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Private and Confidential

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Gofynnwch am / Ask for: REDACTED - S40

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Dyddiad / Date: 5th August 2020

Dear Andrew

RE: BCUHB – A Proposed Approach to Sustainability

Introduction

We have been in correspondence since I commenced in post as interim CEO in February about my assessment of the current position and to set out a proposed way forward for discussion with Welsh Government. I have discussed this extensively with the Chair and the Board, and we share the same view about the action required and the support the organisation will need to allow it to be successful. I am grateful for your previous letters and recognise that Covid-19 has interrupted our discussions as both Welsh Government and BCUHB focussed on responding to the public health emergency.

We agreed recently that it would be timely to restart our discussions. I thought it would be helpful to restate and add to my original proposal. You will appreciate that I have not had sufficient time to develop a fully detailed proposal, and indeed the imminent appointment of a new substantive Chief Executive means that it would not be appropriate. He or she would undoubtedly expect to have a significant influence on the detail as they would be responsible for delivery.

I have added some detail in parts of the proposal, whilst others remain outline at this stage.

I do need to stress at the outset that the proposal is essentially a package. Whilst improvements could be made to some degree if parts of the package were supported, the benefits would be severely limited. For example, funding for mental health or performance would produce some benefits but they would be constrained if the organisation was also in financial recovery to address its underlying deficit.

I would like to acknowledge and thank you for the support of Welsh Government in writing off the historic debt owed by the Health Board. This is an important and significant step for which I am grateful.



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Proposed Approach

The challenges facing health care and the Health Board in North Wales are well known and longstanding. There are many examples in North Wales which show that excellence is achievable. However, services have developed inconsistently across BCU. This has led to variation in outcomes, patient experience, and performance. There is no single, simple “quick fix”. The aim must be to achieve sustainable, high quality service provision for the future rather than focus on short term actions alone.

The prize is transformation, which reshapes services and the organisation over time, working in partnership with the public, staff, professional colleagues, and partner organisations. This must be accompanied by urgent attention to those areas which have immediate quality, patient experience, and confidence implications.

The recent submission of a business case for the proposed North Wales School of Medicine and Health is an example of the level of strategic ambition, which the Health Board and its partners have for health and care in north Wales. Such a development would be an important feature of a strong, confident system which can train and attract the best people to pursue their careers in north Wales.

Our proposed approach comprises a number of strands, all of equal priority:

1. Improvement in service performance, patient experience, and financial performance year on year. Covid-19 makes setting both the baseline and an improvement trajectory challenging and we will work on this during the coming months
2. Engagement with the public, staff and partners as an essential first step to building a sustainable vision for the future leading to a medium term plan, focussing on well-being, population health and primary care as well as secondary care services. This will build on the engagement already undertaken, and identify those areas where rapid progress can be made, recognising the sensitivities of potential changes particularly in more specialised services.
3. Strengthening the ability of the organisation to deliver on a wide-ranging work programme
4. Further improvements leading to de-escalation from Special Measures, using a Maturity Matrix approach to assess progress
5. Transformation and innovation to support improved outcomes and patient and staff experience.



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This approach requires concerted action over a number of years. A central requirement is to achieve the right balance between immediacy and strategic development. There is an urgent need to work with the public and staff to refresh and restate the organisations' strategic direction. There is also an imperative to take action to deliver more immediate actions to improve quality, performance and financial control.

The organisation has been consumed by a focus on its immediate challenges, particularly the financial position. Managing the organisation's underlying deficit aggressively could drive decisions which impact on quality and patient experience. Whilst this might improve the financial position, the consequences might not be desirable in the longer term. The principles of value-based care rightly expect a focus on quality, performance and money together.

The availability of non-recurrent funding for performance, whilst welcome, has led to the organisation taking short-term measures rather than putting in place recurrent solutions including recruitment of permanent staff and strategic capacity building. The Health Board is developing a better understanding of its demand and capacity requirements in key areas including planned care and unscheduled care. We know that we have areas of significant risk, which we must address urgently in order to prevent avoidable harm. The aim now must be to develop plans for sustainability coupled with non-recurrent actions whilst recurrent capacity is built in a number of specialities. Covid-19 brings added complications but also significant opportunities to embed the changes we introduced during the pandemic response, for example remote consultations and pathway changes.

