

## Agenda – Public Accounts Committee

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Meeting Venue:	For further information contact:
<b>Committee Room 3 – Senedd</b>	<b>Fay Buckle</b>
Meeting date: Tuesday, 10 November 2015	Committee Clerk 0300 200 6565
Meeting time: 09.00	<a href="mailto:SeneddPAC@Assembly.Wales">SeneddPAC@Assembly.Wales</a>

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### **1 Introductions, apologies and substitutions**

(09.00)

### **2 Papers to note**

(09.00–09.05)

(Pages 1 – 4)

**Orthopaedic Services: Welsh Government Response to the Auditor General for Wales' Report**

(Pages 5 – 8)

**Responding to Welfare Reform in Wales: Letter from the Minister for Communities & Tackling Poverty, Welsh Government (3 November 2015)**

(Pages 9 – 18)

### **3 NHS Wales Health Board's Governance**

(09.05 – 10.30)

(Pages 19 – 34)

PAC(4)–30–15 Paper 1

Research Briefing

Dr Kate Chamberlain – Chief Executive, Healthcare Inspectorate Wales

Alun Jones, Director of Inspection, Regulation and Investigation, Healthcare Inspectorate Wales

### **4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

(10.30)

Item 5



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

**5 NHS Wales Health Board's Governance: Consideration of evidence received**

(10.30-11.00)

# Agenda Item 2

## Concise Minutes – Public Accounts Committee

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Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Tuesday, 3 November  
2015

Meeting time: 09.04 – 11.03

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3282>

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### Attendance

Category	Names
Assembly Members:	Darren Millar AM (Chair) Mohammad Asghar (Oscar) AM Andrew RT Davies AM Jocelyn Davies AM Alun Ffred Jones AM Mike Hedges AM Julie Morgan AM Jenny Rathbone AM Aled Roberts AM Joyce Watson AM (In place of Sandy Mewies AM)
Witnesses:	
Committee Staff:	Fay Buckle (Clerk) Claire Griffiths (Deputy Clerk) Joanest Varney-Jackson (Legal Adviser) Alistair McQuaid (Wales Audit Office)



	Jeremy Morgan (Wales Audit Office) Huw Vaughan Thomas (Auditor General for Wales) Nick Tyldesley (District Valuer) Mike Usher (Wales Audit Office)
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## **1 Regeneration Investment Fund for Wales: Consideration of evidence received**

- 1.1 The papers were noted.
- 1.2 Members considered the additional information that has been submitted from witnesses and also discussed the evidence received from the earlier evidence sessions.
- 1.3 Members agreed that the Chair should write to Mr Langley Davies with some specific questions that have arisen from the evidence received.
- 1.4 Members agreed that the Chair should write to Lambert Smith Hampton with a specific question from the additional evidence received.
- 1.5 The Committee agreed to reschedule the evidence session with the Welsh Government to 1 December. In advance of that session, it was agreed that the Chair would write to the Welsh Government with some specific questions that have arisen from the evidence received.

### **Transcript**

View the [meeting transcript](#).

## **2 Introductions, apologies and substitutions**

- 2.1 The Chair welcomed the Members to the meeting.
- 2.2 Jocelyn Davies excluded herself for Item 1 under Standing Order 18.8 and Alun Ffred Jones substituted.
- 2.3 Andrew R T Davies substituted for Mohammad Asghar for Item 1.
- 2.4 Apologies were received from Sandy Mewies. Joyce Watson substituted.

### **3 Papers to note**

3.1 The papers were noted. Members agreed that further updates early in 2016 would be helpful on Glastir and the Intra-Wales, Cardiff to Anglesey air service.

3.1 **Glastir: Letter from Director for Agriculture, Food and Marine, Welsh Government (19 October 2015)**

3.2 **Inquiry into value for money of Motorway and Trunk Road Investment: Letter from Deputy Permanent Secretary, Welsh Government (19 October 2015)**

3.3 **Unscheduled Care: Letter from Director General/NHS Chief Executive (19 October 2015)**

3.4 **The Procurement and Management of Consultancy Services: Letter from the Permanent Secretary, Welsh Government (20 October 2015)**

3.5 **Scrutiny of Accounts: Additional information from the National Museum of Wales (September 2015)**

3.6 **Scrutiny of Accounts: Additional information from Sport Wales (19 October 2015)**

3.7 **Scrutiny of Accounts: Additional information from the Assembly Commission (7 October 2015)**

3.8 **Scrutiny of Accounts: Additional information from the Welsh Government (22 October 2015)**

3.9 **Intra-Wales – Cardiff to Anglesey – Air Service: Letter from Acting Director, Transport and ICT Infrastructure, Welsh Government (28 October 2015)**

**4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

4.1 The motion was agreed.

## **5 Welsh Government Investment in Next Generation Broadband Infrastructure: Consideration of the draft report**

5.1 Members considered the draft report. It was agreed that a revised version would be circulated to Members by email for agreement.

