

Agenda – Public Accounts Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Fay Buckle
Meeting date: Tuesday, 12 January 2016	Committee Clerk 0300 200 6565
Meeting time: 09.00	SeneddPAC@Assembly.Wales

(The Committee agreed on 8 December 2015, a motion under Standing Order 17.42 to resolve to exclude the public for this meeting)

1 Introductions, apologies and substitutions

(09.00)

2 Papers to note

(09.00 – 09.05)

(Pages 1 – 3)

3 Senior Management Pay: Update on the implementation of recommendations contained in the Committee's Report

(09.05–09.25)

(Pages 4 – 19)

PAC(4)–01–16 Paper 1 – Committee’s Recommendations

PAC(4)–01–16 Paper 2 – Update from the Welsh Government

PAC(4)–01–16 Paper 2A – Written Statement from the Welsh Government –

Transparency of Senior Remuneration in the Devolved Welsh Public Sector (7 December 2015)

4 NHS Wales Health Board’s Governance: Consideration of evidence received

(09.25–09.50)

(Pages 20 – 41)

PAC(4)–01–16 Paper 3 – Letter from Healthcare Inspectorate Wales

PAC(4)–01–16 Paper 4 – Letter from Betsi Cadwaladr University Health Board



PAC(4)-01-16 Paper 5 - Letter from Welsh Government

5 Regeneration Investment Fund for Wales: Consideration of Draft Report

(09.50-11.00)

PAC(4)-01-16 Paper 6 - Draft Report

Agenda Item 2

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Tuesday, 8 December
2015

Meeting time: 09.00 – 11.02

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3287>

Attendance

Category	Names
Assembly Members:	Darren Millar AM (Chair) Mohammad Asghar (Oscar) AM Mike Hedges AM Sandy Mewies AM Julie Morgan AM Jenny Rathbone AM Aled Roberts AM Alun Ffred Jones AM (In place of Jocelyn Davies AM)
Witnesses:	Owen Evans, Welsh Government John Howells, Welsh Government Christopher Munday, Welsh Government James Price, Welsh Government
Committee Staff:	Fay Buckle (Clerk) Claire Griffiths (Deputy Clerk) Joanest Varney–Jackson (Legal Adviser)



	Huw Vaughan Thomas (Wales Audit Office) Mike Usher (Wales Audit Office) Alistair McQuaid (Wales Audit Office) Nick Tyldesley (District Valuer)
--	---

1 Regeneration Investment Fund for Wales: Briefing from the Wales Audit Office

1.1 The Auditor General for Wales discussed PAC(4)-34-15 paper 1 (Item 4) with the Committee.

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 under Standing Order 18.8. Alun Ffred Jones substituted.

2.3 The declarations of interest made in the meeting on 12 October are applicable to this meeting.

3 Papers to note

3.1 The papers were noted.

4 Regeneration Investment Fund for Wales: Evidence Session 7

4.1 The Committee scrutinised Owen Evans, Deputy Permanent Secretary, Education and Public Services Group; James Price, Deputy Permanent Secretary, Economy, Skills and Natural Resources Group; John Howells, Director, Housing and Regeneration and Christopher Munday, Deputy Director, Business Solutions, Welsh Government as part of the inquiry into the Regeneration Investment Fund for Wales.

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

5.1 The motion was agreed.

6 Forward work programme: Consideration of spring 2016 work programme

6.1 Members agreed the forward work programme.

7 Regeneration Investment Fund for Wales: Consideration of evidence received

7.1 Members discussed the evidence received.

8 Scrutiny of Accounts 2014–15: Consideration of draft report

8.1 Members considered and agreed the report which will be published later in December.

Senior Management Pay

The Committee's Recommendations

The Committee's recommendations to the Welsh Government are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

Recommendation 1. The Committee recommends that a clear definition of what is meant by a senior post in the public sector is produced and disseminated by the Welsh Government. This should have consideration to the level of remuneration, scale of the organisation and the level of responsibility of the post holder.

Recommendation 2. The Committee recommends that the Welsh Government use the local government reorganisation work to consider the options for introducing consistency around senior management pay in Local Government. We would like to see a clear rationale published setting out how pay should be set in any new structure that is introduced. Given the recent decisions by some councils to consider voluntary mergers, this should be done with a matter of urgency. Furthermore, the process of voluntary mergers should be included in any consideration of pay structures.

Recommendation 3. The Committee recommends that a glossary of terms relating to senior pay is produced and published by the Welsh Government, which sets out the most appropriate terms to be used in pay disclosures, as well as explanations for less frequently used terms. The Committee further recommends that narratives to accounts, particularly for unusual situations, contain adequate notes which are easy to interpret.

Recommendation 4. The Committee recommends that the Welsh Government work with local authorities to ensure that items pertaining to pay matters are listed clearly and separately on all agendas (Executive Board and Council Level). This may require an amendment to the Local Authorities (Executive Arrangements) (Decisions, Documents and Meetings) (Wales) (Amendment) Regulations.

Recommendation 5. The Committee recommends that clear guidance is issued by the Welsh Government to local authorities requiring any Returning

Officers fees to be published in an easily accessible place alongside remuneration information. This should include clear explanations behind this entitlement.

Recommendation 6. The Committee recommends that the Welsh Government, and other bodies issuing account directions, reviews their mechanisms, including grant conditions, for monitoring compliance with remuneration disclosures, and reports back to the Committee how it intends to ensure that full compliance is achieved.

Recommendation 7. The Committee recommends that the Welsh Government produce and disseminate guidance on how to manage pay arrangements for joint appointments between local authorities, given the increasing moves towards these types of appointment. This should include the need for these salaries to be disclosed in all contributing local authorities accounts.

Recommendation 8. The Committee recommends that the Welsh Government consider the make-up and recruitment of the independent remuneration panel for Wales, as positions become available, to ensure it is representative of wider civil society.

Recommendation 9. The Committee recommends that information on remuneration committees across the public sector and their decisions are published in an easily accessible and prominent place on the organisations website.

Recommendation 10. The Committee recommend that the Welsh Government produce good practice guidance for remuneration committees setting out the key principles of openness and transparency. Alongside this guidance, we recommend that a number of seminars/training sessions are held which set out these principles and develop the important skills needed to be an effective remuneration panel member.

Recommendation 11. The Committee recommends that best practice guidance is produced by the Welsh Government which sets out best methods for engaging with external consultants on senior management pay. This should include the need to have interaction with the relevant decision making group throughout the process.

Recommendation 12. The Committee recommends that the Welsh Government works with the WLGA and the Wales Audit Office to produce guidance on the role of senior officers in local authorities in providing advice in relation to pay matters.

Recommendation 13. The Committee recommends that the Welsh Government work with local government, higher education, further education, health, and registered social landlord sectors to ensure that training and guidance on senior pay is consistently delivered to all sectors.

Recommendation 14. The Committee recommends that the Welsh Government reminds local authorities out of the importance and independence of the role of the monitoring officer, and the need to ensure that this role operates effectively across the organisation at a senior level. This should also remind monitoring officers of methods for reporting any concerns either internally or if necessary externally.