Lessons from elsewhere are that effective strategic development requires sustained and skilled effort. This must start with open engagement with the communities we serve, which listens to their concerns and priorities and leads to a real discussion about the future shape of service provision. A debate at this stage about the future of secondary care services would not be the right conversation. We want to follow the narrative of A Healthier Wales and focus on the whole system from primary prevention and well-being to highly specialised care. The debate needs to be about outcomes and standards, not buildings and money. There are many examples of outstanding practice in primary and community services on which we can build, as well as excellence in secondary care. We want to create an open and transparent relationship with the public and partners to provide a platform for shaping the future.

Addressing outstanding Special Measures concerns requires substantial investment in both immediate actions and strategic change. We have seen considerable progress in mental health services, including development of a strategic direction with patients and partners. There is much to do but we are confident that we are on the right track, with highly committed and ambitious staff who want to continue to develop and improve the services we offer.

Strengthening leadership and organisational capacity is a key area of concern. We know that we have to build capacity in the organisation and are actively considering the future shape of the organisation and the capacity and skills we will require. Being clear about



the way forward will help us design the organisation to deliver in the next few years, allowing us to move away from a heavy reliance on interims to a sustainable team, which can drive an ambitious and wide-ranging agenda.

In summary, agreement on a strategic approach for the next 5 years would enable the Health Board to plan and act with confidence to deliver a long-term vision and invest in sustainable actions alongside immediate improvements rather than repeat its current annual “stop/start” approach.

Strategic Assistance

Welsh Government has supported the organisation financially to a significant level in recent years, not least through deficit cover and performance funding. This support has been essential. Without it, in the absence of a strategy the Health Board would have had to make very difficult decisions, which would have impacted on quality and access. We would like to offer a proposal to consolidate and build on this level of support through a 5-year Strategic Assistance approach.

The components of such a Strategic Assistance approach would include:

1. **Agreed deficit funding cover for the next 5 years of up to £40m per annum.**

The Health Board has had a residual deficit of between £39m and £41 m in recent years despite achieving savings of between £35m and £41m each year, and receiving significant levels of performance funding (see below). In the absence of a strategic plan, addressing a deficit of this magnitude would require the organisation to be in formal financial recovery and make it much harder to develop and deliver sustainable solutions for the long term.

It is important to recognise the impact of Covid-19 on the organisations ability to deliver its planned savings programme this year. We are likely to need additional financial support to cover a shortfall for 2020/21.

2. **Performance funding to improve unscheduled care and to build a sustainable planned care programme (including orthopaedics) of £40m per annum.**

The Health Board faces challenges in both unscheduled care and its core planned care capacity. Non-recurrent performance funding has been allocated each year, which has been used to fund additional activity both internally and in English providers. Because the funding has been non-recurrent, the organisation has not had the confidence to build core capacity, which would lead to more effective services, better recruitment and much improved value for money.



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Given the impact of covid-19, there would be a phased build-up to this level of investment, recognising that opportunities to in-source and outsource activity are likely to be severely constrained for at least the remainder of this year.

Even with this support, we have faced unscheduled care challenges and have very large numbers of patients waiting excessive times for planned care treatment. The covid-19 pandemic has exacerbated these pressures, with waiting lists growing significantly. The coming winter looks particularly challenging as we seek to manage normal pressures alongside covid-19. There are opportunities along the whole pathway of care from primary care to secondary services, and many pathway changes introduced as part of the covid-19 response on which to build.

3. Funding to support performance improvement and implementation of the Mental Health strategy in partnership, indicative cost £10m a year.

Whilst improvements have been made in mental health services in recent years, there is a significant improvement agenda to deliver. The first stage is to ensure that current services are providing effective, high quality care within a clear governance framework. This would be aligned with a review of the strategic direction to ensure that it remains the right approach to develop patient centred and integrated pathways of care which are responsive and pro-active.

The Division requires additional expertise and further strengthening to build the capability and capacity required. This would bolster both operational leadership and expertise and enhance capacity to work in effective partnerships with patients and partners including the third sector.

4. Funding to build capability and capacity in the organisation, including for operational delivery, strategic development, public engagement, communications, quality improvement, grip and control and governance, indicative cost £10m a year.

Appendix A provides some further details of our proposals under this heading. The organisation needs to strengthen operational delivery capacity, including clinical and managerial leadership. Strategic development focussed on pathways and digitally supported systems will require significant investment and a range of skills which the organisation does not currently have at sufficient scale.