5.2 The report will be published later in November 2015.

## **6 Draft Wales Bill**

6.1 Members considered the legal briefing and the Auditor General for Wales' comments on the draft Wales Bill.

6.2 The Committee agreed that the Chair should write to the Chair of the Constitutional and Legislative Affairs Committee with the Committee's views.



Llywodraeth Cymru  
Welsh Government

Darren Millar AM

Chair

Public Accounts Committee

Our Ref: AG/MR/KH

02 October 2015

Dear Darren

## Re: Auditor General for Wales Report – A Review of Orthopaedic Services

I am writing with regard to the above report.

The Welsh Government has welcomed this report and recommendations and sees it as a further extension of the review on NHS Waiting Times completed earlier this year. It too recognises the ongoing work of the Planned Care Programme and the role of prudent health to improve orthopaedic delivery. We recognise that further work to improve delivery and waiting times in this speciality is required. We also acknowledge that despite significant past additional investment in this area more service redesign is needed to deliver a sustainable service model for the future.

Work already agreed and in action in response to the previous Wales Audit Office report on NHS waiting times will also address some of the aspects raised in this report. We recognise that there are also specific recommendations raised and we can confirm we have accepted them and responded to each as captured in Table 1 attached.

I can confirm that we will be accepting all the recommendations in the report, and I will now respond to each one in turn.

### Recommendation 1:

The wait associated with the CMATS is currently excluded from the 26-week target, although some services are based in secondary care and there are variations in the way in



which CMATS are operating. As part of the response to recommendation 3 in the Auditor General's report **NHS Waiting Times for Elective Care in Wales**, the Welsh Government should seek to provide clarity on how CMATS should be measured, in line with referral to treatment time rules, to ensure that the waiting time accurately reflects the totality of the patient pathway.

Through the Planned Care Programme theme on Orthopaedics, the future role and function of CMATS nationally is being reviewed. The aim of the review is to agree a consistent national model for full implementation across Wales clarifying the role of CMATS in delivering a sustainable prudent health musculoskeletal service in Wales. This is an output of the national plan to be implemented in 2016.

### **Recommendation 2:**

Our work has identified that the rate of GP referrals across health board areas varies significantly per 100,000 head of population. The variations are not immediately explained by demographics suggesting differences in referral practices and potential scope to secure better use of existing resources by reducing inappropriate referrals. Health boards should ensure that clear referral guidelines are implemented and adhered to, and that appropriate alternative services are available and accessible which best meet the needs of the patient.

It is recognised that GP referral rates are an important part of demand for orthopaedic services, but it should be recognised that all forms of demand have to be identified to ensure capacity requirements are correctly identified. Health boards, as part of the work of the National Planned Care Programme, and as part of the response to recommendation 2 of the Auditor General's report **NHS Waiting Times for Elective Care**, which looked at the redesign of the outpatient system, have been asked to review referral pathways and guidelines as part of the second phase of plans in early 2016..

A number of health boards, as part of their CMATS, are now using a triage system to identify what the prudent course of action is for that patient. This may include onward referral to physiotherapy or other AHP service as appropriate and or referral to the secondary care orthopaedic service. This will be clarified as part of the development of a national model including referral and treatment guidelines.

### **Recommendation 3:**

Despite improvements in efficiencies, NHS Wales is still not meeting all of its efficiency measures related to orthopaedic services. Our fieldwork showed that there is scope for even better use of orthopaedic resources, particularly in relation to outpatient performance. As part of the response to recommendation 2 in the Auditor General's report **NHS Waiting Times for Elective Care in Wales** the Welsh Government and health boards should work together to reshape the orthopaedic outpatient system and improve performance to a level which, at a minimum, complies with Welsh Government targets and releases the potential capacity set out in Appendix 5 of this report.

We note that improvement in efficiencies have been recognised but acknowledge that more can still be achieved to improve the position and reduce variation across health boards. Outpatient efficiency linked to possible waste from patients not attending appointments (CNA and DNA rate) is already a national measure in the delivery framework. Health board compliance with this will be measured monthly, and delivery will be discussed through the national performance management arrangements.



Through the national planned care orthopaedic plan future follow-up requirements are a particular area of focus to release capacity and reduce the current outpatient follow-up delays, these are being based on clinical evidence and ensuring effective use of resources. Health boards will be responsible as part of their individual response to the orthopaedic implementation plan to identify how they will implement these requirements going forward and as part of their demand and capacity plans for the next year updated delivery plans.

