policy[9] which is helping to control non-pay expenditure but has recognised that procurement arrangements need strengthening, particularly for single tender actions and quotations (STAs and SQAs). Levels have increased and the Head of Procurement is currently reviewing the reasons and ensuring effective challenge prior to sign-off and that robust planning minimises unnecessary STAs and SQAs.

61 Last year, the Health Board signalled intentions to develop zero-based budgeting, cost modelling and benchmarking. However, Bridgend boundary change work and loss of experienced staff have stretched the Health Board and little progress has been made. A CIPFA review of the finance function and financial management is currently being finalised.

62 If the Health Board is to move to a break-even position, understanding of cost drivers and responses to them needs strengthening. Some cost drivers are due to inefficiencies in service provision, which are known to the Health Board. The Welsh Government has commissioned KPMG to review the Health Board's finances, including cost drivers and efficiency opportunities. The DST is working alongside

[8] Includes: Welsh Government arbitration on the Bridgend deficit and PWC due diligence review of economies/dis-economies.

[9] The policy is designed to support the purchase to pay process by refusing payments to suppliers when there is no purchase order.

KPMG to develop a pipeline of opportunities for sustainable future savings and efficiency improvements.

Improving performance

Despite oversight and scrutiny, performance is not where it needs to be with unscheduled care presenting difficult challenges, but the Health Board's new operating model and planned performance management framework are positive steps in improving performance management.

63 Performance against targets – **Performance is below target and worsening in some areas with unscheduled care remaining a significant challenge**.

64 The Health Board achieved its 2018-19 target of no more than 2,664 patients waiting over 36 weeks for treatment. In addition, patients waiting over 52 weeks reduced by 662 during 2018-19. However, this improvement has not been maintained. Performance is falling short of annual plan trajectories with the numbers of patients waiting increasing.

65 Across the unscheduled care pathway, performance against several measures indicate that the Health Board is struggling to meet demand and get patients through the system efficiently:

- the number of ambulance handovers over one hour is high and increasing;
- the percentage of patients seen at emergency departments within targets is declining; and
- delayed transfers of care remain high and are not reducing.

66 In respect of stroke care, timely access to specialist staff has improved but performance has slipped in other measures, including CT scan and thrombolysis times. Pathway performance for urgent suspected cancers is above the Wales average while non-urgent performance is below and neither meets delivery profiles. The Health Board continues to focus on reducing healthcare acquired infections. A reduction in the infection E-coli has been achieved but the number of clostridium difficile cases have not reduced. There are also opportunities to improve service efficiencies including missed out-patient appointments and theatre utilisation.

67 Performance management and scrutiny – **Established arrangements support performance oversight and scrutiny but in the context of a new operating model, the Health Board intends implementing a revised performance management framework for 2020-21.**

68 Operational performance is reviewed by the executive team quarterly, covering performance, finance and quality. A range of weekly meetings also take place, where executive leads track performance against plans, agree actions, and provide support where necessary. Performance is also reviewed at service improvement boards and financial management group. It is understandable that the Health Board needs to maintain traction and oversight during a period of turnaround. However, as reported last year, the number and frequency of meetings consume

much management capacity and are not sustainable long-term. The Health Board intends rationalising meetings and how management time is used in developing the operating model.

69 Last year we reported that the Health Board had not updated its performance management framework since 2015. Framework redesign is now progressing as part of the organisation's operating model, reflecting new management structures. The Health Board recognises that revised arrangements need to make accountabilities clearer, help incentivise performance and reflect earned autonomy for delivery units relative to their performance. Proposals for developing a new Performance Management Framework for implementation in 2020-21 were recently presented to Performance and Finance (P&F) Committee.

70 The Committee provides good scrutiny, using the integrated performance report and deep-dives in specific performance areas to inform its work. The integrated performance report helps compare performance to other health boards and national targets and shows performance over time. Financial reporting is of good quality. The Board also receives regular reports alongside written updates from Committee.

71 The Bridgend boundary change has resulted in many service level agreements for services that could not transfer in April 2019. A joint executive team is providing oversight and prioritising service disaggregation plans. Corporate and unit teams manage contract delivery day-to-day. This has created additional and significant management demand. It is too early to assess these arrangements, but we note little reporting on contract delivery to Board and Committee.

