



Report by the Betsi Cadwaladr University Health Board (BCUHB) to the Public Accounts Committee

Purpose of the Report

The purpose of this report is to provide the Public Accounts Committee (PAC) with an updated position in relation to:

- progress against the PAC recommendation for the Health Board contained in the May 2019 '*Governance Review of Betsi Cadwaladr University Health Board : Lessons Learned*' (recommendation 1)
- progress against the requirements set in the Targeted Intervention Improvement Framework
- action ongoing to ensure improvement in line with recent external reports, including vascular surgery and mental health services

Update on the recommendation for the Health Board in the May 2019 report “*Governance Review of Betsi Cadwaladr University Health Board : Lessons Learned*”

The Report made one recommendation to the Health Board, as follows –

Recommendation 1. We are unconvinced that sufficient resources are being devoted to turnaround action and although the Board has appointed a Director of Turnaround, we recommend the Board consider bringing in additional specialist external turnaround expertise to assist with this.

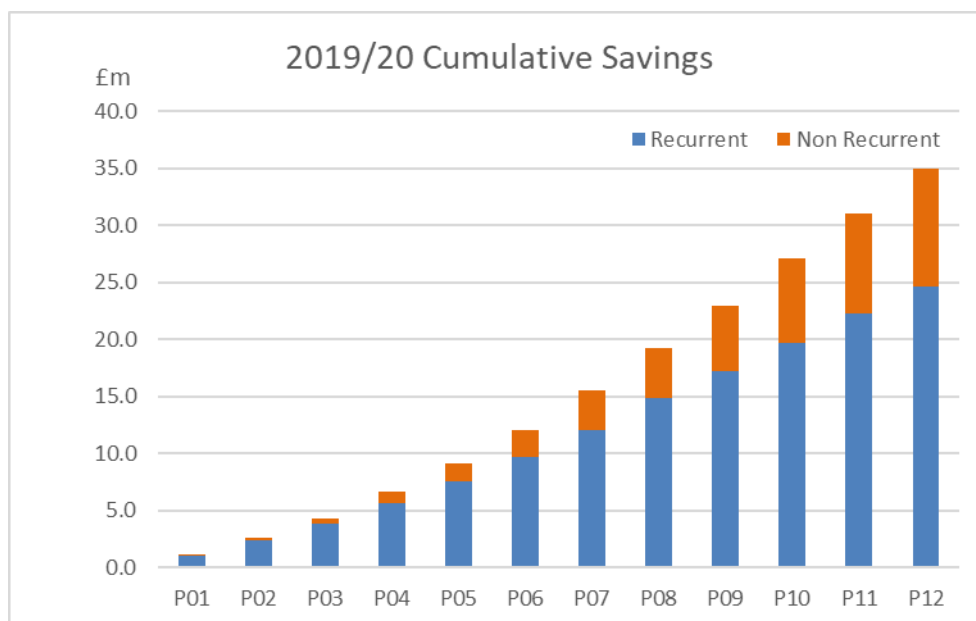
In the May 2019 Report, it was noted that the Chair of the Health Board had commissioned an external review of the Board's financial plan and capacity to deliver sufficient savings to ensure progress towards a balanced financial plan. This work confirmed the underlying financial deficit faced by the Health Board and identified the need for cash releasing savings of £35m to be delivered in 2019/20 in order to achieve the control total deficit of £25m set by Welsh Government.

In response to this report, the Health Board rapidly implemented a revised structure for the delivery of financial recovery. This was led by an experienced external Recovery Director. The Health Board invested in additional Programme Management Office capacity and capability to drive the savings programme and support enhanced financial governance.

A comprehensive Financial Recovery Programme was established in July 2019. This was overseen by a Financial Recovery Group, chaired by the Chief Executive, with input from Executive Directors and the Recovery Director. This Group also benefitted from the expertise of an Independent Financial Advisor to the Board. The Group oversaw a programme of weekly activity which sought new savings opportunities,

ensured the delivery of those schemes identified, and challenged where there were performance concerns, ensuring remedial action was in place. Across the organisation Divisions were engaged in a fortnightly review of their savings identification and delivery. A series of Executive led Improvement Groups were established to drive forward Health Board wide savings initiatives, with similar fortnightly progress reviews.