Health boards, through their own internal delivery plans, have agreed improved efficiencies in their delivery of planned care services, such as increasing day case rates, theatre efficiencies and reduced lengths of stay. Achievement against these plans will be monitored as part of the delivery assessment of agreed IMTPs throughout the year.

**Recommendation 4:**

Our work has identified that, at a national level, there were weaknesses in the ability to influence the delivery of the National Orthopaedic Innovation and Delivery Board's objectives within health boards and to monitor and evaluate efforts to improve orthopaedic services. When establishing similar national arrangements in the future, including the National Orthopaedics Board, the Welsh Government should ensure that the factors that led to the weaknesses in the Delivery Board are considered and actions are put in place to mitigate those weaknesses being repeated.

To ensure the effectiveness of the Planned Care programme it has undergone a "gateway review" to ensure they identify how the programme is best delivered, and to provide assurance on critical aspects of the programme delivery. This review ensured there was clear governance and accountability arrangements. The Planned Care Programme is discussed at the monthly meeting of NHS Wales Chief Executives, chaired by the Chief Executive NHS Wales, and a monthly paper is provided. Individual health board implementation of the national plans are being monitored and escalated where required through the quality and delivery meetings

A sub group, with membership from each health board, specifically on orthopaedics has been established and they have been delegated by their CEOs to ensure compliance with programme implementation. All national plans are signed off by the CEO's with their commitment to ensure that their own individual organisations will implement the necessary requirements of each plan.

**Recommendation 5:**

All health boards have made some progress in putting in place alternatives to orthopaedic surgery, specifically CMATS, but our work found that these are often small scale, at risk of funding pressures and lack any evaluation. The Welsh Government and health boards should work together to undertake an evaluation of CMATS to provide robust evidence as to whether they are providing sustainable solutions to managing orthopaedic demand.

Through the Planned Care Programme theme on orthopaedics, the future role and function of CMATS nationally will be reviewed. The aim of the review will be to agree a consistent national model for implementation which clarifies the role of CMATS in delivering a sustainable prudent health focussed musculoskeletal service in Wales.

**Recommendation 6:**


NHS Wales collects and produces a great deal of information about the performance and activity of musculoskeletal services, however, data relating to patient outcomes and patient experience is much sparser. The Welsh Government and health boards should work together to develop a suite of outcome measures as part of the Outcomes Framework, supported by robust information systems, which provide comprehensive management information as to whether orthopaedic services are demonstrating benefits to patients and minimising avoidable harm.

Patient outcome measurement is a key principle of the planned care programme and forms part of the orthopaedic specific work linked to the principles of prudent health. Work has already commenced with representation from a Community Health Council to explore possible ways to collection and measure patient experience in orthopaedic services. The orthopaedic implementation board has agreed to proceed with the procurement of an electronic data system, for the collection and reporting of national clinical outcomes, this work will be developed further in 2016 once funding has been secured.

I have also included a link to the National Orthopaedic Implementation Plan that was issued by the National Planned Care Programme under WHC 2015 034 at the end of July. This plan pulls together all the requirements for orthopaedics in a single place and presents the actions for health boards within the three drivers of the programme: integrated care, clinical value prioritisation and best in class.

<http://gov.wales/docs/dhss/publications/150730whc034en.pdf>

Yours sincerely



**Dr Andrew Goodall**

Lesley Griffiths AC / AM  
Y Gweinidog Cymunedau a Threchu Tlodi  
Minister for Communities and Tackling Poverty



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref: MA/P/LG/0412/15

Darren Millar AM  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

3 November 2015

Dear Darren,

**Public Accounts Committee Report: Responding to Welfare Reform in Wales**

Thank you for your letter of the 7 October, addressed to Owen Evans, Deputy Permanent Secretary, Education and Public Services Group.

I welcome the Committee's continued interest in the action we are taking in partnership with other organisations to respond to the challenges which stem from the UK Government's Welfare Reform agenda. Please find attached Welsh Government response to Members' comments, which were set out in your letter.