Recommendation 15. The Committee recommends that the Welsh Government undertake a study into different pay mechanisms, and produce a report setting out what is considered good practice. This should consider how best to deal with senior management in failing organisations.

Recommendation 16. The Committee recommends that public sector organisations are required by the Welsh Government to set out their approach to performance related pay and internal talent management in their pay policies.

Recommendation 17. The Committee recommends that the Welsh Government issues advice and guidance to the Welsh Public Sector, including those sectors receiving significant funds from the Welsh Government (e.g. registered social landlords, further education and higher education) on the requirements for publication of remuneration information and pay policies, taking account the recommendations in this report.

Recommendation 18. We recommend that public sector organisations are required to publish information on the number of employees with a remuneration package of more than £100,000 in bands of £5,000.

Recommendation 19. We recommend that a full remuneration report is produced by all organisations within the Welsh public sector annually, and published on a prominent place on the organisations website. This should set out in full the following information about all senior staff, with due regard to the Committee's previous recommendation about ensuring published information is easily interpreted:

- Salary;
- Pension;
- Benefits in kind;
- Non-taxable benefits;
- Severance packages;
- Returning Officer fees/additional fees;
- Pay ratio between highest and lowest paid officer;
- Gender make-up of the senior team.

Recommendation 20. We recommend that all organisations in the Welsh public sector are required to publish a pay policy statement, in line with the requirement on Local Authorities and Fire and Rescue authorities in the 2011 Localism Act.

Recommendation 21. The Committee recommends that all information on an organisations pay is published in a single, easily accessible place on their website and sets out the information in a clear and transparent fashion. To achieve this, we recommend the Welsh Government produce guidance on the format for this disclosure. We believe this will achieve maximum transparency and ultimately accountability.

Recommendation 22. We recommend that the Welsh Government make these requirements a condition on any grants or funding which are provided to those organisations which do not explicitly fall within the public sector (e.g. higher education/further education/registered social landlords).

Recommendation 23. The Committee recommends that the Welsh Government collate the information on senior pay across the Welsh public sector in line with that produced by the Wales Audit Office for the Public Accounts Committee to include those sectors receiving significant funds from the Welsh Government (e.g. RSLs, Further Education and Higher Education) on an annual basis and publish this on their website.

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

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

Dear Darren,

30th November 2015

Public Accounts Committee Report: Senior Management Pay

Thank you for your letter of 30 September in which you asked for an update on the implementation of the recommendations made in the Public Accounts Committee's Report on Senior Management Pay. The Welsh Government made a commitment to work towards full implementation of the recommendations and I am pleased to report that good progress has been made.

As outlined in the initial response to the Report, the Welsh Government has sought to implement the recommendations in two areas – through Local Government reform and by increasing the consistency and transparency of reporting of senior pay in the public sector. The progress made in respect of these areas is covered below.

Local Government Reform and Public Services Staff Commission

Work to implement the recommendations concerning the consistency with which senior management pay in Local Government is set, managed and communicated has been taken forward as part of ongoing work in local government reform and the establishment of a non statutory Public Services Staff Commission. The non statutory Public Services Staff Commission is now in existence and the Minister for Public Services made statements to the Assembly confirming appointments (of the Chair on 24 July and of members on 9 September plus a more general update as part of his oral statement on Public Workforce matters on 15 September). The Commission held its first meeting on 16 September.



As your letter indicated, it is important that stakeholders are engaged in the development of the proposed work programme. The Workforce Partnership Council met the Commission on 8 October as part of that process and the Chair and Commission members have been meeting stakeholders and stakeholder groups in the first few weeks of their existence.

The Minister for Public Services will issue a formal remit letter to the Commission shortly taking account of the views expressed through engagement with stakeholders, in particular through the Workforce Partnership Council as the Government's formal social partnership forum. As part of the development of its Operational Plan, the Commission has been considering how it can engage most effectively with the breadth of its stakeholders. The Workforce Partnership Council will consider the Commission's draft Operational Plan in December.

In addition to the establishment of the non statutory Public Services Staff Commission, the role of the Independent Remuneration Panel was extended to include Chief Executives of Local Authorities in the Local Government (Democracy) (Wales) Act 2013. The Local Government (Wales) Act 2015 includes provisions which extend this role further to include senior managers in existing Local Authorities. This will help ensure consistency amongst Local Authorities pending structural changes arising from and, subject to the passage of, the Local Government (Mergers and Reform) Bill. Providing advice on how fairness and consistency in pay in Local Government can be achieved through Local Government reform will be part of the role of the Public services Staff Commission, in conjunction with the Independent Remuneration Panel as necessary.

The Government has legislated to ensure that items pertaining to pay matters are listed clearly and separately on all agendas through the Local Democracy (Wales) Act 2013, the guidance on pay policy statements and the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014. If further legislative amendments are required, we will undertake these in line with the timetables for the wider programme of local government reform.

The Local Government (Wales) Act 2015 was passed by the Assembly on 20 October 2015 and further strengthens openness and transparency on the role of senior officers in Local Authorities in providing advice on pay matters. As the Reforming Local Government Programme progresses we will continue to keep in view any need for extra guidance to be issued to Local Authorities. Information pertaining to Returning Officers' fees is routinely published in Local Authorities' accounts. The guidance on the Audit and Accounts regulations which we anticipate issuing next year will be reviewed and any necessary amendments will be made. Similarly, the Order governing Returning Officers' fees for the Assembly elections next year will be tabled early in the New Year. As you will be aware, we expect legislative competence over Assembly and Local elections to be devolved to the Assembly through the forthcoming Wales Bill.

With regard to ensuring that Local Authorities are aware of the importance and independence of the role of monitoring officers, the National Assembly approved the Local Authorities (Standing Orders) (Wales) (Amendment) Regulations 2014 in June of last year. They provide a level of protection to the Monitoring Officer (and certain other senior posts) from unfair disciplinary processes. The Welsh Government has ensured that Local Authorities, including monitoring officers, were made aware of these regulations.

We have considered the statutory Guidance published on the Welsh Government website regarding managing pay arrangements for joint appointments. We have reviewed the Accounting disclosure requirements set out in the Accounts and Audit (Wales) Regulation Regulations and concluded there is no amendment required. The existing guidance makes it clear that authorities should include in Accounts the estimated annual salary of any joint appointments. The Guidance will be re-issued later this year by the Welsh Government, which will ensure Local Authorities are reminded of the requirements.

Since the Welsh Government's initial response to the PAC and in line with the commitment to increasing diversity in local government and across the public sector, a recruitment exercise for new members for the Independent Remuneration Panel for Wales has been conducted. As a result, I am pleased to report that the Panel membership will become 50% female from next January.

The Welsh Government published the Local Government Bill (mergers and Reform Bill) in draft on 24 November and I hope that the Committee has therefore had sight of this and the accompanying consultation paper.

Transparency of Senior Pay

The Welsh Government response to the Report's recommendations noted the call for the Welsh Government to play a wider role in establishing and monitoring policies relating to senior management pay. In response to these recommendations, the Minister for Public Services will shortly publish a set of high level principles and recommended reporting arrangements around the '*Transparency of Senior Remuneration in the Devolved Welsh Public Sector*'.