An Organisational Development programme running for at least two years is a key requirement to build a cohesive and connected organisation which can find the right balance between local ownership and organisational



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consistency, driven by a shared sense of ambition based on common values. Connecting the very large number of staff employed in the Health Board is a major but essential priority. Finally strengthening governance and assurance have been key themes in recent years, as has effective management and engagement in support of the Chief Executive.

A phased funding approach would be required recognising the time it would take to design programmes and recruit to posts. The details would be worked through over the next few weeks if there is agreement in principle.

- 5. The opportunity to seek funding to implement critical service improvements along pathways, including stroke and urology both of which are significant risk areas.**

The response to covid-19 has underlined the importance of pathway redesign in streamlining systems, increasing value and improving both patient and staff experience. It is the key to creating a fully integrated system, rather than one based on the traditional primary/secondary care divide. It is better for patients, more satisfying professionally and more sustainable in terms of quality, outcomes and the workforce. We would wish to put forward proposals against any specific allocations which might be available from Welsh Government.

In addition to this core package, the Health Board would wish to engage with Welsh Government colleagues to discuss opportunities in other areas:

- 1. Access to further Transformation Funds to support system transformation, working in partnership across north Wales.** This would seek to build on successful implementations from the first wave of schemes currently in progress and to learn lessons from models elsewhere in Wales. The development of services in community settings, including the patients' own home, will be a critical feature of the Health Boards strategy.
- 2. Investment in digital solutions to support transformation, strategic change, quality, patient safety and value-based healthcare.** The covid-19 response has highlighted the real benefits of digitally enabled solutions, and the significant challenges where the digital component is inadequate. This is particularly the case when looking to support pathways delivered in multiple settings often over a large geographical area. We will be undertaking a review to identify how our digital capability can be strengthened and would like to discuss with Welsh Government any ways in which this can be supported, including availability of funding to implement digital solutions which are central to our strategic ambitions.
- 3. Support for our pathway development programme,** and whether BCU could be an "early adopter" or "pioneer" organisation for implementation of the approach developing under the auspices of the National Clinical Framework.



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Pathway development is a key theme of our proposals, and we welcome the direction emerging through the National Clinical Framework. I believe that BCUHB is well placed to be an early adopter and we would welcome the opportunity to discuss this further.

One final area we would wish to discuss is how NHS Wales can assist in identifying people with the required skills and experience to work with us. We will continue to identify and nurture local talent, and external recruitment will remain important to us. It is however the case that recruitment can be challenging, particularly of people who are familiar with the approach we are adopting in Wales. Our ambitious programme will be heavily reliant on people from all disciplines and at all levels in the organisation and we do not underestimate the challenges this will present at a very practical level. Having a clear sense of direction and ambition will be of great help in attracting people to join us from within Wales and elsewhere. Support for the proposed north Wales School of Medicine and Health would be important in helping train and attract people to live and work in the Health Board area.

We realise that this is a significant request from an organisation which has in the past struggled to deliver in many areas. Our view is that a step-change in approach is required if the organisation and health care in north Wales are to live up to their potential and provide the sustainable, high quality services and experiences that the people of north Wales deserve. The Health Board must change its approach to achieve the outcomes we would all wish to see and we believe that the proposals set out above provide a route map, which will lead to sustainability over time.

Timescale

A critical requirement is to find more effective ways of engaging with the public and stakeholders, and to listen to their views and concerns, to debate some complex and difficult issues, and to settle on a plan for the future developed with the benefit of a very wide range of contributions. This will not be easy, and it will take time as Hywel Dda discovered. We do believe however that this phase is essential if sustainability is to be achieved. We fully accept that more immediate improvements must be delivered as well if the organisation is to build confidence and create the space necessary to focus on the longer term. Covid-19 clearly is a factor which we must take into account as we plan the remainder of the year. Performance particularly in planned care will be a real challenge for the foreseeable future but we will continue to provide essential services and rebuild towards normality as quickly as can, recognising the demands of covid-19 and winter.

The draft timeline set out in my earlier proposal has clearly been thrown into disarray, and we will develop a new timeline in the coming weeks following appointment of the new Chief Executive. It is important to have agreement in principle that this proposal will be supported before we gear up to do the necessary development and preparatory work if we are to avoid abortive effort should the proposal not be accepted.