Regards  
Lesley

Lesley Griffiths AC / AM  
Y Gweinidog Cymunedau a Threchu Tlodi  
Minister for Communities and Tackling Poverty

Bae Caerdydd • Cardiff Bay  
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English Enquiry Line 0300 0603300  
Llinell Ymholiadau Cymraeg 0300 0604400  
Correspondence.Lesley.Griffiths@wales.gsi.gov.uk

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## Appendix 1

### Response to the Letter from the Chair of Public Accounts Committee dated 7 October 2015

#### Recommendation 1 - Public Accounts Committee Comments

**The Welsh Government partly accepts this recommendation, on the basis that it sees mitigating the impact of welfare reform as one element of its strategy on tackling poverty, and that it has been providing strategic oversight through the Ministerial Task and Finish Group on Welfare Reform. However, the Committee still wish to see published a stand-alone strategy document and would welcome a more specific commitment on the actions the Welsh Government will practically undertake to alleviate the impact of welfare reform by, for example, developing a specific welfare reform action plan to support the tackling poverty strategy.**

The Welsh Government has been refreshing its approach by focusing on the root causes of tackling poverty. Within the context of reducing budgets, the Welsh Government is reprioritising areas where the evidence indicates we can have most impact. Through cross departmental working we are identifying ways in which we can do yet more to give children the best possible start in life, help people to secure a job and improve their health and wellbeing. The two strands of early years and employability will be underpinned by better use of our investment in infrastructure, better targeting of mainstream services and continued support for vulnerable people.

As stated within our original response, the Welsh Government will continue to provide leadership in this area with a view to identifying the need for action and delivering a planned and co-ordinated programme in conjunction with stakeholder organisations to help people cope with the impact of welfare reform. We do not see the need for a a separate, stand-alone, strategy document but we will be pleased to share with the Committee information on action taken and further action planned.

## Recommendation 2 - Public Accounts Committee Comments

The Welsh Government has partially accepted this recommendation, on the basis that it considers it is impracticable to publish all information considered by the Ministerial Task and Finish Group. The Committee was particularly interested in reviewing the option in relation to the cost/benefit analysis of mitigating the full impact of the removal of the spare room subsidy through discretionary housing payments, as the Scottish Government chose to do. As such the Committee regards the response as lacking detail on whether this specific information will be added to the welfare reform pages on the Welsh Government's website. The response simply states that the Welsh Government will provide a summary of its response to welfare reform and as such the Committee seeks clarification on whether this specific information will be published.

The Ministerial Task and Finish Group for Welfare Reform commissioned a comprehensive programme of research to assess the impact of the UK Government's welfare reforms in Wales and all of these reports have been published on the Welsh Government's website. Amongst other welfare reforms, the research has considered the likely impact in Wales of the introduction of the Housing Benefit size criteria in the social rented sector. This evidence also provides an indication of the costs and benefits which may materialise if the Welsh Government mitigated the full impact of the policy via increased Discretionary Housing Payments. The Welsh Government published a summary of its response to welfare reform on 9 October which includes an annex summarising this cost-benefit analysis.  
<http://gov.wales/topics/people-and-communities/welfare-reform-in-wales/what-are-changes-in-wales/?lang=en>

### Recommendation 3 - Public Accounts Committee Comments

The Welsh Government has partially accepted this recommendation in pointing to a range of existing mechanisms through which data is collected and considered, while also highlighting some new actions. However, we believe the evidence presented to the Committee on performance and data issues was compelling and highlighted that at present the impact of welfare reform is not clearly understood and this may prevent the identification of better ways of doing things. The Committee wishes to seek further information on the opportunities for the Welsh Government to enhance the range and quality of current evidence by, for example, including a small number of key data requests as set out in the Committee's report (page 13 to 15) as part of the research proposed in relation to Recommendation 8.

The research proposed in relation to Recommendation 8 includes a survey of Local Authorities and Housing Associations, which will help the Welsh Government to identify the extent to which financial assessments are undertaken by social landlords across Wales. This work is aimed mainly at assessing the extent of collaboration between Housing Associations and Local Authorities in tackling homelessness, and does not address wider determinants which may impact on homelessness. We expect the report from this study to be available in December 2015.

As part of our forward research programme, which was updated following the Summer Budget, we are considering the possibility of surveying a sample of tenants in Wales who have been affected by the UK Government's welfare changes. This could include tenants affected by the Housing Benefit Size Criteria in the social rented sector. This research and other research elements will help improve the evidence base on the impact of welfare reform which will assist our policy response. In terms of referrals to food banks and advice services, the Welsh Government has already held discussions about providers of food aid services and established there is a wide range of different services across Wales in this respect only some of which are covered by data available from the Trussell Trust on food banks. The Welsh Government is in the process of setting up a statistics user panel under the *Third Sector Framework for Engagement and Programme for Action* to assess burdens placed on third sector organisations.

The Welsh Government already has annual counts of information on vacant social housing properties. There has been public consultation on whether Local Authorities should be allowed to charge more than 100% council tax on empty and second properties. As a result, counts of such properties will need to be collected centrally to support the local government finance settlement calculations and as this data will be needed annually, it would allow measurement of change in the levels of void properties. We should wait on the outcome of this consultation before considering any other form of data collection around voids.