The combined impact of the external support commissioned and the appointment of the Recovery Director was seen in the growth of the savings programme from month 4 onwards, as shown below:



By the end of the financial year the savings programme had generated cash releasing savings of £34.9m, in line with its target, with £24.6m being recurrent. In addition to the generation of in-year savings, the programme was also building a plan over a three year period to support the drive to achieve financial sustainability.

As well as focussing on savings, the external review also included a review of the Board's financial baseline and key expenditure controls which were necessary to deliver robust financial governance. The review contained 54 recommendations and good progress was made in 2019/20 with implementation, however full completion was compromised by the onset of the COVID-19 pandemic in February 2020, which diverted resources to other priority workstreams. A summary of the implementation of the recommendations as at June 2020 is shown below:

Report Reference	Number of Recommendations	Recommendations Completed	Recommendations Outstanding	% Completion
Financial Baseline	32	26	6	81
Grip and Control - Pay	16	13	3	81
Grip and Control - Non Pay	6	6	0	100
Total	54	45	9	83

The implementation of the Financial Recovery Programme and the enhanced controls which supported it made a significant impact across the Health Board. The financial performance of the Board improved in 2019/20, with the deficit reducing by £1.6m from the level seen in 2018/19, as shown below :

Financial Year	Deficit £m	Deficit as % of Revenue Resource Allocation	Savings delivered £m
2014/2015	£26.60	2.10%	34.90
2015/2016	£19.50	1.50%	34.50
2016/2017	£29.80	2.20%	33.50
2017/2018	£39.00	2.70%	41.70
2018/2019	£41.28	2.77%	38.35
2019/2020	£38.70	2.39%	34.93
2020/2021	0	0.00%	18.39
2021/2022 (M9 forecast)	0	0.00%	17.95

Since early 2020, the impact of the pandemic upon the Health Board’s activities and priorities has been very significant. In line with other Health Boards, the focus upon savings has reduced, however savings of £18.4m were delivered in 2020/21 and forecast savings for 2021/22 are £18m. In 2020/21 the Health Board achieved a balanced financial position after receiving strategic assistance resource from Welsh Government, and is forecasting balance for 2021/22.

Improvements in overall financial management and control have had an increasing impact in recent years. The Audit Wales Structured Assessment 2021 (Phase 2) made the following observations which reflect an improving position:

“Finance reports provide sufficient and timely information on financial position, financial performance, cost savings and progress against the capital programme. Additional deep dives into specific areas of expenditure are periodically used to support understanding and scrutiny. Where there are new or amended contracts and agreements that have a financial implication to the Health Board, the Finance and Performance Committee is appropriately informed and provides appropriate challenge.”

“Over the last six months, we are seeing increasing emphasis on value, return of investment and efficiency at senior levels within the organisation. This is becoming more visible at Finance and Performance Committee, particularly within emerging business cases and is a welcome development.”

The comments above reflect a developing environment for effective financial management and governance within the Health Board, however there is a clear need to implement a more transformative approach to savings, built upon an increasing focus on efficiency and value.

As the Health Board prepares to return to a more stable operating environment in 2022/23, it is critical that the rigor and discipline that accompanied the financial recovery process is maintained, albeit in the context of a broader approach to quality improvement and transformation. Attention to the effective operation of key controls in terms of pay and non-pay expenditure, supported by strong accountability arrangements and challenge in relation to performance delivery will be key to success. This will be built into the Health Board's new operating model from April 2022.

The Health Board's work in developing its Integrated Medium Term Plan (IMTP) for 2022/2025 reflects this approach. Recognising previous observations made in relation to capacity to deliver, the Health Board has established a Transformation and Improvement Unit, which will add greater capacity and capability. Through delivery of transformation programmes, there will be a focus on securing improved services and patient outcomes, whilst in tandem yielding tangible and sustainable financial benefits.

In addition to the development of the Transformation and Improvement Unit, a Finance Improvement Team is being established through restructuring and reallocating resource from existing teams. This will provide increased capacity and capability within the finance directorate to support the savings programme, with a focus on delivering sustainable, recurring efficiency and cost savings across the Health Board.