Efficiency and productivity

The Health Board is developing a focus on value and efficiency to achieve sustainable financial and performance improvements

72 The Health Board's service improvement programmes are aligned to targeted intervention areas. Programme boards oversee the development of plans to deliver annual plan trajectories and recovery actions, taking a whole-system view. The DST is also supporting units to get traction on in-year financial and performance delivery with a whole-system focus, particularly on unscheduled care.

73 The Health Board has established a high value opportunities (HVO) programme to drive service modernisation and efficiency improvement. They are organised under five areas: workforce; population health; medicines; procurement; and service re-design (surgical services; theatres; outpatients; and hospital to home). Several HVO schemes identify financial efficiencies but are not achieving the anticipated in-year savings. We reported a similar position last year for previous recovery and sustainability programmes. The Health Board needs to understand whether under-delivery reflects insufficient lead-in time, pace or overly optimistic assumptions.

74 A Value-Based Healthcare (VBHC) approach is an underpinning principle to the Health Board's strategic plans. A value and efficiency programme was established

for 2019-20 to drive the Health Board's use of the NHS Wales Efficiency Framework. It also provides leadership around the development of the Board's VBHC work programme which has been extended through additional Welsh Government monies. The VBHC team are engaged in priority areas highlighted in the national Efficiency Framework and CSP efficiency assumptions, particularly around reducing variation. The Health Board is welcoming of the KPMG review in helping identify wider opportunities for service efficiencies and to develop a pipeline of more sustainable, transformative plans.

Previous recommendations

75 Exhibit 5 describes the progress made addressing our previous recommendations relating to performance and efficiency.

Exhibit 5: progress on our previous performance and efficiency recommendations

Previous recommendations	Description of progress
R1 2017: Develop a more sustainable approach to designing/managing savings (partly met in 2018).	**Closed – superseded by 2019 R4.** Work has progressed but the Health Board will need to act on the results of KPMG's financial review.
R15 2017: The Health Board needs to clarify: b. where business intelligence sits and how it relates to informatics.	**Complete –** Digital as a key enabler and developing better networked intelligence forms part of the transformation programme.
R11 2017: The Health Board needs to ensure that it facilitates greater ownership of performance improvement actions by the delivery units.	**Complete –** The principle is being met by SLT arrangements, new operating model and the accountability focus in developing new structures and a performance management framework. New arrangements will however need to embed.
R1 2018: The Health Board should put an action plan in place to ensure that the NFI data matches it receives in 2019 are prioritised for review and where necessary investigated in a timely manner.	**Complete.** A continued focus on early reviews should be maintained
R4 2018: The Health Board should broaden its use and reporting of benchmark data to reduce unwanted variation and inform service and efficiency improvements.	**Closed – superseded by 2019 R5**. A range of benchmarking is used for strategic planning, transformation, service improvement and efficiency work. A Clinical Variation Tool has also been developed. Extending the range and use of benchmarked metrics will need to continue particularly in respect of cost modelling.

Governance arrangements

76 We examined the Health Board's governance arrangements and the way the Board and its sub-committees conduct their business. We also reviewed progress in addressing our recommendations.

77 We found that **the Board is displaying visible leadership and strengthening overall governance but is aware that there is more to do to strengthen some aspects of quality governance.**

Conducting business effectively

There is effective challenge and scrutiny with attention to continually improving Board and committee effectiveness, Board visibility and focus on quality, and patient and staff experience.

78 After extensive turnover in 2017, the new Board has benefitted from a 12-month Kings Fund board development programme. This has been during a period of high operational pressure, boundary change and new interim chairmanship since June 2019. Experienced independent members (IMs) stepped up to the Interim Chair and Vice-Chair roles providing continuity but resulted in a temporary IM gap until substantive appointments in 2020. Our observation is of an ambitious and open Board, with good awareness of issues and what is needed to take the organisation forward.

79 The Board's self-assessment of its effectiveness and maturity demonstrates engagement and an improvement focus. Members agreed the Board has the necessary leadership capacity and capability, but some IMs would welcome more support and guidance to carry out their role. The Interim Chair is progressing changes to how the Board operates and continues to develop itself and its members. Plans include:

- reshaping Board agendas for greater focus on strategy, partnerships, and out-of-hospital care;
- refining use of board development sessions for strategic considerations and board member development; and
- broadening the Chairs' Group to include all IMs and direct discussions with the Chief Executive.