#### **Recommendation 4 - Public Accounts Committee Comments**

**The Committee heard evidence that currently development programmes are overtly focussed on three bedroom accommodation and not smaller units, suggesting that there is a disconnect between what landlords want to build -family housing -and the size of property those in housing need require as determined by the social rented size criteria. This in turn makes modelling of future demand difficult. The evidence heard by the Committee on this specific concern highlighted that Welsh Government needs to fully consider these matters when approving new build schemes. As such the Committee welcomes further detail on whether these matters are being considered by the Welsh Government and if so whether any action has been taken as a result of these considerations.**

The Welsh Government provides grant funding for affordable housing through the Social Housing Grant (SHG) Programme. New build schemes are only approved if they are Local Authority strategic priorities i.e. are contained within Local Authority Programme Development Plans (PDPs) and meet Welsh Government value for money and design criteria. Schemes prioritised for funding within Local Authority PDPs reflect a range of factors including strategic importance, housing need, deliverability, viability and value for money. The data included within Local Housing Market Assessments (LHMAs) provides Local Authorities with key information on housing need across all types of accommodation and client groups. Since 2012/13, Registered Social Landlord stock data indicates there has been a 3 per cent increase (1,537 dwellings) in the number of 1&2 bed general needs properties across Wales but a slight decrease of 0.2 per cent (98 dwellings) in the number of 3 or more bed general needs properties. The stock data takes account of new housing, sales and demolitions. Welsh Government will be working with Local Authorities to ensure the relationship between LHMAs and the Social Housing Grant (SHG) Programme is clear.

#### **Recommendation 5 - Public Accounts Committee Comments**

**The Welsh Government has only partially accepted this recommendation and we do not feel the response is adequate. We acknowledge that the guidance from the Department of Works and Pensions on Discretionary Housing Payments may not require local authorities to record information on the specific circumstances of tenants in adapted homes with disabilities. However, we expected a more thorough response from the Welsh Government that considered this specific matter in relation to local authorities' duties under the Equality Act 2010 and the wider leadership role highlighted by the Committee under Recommendation 1 of our report. The Committee seeks further assurance that these important equality duties are being fully addressed. For example, is Welsh Government reviewing local authority equality impact assessments for administering Discretionary Housing Payments?**

The onus is on Local Authorities to consider the requirements of the Equality Act 2010 and supporting Regulations. The Equality Act 2010 (Statutory Duties) Wales Regulations 2011 require Local Authorities to carry out Equality Impact assessments on proposed policies and practices and it would not be for the Welsh Government to review or monitor the Equality Impact assessments undertaken by Local Authorities

Local Authority impact assessments are a matter for each individual Authority. They have the statutory duty to conduct the assessments and they have a range of tools and levers available to them. They are democratically accountable to their local electorates for their decisions. The annual settlement letter from Welsh Government reminds all authorities of their statutory duties in conducting impact assessments.

## Recommendation 11 – Public Accounts Committee Comments

The Welsh Government has partially accepted this recommendation and has provided detail on the process for updating the Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness. The Committee's concerns around this issue were primarily about the financial circumstances of individuals as much as the priority need categories set out in the Code. The evidence received by the Committee suggested that some people may not receive assistance because of their financial situation especially where they have outstanding arrears or mortgage debt. The effect of which has resulted in a situation where some families seeking assistance from local authorities and registered social landlords are being excluded from housing registers and are thus considered as being "too poor for social housing."

While it is positive to note that the Welsh Government intends to survey local authorities and registered social landlords under Recommendation 8, which will examine the assessment of people's financial circumstances, we believe it would be advantageous to extend this to cover the work of advice agencies who are often better placed to provide an independent insight on these matters. As it stands the response to Recommendation 11 is asking those who have made the decision not to assist a family or individual local authorities and registered social landlords to review their own practices which, for transparency and balance purposes, raises some concerns. The Committee suggests that this exercise should be widened to include advice organisations to provide a degree of independence within this process.

An updated version of the Code of Guidance is planned to be published in the New Year. It will take into account the results of the research into any barriers to housing assistance.



## Recommendation 13 – Public Accounts Committee Comments

The Welsh Government has partially accepted this recommendation. However, we wish to highlight that evidence provided to the Committee suggested that advice provided by landlords focuses on dealing with "landlord" issues first and foremost which may not necessarily be the right course of action or the best option for the tenant. Conversely, independent advice looks at what is right for the individual and the landlord issues are one of a number of different strands that will be considered in prioritising and agreeing a way forward. The Committee's recommendation sought to ensure that independent advice should consider the broader needs of tenants not simply the priorities of their landlord. Given the Welsh Government's response does not adequately address this point, the Committee seeks more detail on how the Welsh Government will ensure the needs of the individual rather than the landlord are equally prioritised when conducting its planned review.