The transparency document is framed as "best practice" and outlines clear reporting standards. The principles address a number of the recommendations contained within the PAC report. They include provisions relating to the disclosure of remuneration committee information, talent management, salary levels and the production of annual pay policy statements and full annual remuneration reports all of which were recommended by the PAC.



The principles were discussed and agreed in full at the meeting of the Workforce Partnership Council on 8 October 2015. The Minister for Public Services wrote to Ministerial colleagues on 18 November requesting that the principles and requirements are cascaded to devolved public sector organisations within their portfolio, to bring this consistent standard to the attention of all sectors. Welsh Government officials are now arranging distribution of the document to the relevant parties in devolved public bodies, with an official written statement from the Minister for Public Services issuing the document to the devolved public sector scheduled for publication on 7 December. The document states that the Welsh Government will publish not only our own annual pay policy statement and full remuneration report, containing the information recommended by the PAC report and in the clear and accessible way it recommends, but will also include links to the statements and reports of the main register of devolved public bodies on our website.

In the initial response to the PAC, the Report's recognition that a "one size fits all" definition of a senior post is not necessary, was welcomed. This is reflected in the principles by seeking to implement an objective definition without over-prescribing what may constitute a "senior post". Examples are also provided of what could reasonably be considered a senior post. Devolved Welsh public sector bodies are required to interpret these examples and provide a definition of what constitutes a senior post in their organisation in their annual Pay Policy Statement.

References to a remuneration threshold are not included due to complexities across sectors. For example some workers in the Health sector might have found themselves in scope despite not holding a post which could be classified as "senior". Additionally, while the decision has been taken not to compile a glossary of terms at this time, the underlying aim of this PAC recommendation has we believe been addressed by requiring devolved Welsh public sector bodies to produce Pay Policy Statements in a transparent and clear fashion.

The initial response to the report explained, with reference to Recommendations 6 and 22, that we would like to explore further and return to the committee. During this work, it was noted that the conditions that may be attached to the funding for different devolved public bodies are not set out exhaustively in statute, but the general principles of public law provide that they may not stray too far from the purpose of the funding. It was therefore concluded that placing a condition of compliance with these additional requirements would be too far removed from the purpose and effect of the funding itself and could not reasonably be imposed as conditions attached to annual funding without the prospect of legal challenge.

The remaining recommendations relating to studies into best practice and pay mechanisms, providing training seminars, and collating information on senior pay across the Welsh public sector as part of embedding and evaluating the new arrangements, will be considered next.



I hope that the Committee will find this update useful. If you have any questions on any of the points raised, please do not hesitate to contact me again.

Y
Yus,
Derek



WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE	Transparency of Senior Remuneration in the Devolved Welsh Public Sector
DATE	7 December 2015
BY	Leighton Andrews AM, Minister for Public Services

Today I published a set of principles around the transparency of senior remuneration in the public sector.

<http://gov.wales/topics/people-and-communities/communities/publications/transparency-of-senior-remuneration/?lang=en>

The November 2014 Public Accounts Committee report into Senior Management Pay in the Welsh public sector highlighted 23 recommendations which concentrate on the openness and transparency of published disclosures of senior remuneration. As outlined in the Welsh Government's response to the recommendations, we have developed a common set of high level principles and recommendations which outline our expectations for the reporting of senior remuneration within the Welsh public sector. These principles and recommended reporting arrangements are outlined within "Transparency of Senior Remuneration in the Devolved Welsh Public Sector". I have written to Cabinet colleagues bringing these new standards to their attention and requesting they are cascaded to devolved public sector bodies within their portfolios.

The Welsh Government holds to the principle of social partnership and of national and local collective bargaining, and the principles and recommendations we have developed in response to the recommendations will not seek to undermine this. We believe that it is right for considerations around public sector remuneration to be transparent and underpinned by principles which adhere across the range of devolved public services in Wales. These principles are not intended to interfere with existing pay bargaining arrangements, nor are they a statement of the Government's intention to set the rate of pay for Welsh devolved public bodies.

These principles and recommended reporting arrangements are a step towards increasing the scrutiny of senior remuneration within the devolved Welsh public sector, and will be kept under review as changes in legislation, policy and the devolution settlement evolve.

TRANSPARENCY OF SENIOR REMUNERATION IN THE DEVOLVED WELSH PUBLIC SECTOR

CONTEXT

The Welsh Government believes that good public services and value for money for taxpayers are essential. The Welsh Government believes therefore that it is right for considerations around the remuneration of senior posts to be transparent and underpinned by principles which are applied across the range of devolved public services in Wales. This document seeks to set out those principles. This document will be kept under review as changes in legislation; policy and the Devolution Settlement evolve.

The Devolution Settlement and the different legal, regulatory and negotiating arrangements which apply across the range of devolved public services in Wales means the Welsh public sector pay landscape is complex. This document is not intended to cut across existing or developing structures for pay negotiations within specific public service sectors. The Welsh Government holds to the principle of social partnership and of national and local collective bargaining, and it has different powers in respect of different parts of the public sector landscape. Nevertheless, the Welsh Government believes it is right for it to set out its expectations of devolved public bodies in Wales with regards to the setting of pay and the publication of annual Pay Policy Statements.

This document recommends a common set of principles and minimum standards which the Welsh Government expects devolved public bodies in Wales to uphold. Devolved public bodies should continue to aspire to the highest principles and standards in this respect and should not seek to use this statement to support any reduction in existing mechanisms or legislation which place identical or enhanced requirements upon certain devolved public bodies.

PRINCIPLES

1. Consistency

Reward must be commensurate with responsibility and role. Effective job evaluation is the first step towards this. Public sector bodies in Wales should have published Pay Policy Statements available to the public which cover the full range of their direct employees and make clear any difference in approach which is proposed for different groups or between the majority of employees and senior staff and why this difference is necessary.

This document recommends a standardised model of reporting arrangements for the remuneration of senior posts within the devolved Welsh public sector. Implementing uniform reporting arrangements will provide for greater accessibility to organisational decision making, subsequently leading to increased scrutiny of public spending and ultimately more efficient use of public funds.

2. Transparency

Accountability for the pay arrangements of individual bodies lies with the appropriate governance structure, subject to overarching legal or financial requirements set by either the UK or Welsh Government. It should be clear to employees, the public and those responsible for making decisions on pay where these responsibilities lie. The basis for decisions made, and where departures from existing policies are permitted, should be equally clear to all. Those making the decisions, those scrutinising them and those affected by them should have appropriate information on which to base their decisions. It is reasonable that the remuneration arrangements for more senior posts should be more transparent and open to scrutiny than those for the larger numbers of less highly paid positions.

3. Accessibility

Ensuring that organisational decisions relating to senior remuneration in the Welsh public sector are easily accessible is a key step towards effective scrutiny of public spending. All devolved Welsh public bodies are therefore recommended to publish the information required by this document in a clear and transparent fashion on a single, prominent and easily accessible place on their website.