The draft IMTP contains a requirement to deliver £35m of savings in each of the next three years, totalling £105m over the planning period. This has been informed by the Health Board's analysis of benchmarking and other external reference data. This analysis indicates the opportunity to deliver improvements that could secure financial benefits ranging between £70m and £114m, over a 3 year period. The value range is based on opportunities which have previously been assessed as having a high to medium confidence level in the quality of benchmarking. The opportunities are summarised in the table below -

Transformation Area	Low Opportunity £m	High Opportunity £m
Planned Care	19.8	36.7
Unscheduled Care	11.8	18.7
Mental Health	3.8	5.5
Other *	35.3	53.3
Opportunity Range	70.7	114.2

*Note – Other includes primary care medicines management, continuing healthcare and workforce

Further analysis will be incorporated as the programme develops, making best use of national and peer benchmarking information to direct focus to areas where indicators show local services as performance outliers. This will lead to the identification of areas for potential pathway change, large scale service improvement and value work which will be progressed with support from the Transformation Team.

Progress against the requirements set in the Targeted Intervention Improvement Framework

In November 2020, following advice and recommendation from the tripartite meeting of NHS Wales, Audit Wales and Healthcare Inspectorate Wales, the Welsh Government stepped the Health Board down from 'Special Measures' to 'Targeted Intervention'. The Health Board is in Targeted Intervention in the following four areas:

- Mental Health Service Management (adults and children)
- Strategy, Planning and Performance
- Leadership (including Governance, Transformation, and Culture)
- Engagement

The Targeted Intervention Improvement Framework uses a maturity matrix approach to evidence progress in the areas of concern. A maturity matrix is in tabular form and describes key elements of good practice along the y-axis, and graduations of 'maturity' along the x-axis; they are used to provide consistent and common language for a transformation programme and to highlight what 'good looks like' in a simple evidence-based road map of improvement.

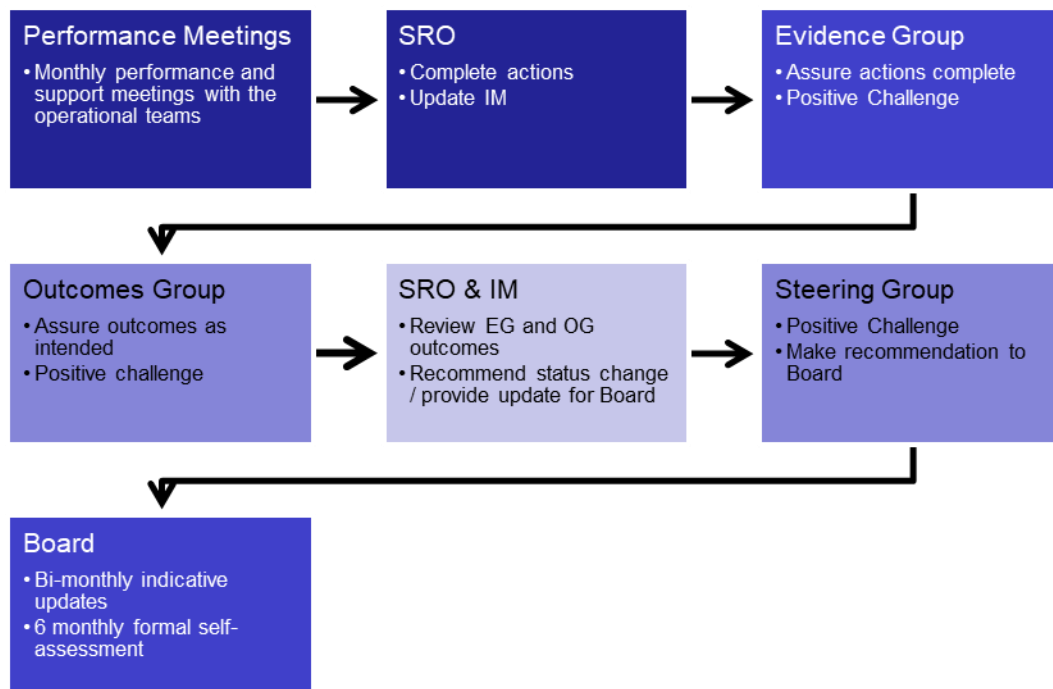
The maturity matrix approach relies upon an effective self-assessment process that rigorously challenges evidence of progress. Within the Health Board, the 'three lines of defence assurance model' has been adopted to support self-assessment and decision making regarding progress. The first line of defence is the operational team presenting the evidence to the domain Senior Responsible Officer (an Executive Director). The second line of defence involves check and challenge by our central Targeted Intervention Team, before being presented to the Evidence Group or Outcomes Group as the third line, which provide assurance for the Board.