The National Advice Network launched a survey of information and advice provision on 12th October ([http://www.moneymadeclearwales.org/home.php?page\\_id=8474](http://www.moneymadeclearwales.org/home.php?page_id=8474)) the survey includes a question on the independent nature of the advice given:-

*An independent advice provider delivers independent advice where it is able to act fully independently in the client's sole interest. For example, some local authority services may be unable to offer help with an appeal against an adverse decision on housing benefit entitlement or a social landlord who offers debt advice may be bound by their own policies to prioritise rent arrears over the clients other debts regardless of competing priorities.*

The information provided by advice providers will be subject to a sense check and potential challenge depending on the range of services provided by each provider. The final data will be considered along with other evidence on advice-seeking behaviours and potential support from a range of providers including evidence which will be published from the Ministry of Justice in early 2016. This forms part of a future advice needs analysis undertaken by the National Advice Network to inform the development of an Information and Advice Strategy for Wales which will be brought forward in 2016. The strategy will seek to ensure equitable access to quality assured advice services for everyone in Wales. To ensure that there is a consistent measurement of quality, the Welsh Government has committed to developing an Information and Advice Quality Framework for Wales (IAQF Wales) in 2015/16 which will address organisational quality and the service user experience which will consider advice needs holistically and address the quality, breadth and depth of the service provided.

## Recommendation 14 – Public Accounts Committee Comments

The Welsh Government accepts this recommendation. While the response highlights some of the positive work of Cardiff Council, it is not clear if the new protocols for Discretionary Housing Payments cover all 22 local authorities. On this basis, the Committee requests that Welsh Government clarify that the two councils who at the time of the inquiry were not party to the agreement -Cardiff and Neath Port Talbot -are now participating in the new arrangements to ensure the consistent approach desired is being achieved.

In addition, while the Welsh Government's response also notes that the current framework of advice protocols and guidance provides "a consistent approach by the Local Authorities to disability benefits", we are concerned about the accuracy of this when considered alongside the response to Recommendation 5 as noted above. Furthermore, the detail provided in response to Recommendation 14 does not adequately address the issues faced by people with disabilities that was highlighted in evidence provided to the Committee and in the Committee's report, and the Committee believes it is reasonable to expect a more thorough and joined up response by Welsh Government on this point and those made under Recommendation 5. Namely, that the pan Wales scheme for Discretionary Housing Payments is adopted by all councils and issues around people with disabilities are more clearly addressed.

Cardiff and Neath Port Talbot are not involved in the new framework. The framework was set up to improve consistency and to ensure that disabled groups (amongst others) were given greater priority in the assessment of Discretionary Housing Payments. The framework also allows for all participating Local Authorities to react quickly and consistently to significant changes in law. This was highlighted recently in the *Sandwell* case (<http://www.bailii.org/ew/cases/EWHC/Admin/2015/890.html>) when all 20 Local Authorities were advised in a single email and the framework amended accordingly. As stated previously, Discretionary Housing Payments are non-devolved and as such Welsh Government is unable to mandate Local Authorities in this policy area. We will, however, continue to encourage sharing of good practice as we did with the approach developed by Cardiff, which informed the approach to Discretionary Housing Payments by other Local Authorities.

## **Recommendation 17 – Public Accounts Committee Comments**

**The Welsh Government fully accepts this recommendation to take an early view of the impact of further changes in the welfare system, especially for 18-21 year olds, and will consult early and widely on its proposed response. However, we welcome more detail on the Welsh Government's response to this recommendation to provide us with the assurance we require.**

**Namely, paragraph 121 of our final report states that "the Welsh Government can do more to demonstrate leadership and coordinate the response to welfare reform in Wales". While the Welsh Government's response rightly focuses on understanding the potential impact of further welfare reforms and notes that work is in hand with local authorities, Registered Social Landlords and advice agencies, we believe the Welsh Government should provide clearer leadership by developing a specific welfare reform action plan which has been rejected in respect of Recommendation 1. This would provide a clear focus on the actions it intends to prioritise to address the needs of 18-21 year olds. From the response it seems that Welsh Government is undertaking further work to research the potential impact but not formalising its response to these challenges into a strategy or action plan which would allow for clearer accountability and more effective scrutiny of performance. The Committee seeks further information on whether the Welsh Government intends to develop an action plan or strategy to implement this recommendation.**

The Welsh Government will continue to provide leadership in this area with a view to identifying the need for action and delivering a planned and co-ordinated programme in conjunction with stakeholder organisations to help people cope with the impact of welfare reform. Please see also our response to Recommendation 1.





