



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyfrifon Cyhoeddus **The Public Accounts Committee**

Dydd Mawrth, 16 Mehefin 2015
Tuesday, 16 June 2015

Cynnwys
Contents

[Cyflwyniad, Ymddiheuriadau a Dirprwyon](#)
[Introductions, Apologies and Substitutions](#)

[Papurau i'w Nodi](#)
[Papers to Note](#)

[Llywodraethu Byrddau Iechyd GIG Cymru: Y Wybodaeth Ddiweddaraf gan Lywodraeth Cymru](#)
[NHS Wales Health Boards' Governance: Update from the Welsh Government](#)

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Jocelyn Davies	Plaid Cymru The Party of Wales

Mike Hedges	Llafur Labour
Sandy Mewies	Llafur Labour
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Julie Morgan	Llafur Labour
Jenny Rathbone	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol
Others in attendance**

Dr Andrew Goodall	Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol, Llywodraeth Cymru Director General, Health and Social Services, Welsh Government
Joanna Jordan	Cyfarwyddwr Gwasanaethau Corfforaethol a Phartneriaethau, Llywodraeth Cymru Director of Corporate Services and Partnerships, Welsh Government
Dr Grant Robinson	Arweinydd Clinigol Cenedlaethol Gofal heb ei Drefnu, Llywodraeth Cymru National Clinical Lead for Unscheduled Care, Welsh Government
David Thomas	Swyddfa Archwilio Cymru Wales Audit Office
Huw Vaughan Thomas	Swyddfa Archwilio Cymru Wales Audit Office

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Claire Griffiths	Dirprwy Glerc Deputy Clerk
Michael Kay	Clerc Clerk
Joanest Varney-Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser

*Dechreuodd y cyfarfod am 09:00.
The meeting began at 09:00.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Darren Millar:** Okay, good morning, everybody. Welcome to today's meeting of the Public Accounts Committee. If I could just give the usual housekeeping notices, the National Assembly for Wales, of course, is a bilingual institution, and Members and witnesses should feel free to contribute to today's proceedings through the medium of Welsh or English as they see fit and, of course, there are headsets available for amplification and translation. I

encourage everyone to switch off their mobile phones or put them into silent mode, and I remind everybody that this is a formal meeting and nobody needs to press any buttons on the microphones. In the event of a fire alarm, we should follow the directions from the ushers. We haven't received any apologies for today's meeting, so we'll go straight into item 2.

09:01

Papurau i'w Nodi Papers to Note

[2] **Darren Millar:** We have a number of papers to note. We've got the minutes of our meeting held on 9 June. I'll take it that those are noted. We have some additional evidence from Rhondda Cynon Taf on early departures. I'll take it that that additional information is noted. We've also had some additional information from Powys County Council in relation to recruitment challenges and the number of vacancies. I have to say I'm not that persuaded by the evidence that has been presented. We've also got some additional information from Cwm Taf health board in relation to our work on health finances. This includes some detailed key performance indicators and information relating to the health board's three-year plan and some of the other work that they're doing in order to reduce waiting times. I'll take it that that is noted. Are there any questions on any of the papers? No? Anything to comment on, auditor general?

[3] **Mr H. Thomas:** I'd just draw attention to the fact that, of course, the Cwm Taf information deals not just with Cwm Taf; it's also got a number of graphs showing all-Wales pictures, against which Cwm Taf is comparing itself.

[4] **Darren Millar:** Okay. Thank you for that.

09:02

Llywodraethu Byrddau Iechyd GIG Cymru: Y Wybodaeth Ddiweddaraf gan Lywodraeth Cymru NHS Wales Health Boards' Governance: Update from the Welsh Government

[5] **Darren Millar:** So, item 3 on today's agenda is NHS Wales health boards' governance. Of course, Members have agreed to switch items 3 and 4, so we're looking at NHS Wales's governance. We're taking evidence this morning from Dr Andrew Goodall, the director-general of health and social services at the Welsh Government and also chief exec of NHS Wales, and also Joanna Jordan, director of corporate services and partnerships at the Welsh Government. I also welcome to the meeting today Dr Grant Robinson, the unscheduled care lead for the Welsh Government. Welcome to you all. Obviously, this session was planned specifically to scrutinise you, Dr Goodall, on governance throughout Wales, but there have been some developments of late in north Wales and, of course, they will be somewhat of a focus for many of the committee's questions.

