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20 November 2023

Dear Russell and Mark,

I am writing further to my letter of 10 May, in which I provided an update on a number of pieces of work and agreed to provide a further update this month.

Betsi Cadwaladr University Health Board (BCUHB)

The attached report at annex 1 sets out the work that has been undertaken over the last 6 months. You will also be aware that I am providing quarterly reports on the progress the health board is making against the special measures framework. The [first two reports](#) set out the progress made over the first six months of special measures arrangements and the third quarterly report setting out the progress made during the last three months is due to be published on 13 December 2023.

Accountability Ministerial Task and Finish Advisory Group

On 8 November 2023, I issued a [Written Statement](#) that set out the membership of the Ministerial Task and Finish Advisory Group I have established to reflect on the current governance structures within NHS Wales, provide a view about whether accountabilities are clear and appropriate, and advise on any recommendations necessary to strengthen them.

Specifically, I have asked that the Task and Finish Group should advise me of its recommendations by 31 March 2024 and in doing so to:

- Reflect on the current governance structures within the NHS Wales system and provide observations of any strengths or weaknesses.
- Provide a view as to whether accountabilities are clear and appropriate.
- Provide any recommendations to strengthen the system.
- Take account of the fact that health ministers in Wales are closer to the NHS system than elsewhere and that the accountability mechanisms need to consider this.

Intervention and Escalation Framework

Considerable work has been undertaken on this Framework and consultation has been undertaken with the NHS. I intend to share further information with the committee concerning its publication in due course.

I hope that this update is helpful and please let me know if you require any further information or briefing on these matters.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Special Measures: Betsi Cadwaladr University Health Board

Update to Health and Social Care Committee and Public Accounts and Public Administration Committee

From: Minister for Health and Social Services

November 2023

1. Background

The [Special Measures Framework](#) sets out the reasons Betsi Cadwaladr University Health Board was placed in special measures on 27 February 2023. These relate to serious concerns about board effectiveness, organisational culture, service quality and reconfiguration, governance, patient safety, operational delivery, leadership, and financial management.

The framework sets out in some detail the improvements expected between March and December 2023 under the following eight areas of concern which are:

- Governance, board effectiveness and audit
- Workforce and organisational development
- Financial governance and management
- Compassionate leadership and culture
- Clinical governance, patient experience and safety
- Operational delivery
- Planning and service transformation
- Clinical vulnerable services

It also sets out five clear outcomes for the stabilisation phase of special measures:

- A well-functioning board
- A clear, deliverable plan for 2024/25
- Stronger leadership and engagement
- Improving access, outcomes, and experience for citizens
- A learning and self-improving organisation

The complexity and scope of work in the domains is such that there will be four levels of the special measures intervention to support de-escalation.

- Discovery
- Stabilisation
- Standardisation
- Sustainability

The discovery phase was undertaken during March – May and the first [quarterly report](#) sets out the progress made during that initial phase. The health board is in the stabilisation phase of special measures, which will last for approximately 9 months. This will be made up of three cycles.

The first cycle commenced on 1 June 2023 and ended on 31 August 2023. The second cycle will run from 1 September 2023 to 30 November 2023.

A review of cycle 1, including members of the board, independent advisors and Welsh Government officials was held on 9 August. Some good progress has been made on enabling actions during this first 90-day cycle. It is still too early to consider their effectiveness and impact. The health board is focused on building upon these to ensure they are embedded, resulting in sustainable improvements.

The following external reviews have concluded, and reports are in the process of being finalised or have been shared with the health board for consideration by the Board through its appropriate governance structures:

- Review of concerns raised around Betsi Cadwaladr University Health Board affiliated to patient safety.
- Safety review of Betsi Cadwaladr University Health Board mental health and learning disabilities inpatient units.
- Rapid review of interim appointments at Betsi Cadwaladr University Health Board.
- Rapid review of the office of the board secretary.
- Vascular services assurance assessment.
- Executive team portfolio review.
- Independent assessment of integrated planning approach and process.
- Procurement and contract management (health board led).
- Listening to citizens, patients, staff, and partners.

In addition, an assessment of the key areas of the workforce portfolio ('HR experts review') has been completed.

The following reviews are underway and will inform priorities and actions for future cycles following completion and consideration by the Board through its appropriate governance structures:

- A review of vascular pathways between August 2022 and August 2023.
- Follow up assurance assessment of the inpatient mental health units.
- Board effectiveness follow up review undertaken by Audit Wales.

The second [quarterly report](#) was published on 19 September sets out the progress made between June and the end of August and the priorities for the period between September and November are published [here](#).

The following sections highlight progress against a number of high-risk areas:

Requirement to stabilise the Executive Team

- On 14 November 2023, Carol Shillabeer was confirmed as the permanent Chief Executive following an open recruitment process.