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Conclusion

This is a critical point in time for the Health Board. We are committed to improving health care in North Wales, and believe that the real prize is a strategic approach to developing sustainable services in line with the vision set out in A Healthier Wales alongside more immediate improvements in the most challenging areas.

We fully acknowledge that the responsibility for developing and implementing our plans rests with the Health Board. We do need the continued support of Ministers as we pursue such an ambitious agenda. We would welcome the opportunity to discuss the proposed approach with you. We need urgently to shape ourselves to focus on the work we must do. Agreeing the approach and support available from Welsh Government in the next few weeks would enable us to take the next steps with confidence.

Should Welsh Government not be able to support this proposed way forward, we would have to develop an alternative approach. Clearly, this would impact on the ability of the Health Board to move towards a sustainable future and could potentially involve some difficult choices, which could have visible and immediate impact, particularly in terms of financial recovery and performance.

Please let me know if you require any further information. I would welcome the opportunity to discuss the approach proposed in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Dean'.

Simon Dean
Prif Weithredwr Dros Dro
Interim Chief Executive

cc: Mark Polin, Chairman, BCUHB
Lucy Reid, Vice Chair, BCUHB
REDACTED - S40 Board Adviser, BCUHB
REDACTED - , WG

Appendix A

BUILDING CAPACITY AND CAPABILITY

1. Development of a strategic plan for the transformation of services in line with A Healthier Wales

A Healthier Wales (AHW) provides the strategic context for the development of health and care in Wales. The BCUHB strategy must be rooted in this approach. Central to AHW are concepts of engagement, participation, partnership, quality, value and outcomes amongst others.

Whilst BCUHB has a number of existing strategic documents, the time is right to revisit the organisations' strategic direction in the context of AHW and to build a future based on partnership and engagement, both within the organisation and more widely with partners and communities.

- **Public Engagement**

Effective public engagement is essential in shaping the future of health care in BCUHB, with a wide public engagement process as a key first step. This would be focussed on listening to peoples' views, concerns and suggestions and building links to communities and groups. Strengthening connections and trust is crucial to the development of a service strategy which is based on local provision of the services most people use most of the time, together with centres of excellence where these are required to deliver the best possible clinical outcomes in more specialised areas.

Experience elsewhere, for example in Hywel Dda Health Board, has clearly demonstrated the importance of this phase. It takes time and effort but sustained, open dialogue with the public is critical to develop, together, service strategies which are understood and accepted by the people they are intended to support.

Significant strengthening of our capacity will be required in this area. This is yet to be designed or quantified.

- **Care Pathways**

A pathway approach encompasses the whole spectrum, from population health to specialist treatment, and provides a way of linking across the artificial boundaries between prevention, primary, secondary and tertiary care. It places people at the heart of service planning, and allows decisions about how services are shaped to be designed with the people who need them.



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Pathway approaches can strengthen links through the system, from population health in communities to clusters to Areas/Hospitals and to BCUHB as a whole. Stronger connections will create greater cohesion and allow better decisions to be made about the shape of future services.

An approach based on pathways linked to effective public engagement provides an opportunity for decisions to be seen “in the round” rather than be viewed in isolation. A pathway approach can help achieve a balanced view, including local provision for those elements of the pathway which can be provided locally, and explaining the rationale for concentrating more specialised parts of the pathway where this would deliver the best outcomes.

BCUHB has been rapidly developing an approach based on clinical pathways which has led to significant benefits during the Covid response. The proposal is to drive the approach in this area through the creation of an *Improvement Faculty*.

This would be much more than a resource for improvement tools and techniques. It would provide the focus for pathway planning, clinical engagement and value based health care. It would be the engine room for change and work alongside the public engagement process to drive the debate on choices, priorities and the shape of services involving everybody with an interest in health care in North Wales.

- **Strategic Leadership**

Strengthened strategic leadership will oversee this critical work and ensure effective links to operational planning. The output will include a health care strategy for north wales which would provide the “route map” for IMTPs and detailed operational plans. Further work is required to determine the shape of strategic leadership for the Health Board. A number of functions would be brought together including:

- Strategy
- Operational Planning
- Public engagement
- Pathway development
- Partner engagement
- Improvement Faculty
- Data and analytics
- Programme management

Strong links would be established with key corporate functions including workforce, finance, informatics and estates.

