Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group

Llywodraeth Cymru
Welsh Government

Chair of the Public Accounts and Public Administration Committee

Our Ref: JP/OS/LC

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Dear Chair

Many thanks for your letter of the 18th May. Please see attached my response which I hope you find useful.

Yours sincerely

Judith Paget

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Copied to
Minister for Health and Social Services
Nick Wood
Olivia Shorrocks

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 0300 0251182
Judith.Paget001@gov.wales
Gwefan • website: www.wales.gov.uk

Please can you expand on timeframes for when you expect those organisations who are currently in enhanced arrangements to be de-escalated.

The next formal tripartite meeting has been arranged for September 2022. We will consider the escalation status of all organisations at this point. This will include consideration of the two health boards who are currently in enhanced monitoring.

Escalation and Intervention Framework - general

How effective do you believe the Framework to have been? Do you feel it has been a positive development in identifying concerns, agreeing the necessary responses, and supporting tangible improvement. Where has it worked less well, can you explain why?

The existing escalation and intervention framework was introduced in 2014 following previous PAC recommendations.

Since its introduction the tripartite partners, Welsh Government, Healthcare Inspectorate Wales and Audit Wales, together with health organisations, have learnt lessons through the delivery and operationalisation of the arrangements. Many things have changed as a result of this learning. There is some evidence that the current arrangements show some evidence of improvement amongst those health boards that have been escalated.

An example of how effective the framework has evolved is the use of the maturity matrix approach for Targeted Intervention. The Good Governance Institute has reviewed the current TI arrangements in place and has commented on them:

"Those we spoke to were overwhelmingly positive about the programme, and the sustainable improvement that the Health Board has delivered. However, the Health Board is still at an early stage in the programme; there is still significant work to be done for the Health Board to achieve its ambitions."

An example of how effective the framework has been, can be seen through the escalation journey of Cardiff and Vale University Health Board between 2016 and 2019. The board was escalated to 'Targeted Intervention in July 2016. Additional support via the WG and the Delivery Unit allowed the health board to be de-escalated to 'enhanced monitoring' in January 2019 and further de-escalated at the August 2019 meeting to 'routine arrangements' as the progress seen previously had been maintained.

This example demonstrated that the process quickly identified the main issues of concern, developed a support package which resulted in the health board developing skills and demonstrating progress as it moved down the escalation journey.

However, having organisations in Special Measures and/or Targeted Intervention for a prolonged period of time may not be desirable. The longer an organisation stays in a heightened level of escalation the more it becomes the 'norm'. The framework as

drafted is not clear about what factors would trigger a change in an organisation's status. There has been a tendency to widen the issues included under escalation rather than following due process and escalate issues in the agreed approach. Therefore, we consider a weakness on the existing framework exists around defining the points in de-escalation and the ability and capacity of organisations to respond to multiple issues that are not in the defined escalation criteria.

The Welsh Government evidence notes that a review of these arrangements began in January 2020, has included an external review and indicates there's a need to 'revise and refresh' the current framework. What have been the key findings of this review work and what is the timescale for completing the review work?

Welsh Government has undertaken an assessment/review of the current arrangements. Firstly, with a conversation with tripartite partners at two meetings in 2020 (January and August) and secondly a review has been undertaken amongst all health boards and trusts in 2021. An external review of the evidence on the effectiveness of escalation arrangements and best practice in this area has been undertaken by Welsh Government. This review has identified a number of areas that need to be addressed including:

- The current escalation and intervention framework is in need of a refresh
- The criteria for de-escalation is not always clearly defined. There needs to be a clear framework and financial indicators that determine where in the framework each organisation should be and what triggers de-escalation
- Clearer levels of support and action need to be set for each level of the framework
- The current system is too focused on acute health services – not 'whole system'
- Insufficient focus on diagnosing 'root cause' of difficulties (to ensure most appropriate/effective response is adopted)
- Can be interpreted as punitive rather than supportive ('done to' Boards rather than working with them). Although the maturity matrix approach (not documented within the framework) is seen as being effective
- No option for Boards to proactively seek support
- Quality of/availability of appropriate support packages (resourcing of relevant skills).

Lessons from the experience of placing the first Health Board in Wales under special measures has aided the thinking and response to the TI arrangements. It is important to ensure that the appropriate support under TI arrangements is put in place to enable a clear route is established to either de-escalation or where necessary, when improvement is not established, to further escalate into special measures. It has also resulted in Welsh Government now stepping in to lead on external reviews.