- Adele Gittoes has been seconded from NHS Wales Executive as the interim Executive Director of Operations for a period of 9 months (until March 2024).
- Elin Gwynedd has been seconded from Welsh Government to become the Health Board's Chief of Staff.
- Russell Caldicott has been appointed as the interim Director of Finance.
- Phil Meakin is Interim Board Secretary, following an internal restructure.
- Recruitment to the Director of Corporate Governance (and Board Secretary) is underway.

Action taken to stabilise the Board

Work has continued to develop and support the Board. Mike Parry was appointed as the new Associate Board Member, in his capacity as Chair of the Stakeholder Reference Group for BCUHB until 30 June 2024. Gareth Williams has been appointed as vice-chair and Urtha Felda and Dr Caroline Turner as independent members. Details of the independent members can be found at [health-board-members](#). A further recruitment for the remaining three independent members will commence in November.

Interviews for a permanent chair will take place in November and a pre-appointment Health and Social Care Committee hearing has been scheduled for 24 January 2024.

These appointments will continue to strengthen the accountability, governance, and operational controls across the board.

Interims

As part of the special measures intervention, a review of interims has been completed. The health board is working its way through the recommendations. The reliance on interims is reducing. As of 1 October 2023, there were 7 interims on agency contracts, 4 interims on Bank contracts and 2 interims on secondment. This is a significant reduction from February 2023 where there were 32 interims on agency contracts, 6 interims on bank contracts and 1 interim on secondment.

Independent Advisors

As part of the special measures arrangements, a small team of independent advisors were appointed to support the Board for HR, governance, finance and operational delivery. This includes specialist advice and oversight on board governance and board effectiveness and mentoring and support to the Board.

The work programme of the five Independent Advisers appointed in February 2023, has concluded and their recommendations have informed the priorities for cycle 2. Ongoing support for communications and stakeholder management, mental health, planning and quality and safety continues until March 2024.

Performance

There has been a reduction in the number of long waiting patients at both the outpatient and treatment stage. The number of people waiting over 52 weeks for an outpatient appointment has fallen by 18% between February 2023 and August 2023 and the numbers with total waits over 104 weeks has reduced by 21% in the same period.

The dermatology service has come under considerable pressure since the summer with an increasing number of vacancies and a reliance on interim and locum staff. This will impact upon both the dermatology and skin cancer performance in the coming months. An immediate recovery solution has been put in place to ensure the impact on urgent skin cancer patients is minimised. The Welsh Government has given the health board an additional £200,000 to establish a tele-dermoscopy model which will support faster triaging of patients.

While emergency department waiting times improved in September 2023, when compared to July 2023, they remain a significant challenge. The focus on achieving the red line measure agreed by NHS Wales chief executives, to eradicate 4-hour ambulance handover delays, whilst not yet achieved, is resulting in some improvements. There were 528 handover delays in excess of 4 hours in September 2023, this is considerably better than the 1,042 noted in March 2023.

Vascular Services

HIW has indicated that they no longer consider vascular services within BCUHB as a service requiring significant improvement. In the last few months, the health board has made a number of key appointments including two substantive vascular consultants and a new vascular network manager.

An independent assessment against the vascular plan has been undertaken by the NHS Executive Vascular Clinical Network. This will be considered by the health board's Quality, Safety and Experience Committee in a development session in November before a management response is issued. It concluded that BCUHB's vascular service has improved from the previous reviews and in the opinion of the reviewers now provides a much safer service. It also noted the vascular surgeons work more collaboratively, with patient management being MDT (multi-disciplinary team) driven.

Welsh Government has commissioned a vascular case note assessment, which commenced in November and will review a number of patient pathways accessing treatment between August 2022 and August 2023.

Improvements continue to be noted in the vascular service, building upon the recent reviews that have been undertaken. There have been a number of engagement events with families following the publication of the Vascular Quality Panel findings and a further event is scheduled for early December. The vascular improvement plan is comprehensive and is reviewed and updated on a regular basis.

Mental Health

Mental health services appear to be stabilising and performance for adult mental health is improving. However, the service remains incredibly fragile with a relatively new management team and considerable staff turnover.

Performance against the various mental health measures for adults continues to improve, with nearly 80% of adults having an assessment within 28 days in June compared to 73.8% in February and just over 81% having an intervention within 28 days. Whilst performance for under 18s against parts 1a and 1b of the mental health measure is below target, improvements have been seen when compared to January.

As part of the special measures intervention, the Deputy Minister for Mental Health and Well-Being commissioned a review of all adult mental health inpatient sites. This review was considered at a development session of the health board's Quality, Safety and Experience Committee in September, and the management response was agreed at its [October](#) meeting. A further assessment to be undertaken by the NHS Executive is planned for January 2024 to assess the extent to which the recommendations have been embedded.