[6] Can I just ask you: what on earth is going on in the Welsh NHS? Why is governance not being addressed in north Wales, particularly given that we've now had two reports? The issues have been around in that particular health board for some time. We had a first report back in 2013, from the Wales Audit Office and Healthcare Inspectorate Wales, and yet, just very recently, we saw the same sorts of problems identified in another independent report into GP out-of-hours services. Why can't the Welsh NHS, and particularly in north Wales, get it right?

[7] **Dr Goodall:** Well, first of all, I would say I think we have good and strong

governance arrangements in Wales, and they have been in place over recent years. When we introduced the new organisational structures back in 2009, it was very important to make sure that the organisational structures were based with governance at its core, and we've taken a number of opportunities over recent years to make sure that boards continue to develop, that they are able to recognise their responsibilities for responding to the local community and population's needs, also recognising that board members themselves have to be put through various development programmes. We need teams to come together in different aspects. I'm very happy to visit that during the course of this discussion about the component parts of governance, but I do think that we have got a strong governance ethos.

[8] The reason I would say that is that, in part, some of the response that we've put in place for Betsi Cadwaladr as an organisation, not just over this last week, as you've referenced, is actually us using governance arrangements that are actually in place in Wales to make sure that we can give appropriate support and that we can intervene as necessary. I know colleagues around this table will be aware of the escalation framework that's been in place over this last 14-month period, not least because the PAC itself recommended that it felt there needed to be some real clarity about the framework for interventions to occur and where support was necessary. And we've been using that framework over these last 12 to 14 months, if we're going to focus the discussion initially on Betsi Cadwaladr, because during that period of time, it's been necessary to move that organisation up through the escalation structures and the different levels.

[9] Clearly, with some of the background and the history that you've outlined for Betsi Cadwaladr—and I recognise the HIW/Wales Audit Office governance review that was undertaken—it's quite important that it wasn't simply a standing start for that organisation when the framework came in. And, quite deliberately, as part of the assessment process, they were placed at an enhanced level of monitoring, which is the second level on the escalation, at the very start of the financial year. So, as it came in, it was in recognition that there were some existing issues that needed to be targeted.

[10] We kept an eye on progress through the year as it emerged. We wanted to recognise that there had been some changes around the board arrangements. We wanted to recognise that there were some new members to the team who had been appointed up there, and with an expectation that that team would be able to demonstrate the organisational grip and leadership that we would wish to be discharged on behalf of the north Wales community.

[11] We ended up in our escalation process, and there are two contact points each year asking for a special meeting to occur in respect of Betsi Cadwaladr, along with HIW and Wales Audit Office, because any judgments that are to be made around the escalation framework are not just about Welsh Government making its own decision; it is actually a view to take account of the three respective views so that there was a regulator dynamic. And, certainly in terms of the issues the organisation was grappling with at that time, it was felt in November that it did need to go up another level under the escalation framework to targeted intervention. That in itself was a serious step, I think, for the organisation; it was highlighting some specific concerns that needed to be addressed. And amongst the areas of consideration there was a worry, really, that having come into the financial year, the financial performance of the organisation had significantly deteriorated, but that was probably a symptom of some underlying pressures in respect of the local services. There were some particular concerns around capital planning arrangements within the organisation, and, actually, at that stage, mental health was featuring as a concern, not least knowing that the Tawel Fan investigation was going on, and the fact that that particular ward and unit had had to be shut. We needed to recognise that mental health was a much more significant concern, although that had been a feature of certainly some other national assessments that had taken place over previous months.

[12] I think the escalation framework is simply there to be used. It is to allow us to come together at various moments to bring together the sources of information to make sure that it's not just one particular perspective, and actually allow ourselves to try and find the best way in which we give both support and actions for individual organisations.