The scope of these proposals would potentially lead to significant organisational change which would need to be pursued following due process.



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Whilst existing capacity would form part of the strategic leadership function of the organisation, significant strengthening would be required in a number of key areas including public engagement and the Improvement Faculty. Precise details of additional resources would be dependent on detailed design work, but are likely to be in the order of £4m per annum. Transformational changes will result in better value and offset these costs over time.

2. Implementation of an organisational development programme

The formation of BCUHB happened in stages, bringing separate entities together into one organisation. There have been a number of significant changes to the structure of the organisation and the roles and responsibilities of the component parts. Structural and/or policy changes have been the primary focus and in various reviews undertaken, it has been clear that there has been insufficient focus upon the people within the structure and enacting the policy.

This has been the subject of many discussions which are not repeated here. It is important that we provide an opportunity for our people to reflect on what we see now, through the different lenses across the organisation. This will be an essential element of the development of the organisation to deliver against the expectations above, as “one NHS organisation” delivering care with its partners.

- **The Board**

Setting the tone and shaping a healthy culture for the organisation is a key role for the Board.

We have already recognised that the Board of Directors holds a pivotal role and collective responsibility for ensuring delivery against the expectations of it.

We know that the great strength of NHS Boards is that they bring a wide range of skills and perspectives together. The biggest challenge facing NHS boards is using this effectively.

A Board Development Programme has been designed with the support of the Kings Fund, to ensure that the Board works effectively; understands and is equipped to fulfil its responsibilities; that members are clear on their collective and individual roles and how they need to connect; and importantly facilitates the creation of frameworks for effective working moving forward.

This approach (compassionate and collective leadership) and programme is entirely consistent with the approach across Wales in terms of creating the environment for transformational change across the health and social care system under A Healthier Wales.

- **The Organisation**

The Workforce Strategy 2019/22 posed the question “do we have the ability to align our people around a clear vision, strategy and culture, to execute with excellence; and to renew our focus over time by responding to changes in the environment?”

Essentially the content and priorities set out within the strategy remain valid. However, having had the opportunity to step back, and view the organisation through the lens of an emergency response, it has highlighted that we have perhaps focussed upon delivery of the priorities within it, focusing on structure and hierarchy. Focus on a common purpose and clarity of roles has demonstrated agility, flexibility, and delivered services differently and effectively, without the need for structural change, but by using better co-ordination of the contribution of people.

- **The Proposal**

Building on the Workforce Strategy the Programme for Board Development referred to above, and as an enabler for the strategy for health and care, it is proposed that the Health Board commissions a full organisational development programme based upon the principles of ¹organisational health and effectiveness, but focussing primarily upon the aligning of our people.

The programme will focus upon ensuring effective interrelationships between people, structures and systems to deliver organisational goals. It will be developed using the principles within the ²McKinsey 7s model which is based upon the theory that, for an organisation to perform well, the seven elements within the model need to be aligned and mutually reinforcing.

The programme would include:

- Diagnostic/Mirror phase (including listening to and hearing the views of our people)
- Co-creation of the improvement plan at and with all levels (not a one size fits all and owned by all those involved)
- Co-delivery of the improvement plan at and with all levels
- Building capacity within to retain and sustain the improvement.

Programmes similar to this have been deployed for organisational recovery and improvement across the UK NHS and are well documented in their strengths and weaknesses. The programme would enable the organisation to create the environment for enduring impact, building on and complimenting work undertaken to date.

¹ McKinsey - Beyond Performance – The hidden value of organisational health – and how to capture it. Aaron De Smet, Bill Schaninger, and Matthew Smith

² From In Search of Excellence, TJ Peters and RH Waterman Jnr 1982 Harper and Row



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The scope and procurement of a partner(s) to work with the Health Board will be designed by a small group comprising Independent Members and Executive Directors and supporting officers.

This would be a significant investment in both financial and commitment terms with a range likely to be in the region of £1m-£2m subject to the scope and length of programme as well as the level of internal capacity ring fenced for this programme.

3. Improving delivery and performance

Reference has been made above to some of the performance areas which have proved problematic for the organisation in recent years. Money to pay for direct care costs is necessary but not sufficient. The organisation must also continue to strengthen its capacity and capability to manage delivery. Welsh Government was supportive of increasing operational management capacity a year or so ago which was welcomed.