In order to make the availability of information relating to senior remuneration within the devolved Welsh public sector as easily accessible as possible, in addition to publishing its own Pay Policy Statements and Annual Reports, the Welsh Government will also publish links to the relevant disclosure pages of the main register of devolved Welsh Public Bodies on its website.

RECOMMENDED REPORTING ARRANGEMENTS

This document is aimed at ensuring all devolved Welsh public sector bodies publish certain information relating to the remuneration of their most senior staff in an easily accessible and transparent fashion.

Where existing accounting practices place requirements upon specific devolved Welsh public sector bodies to publish information in a manner similar to that outlined within this document, those existing practices will take

precedence over this document. The public bodies who are party to those practices should continue to comply with their existing arrangements.

1. Annual Pay Policy Statements

This document recommends all devolved Welsh public sector bodies publish an annual Pay Policy Statement in an easily accessible and prominent place on its website. This Pay Policy Statement should articulate the public body's own policies towards a range of issues relating to the pay and remuneration of its workforce, in particular the pay and remuneration of its senior posts and its lowest paid employees.

The purpose of a Pay Policy Statement is to increase accountability in relation to payments made to senior employees in the public sector by enabling public scrutiny, and should set out the public body's policies relating to the pay and remuneration for senior posts.

The Pay Policy Statement should state:

- a) the definition of "senior posts" adopted by the body for the purposes of the pay policy statement,
- b) the definition of "lowest-paid employees" adopted by the body for the purposes of the pay policy statement,
- c) the body's reasons for adopting those definitions, and
- d) the relationship between the remuneration of senior posts and that of the lowest-paid employees.

In this document "senior posts", in relation to a devolved Welsh public body, may mean the head of the body's paid service; its monitoring officer; a statutory chief officer; a non-statutory chief officer, a deputy chief officer, an executive director, and a senior manager with or without board level responsibility who reports directly to the head of the body.

All devolved Welsh public bodies should include the following information in their Pay Policy Statements:

- a) demonstrable evidence of affordability and value for money,
- b) the number of senior posts within the body with a remuneration package of more than £100,000 in bands of £5,000,
- c) the body's approach to internal talent management,
- d) the body's approach to performance related pay,
- e) the body's approach to providing support for lower paid staff,
- f) the highest and lowest pay points set by the body, and
- g) the severance policies which the body operates and how and in what circumstances these can be varied.

2. Annual Reports

All devolved Welsh public bodies should comply with existing accounting practices and publish a full annual remuneration report. This report must set out in full the following information about all senior posts in an easily interpreted format:

- a) salary,
- b) pension,
- c) benefits in kind and non-taxable benefits,
- d) gender make-up of the senior team, and
- e) details of severance packages which have taken place during that reporting year, including robust business cases justifying the departure arrangements and representing real value for money

All devolved Welsh public bodies are recommended to disclose the decisions of their remuneration committees with regards to senior remuneration. In addition, all devolved Welsh public bodies should produce and publish annual Equal Pay Reports.

Direct Line: 0300 062 8379
E-mail: Kathryn.chamberlain@wales.gsi.gov

Darren Millar AM
Chair
Public Accounts Committee

25 November 2015

Dear Mr Millar

Thank you for inviting us to attend Committee on the 10th November to talk about the work of HIW in the context of your review of health board governance.

We agreed to provide additional information on a number of specific points:

- a) The number of reports HIW received from Community Health Councils in the North Wales region regarding the 39 visits undertaken at BCUHB;
- b) Whether Ministerial correspondence in connection with the concerns raised over the Tawel Fan ward at Glan Clwyd Hospital was shared with HIW;
- c) The number of voluntary lay reviewers recently recruited by HIW;
- d) The expertise and skills of the members of the Advisory Board, and
- e) A breakdown, by months, of the number of reports that did not achieve the target publication date of three months maximum following inspection.

The information requested is attached below. This has taken a little while to produce as I thought it important to share our response to your first question with the Community Health Councils before sending to ensure that we had not overlooked any relevant correspondence.

Committee members covered some very wide and interesting ground during their questions, but it was clear that in some cases the information that they held was partial and out of date. You will recall from your role on the Health and Social Care Committee that I wrote to each member of that Committee when our Annual Report was published in July 2015. In that letter I offered to meet with Committee members, individually or collectively, if they wanted to explore the information presented in the Annual Report in more detail. I would be happy to make a similar offer to members of the Public Accounts Committee. Open committee sessions are useful but they do not necessarily provide the time and format in which members can fully explore the matters that concern them.

Finally I would like to repeat one aspect of what I said in Committee. Although we are located as a department of the Welsh Government, we are operationally independent. This means that any AM is able to raise issues directly with us and we would encourage them to do so. Some AMs already do this and we have had a number of meetings with AMs to discuss matters raised with them by the constituents.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'K. Chamberlain'.

DR KATE CHAMBERLAIN
Chief Executive

a) *The number of reports HIW received from Community Health Councils in the North Wales region regarding the 39 visits undertaken at BCUHB;*

It is important to set this response in context. As I stated in Committee, the way in which we work with the Community Health Councils is developing. It will now be much easier to make progress following the appointment of a new Chief Executive and Chair with powers under the new CHC regulations to develop consistent standards to apply across each of the CHC areas.

We agreed an Operating Protocol with the Board of CHCs which was launched at their conference in March 2015. To support this we held a joint meeting in February 2015 of all CHC Chief Officers and HIW relationship managers to map out how the operating protocol would be implemented in practice. Prior to this, whilst some information was being shared between the two organisations it could be described as variable, informal and rather ad-hoc.

With regard to GP out-of-hours

It was during the joint meeting in February 2015 the NWCHC made broad reference, amongst other issues, to a number of occasions on which the out-of-hours service operated without doctors on shift. We sent a subsequent e-mail requesting further detail on this issue, and others, and were answered with a promise to send on further information relating to GPs the following day. The further information did not arrive as expected.

With hindsight we clearly should have chased this. I am sure that the CHC would also acknowledge that it was clearly an oversight on their part not to copy to us their original correspondence with the Chief Executive of BCUHB in February and not to send us any further documentation until after the report had appeared in the media on 12th May 2015.

With regard to reports on the 39 visits

During his questions Aled Roberts AM referred to a letter written by the CHC to the Chief Executive of BCUHB in June 2015 and asked about discussions between HIW and the Health Board before we visited in December 2014. I should clarify that the 'Learning from Trusted to Care' visits to older people's mental health wards in December 2014 were not undertaken by HIW, but by a team brought together by the Welsh Government. This was a mis-understanding on behalf of NWCHC which we pointed out to them when we also received a copy of the letter to which Mr Roberts refers.

Before the Welsh Government visits we shared with their team the information we held on services in North Wales. Following their visits they also shared their findings with us to help us focus our own inspection programme. I am unable to comment on the extent to which NWCHC shared their own reports and findings with the Welsh Government prior to the visits.

Mr Roberts asked specifically whether we had received during 2014 copies of any reports on the 39 visits undertaken by NWCHC. We did not.