80 We observed open and constructive discussion, with good IM challenge and scrutiny at meetings. The Board and committees have terms of reference, work plans and action logs. Matters are appropriately referred between committees, and deep dives conducted into areas of concern. Committees challenge information and request additional assurance when the content or format of papers is not sufficiently clear on risk, assurance, quality, or patient experience. Quality impact assessment is used to review all service change and cost improvement schemes with the Quality and Safety (Q&S) Committee receiving assurance reports. Our observations on key committees are:

- **Audit**: mature, good at holding to account, focussed on risks and assurances; self-evaluation completed in October; championing risk management and new BAF; and monitors the Board's Governance Work Programme.
- **Q&S:** operation matured, agenda structure revised and Chair proactive in seeking good practice and learning from others; recent quality improvement event to determine priorities and information requirements; self-evaluation deferred due to membership changes; and frequency of meetings is under review with consideration of whether the timing of business and assurance flows supports a move to monthly meetings.
- **WFOD**: more focussed with growing maturity; WFOD good questioning, generation of ideas and debate; good oversight of the workforce risk management plan; agenda across the year reflects strategic consideration although September agenda necessitated a more operational focus; and a WFOD forum overseeing operational workforce management is starting to inform the Committee's work and assurances.
- **P&F**: mature operation; focus on targeted intervention areas with wider scope for scrutinising strategic plan delivery and whole-system issues; and more to do to develop oversight for primary, community, commissioned and partner provided services.

81 The Board's integrated performance report has evolved to include public health, mental health and primary care. Information is timely with a balance of narrative and graphics but ensuring the information is digestible is an ongoing challenge. The Health Board recognises that as it develops its operating model, it could better use coded data as business intelligence and clarify the relationship between business intelligence and ICT. Overall however, information is sufficient to inform decision making.

82 Board member visits and walkarounds are helping members triangulate information and better understand services and staff/patient experience. The programme is not overly formalised or intended to create a formal stream of assurance but enables concerns to be highlighted and issues unblocked where necessary. It is also helping the Board increase its visibility and 'listen' to staff.

Managing risks to achieving strategic priorities

There is a maturing approach to shaping risk management, but Board Assurance Framework implementation has taken longer than anticipated.

83 We commented positively last year on the overhaul of risk registers and the design principles for a new Health Board Risk Register (HBRR) and BAF. We found design provided coherent alignment of strategic objectives, principle risks, controls and assurances with assigned committee oversight. Extant systems have operated during development. While BAF implementation has taken longer than intended, it is nearing readiness and the HBRR is already operational.

84 The Health Board has continued to refine arrangements in 2019 reflecting a growing maturity in risk management. High-rated organisational risks have been reviewed to ensure they properly reflect Health Board objectives. The Risk Management Group (RMG) plays a critical role in overseeing risk management processes and triangulating information across operational risk registers. It has reviewed unit risk registers and IMTP plans to better align risk and planning.

85 A new risk management policy sets out principles and requirements, including determination of risk appetite/tolerance. The Board plans to consider risk appetite further in 2020. Their considerations include incorporating a risk appetite to each risk on the HBRR. The Health Board proposes moving corporate risk management to the Director of Corporate Governance to better link risk to the BAF with a Head of Compliance to support legislative framework development.

86 BAF development reflects 2018 design principles and has been phased so it is underpinned by risk management. Next steps to finalise the BAF include triangulation with updated strategic and operational risks and alignment with quarterly annual plan reporting. A Standard Operating Procedure and user guide have been developed to support implementation in early 2020. The learning from the Primary and Community pilot is an opportunity to help other units interpret and apply the framework. Internal Audit is reviewing BAF finalisation and implementation starting December 2019.

Embedding a sound system of assurance

Important aspects of governance remain robust with plans in place to address remaining weaknesses in quality governance and ensure clinical audit fully contributes to the system of assurance

87 The Board regularly reviews its Standing Orders (SOs), Standing Financial Instructions, and Scheme of Delegations. New Welsh Government model SOs were adopted in 2019 and delegations will need to be revised post structural changes. Declarations of interests and hospitality are monitored by the Audit Committee with reasonable overall arrangements for ensuring probity and propriety. The Health Board benefits from a strong and proactive Internal Audit function.