The Evidence Group's role is to provide evidence-based assurance that actions within the matrices have been taken; the Outcomes Group's role is to provide evidence-based assurance that the impact of the actions is as intended to meet the required outcomes defined in the Targeted Intervention Improvement Framework.

The Evidence and Outcomes Groups are chaired by an independent (of the process) Executive Director and have representation from staff across the Health Board along with external representatives, including the Community Health Council.













The Targeted Intervention Steering Group checks and endorses the evidence before making recommendations to the Board. In addition, four Independent members have been identified as Link Members, to act as “critical friends” during the check and challenge process, receiving monthly updates and bringing their knowledge and experience into the evidence gathering and assessment process. The Board has also created the time and opportunity at workshops to discuss and challenge the evidence in detail prior to the formal self-assessment being considered by the Board in public.

This process for providing evidence and assurance to the Board is summarised in the diagram below:




A decision making framework is under development, to ensure consistency in making judgments on the effectiveness of completed actions as we move through the matrices.

The Targeted Intervention Improvement Framework seeks evidence of improvement over time, as reflected in progress through the maturity matrices. The Health Board conducted a baseline assessment in May 2021 and then published its first assessment of progress in November 2021. These assessments were presented in full to the public meetings of the Health Board and the outcomes are shown in the diagram below, along with the targets set for the next assessment in May 2022:

Progress Levels	0 - No Progress	1 - Basic Level Principle accepted and commitment to action	2 - Early Progress Early progress in development	3 - Results Initial achievements	4 - Maturity Results consistently achieved	5 - Exemplar Others learning from our consistent achievements
Key Elements						
All Ages Mental Health						
Planning and Performance						
Leadership		 				
Engagement		 				

 Reference Point May 2021

 Reference Point November 2021

 Target May 2022

As may be seen from the above, there has been progress evidenced between May 2021 and November 2021, with all domains reported as Level 1 as at November. Looking forward to May 2022, the Health Board's expectation is that all domains will have progressed to Level 2. Within this level, there is a distinction drawn between a normal score, as shown for leadership, and a high score, as shown for the other three elements. This is a critical distinction and reflects the need to distinguish between evidence of action and evidence of impact. The ability to evidence the impact of changes made is critical to the improvement journey and is a pre-requisite for a high score.

Examples of progress noted between May '21 and November '21 are summarised below:

All ages Mental Health

- CAMHS - Family Wellbeing Practitioner Service established, supporting the delivery of a primary care based early intervention service for families of children and young people presenting with concerns about emotional wellbeing and behavioural issues.
- Transition policy in place, describing the processes to be followed when a young person within Specialist Children's Mental Health Services requires continuing care from Adult Mental Health or other services eg eating disorders or substance misuse
- Adult Mental Health: Service Framework for the Treatment of People with Co-occurring Mental Health and Substance Misuse Problems in place, showing a closer relationship between the Area Planning Board Executive Board and the Together for Mental Health Partnership Board.

Strategy, Planning and Performance

- North Wales Medical and Health Sciences School Task and Finish Group established in partnership with Bangor University to provide oversight to the

development of the Health Board's response to the Welsh Government North Wales Medical School Task and Finish Group recommendations

- Approach to Planning: Lessons Learnt Report developed, reflecting on the 2021/22 planning process, to steer future planning processes from Board and strategy level through to programme and operational level. Recommendations made for future years' planning, aligning strategy to the 2022/25 IMTP, and improving engagement within the organisation .

Leadership, Governance and Culture

- The discovery phase of Mewn Undod mae Nerth/Stronger Together has been completed, engaging with over 1900 colleagues across the organisation. Feedback through our Stronger Together Community and co-design of our future through our People & OD Strategy work is underway. Design principles to improve '*How we organise ourselves*' agreed and engagement well underway on a preferred structure/operating model for the organisation.
- Board Development Programme in place, designed to align with the outputs from Discovery under Mewn Undod mae Nerth/Stronger Together, supported by both the Kings Fund and the Good Governance Institute. Key elements include:
 - Reflecting on the Board's contribution to the current state and commitment to the future state.
 - Reconnecting with the purpose of the organisation and how this aligns to national strategy and local needs.
 - Recognising the requirement to shift the Board's focus, in order to set the vision for the organisation, and the strategies required for achieving this vision.
 - Identifying and delivering changes to its ways of working to create the environment for improvement.
 - Recognising the importance of optimising the styles, experience and knowledge of the Board rather than focussing solely upon function
- Implementation of the new governance framework across the organisation commenced on 1 September 2021 with the aim of:
 - Balancing the focus on strategy, culture, and accountability
 - Improving structural line of accountability and assurance flows between underpinning groups, the executive team, committees, and the Board ie from 'floor to Board'
 - Enhancing focus on the people and transformation agendas