The first point at which we received feedback on issues emerging from this programme of CHC visits was when we were copied into the correspondence of NWCHC with BCUHB Interim Chief Executive on 18 June 2015. Attached to this correspondence was: a summary report; three individual reports; and a Health Board response to one of those reports. We note that the issues relating to older people's mental health did not feature as a significant concern in the evidence used by the CHC to inform the mini-summit in May 2015.

General communication between HIW and CHCs

Since the meeting in February 2015, each Chief Officer and HIW Relationship Manager has been putting in place regular meetings to develop effective working relationships between the two organisations.

In addition to local arrangements, HIW has put in place a number of routine communication mechanisms to make connections between our work and that of the CHCs.

- HIW has a published plan which sets out the activities it intends to undertake during the year. The Chief Executive of the Board of CHCs sits on the HIW Advisory Board so is part of discussions in which HIW develops its plan
- CHCs are now approached proactively prior to our larger inspections to identify what relevant intelligence they might hold
- CHCs are on a list of stakeholders who receive a weekly e-mail from HIW setting out what inspections were carried out the previous week, what reports were published (with hyperlinks) and what reports will be published in the coming week
- Dignity and Essential Care, Hospital, GP, and Mental Health reports are issued to the CHC under embargo prior to publication.

The Chief Executive of the Board of CHCs is undertaking work to consider how reciprocal arrangements might be put in place.

The Chief Executive of the Board of CHCs and myself are committed to building a successful working relationship between the two organisations and continue to work together to that end.

b) Whether Ministerial correspondence in connection with the concerns raised over the Tawel Fan ward at Glan Clwyd Hospital was shared with HIW

No Ministerial correspondence was referred to HIW regarding Tawel Fan nor did any Assembly Members raise their concerns directly with us prior to Tawel Fan ward being closed.

c) The number of voluntary lay reviewers recently recruited by HIW

Prior to HIW taking the decision to move to voluntary lay reviewers we had 16 people working with us in a paid capacity. We have recently recruited 11 people to work with us on a voluntary basis and 4 of our existing pool of lay reviewers have agreed to continue to work with us on a voluntary basis. We continue to accept applications on an ongoing basis from people who wish to work with us.

d) The expertise and skills of the members of the Advisory Board

Short biographies of each Advisory Board member can be found on our website:

<http://www.hiw.org.uk/advisory-board-1>

e) A breakdown, by months, of the number of reports that did not achieve the target publication date of three months maximum following inspection

The following table provides this analysis for inspections undertaken since 1 April 2014, with the first reports being due in July 2014.

Month	No Reports Due to be Published	No. Reports published on time	No. Reports published late	Of which		
				Published 1-2 days late	Published 3-10 days late	Published over 10 Days late
Jul-2014	9	8	1	0	0	1
Aug-2014	14	8	6	0	1	5
Sep-2014	24	20	4	0	3	1
Oct-2014	19	15	4	2	1	1
Nov-2014	4	0	4	3	0	1
Dec-2014	12	6	6	0	0	6
Jan-2015	15	12	3	0	1	2
Feb-2015	19	10	9	3	0	6
Mar-2015	16	11	5	0	0	5
Apr-2015	19	18	1	0	0	1
May-2015	30	17	13	4	4	5
Jun-2015	31	20	11	3	3	5
Jul-2015	16	9	7	2	1	4
Aug-2015	27	19	8	6	0	2
Sep-2015	33	29	4	4	0	0
Oct-2015	19	15	4	2	0	2
Total	307	217	90	29	14	47
		71%	24%	80%	85%	

Of the 47 reports that were published more than 10 days after they were due the following issues were a factor:

- Reports due June to December 2014 were in the main delayed due to staff absence.
- January 2015 onwards – The majority of these reports related to Mental Health Unit and/or Mental Health Act Inspections. We changed the methodology and reporting requirements significantly during this time including a move from reporting through management letters to a more comprehensive report format. At the same we maintained an increased programme of inspections. Whilst this impacted on our ability to meet our reporting commitments, it did ensure that more inspections were undertaken than in previous years.
- There were also a very small number of inspections where report publication was delayed because of insufficient responses from either the health board or the dental practice inspected.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Claire Griffiths
Deputy Clerk
Public Accounts Committee
Chamber and Committee Service
National Assembly for Wales

claire.griffiths@assembly.wales

Ein cyf / Our ref: PH/MLW

Eich cyf / Your ref:

☎: 01248 384290

Gofynnwch am / Ask for: Mandy Williams

Ffacs / Fax: 01248 384937

E-bost / Email:

Mandy.williams7@wales.nhs.uk

Dyddiad / Date: 22 December 2015

Dear Claire

As requested in your email of the 17th November 2015, please find below further information as requested by the Public Accounts Committee Chair.

1. Further information on co-locality across the Board's area in relation to GP out of hours services

The GP Out of Hours Service across North Wales continues to be developed and monitored to improve access and quality. Performance in relation to timeliness of response and access to appointments and home visits is reviewed daily. The quality of the service is also tested each day to ensure compliance with expected quality standards.

In addition to home visits, GP out of hours services are provided at 8 locations across North Wales, 3 of which are co-located on the main hospital sites. The Emergency Department and GP out of hours services are increasingly working together to improve patient flow and ensure that the patient is directed promptly to receive the most appropriate treatment and care. The Health Board is working closely with the national 111 Team to ensure that all opportunities to improve urgent care are explored and implemented appropriately. A recent workshop on the 4th December provided a comprehensive update on the progress made in relation to specific pathways of care for example blocked catheters and palliative care which will be used across North Wales both in hours and out of hours.

The rota position for GPs and Nurse Practitioner continues to improve, with between 77% and 98% coverage of shifts across North Wales and additional GP shifts being booked to manage expected increase in demand over the Bank Holiday period.

The full complement of Triage Nurses has now been recruited with induction and training underway. Recruitment is also progressing for additional District Nursing input in the West area and a pan-BCU Medical Lead.



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

2. Current figures showing attendance at Board meetings

Please see attached table at Appendix 1.

3. Evaluation of the Committee Advisers use and total costs to date

In October 2014, Committee Advisers were appointed following a fair and open recruitment process for a pilot scheme intended to strengthen the governance arrangements of the Health Board. Committee Advisers have provided a useful source of advice on key issues and increased scrutiny and challenge of matters in some Committees. As agreed at the outset, the impact and effectiveness of the role has been subject to evaluation. Committee Advisers and Board Members have all contributed and provided feedback.

After detailed consideration, which included discussion with Board Members, and taking into account the responses of Committee Advisers, we have decided that the pilot scheme will not continue. Our evaluation of the impact of the role has demonstrated that, although Committee Advisers have a vast range of professional experience and expertise, greater impact would be achieved if the Health Board draws on them as necessary for individual expert advice and input.

We have taken a number of further actions over the past year to improve Board and Committee effectiveness including earlier this year welcoming four new Independent Members with a wide range of experience and skills, which has strengthened overall the capacity and capability of the Board.

The role of Committee Adviser will therefore be stood down with effect from 31st December 2015.