88 In January 2019, the Health Board received 7,363 National Fraud initiative (NFI)[10] data-matches with 674 high-risk recommended matches mostly relating to payroll, creditor payments or procurement. By December, the Health Board had conducted initial review of most recommended payroll matches and made good progress reviewing creditor and procurement matches. Whilst we are satisfied with review work to date, and that it is timelier this year, there is still opportunity to start reviews earlier in future.

[10] NFI is a biennial data-matching exercise to detect fraud and overpayments and help organisations strengthen anti-fraud and corruption arrangements.

89 The Auditor General is examining the effectiveness of counter fraud arrangements across the Welsh public sector. His work will be informed by local fieldwork commencing December 2019. The Health Board's counter fraud team, which also covers two other organisations, reports regularly to Audit Committee.

90 The Health Board has well-established arrangements for tracking progress against internal and external audit recommendations. The Audit Committee routinely receives reports identifying the number of recommendations complete, on-track or overdue. These are broken down by executive portfolio and how many days outstanding recommendations are overdue. The Committee uses this information to hold officers to account. Our assessment of progress against previous structured assessment recommendations is broadly consistent with management's reported status. Reports from other reviews and inspections are reported to committees but the need to track these recommendations is recognised with plans to address this gap.

91 A Quality Governance Framework has been developed with work still progressing to clarify sub-groups and reporting lines, priorities for operational units and application of the framework through local quality governance. Following final framework approval, progress will be monitored by the Q&S assurance group (formerly 'Forum').

92 The Q&S assurance group remit is to ensure Q&S mechanisms operate effectively and consistently, and to escalate issues to Executive Team and Committee. The operation of the group has improved but remains a work in progress, with new terms of reference in development. As such, the group is not yet fully effective, although a new Head of Quality should facilitate faster progress.

93 The BAF identifies Clinical Audit as part of the assurance system. However, while national audit participation is reasonable, participation in local audits has declined and it is unclear where results receive attention. The Health Board is developing four tiers of audit activity to better reflect priorities, reinstating half-day Clinical Governance meetings from January 2020, developing a new audit policy and determining reporting arrangements for clinical audit and outcomes.

94 A more detailed examination of the elements underpinning the Health Board's quality governance arrangements will be undertaken in early 2020.

Previous recommendations

95 Exhibit 6 describes the progress made in addressing our previous recommendations relating to governance.

Exhibit 6: progress on previous governance recommendations

Previous recommendations	Description of Progress
R2 2018: Whilst the Quality and Safety Committee has access to relevant quality metrics and performance information, the Committee should review its information requirements and the way in which they are reported to avoid duplication or gaps.	**Complete.** The refinement of metrics agreed by the Committee now need to be implemented.
R3 2018: The Information Governance Board is an effective forum for driving the information governance agenda, but its focus is too operational to fully support the Health Board's wider digital ambition. The Health Board should ensure that there is sufficient strategic oversight of its digital ambition.	**Complete.** Digital strategy forms part of the transformation programme. The Information Governance Group (formerly board) focusses on information governance and has reviewed its terms of reference.
R5 2017: With full board membership in place for 2018, the Health Board is revising its committee structure and memberships. In doing this the [Health] Board should: a. ensure clarity and organisational understanding of the new structure and specifically, about what is a management group, partnership forum or scrutiny function as the current mapping groups them collectively; b. reassess any gaps or duplication in the operation of the new arrangements once introduced; and c. develop the BAF.	**Complete.** The BAF should however be implemented without delay in 2020.
R6 2017: The Executive-led Q&S Forum (now the Q&S assurance group), which was formed in January 2017 has focussed its attention on strengthening quality assurance arrangements. As part of this important work, the Health Board needs to ensure that: a. all management groups, which are required to report into the Forum, do so on a regular basis to avoid gaps in assurance; b. assurance reports from the Forum to the Q&S Committee meet the Committee's requirements in terms of discharging its scrutiny role; c. it keeps the quality and safety sub-structures under review to determine whether further simplification of current structures would be desirable; and	**In-progress**. Pace has been slow, but actions are progressing.

Previous recommendations	Description of Progress
d. there is clarity on the relationship between the Q&S Forum and other groups, particularly the Assurance and Learning Group and the Clinical Outcomes Steering Group.	

Workforce management

96 We considered how the Health Board is managing its workforce, listening to staff and addressing training, development and wellbeing needs. We also reviewed progress in addressing our previous recommendations.

97 We found that **the Health Board has developed a more strategic approach to workforce management and, while acting to address workforce risks, recognises further opportunities and challenges**.