Engagement

- Long Covid-19 group established, including health professionals and patients, as a collaborative approach to develop a multi-pathway model to access rehabilitation and treatment for Long Covid-19. Patients within the group are

actively involved in external Long Covid-19 support groups and have been prime in sharing information on their behalf.

- Parental Resilience and Mutual Support programme (PRAMS) established. Families can access support; one-to-one; Talking Therapy; actual or virtual groups. It provides a range of services along the maternity pathway beginning with '*You and Your Bump*' and '*You and Your Baby*' sessions continuing for families with children up to 16. Based on success in Flintshire, we are looking to extend the programme across North Wales.
- Staff Engagement in AMH: The on call survey was carried out across the Division to ascertain feedback from staff regarding the current On Call arrangements in the Division. The feedback and themes have been used to develop an option appraisal for consultation, supported by discussions at the MH&LD Joint Partnership Group meeting with staff side representatives.

Improvement and development work is now ongoing to enable further progress to be evidenced in relation to the next formal self-assessment in May '22. The following are examples of key actions which are expected to impact upon the assessed score:

All ages Mental Health

- Adult Mental Health; Continuation of service quality improvement aligned to the Ward Accreditation programme and the roll out of more Learning Events across the Division.
- Utilisation of developmental funding as a high priority in line with Board's Plan
- CAHMS; Continuation of service quality improvements aligned to the Access and Crisis work streams
- Transition; Joint training programme to progress further

Strategy Planning and Performance

- Development of a Value Based Health Care (VBHC) virtual programme to continue to identify and champion initiatives with strong VBHC principles, aligned with Lean Healthcare methodology
- Develop the IMTP and associated annual plan with clear prioritisation and affordable, deliverable targets.
- Develop of a high-level Clinical Services Strategy aligned to the refreshed Living Healthier Staying Well Strategy and the IMTP.

Leadership

- Continuation of the Board development programme and embedding the Governance Model at Board, Committee and Executive level

- Implementation of the new operating model and associated governance arrangements in shadow format from 01 April 2022
- Launch of the Best of Our Abilities programme, to make it easier to get the skills and capacity we need from both within and from outside to support our work

Engagement

- Work with public and third sector partners to scope and co-design a pan North Wales engagement forum, to support the Regional Partnership Board and Public Service Boards with a co-ordinated approach to public engagement.
- Undertake a review of engagement processes and exercises across the Health Board, to identify the range and scope of engagement currently being undertaken and its impact, future plans and the support that is needed for services to ensure engagement is mainstreamed into core business.
- Use the new BCUHB intranet site to enable the widespread sharing of engagement toolkits and patient stories as well as expanding the range of support for staff online, complemented with offers of bespoke support as required.
- Review how we publish and share news online, including a look back at the performance of our digital communications channels and content to enhance future impact

Ongoing action to ensure improvement in line with recent external reports

In recent weeks the Health Board has received and published three external reports which highlight deficiencies in the quality of care provided to patients. The Health Board has put these documents into the public domain at the earliest opportunity, reflecting the open and transparent manner in which the Board will address these concerns. Action taken to address the findings of these reports is set out below.

Vascular Surgery

In late January 2022 the Health Board received the second of two reports arising from the invited review it had commissioned from the Royal College of Surgeons (RCS) in relation to vascular services. The Health Board published the report on 3rd February and unreservedly accepts the findings highlighted in the report. The quality of patient experience and outcomes described in the report are unacceptable and all Board Members are committed to ensuring that the service now develops, at pace, in the way that was originally envisaged.