There are however some crucial areas where further strengthening is required. The Health Board is not in a position to identify resources to fund these posts given its overall financial position.

- **Operational Planning and Delivery**

The operational structure and supporting functions need to be reviewed to ensure that there is sufficient capacity to provide operational grip and strong planning at operational level.

This includes reviewing and strengthening operational capacity; analytical support; operational pathway leadership; service improvement and transformation skills; and clinical leadership time.

The details would be determined by the incoming Chief Executive working with the Executive Team and the Board. The focus would be on introducing pathways spanning the full range of services and sectors.

A full year cost of about £1m will be required.

- **Mental Health**

As noted in the Introduction, mental health will be the subject of separate discussions. Significant strengthening of capacity will be required within and in support of the Division.



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4. Strengthening governance and accountability processes

Annex 1 describes the work underway to review and strengthen governance and accountability across the organisation. This work will continue and the Annex should be read as a description of work in progress.

A Board workshop will be held in August, facilitated by the Kings Fund, to agree Board priorities and strategic objectives. This will be followed by a second workshop to populate the Board Assurance Framework and the corporate risk register based on the agreed priorities and objectives. The objectives will be cascaded through the organisation and aligned with a clear accountability framework.

Additional capacity is required at senior level to strengthen organisational governance and accountability.

- **Associate Director of Governance and Assurance**

A recommendation has been agreed by the Board to separate the oversight of integrated governance from the role of the Board Secretary and align it more closely with assurance and risk. A new post of Associate Director of Governance and Assurance would provide the skills, capacity and resource to deliver against this agenda. It is suggested that the role incorporates the following:

- Providing leadership for the Board and throughout the organisation on implementation of governance frameworks which enable ward/team to Board visibility and escalation of risk
- Advising the Board on Risk Management Strategy and ensuring the Board's risk appetite framework aligns to delivery of the Trust strategic objectives
- Ensuring the Governance agenda aligns to the Continuous and Quality Improvement agenda
- Ensuring that the Integrated Governance Framework supports a Just Culture and that staff are supported to learn
- Ensuring that the Trust's Governance Framework allows for standardisation of good practice across the organisation
- Ensuring national reports are received by the organization and responses for potential learning are coordinated for the Board where appropriate
- Oversight of both the Board Assurance Framework and the Corporate Risk registers
- Providing the link to Welsh legal and risk.

The indicative cost of such a post would be in the order of £135,000.



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- **Assistant Chief Executive**

The role of the Chief Executive as Accountable Officer brings with it a breadth of responsibilities which can prove challenging. It is easy to become consumed by day to day operational issues and become distracted from the bigger picture or not pay sufficient attention to the political/partnership/reputational dimensions of the role.

Whilst the CEO's office is highly effective, there is an important role missing at Assistant Chief Executive/Chief of Staff level. Such a post would help the CEO work more effectively and provide senior and experienced support in these areas.

A post of this nature would cost in the order of £120-135,000.



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ANNEX 1 GOVERNANCE

Developing and maintaining board assurance arrangements is an embedded tool of management. It is a natural extension of risk management, and as such it has been incorporated into the revised risk management process. This is to ensure that risk, control and assurance identification and monitoring processes are considered as one.

The Board has not historically considered risks to achieving strategic priorities and this has led to a perceived lack of clear direction within the Health Board and has impeded escalation of key risks. The current corporate risks are not clearly aligned to our annual objectives or the special measures framework. It is acknowledged that the approach to reviewing, refreshing and scoring needs to be strengthened.

This would strengthen our assurance processes and lead to more effective governance and fewer issues being identified late within the assurance processes.

Governance Review

Work commenced on the Governance review in September 2019 following concerns around risk escalation, assurance and accountability. The initial stages of the review included a review of all groups and meetings taking place across the organisation. The operational management meetings sat outside of this review. This identified a number of disparities across the organisation.

The proposed streamlined governance arrangements take into account best practice and have been discussed as they were developed with Welsh Government, National Audit Office Wales and external experts.

The proposals dovetail processes with the revised risk management strategy to strengthen the identification and management of risk across the breadth of BCU services, to ensure they are complementary.

Principles going forward

The need to develop a collective understanding not only of the role of the Board as a unitary board or “team” and how this works at a practical level but also the interplay between this and the respective roles and responsibilities of Independent Members and Executive Directors has been a key requirement to address Special Measures concerns. This ambition is a key component of this work and the recommendations.