Strategic workforce management

The Health Board has developed a Workforce and Organisational Development framework and is addressing workforce risks, but capacity is limited and there is reliance on short-term funding.

98 A WFOD framework, approved in January 2019, recognises 'excellent staff' as a key enabler for delivering the organisational strategy and clinical services plan. The framework, to be underpinned by a suite of supporting plans, reflects the strategic importance of a well-managed workforce.

99 The WFOD Committee receive updates on framework implementation and actions to address workforce risks. Progress is evident with work continuing in areas, such as organisational culture, leadership development, staff wellbeing and employee relations. However, the reduction in WFOD capacity since 2009 through cost reduction programmes is seen as having had a detrimental impact on a range of workforce issues and performance. Some initiatives are reliant on short-term resourcing with funding ending in April 2020.

100 The Health Board recognises that an effective WFOD function is critical for organisational success and is currently considering a business case for investment. Some progress in developing the WFOD function is being made whilst proposals are considered. This includes developing the business partner model and realigning senior portfolios and responsibilities to provide a consistent approach and better meet service needs.

Workforce productivity and efficiency

Steps to improve workforce efficiency and productivity are being taken with a proactive approach to attracting staff but recruitment and retention challenges reflect national workforce issues, sickness levels remain high and agency expenditure is increasing.

101 Positive steps to reduce sickness absence are being taken but have not yet resulted in improvement. Sickness levels at 6% show no improvement from last year and cost the Health Board approximately £24 million a year. There is good understanding of the main reasons for sickness with mental health/stress and musculoskeletal problems being the highest causes. Significant work has been initiated to strengthen absence management and improve health and wellbeing, including:

- hot spot analysis, deep dive reviews, attendance audit;
- training on the Managing Absence All-Wales Policy;
- Occupational Health improvement plan with targets for reducing waiting times; and
- Rapid Access – Staff Wellbeing Advice and Support Service with over 300 trained wellbeing champions and monthly menopause wellbeing workshops.

102 The combination of improved management, earlier intervention, and well-being work indicates a holistic view being taken, but these measures have not yet resulted in sustainable reductions.

103 Health Board data show 869 WTE vacancies in July 2019, mostly for nursing (414) or medical (194) posts and reflecting national recruitment challenges. Several approaches are used to attract and recruit staff, including recruitment events, international recruitment, Apprenticeship Academy, 'growing our own' with part-time nursing degrees and advanced practitioner roles. While the overall time to recruit compares to the all-Wales average, work to streamline recruitment processes is progressing, for example, avoiding management delays in advertising and short-listing.

104 Staff turnover of 8% is largely unchanged from July 2018 and remains above the all-Wales average (7.1%). The rate is higher for nursing (9%) and medical/dental (11%) staff. Turnover reflects staff leaving the NHS and the Health Board needs to understand if this is a demographic or retention issue. The Health Board is still looking to roll-out exit interviews following the 2018 nursing pilot and hopes to use electronic staff record (ESR) exit interview functionality to provide a future digital solution.

105 A range of work is in progress to control variable costs, but agency expenditure is increasing. At £26.3 million in 2018-19, agency spend was 3.9% of the total pay bill (Wales 3.8%); at July 2019, it was 4.18%. In part expenditure reflects vacancy and sickness cover, but also maintenance of staffing levels to comply with the Nurse Staffing Levels (Wales) Act 2016 (the Act).

106 A 2019 Internal Audit gave reasonable assurance on the processes for complying with the Act. The bi-annual assessment of patient acuity and staffing requirements was reported to the October WFOD Committee. Of the 29 medical/surgical wards covered by the Act, 21 meet required staffing or have revised budgets to do so with establishment needs for the other eight being considered.

107 Alongside nursing and medical workforce redesign programmes, the Health Board is pursuing high value opportunities to support workforce modernisation and efficiency, including:

- locum on duty system implementation for stronger governance on medical locum decisions and spend and review of agency cap compliance;
- ALLOCATE e-rostering package and standardisation of nursing shifts; and
- bringing staff Bank under WFOD management and promoting bank working and use (for example, using substantive pay rates and covering clerical vacancies).

108 Progress on consultant job planning has been historically slow, although roll out of e-job planning is now progressing. We are completing a Consultant Contract follow-up review and will report more fully as part of that work.