Key lessons are summarised below:

- The importance of having dedicated support to act as liaison and manage the co-ordination of the governance and support arrangements and regular cross-departmental meetings with leads.
- The importance of having access and receiving intelligence and data from a number of sources in real time.
- The escalation process and tripartite arrangements work well and there is a good working relationship with the Wales Audit Office and Healthcare Inspectorate Wales.
- The need to recognise the significant leadership and cultural challenges that have not been tackled successfully previously.
- The systems and organisational learning from the BCU experience has prevented others under targeted intervention getting to a special measures concern
- Importance early development on the expectations and milestones in the improvement framework to avoid other issues being included in the escalation governance arrangements, rather than dealt with via existing mechanisms.
- Identification of individuals with the rights skills and experience to deploy quickly- and need for this to be bespoke to the circumstances and not a call off list.
- Need to ensure Welsh Government capacity and capability to engage and gear up to support the arrangements on top of other demands.
- The importance of the diagnostic phase and the need for deeper work at a quicker pace to decide on capacity and capability of the Board and the right mechanisms and depth of support to ensure sustainable outcomes at pace.
- The need to be clearer and more direct earlier on changes needed in leadership and structures.
- There is a danger of holding the health board to a higher standard than the rest of NHS Wales before issues can be de-escalated.
- The need to recognise the higher level of interest from the media and politicians and consider in more detail the communication requirements/ plan needed to counter reputational damage that could impact on the morale, recruitment and retention of staff and patient confidence and trust.

The work undertaken so far does indicate that there is need to revise and refresh the current escalation framework. This work is now underway and will align with our arrangements for establishing the NHS Executive.

<u>What are the contributions of each of the three partners: Healthcare Inspectorate Wales (HIW), Audit Wales (AW) and the Welsh Government in delivering the process of escalation and intervention?</u>

The Welsh Government and external review bodies – Audit Wales and Health Inspectorate Wales meet to consider escalation levels of health boards at regular tri-lateral Meetings. Tripartite partners have met twice a year and also held three special meetings to provide insight to the Minister on escalation levels of health bodies in Wales. The first tripartite meeting under these arrangements met in July 2014 and the

most recent in February 2022, a special meeting was held at the end of May 2022 to consider the escalation status of Betsi Cadwaladr University Health Board

It is important to note that these meetings are not undertaken in isolation. For example, officials meet to discuss escalation and other issues on a very frequent basis. The discussions at the tripartite build upon the joint working that takes place throughout the 6 months. Each partner has an equal role and contribution in these meetings, which are chaired by the Director General HSSG/Chief Executive of the NHS

Decision-making

Who makes the ultimate decision following the tripartite discussions on whether or not to escalate or deescalate? What information and factors are brought to the discussion, and which are the most important in determining a decision?

A wide range of information and intelligence is bought to the discussion performance, this includes intelligence on quality and safety, planning, deliverability, staff morale and engagement, leadership, Board cohesion, external stakeholder feedback and comments, internal and external reviews amongst others. Feedback from JET (Joint Executive Meetings) ongoing quality and performance meetings and the TI meetings also feed into the discussions.

It is important to note that the tripartite partners do not recommend the escalation levels. They bring a wide range of intelligence and insight to the discussion to inform the decisions that are taken later.

Following each tripartite meeting, the Director General **makes recommendations** to the Minister for Health and Social Services on the escalation levels of health boards and trusts based on the discussions held during the meeting.

The ultimate decision on escalation or de-escalation lies with the Minister following advice from the Director General.

Health boards are informed of their escalation status following each meeting. Where decisions are taken to alter the escalation position or concerns are highlighted then a written or oral statement may also be issued.

<u>How clear are the criteria for escalation and de-escalation and what role does NHS organisations play in determining or agreeing them?</u>

In our opinion this is an area where the escalation and intervention framework is not as clear as it could be. The criteria for escalation is well defined and issues are often discussed in advance with health boards, so everyone is aware of the situation.

The de-escalation criteria is not well defined in the framework. However, we are now setting each the criteria for de-escalation at the point of escalation. This is highlighted in the TI framework for Betsi Cadwaladr University Health Board which states: **De-escalation will be considered when the health board reaches level 3 (results)**

and 4 (maturity). It may be appropriate to de-escalate some areas from TI at a different time to other areas depending on the progress made.