The total cost of Committee Advisors to-date is £39,597.

4. Information on the rise in Maternity services being provided at the Countess of Chester Hospital

The total number of admissions to the Countess of Chester Hospital as a percentage of all admissions for North Wales Obstetrics has risen from 15.4% of the total in 2014-15 to 20.2% for September 2015. Information for October & November is not yet available and therefore we cannot determine if this trend will be maintained. Activity will continue to be monitored at the Countess of Chester Hospital and all sites across North Wales.

The number of babies delivered month-on-month in Chester for 2015 as a percentage of all deliveries to North Wales mothers is set out below. This shows an increase over the later summer / autumn months.

Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	June 2015	July 2015	Aug 2015	Sep 2015	Aug 2015	Grand Total
7.46	6.3	4.16	8.77	2.36	6.22	7.7	7.6	10.33	8.9	7

5. An update on the Board's proposals for Primary Care

The Health Board is currently developing a Primary Care Strategy which will set out our vision for primary care for the next five years. The final strategy will be endorsed by the Board in March 2016. This work is underpinned by engagement with contractors, staff and stakeholders.

The new management structure within the Health Board is enabling local contacts and processes to be established at an area level to improve communication and responsiveness with contractors, community services and partners in local authorities and the third sector. Each area has a senior officer who, with support, is responsible for developing primary and community services, and building on the locality and cluster arrangements in place to enable groups of practices in smaller geographic areas to come together to address local issues and develop local solutions.

There are 14 GP clusters in North Wales and they have developed cluster plans based on individual GP practice plans. Additional funding of £1,326,000 has been provided by Welsh Government to enable clusters to take forward their priorities for action.

The Health Board is also utilising the other additional funding of £6,400,000, provided by Welsh Government to develop primary care, to recruit additional salaried GPs who can work in practices experiencing difficulties in recruiting GPs, additional advanced practice nurses, pharmacists and physiotherapists and strengthening the Health Board's infrastructure to support managed practices, estates development and workforce modernisation.

The role of other professionals such as nurses, pharmacists and physiotherapists is well established in the Health Board as a means of improving access for patients to appropriate services and reducing the demand on both GPs and on hospital based services.

Currently the Health Board is managing 3 GP practices in Blaenau Ffestiniog, Gyffin (Conwy) and Beechley in Wrexham. The Gyffin practice will return to independent contractor management in April 2016. From 1st April 2016 the Health Board will take over management of GP services in Prestatyn and Rhuddlan. A new model of primary care is being developed for the area which will be managed by the Health Board.



A primary care estates condition survey is currently being commissioned. When completed the survey will provide the baseline information to prioritise new developments and estate improvements over the coming years.

A number of new facilities are in the process of being completed at Tywyn, Benllech, Colwyn Bay and Hope, all of which will be operational in 2016.

Access to dental services is an issue for the Health Board as current access is 50.3% of the population, compared to the all Welsh average of 54.8%. The distribution of the access is all uneven with higher rates in Denbighshire, Flintshire and Wrexham. Our three year plan will set out our commitment and process to increase these rates to at least the all Wales position in 3 years.

6. Confirmation as to whether the Holden Report was shared with the Welsh Government and Healthcare Inspectorate Wales

The work undertaken by Robin Holden was the result of an investigation commissioned under the raising staff concern / whistleblowing policy looking into concerns raised about the management of the Mental Health Clinical Programme Group in their dealings with the Hergest Unit and a variety of other issues relating to the Hergest Unit. The report was shared with the Health Board in confidence but was not shared with Welsh Government and Healthcare Inspectorate Wales at the time it was received. The Health Board made a decision to withhold the full report because individual witnesses will have had an expectation that their statements, provided as part of a whistleblowing investigation, would be kept in strict confidence and to release this information may have constituted an actionable breach of confidence.

Welsh Government and Healthcare Inspectorate Wales were kept informed during this period of the issues and concerns within Mental Health Services and what action the Health Board was taking to improve the safety and quality of care. These matters were also reported publicly by the Board as part of the Mental Health Improvement Programme.

7. How the Board has improved its complaint handling procedure and how it tracks complaints once in the system including long standing complaints and whether these will be completed by the end of the March 2016

The Health Board has taken a number of actions to improve performance, develop capacity and provide ongoing training and support. These are summarised below.

7.1 Performance

Each service area has been set challenging trajectories for improvement; they are held to account through monthly Performance Accountability Reviews. The aim is to achieve 75% compliance with the 30 day Putting Things Right (PTR) target by 31 March 2016.



Weekly Concerns Meetings have been established in each service area. These groups will monitor performance and the standards of investigations; they will also monitor trends and use complaints and incidents for service improvement and learning.

Site specific dashboards are being developed to allow easy monitoring of performance and tracking of cases and teams are held to account through monthly accountability review meetings.

Significant progress has been made in eradicating backlog complaints and this work will be completed by the end of December 2015.

7.2 Structures

The Corporate Area Concerns Teams have been aligned to the 3 geographical areas and the operational structures are being developed to manage the investigation of concerns and learning lessons. This mirrors the emerging Concerns Model under discussion at an all Wales level.

Additional resources are being identified to ensure there is sufficient corporate resource to manage the concerns process. This includes the development of an early resolution team. The development of this service is subject to further discussions relating to the wider structures across the Health Board and it is intended to consider both corporate and operational concerns structures early in the New Year.

7.3 Other Actions

The Office of the Medical Director is finalising arrangements to implement the requirements set out within the 'Putting Things Right' regulations relating to Being Open across the Health Board. This will ensure there is an open clinical culture with errors being discussed with families immediately to prevent an escalation of issues to complaints. The policy has been introduced with the Workforce and Organisational Development Team working with the Medical Director on a robust implementation plan which includes both training and the nomination of Being Open clinical leads is now being taken forward.

7.4 Training

A national Putting Things Right (PTR) training needs analysis is being undertaken as part of the National Quality & Safety Group the outcome of which will inform a structured training programme for all levels of staff. The Health Board is contributing to the national work and is working locally to take forward the emerging recommendations. This work is not likely to be completed before March 2016.



In the interim, training for Investigation Officers is being provided along with training on handling “on the spot” complaints for Ward teams. In addition, a workshop is being held for staff in early 2016 to ensure that the right skills are available within the operational teams to take forward the concerns agenda.

As part of the concerns investigation process a ‘Lessons Learned’ template is to be introduced and will be completed by an Investigating Officer following each investigation. This will support learning across the organisation.

7.5 Timescales

The trajectory for delivering the 30 day PTR target is set to deliver 75% compliance with the 30 day deadline by March 31st 2016. This trajectory was set at the beginning of January 2015 with the expectation of increased capacity being in place early in the calendar year. However, due to delays in revised structures being implemented the trajectory will remain challenging. As described above, rigorous performance monitoring is now in place and there will remain a continued drive to achieve the target.

8. What is the process within the Health Board regarding the handling of CHC reports?

BCUHB receives monitoring reports from the CHC on the following areas. The Chief Operating Officer has overall responsibility at an executive level for service delivery.