The review of mental health reviews being undertaken by the Royal College of Psychiatrists is progressing at pace.

This area remains high risk with a number of high-profile inquests scheduled in the coming months and a HSE prosecution taking place in December.

Quality and Safety

Since February, the health board has received 19 Regulation 28 Prevention of Future Deaths notices from the coroner, including repeated concerns about the health board's responses to and learning from concerns raised. Two of which relate to deaths that occurred after escalation to special measures. Both Coroners have expressed concerns about the health board and the Minister for Health and Social Services met with them over the summer to discuss their concerns.

The number of issues raised by HM Coroner and the Public Services Ombudsman remains high and this is very concerning. A programme of new reporting and learning processes has now been agreed and a new standard operating procedure is in place. This has direct oversight from the medical director, with a clear escalation process.

When the health board was placed into special measures, the outgoing independent board members were very clear that there were serious quality and patient safety issues across parts of the organisation. These have been echoed by HM Coroners, both of whom who have been frustrated by the lack of learning within the organisation and the poor preparation for inquests.

In response to these serious concerns, officials commissioned an independent assessment of patient safety issues. The Board considered the recommendations from the assessment in a closed session in September and shared its management response at its Quality, Safety and Experience Committee in [October](#).

A quality roundtable was held with the health board, Welsh Government, independent advisors and the NHS Executive in November to agree key areas of focus.

Annual Accounts 2022/23

The health board presented its annual accounts for 2022/23 at an extraordinary board meeting on 24 August 2023 and were certified by the Auditor General for Wales on 25 August 2023. The Annual Accounts 2022/23 reported a surplus for the financial year that remained consistent from draft to final endorsement by health board, and represented achievement of the first financial duty in that expenditure did not exceed the aggregate funding over a three-year period.

The AGW qualified his opinion on whether the financial statements gave a true and fair view, owing to significant uncertainty in the opening balances and whether expenditure for 2022-23 was materially understated. Both these matters related to his qualification of the 2021-22 financial statements, arising from insufficient and appropriate evidence relating to specific accruals, payables and expenditure recognised in the financial statements.

He further qualified the Regularity Opinion due to a breach of standing financial instructions on the payment of salary to an Interim Executive Director; and the health boards failure to meet its second financial duty.

Audit Wales have however confirmed that the closing balance sheet position for 2022-23 represents a true and fair view in all material respects and therefore the significant uncertainty that was identified by them that impacted on 2001-22 and the 2022-23 audit opinion should not affect the 2023/24 financial year.

Accounting Issues

The health board has developed and is implementing a financial control environment action plan. The health board chair and interim chief executive, following legal advice, met with PAPAC in a closed session on 5 July.

The health board is working through the disciplinary processes, and some disciplinary hearings have taken place. There were a number of disciplinary cases arising following the EY investigation. 40% of these have now concluded and the others are in the disciplinary process. The legal advice is that these cases must be allowed to be completed in line with natural justice and that the publication of the EY report would prevent this. The health board has agreed that it will publish, via the Board, its response to accounting issues including the EY report once all outstanding disciplinary and grievances are resolved.

The health board has provided North Wales Police with all the information relating to the EY report. No decision has yet been made by North Wales Police regarding any further action.

How is progress monitored

The Minister for Health and Social Services and the Deputy Minister for Mental Health and Wellbeing have visited the health board on a number of occasions, over the last eight months including each of the three acute sites and a number of other mental health and community settings. This has given them the opportunity to hear experiences of staff and patients, and to see the improvements being made.

The Minister for Health and Social Services chairs a bi-monthly Special Measures Improvement Forum with the unitary board, the Deputy Minister for Mental Health and Well-Being is also in attendance. This allows Welsh Ministers to ensure that the health board is progressing with the appropriate actions in response to the special measures escalation.

The Deputy Minister for Mental Health and Well-Being chairs a quarterly meeting with the health board on mental health.

The MHSS also meets with the interim Chair each month. These meetings are used to assess progress against his objectives.

The Chief Executive of NHS Wales chairs a quarterly Special Measures Assurance Board that reviews progress against the priorities within each 90-day cycle.

There are a number of health board and Welsh Government meetings in place to track progress including but not limited to monthly cancer and eye-care meetings, a monthly Integrated Quality and Delivery Board, a Joint Executive Team meeting twice a year, finance, quality, planned and unscheduled care touchpoints on a regular basis.

Decision to de-escalate

Whilst some improvements are being made, the Board is still assessing areas of concerns. New processes and procedures need to be made and embedded and the cultural change needed will take time. When we are assured that all the issues of concern have been reviewed and really understand the magnitude of what needs to be done, then we will agree and publish clear de-escalation criteria.