Aligned to this, the effective application of Board assurance arrangements to produce and maintain a Board Assurance Framework linked specifically to organisational priorities and including special measures indicators will help us to consider collectively the process of securing assurance utilising a formal process that promotes good organisational governance and accountability. The specific benefits include:



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- Gaining a clear and complete understanding of the risks faced by the organisation in the pursuit of its strategic objectives, the types of assurance currently obtained, and consideration as to whether they are effective and efficient;
- Identifying areas where assurance activities are lacking, or are insufficient for our needs (assurance gaps);
- Identifying areas where assurance is duplicated, or is disproportionate to the risk of the activity being undertaken (i.e. there is scope for efficiency gains, reduction of duplication of effort and/or a freeing up of resource);
- Identifying areas where existing controls are failing and as a consequence the risks that are more likely to occur;
- The ability to better focus existing assurance resources; and
- Providing an evidence base to assist the organisation in decision making and clarify accountability.

It has been agreed that groups across the organisation will be streamlined and have clear reporting structures to ensure a clear line of sight from 'board to ward' and vice versa. Those which are not within the 'governance structure' will be removed.

The terms of reference of all groups will be revised with the core principles embedded. It is suggested these are aligned to 'levels of authority', similar to SORD. For example, any risks, which cannot be mitigated to below 15 at any level, are automatically subject to escalation and scrutiny at the next level. Board priorities become a core element of the agenda and are aligned to Divisional and personal objectives.

Executive Team

The Executive Team has responsibility for operational management and delivery for the organisation. As such it has a clear link to the governance framework but is not an explicit part of the Board assurance committee structure.

Executive Level Delivery Management Groups

A number of delivery-focussed groups exist to support operational management, for example the Quality & Safety Group or the Health & Safety Committee. These Groups are all chaired by an Executive Director. Terms of reference for each will be developed (or reviewed where these are already in existence). These terms of reference will be approved by the Board. All Groups will be required to have standardised meeting formats.

A number of the Groups will be supported by Sub-Groups. Any sub-groups established will be documented in the terms of reference of the parent group. These Groups operate under the powers vested in the relevant Executive. Whilst their role is one of delivery,



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these Groups will be required to provide assurance reports using a standard agreed template to the relevant Board-level Committee.

Directors, via their membership of the Executive Team, are required to provide assurance that the areas covered by all Groups and Sub-Groups are delivering effectively and that there is appropriate risk escalation in place.

Accountability

Devising new governance structures on their own is straightforward; how they work in practice relies on the culture and behaviours within an organisation.

The principles outlined would provide a clear direction for the organisation supporting transparent lines of accountability, and consistency of behaviours.

The organisation will establish a clear accountability framework that ensures the cascading of objectives from Board level right through the organisation. These will be clearly articulated and will enable staff at the most junior level to see how their objectives set via the PADR process help support the overall delivery of the Board level objectives.

This framework will drive consistency and good governance. If formal sub-groups are established, they will have terms of reference in place which incorporate the core principles adopted by the Board.

In order to strengthen the governance and escalation arrangements it is proposed that the Clinical Governance Teams be managed corporately but with clear alignment to local teams. This would strengthen corporate oversight and ensure consistency of approach.

The Board has agreed to separate the oversight of integrated governance from the role of the Board Secretary and align it more closely with assurance and risk. A new post of Associate Director of Governance and Assurance would provide the skills, capacity and resource to deliver against this agenda. It is suggested that the role incorporates the following:

- Providing leadership for the Board and throughout the organisation on implementation of governance frameworks which enable ward/team to Board visibility and escalation of risk
- Advising the Board on Risk Management Strategy and ensuring the Board's risk appetite framework aligns to delivery of the Trust strategic objectives
- Ensuring the Governance agenda aligns to the Continuous and Quality Improvement agenda
- Ensuring that the Integrated Governance Framework supports a Just Culture and that staff are supported to learn
- Ensuring that the Trust's Governance Framework allows for standardisation of good practice across the organisation



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- Ensuring national reports are received by the organization and responses for potential learning are coordinated for the Board where appropriate
- Oversight of both the Board Assurance Framework and the Corporate Risk registers
- Providing the link to Welsh legal and risk.