8.1 Hospital Monitoring Reports

These audits are undertaken in acute and community hospitals to monitor the internal and external environment from a patient’s perspective.

Reports are received by the Service User Experience Team at BCUHB and sent to the relevant Matron for the area; an action plan is developed for any areas that are scored unsatisfactory and an outcome report is submitted to the CHC within one month of receipt of the report (CHC set deadline for outcome report).

8.2 Foodwatch

This audit was introduced in 2015, it assesses the cleanliness of ward kitchens as well as arrangements to ensure that patients are well nourished and hydrated.

Reports are received by the Service User Experience Team at BCUHB and sent to the relevant ward sister/Matron for the area to implement any improvement actions.



8.3 Mental Health Unit Monitoring Reports

These audits are undertaken in mental health in-patient units to monitor the internal and external environment from a patient's perspective.

Reports are sent direct to an identified lead within mental health service at BCUHB; the report is forwarded to the relevant Matron/Locality Manager; an action plan is developed for any areas that are scored unsatisfactory and an outcome report is submitted to the CHC within one month of receipt of the report (CHC set deadline for outcome report).

8.4 Bugwatch

This audit is an environmental assessment of inpatient areas specifically designed to observe infection control procedures within the areas.

Reports are received by the Service User Experience Team at BCUHB shortly following the site visit and on receipt they are forwarded to the relevant ward sister, and the infection control team for the area to address any immediate issues.

The CHC send an overarching report to the Executive Director of Nursing, Midwifery for a Board response. This report is considered at the Strategic Infection Prevention Group; issues raised are incorporated in the overall BCUHB infection prevention improvement programme.

8.5 CareWatch

This audit was introduced in 2014, and it is an assessment of markers of good patient care, based on the All Wales Fundamentals of Care Standards. These assessments are conducted on a rolling programme (determined centrally by the CHC) of all in-patient areas across the acute and community hospitals.

Individual ward reports are received by the Service User Experience Team at BCUHB shortly following the site visit and on receipt they are forwarded to the relevant ward sister, and the area matron to allow them to address any immediate issues.

An overarching report is submitted to the Executive Director of Nursing and Midwifery for a Board response. An action plan is developed in response to the recommendations made.

8.6 Accountability and Assurance

The local operational Quality and Safety Groups are responsible for ensuring actions are followed up and improvements are made. A 'themes and trends' report is submitted to the Quality, Safety and Experience Sub Committee on a quarterly basis. This report is continually developing in line with the recent White Paper 'Listening and Learning to Improve the Experience of Care' and includes information from concerns and patient feedback. The report is the



vehicle to ensure the information from the CHC activity is reported regularly to the Board.

9. Specific areas identified about the capacity of the non-executive team and how the Board plans to improve this

A full skills audit of each Board and Associate Members was undertaken by Ann Lloyd in September and October 2015. The conclusions reached were supplemented by observing the Board and Sub Committees in action. The scoring matrix used was that developed by the Good Governance Institute – maturity matrix of Director competencies which is designed to support development and improvement.

The elements measured were:

- Understanding the role
- Technical knowledge
- Understanding the organisation and the market
- Strategic thinking
- Vocational skills
- Behaviours
- Leadership calibre

Their skills were also measured against the Public Appointments Office criteria for appointment to NHS Boards. This looks at:

- Skills and experience – what they know about performance management, risk, governance, finance etc.
- Specific skills and experience e.g. communications and PR, strategic planning, legal, finance etc.
- Competencies – in self-belief and drive, team working, communicating and influencing etc.

The results of the skills audits have been fed back to each Board Member.

The skills that are present amongst the IMs but which need to be recognised more effectively are:-

- Entrepreneurial – especially an understanding of social enterprise and added social value
- Specialised organisational development
- Strategic planning
- Engagement and community development

The potential skills deficit identified at Board level via the skills audit are:-

- Legal (although one Independent Member has a degree in law but is not in practice)
- Estates – strategic and practical
- Commercial skills including marketing



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

The Chair has notified the Welsh Government Appointments Unit of the need to recruit to fill the gaps identified; the appointments have been held pending the advertising of vacancies affecting all Health Boards in Wales. As a consequence one of the IMs whose term of office had come to an end in November 2015 has been extended to the end of March 2016. The recruitment process commenced on the 18th December 2015.

10. Following the forthcoming Board meeting, a note on the decision taken to co-ordinate the current committee structure

Board members have discussed proposals for revising Board and Committee meetings underpinned by further improvements in administrative processes. At its public meeting in February 2016 it is anticipated that the Board will consider a paper on the proposed changes which aim to ensure that the Board conducts its business more effectively and transparently. In summary, it will be proposed that the Integrated Governance Committee will be stood down as a Committee as its role in managing the business of the Board's main committees will continue and be strengthened through the establishment of a Committee Business Management Group (CBMG) supported by the Board Secretary. The Finance and Performance (F&P), Quality Safety and Experience (QSE) and Strategy Planning and Partnership (SPP) will therefore become main Board Committees. The CBMG will also be responsible for ensuring that the business of these 3 Committees is co-ordinated and fully incorporate workforce issues and those of information governance.

Yours sincerely

A handwritten signature in black ink that reads "Peter Higson".

Dr Peter Higson
Chairman

Appendix 1 – Attendance at Board Meetings

		Number of possible attendances Jan – Nov 2015	Attendance
Dr Peter Higson Chairman	Member	14	14
Mrs Margaret Hanson Vice Chair	Member	14	11
Mr Keith McDonogh Independent Member	Member	14	14
Dr Christopher Tillson Independent Member	Member	14	12
Ms Jenie Dean Independent Member	Member	14	13
Cllr Bobby Feeley Independent Member	Member from Feb 2015	13	9
Mrs Marian W Jones Independent Member	Member	14	13
Prof Jo Rycroft-Malone Independent Member	Member	14	3
Cllr Elizabeth Roberts Independent Member	Member to Jan 2015	1	1
Rev Hywel M Davies Independent Member	Member to 31.3.15	4	1
Mr Harri Owen-Jones Independent Member	Member to 31.3.15	4	4
Mrs Hilary Stevens Independent Member	Member to 31.3.15	4	0
Mr Ceri Stradling Independent Member	Member from 22.4.15	9	9
Mrs Bethan Williams Independent Member	Member from 22.4.15	9	8

		Number of possible attendances Jan – Nov 2015	Attendance
Mrs Lyn Meadows Independent Member	Member from 22.4.15	9	8
Mr Simon Dean Interim Chief Executive	Member from June 2015	6	6
Prof Trevor Purt Chief Executive	Member	7	7
Mr Russell Favager Executive Director of Finance	Member	14	13
Prof Angela Hopkins Executive Director of Nursing & Midwifery - Therapies & Health Sciences	Member	14	12
Mr Andrew Jones Executive Director of Public Health	Member	14	11
Mr Martin Jones Executive Director of Workforce & OD	Member	14	14
Mr Geoff Lang Executive Director of Strategy	Member	14	11
Prof Matt Makin Executive Medical Director	Member	14	14
Ms Morag Olsen Chief Operating Officer	Member	14	13
Mr Chris Wright Director of Corporate Services	In Attendance	14	12
Mrs Grace Lewis-Parry Board Secretary	In Attendance	14	14
Ms Bernie Cuthel Director of Primary, Community & Mental Health Strategy	Member to Aug 2015 and in attendance from Aug 2015	12	9
Ms Nichola Stubbins	Associate Member - Local Authority	14	8