The Executive and clinical teams are focused on both rapidly addressing the issues most recently highlighted but also ensuring the long term safety and sustainability of the service, supported in the short term by a closer working relationship with Liverpool University Hospitals NHS Trust and through some changes in the local clinical leadership of the service. Liverpool University Hospitals NHS Trust have

committed in principle to working to support our Multidisciplinary Team (MDT) meetings and these arrangements are to be formalised very soon through a Memorandum of Understanding between our organisations.

The action plan that has been produced in response to Part 2 of the RCS review, building on the existing Vascular Improvement Plan, is clear on the need to seek assurance on the extent of the failings, particularly in relation to note keeping and consent, across the Health Board.

The plan indicates how robust assurance of the effectiveness and sustainability of action will be managed and reported to the the Board and its Committees. In addition, the plans are currently being quality assured independently within the organisation to ensure consistency with our wider quality improvement methodology and the Targeted Intervention (TI) areas. Ensuring a consistent approach to transformation and quality improvement is key to ensuring the sustainable implementation of this essential work and wider impacts across the Health Board.

The Health Board is currently forming a Vascular Quality Panel to review the 44 cases in the Royal College review to ensure appropriate outcomes for patients are delivered and that there is a clear and open communication with patients and their families. The Terms of Reference for this panel are being developed to ensure that wider thematic reviews take place where necessary and an independent Chair for this panel has been appointed.

The action plans are monitored through the monthly Vascular Steering Group (VSG), chaired by the Executive Medical Director. The membership of the VSG includes representatives from the Community Health Council and patient representation. The VSG reports to the Quality, Safety and Patient Experience Committee and each public Board meeting.

Mental Health

On 25th February two external reports, commissioned by the Health Board, were published relating to deaths which occurred within mental health units in North Wales. Patient D died at the Hergest Unit, Ysbyty Gwynedd in April 2021, while Patient A died at the Ty Llywelyn Medium Secure Unit, Llanfairfechan in October 2021. These are two very tragic cases and the Health Board has apologised to the families of both patients for the failures in their care.

The recommendations of these reviews have been accepted and the Health Board is determined to leave no stone unturned in order to learn lessons from these incidents. All of the recommendations are on track to be implemented within appropriate timescales.

In December 2021, Healthcare Inspectorate Wales published its report following unannounced visits to the Hergest Unit in Bangor. This report identified some immediate areas for action and made a series of recommendations regarding areas for improvement. These areas included the design and fabric of the building, staffing and the practice of nursing mixed cohorts of adults and older people in the same

ward. A detailed action plan was developed and published alongside the report and this is being progressed.

The themes within these reports resonate with previous reports and issues identified from other incidents. In light of this, the Chairman and Chief Executive determined that a single programme of action was required to drive improvement across mental health services. A summit was convened in December 2021, which included the Chair and Vice-Chair of the Board, the Chief Executive, Executive Directors and the senior leadership team from the Division.

The summit provided the opportunity for a thematic discussion regarding previous reports and incidents, leading to the identification of a programme of improvement which is designed to bring about change. The areas for improvement identified are as follows –

- Continued implementation of the ward accreditation programme for all inpatient wards
- Action to end the practice of mixed cohorting of adults and older people in the Hergest Unit
- Action to embed improvement methodologies within teams across the Division, through training and support for staff
- Active adoption of learning across the Division, with impact evidenced
- Development of training and competency assessment in areas such as suicide prevention and risk assessment; supported by audit of effective implementation
- Shared learning from incidents and reviews, with audit of impact
- Cultural interventions to support staff, building on the Health Board's Stronger Together Programme
- Enhanced governance within the Division and connection to Board wide systems

Progress against these interventions will be monitored on a monthly basis through regular meetings of the summit, with Board level leadership maintained to gain assurance regarding positive impacts upon service delivery. These actions will be reflected in the Targeted Intervention Improvement Framework monitoring arrangements.

The Health Board is adopting a consistent approach in responding to each of these separate reviews and work is ongoing to develop this into a standard process for addressing areas of quality concern across all services. This will extend from the identification of triggers to signal concerns early, assessing the implications of concerns and the type of response required (including reviews), adopting a standardised improvement process to drive and demonstrate change, communication with staff and communities, reporting and monitoring of progress. Internationally acknowledged best practice, drawn from the Institute for Healthcare Improvement (IHI) learning, will be used to design this standard process, with

training and development made available to clinicians and other staff to ensure its consistent, successful adoption.