Managing escalation

The Welsh Government evidence says that "having organisations in Special Measures for a prolonged period of time is not desirable". Betsi Cadwaladr University Health Board was in special measures for around five years and has needed significant input of time and resources – both staff and money. Yet it still has financial and service problems. Are you satisfied that the intervention approach has been the right one?

Discussions with Betsi Cadwaladr University Health Board and Cwm Taf Morgannwg Health Boards following the escalation to Special Measures have indicated that where there are areas of concern around leadership, governance, quality and culture that these are not quick fixes and support is needed over a period of time to change the culture. This cannot be achieved by quick interventions and requires considerable ongoing support. In both these organisations the initial investigations revealed that the issues were widespread and indeed systematic across the whole Board and many other issues were uncovered during the discovery phase. So in our view a long term approach was and remains the correct approach. This however has to be supplemented by peer reviews and external support as outlined in the package of support for both organisations.

Has Welsh Government looked at the potential of other approaches. For example; shorter, rapid, more intensive and focused interventions, the use of peer-to-peer or external challenge and review?

Any intervention needs a mixture of actions to support the health board dependent on the reasons for that intervention. For example, when health boards are escalated for particular issues such as finance in Hywel Dda, inability to develop an IMTP in Cardiff and Vale, performance and quality in the former ABMU – then the response is different and targeted support in these areas is essential including external packages of support, external reviews and bespoke interventions. These by their very nature will be quick and focused to correct the issues of concern

There's evidence to suggest that delivering improvement can often depend on leadership beyond the Health Board Executive, amongst clinicians, middle managers, and independent Board Members. Does the process of escalation and intervention pay enough attention to supporting these groups?

The maturity matrix approach now embedded within the two organisations in Targeted Intervention and Special Measures, Cwm Taf Morgannwg and Betsi Cadwaladr aims to do exactly this. It focuses upon all levels of management within the Board both clinical and managerial. High performing, mature organisations effectively engage all levels within their improvement and quality journey. The matrices in place deliver this. Health boards will not be able to progress along the matrices unless this level of engagement is demonstrated

Securing improvement and de-escalation

Do you have an opinion on whether the improvement frameworks can be too wide-ranging and perhaps need to focus on a smaller, more focused set or priorities and if so, can you expand on what you would like to see in a more focussed framework?

This is an interesting point. As the committee is aware it is possible to escalate a particular service such as mental health, maternity where there are grave concerns or a whole system such as leadership and governance where the issues are deep rooted and need to be addressed health board wide rather that at a service or site issue. Therefore, the framework utilised needs to be responsive to the issues under escalation. We will consider this in more depth as part of our review

Over the years, escalation has often been driven by factors such as performance issues or sustained financial overspends. What needs to happen if evidentially effective decisions can't be made unilaterally by the organisation on the size and shape of service transformation needed?

Service transformation is complex and requires considerable engagement with the public and clinical teams. This does not happen quickly, and we expect the Board to consider and engage with their local population, wider stakeholders, staff, Royal Colleges, patient bodies, political communities and third sector when developing proposal for service transformation. We then expect options and proposals to be developed and recommendations to the Board. When the Board is satisfied that the correct service model has been agreed they would consult on these issues

The final decision on service transformation is taken by the Board and then presented to Welsh Government for approval before any investment decisions are made. These decisions will be scrutinised by Welsh Government and consideration of other views taken into account before final decision is made.

It must be stressed that decisions on service transformation rest with the Board. We would expect to see a strong Board recommendation. We would expect the Chair to work with the Board to ensure that all Board members agree the proposed solution.

There is evidence that Ministerial leadership and 'ownership' of the improvement process, can play a role in shaping an intervention and helping to ensure its success What role can and should the Minister play in supporting the intervention and escalation process?

The Minister based on the recommendations received from the Director General makes the final decisions about escalation. The Ministers are also active in supporting Boards in escalation. The Deputy Minister for Mental Health and Well-Being meets the Betsi Cadwaladr mental health leadership team at least once a quarter to ensure she is fully up to date with the issues, challenges, successes and good practice. Likewise the Minister for Health and Social Services meets regularly with the Chair and Chief Executive from Betsi Cadwaladr University Health Board and Cwm Taff Morgannwg University Health Board.