		Number of possible attendances Jan – Nov 2015	Attendance
Mr Iain Mitchell Chair Healthcare Professionals Forum	Associate member to July 2015	9	6
Prof Michael Rees Chair (Designate) Healthcare Professionals Forum	Associate Member from Oct 2015	2	2
Cllr Philip Edwards Chair (Designate) Stakeholder Reference Group	Associate Member from Oct 2015	2	1

Yr Adran Iechyd a Gwasanaethau Cymdeithasol
Cyfarwyddwr Cyffredinol a Prif Weithredwr, GIG Cymru

Department for Health and Social Services
Director General and Chief Executive, NHS Wales



Llywodraeth Cymru
Welsh Government

Darren Millar AM
Chair, Public Accounts Committee

10 December 2015

Dear Mr Millar,

Public Accounts Committee, 24 November 2015

I write in response to the series of questions you sent me following the above session.

The appointment process for independent health board members

Independent health board members are ministerial appointments. As such, they are governed by the Commissioner for Public Appointments and must abide by their Code of Practice, which describes the principles and essential requirements for making Ministerial appointments to the boards of public bodies. In discharging this responsibility, officials, in agreement with the Minister, are responsible for designing and delivering appointments processes which meet the three basic principles – merit, openness and fairness.

We have recently strengthened the process to test more adequately whether individuals have the right skills to undertake an Independent Member role. Following the shortlisting of candidates and prior to interview, an assessment centre has been introduced into the process.

The assessment centre includes 2 exercises, a group discussion exercise designed to test ability to work as a team and an individual presentation exercise designed to test strategic perspective and analytical skills. The group exercise assesses candidates against 5 criteria, Intellectual Flexibility & Adaptability, Collaborative Leadership, Impactful Communication, Empowering & Engaging staff, and Self Awareness Management & Self Belief. The individual presentation tests candidates against 3 criteria, Analysis & Use of Evidence, Leadership & Cultural Characteristics, and Communication Skills.

At interview candidates are asked a series of questions to explore their experience and to allow them to demonstrate their understanding of the skills required to be an Independent Member as set out in the role description and person specification.



BUDDSODDWR | INVESTORS
MEWN POBL | IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 02920 801182/1144
Andrew.Goodall@wales.gsi.gov.uk

Gwefan • website: www.wales.gov.uk

All candidates are asked about their skills, experience and value they would bring to the Board, the role of the Independent Member compared to other Board members, how they would influence rather than direct, understanding and experience of corporate governance and scrutiny, and how the Board ensures focus on patient care and safety is maintained whilst maintaining financial balance. The panel would also explore the job specific criteria relevant to the role.

This more holistic approach, allows the panel to make a more informed decision on the candidates suitability for appointment.

What pathways and relationships BCUHB have in place in the spirit of the Hub and Spoke Model for renal services

North Wales has three renal centres based at Ysbyty Gwynedd, Ysbyty Glan Clwyd and Wrexham Maelor Hospital. All three services provide outpatient clinics across the region as well as satellite dialysis units in Alltwen (linked to Bangor) and Welshpool (linked to Wrexham).

The hub-and-spoke model in North Wales is not exactly the same as that used in South West and South East Wales. For South Wales, the tertiary centres are based at one single unit and all renal services are provided as outreach from the central team including numerous satellite dialysis units. Cardiff also provides a South Wales hub for transplantation. In North Wales, the vast majority of adult renal services are provided by the three units, however, transplantation does require referral to one of the Transplant Centres in North West England, predominantly Liverpool.

The Welsh Renal Clinical Network does not have any strategic plans to centralise or amalgamate the centres in North Wales physically as the arrangements provide good local access and there are appropriate routes of referral. They are looking instead at closer working arrangements, flexible site working and securing greater presence from Liverpool as part of their outreach services for transplantation.

Projected financial position for all health boards at the end of the 2015-16 financial years

In response to the request by the Committee for the latest forecast year end positions, I attach the latest forecast year end positions reported by each individual NHS organisation (as at the end of November 2015) in the table at annex 1. I have been able to reflect the latest position based on month 08 (April to November 2015) representing the most up-to-date position for the MEG, including the NHS position. As you would expect, I have been holding discussions on plans and financial expectations throughout the year, including IMTP meetings and performance reviews. However, I have been specifically meeting with all organisations this week setting clear expectations and to confirm further improvements in their forecasts; it is clear that these will materially improve the position of individual organisations and forecasts to the year end whilst ensuring a local focus on quality and performance.

Whilst I acknowledge the current position in the table indicates a potential NHS pressure of up to £142m, having completed these discussions and using all resources available within the MEG, I am now confident that in these last few months we are now focused on resolving the last 1% potential overspend of the budget, which is the equivalent of around £50-60m. This will start to be reflected in the NHS monthly position from month 09. We will continue

as in previous years to focus attention on achieving a satisfactory year end which achieves the right balance between quality, performance and financial accountability.

Any concerns about individual organisations will be picked up in our tripartite escalation meetings with HIW and WAO which takes place this month under the routine escalation procedure.

Escalation status of all health boards

The table below provides the current escalation status of health boards and NHS trusts in Wales.

Organisation	Current Status
Abertawe Bro Morgannwg UHB	Enhanced monitoring
Aneurin Bevan UHB	Routine arrangements
Betsi Cadwaladr UHB	Special measures
Cardiff and Vale UHB	Enhanced monitoring
Cwm Taf UHB	Routine arrangements
Hywel Dda UHB	Enhanced Monitoring
Powys tHB	Routine arrangements
Public Health Wales NHS Trust	Routine arrangements
Velindre NHS Trust	Routine arrangements
Welsh Ambulance Services NHS Trust	Enhanced monitoring

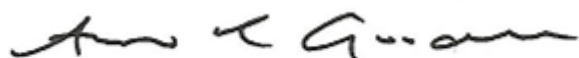
This information is also available on the Welsh Government website at the following link:

<http://gov.wales/topics/health/nhswales/escalation/?lang=en>

The information will be updated following the regular tripartite meetings, the next of which takes place in mid December.

I trust these responses provide the Committee with the information it requested.

Yours sincerely,



Dr Andrew Goodall

Annex 1

Projected financial position for all health boards at the end of the 2015-16 financial years (Month 08)

Organisation	Forecast EOY
Surplus / -Deficit	Current Month
Surplus/-Deficit	£000s
Abertawe Bro Morgannwg	-28,523
Aneurin Bevan	-19,701
Betsi Cadwaladr	-30,000
Cardiff & Vale	-23,209
Cwm Taf	0
Hywel Dda	-41,000
Powys	0
Public Health Wales	0
Velindre	0
Welsh Ambulance	0
NHS Wales	-142,433