DRIVING  
IMPROVEMENT  
THROUGH  
INDEPENDENT AND  
OBJECTIVE REVIEW

SICRHAU  
GWELLIANT  
TRWY  
AROLYGU ANNIBYNNOL  
A GWRTHRYCHOL

**30 October 2015**

## **Public Accounts Committee – Health Board Governance**

The National Assembly for Wales has invited Healthcare Inspectorate Wales (HIW) to give evidence on health board governance arrangements in Wales. In particular it was suggested that the key areas on which HIW would be asked for views related to:

- HIW’s approach to inspections
- General health board governance
- Specific health boards such as Abertawe Bro Morgannwg University Health Board following the Trusted to Care Report 2014 and Betsi Cadwaladr University Health Broad following the recent joint exercise between the Wales Audit Office (WAO) and HIW.

This paper provides background information to assist the Committee in its preparation. The role of HIW is attached at Annex 1.

## **HIW’s approach to considering health board governance arrangements**

HIW considers the governance arrangements that health boards have in place at a number of levels:

- We require health boards to undertake a **self-assessment** of their own governance arrangements which we review
- We undertake specific **governance reviews** where it is felt that such a review would be of value
- We use **front-line inspections** to form a view on the effectiveness of overarching health board governance arrangements.

## **Self-assessment**

Health boards and NHS trusts prepare an annual self assessment of their governance arrangements and measure themselves against a maturity matrix. This allows organisations to identify areas of strength and potential weaknesses. This exercise has been undertaken for a number of years. It requires organisations to assess themselves against “Standard 1: governance and accountability framework” of the previous health standards.

The self assessment submissions are reviewed by HIW alongside the information included by organisations in their Annual Governance Statements and their Annual Quality Statements. It is also

tested against the arrangements that we find in practice during our inspections and intelligence shared with other bodies.

The information contained within the self assessments is also considered along with the findings from the WAO structured assessments. In addition, HIW staff may also attend a variety of health board meetings such as Quality & Safety Committee meetings, often in conjunction with WAO staff. HIW's 2015 annual reports for health boards included feedback on the self assessments and these were discussed with Boards.

We are currently reviewing the impact of this approach and how this complements governance assessments being conducted by other organisations. We are keen to ensure that Boards receive co-ordinated feedback from external bodies that is of value in helping them to improve their arrangements.

## Governance reviews

Since April 2013 HIW has published two specific governance reviews. These reviews were undertaken for a variety of reasons. For example: due to concerns about the overall effective operation of governance arrangements within an organisation; due to a wish to follow-up on previous work and assess how much progress an organisation has made; to seek assurance that an organisation is operating in a way which places quality, safety and patient outcomes at the heart of its operation.

Such reviews typically examine governance and accountability arrangements to ensure they are clear and consistent. We may focus on the effectiveness of Quality and Safety Committees, evaluate the processes to identify and manage individual or service performance concerns which may impact on patient safety, and evaluate how lessons learnt from complaints, claims, clinical incidents, and other external and internal reviews are taken forward to improve patient care.

The aim and purpose of these reviews is to enable organisations to strengthen their clinical governance arrangements and make recommendations to drive improvement.

### a) Betsi Cadwaladr University Health Board

Our joint governance review with the Wales Audit Office in 2013<sup>1</sup> was prompted by concerns around governance, accountability and service delivery. We undertook a progress review in 2014<sup>2</sup>.

More recently HIW and the Wales Audit Office (WAO) have been involved in high-level review work to examine the progress made in the key areas that were identified as challenges for Betsi Cadwaladr University Health Board (BCUHB) when it was placed in special measures by the Minister for Health and Social Services in June 2015. The output from this overview of progress was a joint letter that informed an extraordinary NHS Escalation and Intervention meeting that was held on 21 October 2015 in order to discuss the health board's escalation status.

This letter was published on 27 October 2015<sup>3</sup>, alongside a response letter from BCUHB<sup>4</sup>.

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<sup>1</sup> <http://www.hiw.org.uk/opendoc/234590>

<sup>2</sup> <http://www.hiw.org.uk/opendoc/243826>

<sup>3</sup> <http://www.hiw.org.uk/opendoc/276576>

<sup>4</sup> <http://www.hiw.org.uk/opendoc/276577>

As the joint letter indicates, there have been positive developments in a number of areas, which can be built upon. However, some fundamental challenges remain which will require specific leadership skills and resolute determination to address.

#### b) Cwm Taf University Health Board

Our recent *Follow-up Review of Governance Arrangements at Cwm Taf University Health Board*<sup>5</sup> was undertaken in order to evaluate progress made by the health board since the previous review published in 2012<sup>6</sup>. It was encouraging to report the health board had achieved a great deal since the original review; most, if not all of the areas, had seen significant improvements since our 2012 review.