Training and development

Mandatory training rates have significantly improved, and two-thirds of staff have had an appraisal, but target levels are not yet achieved, and some leadership developments rely on short-term funding.

109 The Health Board has focussed on improving mandatory/statutory training rates. In August 2019, compliance reached 79.4% compared to 60% in 2018 and the all-Wales average of 80%. Medical/dental staff compliance is the lowest at 44.65%, although this is an 18.56% increase on the year before. Work continues towards achieving the 85% target. Support measures include e-learning guides, drop-in sessions and additional training for staff groups. The WFOD Committee scrutinise compliance and conduct deep dive reviews in areas with low rates. For example, a review of estates/facilities identified a range of challenges and options for improvement. Estates/facilities also have a low appraisal rate and one of the highest sickness rates.

110 The Health Board is reviewing the mandatory training framework with relevant subject experts to ensure content is fit for purpose. The Mandatory Training Governance Committee provides oversight and will consider any changes to framework content prior to Committee approval. A cyber security training module is now on ESR, but the Health Board has not mandated it. During our fieldwork, Internal Audit were reviewing e-learning access and related ESR issues. ESR rollout reached 50% in July 2019 compared to 36% last year but remains the lowest in Wales. The Health Board intends transferring ESR management from Finance to WFOD, pending investment and resourcing decisions.

111 Individual performance appraisal and development reviews (PADR) are an organisational priority. At July 2019, 64% of staff had received an appraisal in the last 12 months, compared to 60.4% in 2018. Some areas of the workforce had exceeded the 85% target. Several actions are ongoing:

- updated appraisal training, which also emphasises mandatory training completion;
- a research project to inform future appraisal processes and uptake; and.
- work in areas with low appraisal rates, including estates/facilities (compliance 43%).

112 Leadership development is a key strand of the WFOD Framework, and several initiatives and programmes have been introduced, including:

- leadership summits;
- investment in clinical leadership including re-launched consultant development programme;
- leadership programmes focussing on behaviours and cultural change – 'Bridges' (Band 8a and over) and 'Footprints' (Bands 4-7);
- New Mangers Pathway – step-up from Bridges/Footprints;
- Aspiring People Managers Programme; and
- refreshed coaching strategy, increased in-house capacity and working with Better Jobs, Better Futures for 1:1 career coaching.

113 However, there is a reliance on invest to save money to deliver some programmes (eg Aspiring People Managers and consultant development), which runs out in 2020.

Staff engagement and wellbeing

A clear focus on developing organisational values, staff engagement and wellbeing is evident

114 The Health Board's #LivingOurValues campaign is a direct response to the staff survey and staff engagement at the end of 2018. It includes three improvement areas: healthy workplaces and wellbeing; great leaders, great managers; and innovation, learning and development. Some of the wellbeing developments and leadership programmes already discussed arise from this space. The work continues with individuals and teams making pledges for how they will live the organisation's values.

115 Board visibility is increasing with walk-arounds, leadership summits, executive roadshows and half-days in service areas. In May 2019, a freedom to speak (Guardian) service was launched, providing staff an independent route for raising any concerns, including staff welfare. The service has 24-hour access to on-call executives. There are also monthly meetings with the Director of Workforce and quarterly with the Chair, helping develop a thematic understanding of staff

concerns and issues. The Clinical Senate is an important engagement group for clinicians with a leadership role, including nursing and allied health professionals.

116 Improving employee relations has had continued focus, supported by work with ACAS. An employee relations tracker is operational, and three employee relation investigators are helping address cases in a timelier way. The **Merseyside 'Just and Fair'** approach is being piloted to create an environment where staff feel supported and empowered to learn when things do not go as expected, rather than feeling blamed. The approach may also help address and reduce the number of staff grievances.

Previous recommendations

117 Exhibit 7 describes the progress made in addressing our previous recommendations on workforce management.

Exhibit 7: progress on previous workforce management recommendations

Previous recommendations	Description of progress
R18 2017: Mandatory training rates are low and not meeting the Health Board's target of 85%. The Health Board should therefore: a. take steps to increase mandatory training rates to meet the Health Board target of 85%; and b. address access issues with the ESR to allow accurate recording of compliance.	a. **Closed** – in view of progress made although efforts to reach the 85% target need to continue. b. **Closed** – in view of progress to be superseded by any recommendations from current Internal Audit review.

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