#### c) General observations

Over the course of the governance reviews carried out by HIW, key issues that we have found have tended to focus broadly on the following areas:

- The clinical governance arrangements in place within organisations are not always conducive in enabling clear lines of sight from Board level to ward level
- The weight of information that is considered at Quality and Safety meetings is such that it impairs the ability of the committee to thoroughly scrutinise and challenge the information presented to it
- Capacity issues in relation to the Board members; specifically the work time allocated to independent Board members to enable them to fully engage with their roles and to provide appropriately informed levels of scrutiny and assurance
- Organisations are not always effective in dealing with concerns or complaints, and most significantly are not able to clearly demonstrate learning from issues when they occur. This includes the ability of organisations to respond to concerns that are raised by its own staff
- Effective leadership, both of and within an organisation, is a required constituent to complement any governance structures that an organisation has in place.

### Front line inspections

HIW has undertaken a variety of inspection work in health boards during 2014-15 and this work has been detailed in each health board's annual report.

During 2015/16 we have moved from in-depth single ward inspections which allow a highly detailed view to be taken on a small aspect of healthcare provision, to hospital inspections which look at a department or specific service area within a health board. These inspections cover a range of related wards and settings at a point in time and enable broader conclusions to be drawn about the way in which the organisation is working to ensure consistent high quality services.

Our NHS hospital inspections are unannounced and we inspect and report against three themes:

#### **Quality of the Patient Experience:**

We speak with patients (adults and children), their relatives, representatives and/or

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<sup>5</sup> <http://www.hiw.org.uk/opendoc/272596>

<sup>6</sup> <http://www.hiw.org.uk/opendoc/233699>

advocates to ensure that the patients' perspective is at the centre of our approach to inspection

**Delivery of Safe and Effective Care:**

We consider the extent to which services provide high quality, safe and reliable care centred on individual patients

**Quality of Management and Leadership:**

We consider how services are managed and led and whether the workplace and organisational culture supports the provision of safe and effective care. We also consider how health boards review and monitor their own performance against the Health and Care Standards.

The extent of compliance with healthcare standards, and the steps take by an organisation to address issues that we have previously identified , provides us with a useful indication of how proactive a health board is at all levels in terms of ensuring the quality, safety and effectiveness of its services.

### The importance of collaboration

We work with other organisations to develop a holistic view on the governance arrangements within the health boards and trusts. For example

- We are collaborating with the WAO and attending committees together. This ensures we have a shared understanding of our respective interests in governance but avoid duplication. During 2015-16 we have agreed to issue a note to explain to organisations how we place reliance on each others work.
- Academi Wales are developing a high performing organisation self-assessment as part of their public service governance agenda. There is the potential of overlap and duplication with the governance self assessment which we administer and we are therefore exploring whether to continue our self assessment process as it stands, or whether to adapt our approach to complement this work.
- We work with DHSS when looking to streamline our requirements of health boards and trusts in meeting their obligations to Welsh Government. For example, currently health boards must confirm they have completed the Governance and Accountability self assessment when signing their Annual Governance Statement. Given the work others (WAO, Academi Wales) are doing in this area this needs further consideration. This work is ongoing and will need to be completed by Christmas 2015.

In addition, we continue to work with DHSS to clarify the timetabling of annual reporting. The volume and complexity of annual reporting required of health boards is significant. We are conscious that the demands placed on health boards should be proportionate. HIW, through a number of networks has started a conversation on how this might be streamlined or done differently so that all the pressures don't hit at the same time and the quality of reporting could be improved.



*Healthcare Inspectorate Wales (HIW) is the independent inspectorate and regulator of healthcare in Wales.*

## Purpose

*To provide the public with independent and objective assurance of the quality, safety and effectiveness of healthcare services, making recommendations to healthcare organisations to promote improvements.*

## Values

- **Patient-centred:** we place patients, service users and public experience at the heart of what we do
- **Openness and honesty:** in the way we report and in all our dealings with stakeholders
- **Collaboration:** building effective partnerships internally and externally
- **Professionalism:** maintaining high standards of delivery and constantly seeking to improve
- **Proportionality:** ensuring efficiency, effectiveness and proportionality in our approach.

## Outcomes

### **Provide assurance:**

Provide independent assurance on the safety, quality and availability of healthcare by effective regulation and reporting openly and clearly on our inspections and investigations.

### **Promote improvement:**

Encourage and support improvements in care through reporting and sharing good practice and areas where action is required.

### **Strengthen the voice of patients:**

Place patient experience at the heart of our inspection and investigation processes.

### **Influence policy and standards:**

Use our experience of service delivery to influence policy, standards and practice.

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