[13] I think you're quite right on the new team in place, in particular to give them some time to see whether they are able to respond. I think it's wrong to have a feeling that within 24 hours, or within a week, everything can simply be sorted; we have to be far more realistic to say that there are some longer-term issues that need to be addressed by organisations. But, we would have expected and wanted to have seen a team actually being able to show the leadership that was required to move things through, and even at the time of the targeted intervention some members of the executive team would only have been in place for a matter of weeks and months.

[14] Over the recent period of time, clearly there have been concerns raising through a number of different events; there's been a lot of profile around the maternity focus; concerns, as you say, raised about out-of-hours services; and ongoing concerns around mental health services as well. It was felt that there was a moment to need to call in again the escalation mechanisms in a different way to allow a proper review to be undertaken from Welsh Government, HIW and the Wales Audit Office, and, as you are aware, that meeting took place a week ago Monday. I would actually advocate that rather than it being poor governance, this is about governance in action, because we have been using an escalation framework that was agreed and put in place 14 months ago. We've had an organisation at various stages that's had to be moved up it. We have ended up getting to special measures within the 12-month period, which I think is a very rapid period, and I think will reflect some of the underlying concerns for the organisation. And, actually, we've tried to do the assessment by using the process that's been set out, rather than always responding to some of the individual issues of concern that have been raised. So, I think, really, a picture of concerns had built up so sufficiently over the recent weeks that there was a need to act differently. And on both occasions, in terms of the escalation meeting happening, we have actually asked for that ourselves, from a Welsh Government perspective, to at least convene a meeting, and we've been very grateful for the very honest reflections that have taken place with the regulators as part of that process.

[15] **Darren Millar:** Can I just ask: what was it that triggered the final level of intervention, this special measures level of intervention, then, because it's not very clear to me? Lots of people feel that it was in some way connected with the Tawel Fan report. What was it that actually triggered the intervention?

[16] **Dr Goodall:** I think it's probably right to clarify that mental health as a general concern was one of the worries and anxieties that, in fact, had triggered some of the earlier levels of escalation, including the targeted intervention, and we were very aware, although Tawel Fan was going through the police investigation at that time, that there were clearly some issues that would have to be addressed, not just for that individual unit, but for mental health services more broadly. But I think, Chair, you're right to ask whether the special measures had simply been instigated just as a response to that, as it emerged, as the police confirmed that they were not carrying on with their investigations. It was actually on a series of different issues. I think, to some extent, looking at some of the public engagement process that had happened, that would have been a factor that was a worry. I think that looking at the out-of-hours report coming through as an area of significant assurance would have added to the picture.

[17] I think a general concern for us, and I think one of the predominant triggers, was actually receiving the Ann Lloyd review, which the organisation needs to continue to discharge and review. I'm aware that that was put into the public domain last week. What that gave us was, I think, an overview of whether there was the organisational assurance and the

leadership that was required for an organisation that needed to respond to very many issues on a range of different fronts, and I think the Ann Lloyd review was a very material part of the information.

[18] I think that, on the one hand, the Ann Lloyd review emphasises some of the issues that we were aware of before. I think it chimes, to some extent, with some of the critique that was done by the Wales Audit Office and HIW, and some of the overview that the PAC has done itself. What it highlighted for us, however, was that over a period of time and a period of months, particularly while already under the escalation framework, the organisation hadn't sufficiently responded to those issues and been able to actually give us the confidence and assurance about the progress being made. I think, rather than refer to it with, 'At what point did we decide that it was special measures?', I would again emphasise that we triggered the escalation framework, we used the information that was around us, we sat down with HIW, Wales Audit Office and the Welsh Government together, and we actually collectively agreed that we felt that that was in the interest of the organisation to find an appropriate response for the population of north Wales.

[19] **Darren Millar:** So, when did you first get a copy of the Ann Lloyd review?

[20] **Dr Goodall:** I first had a copy of the Ann Lloyd review on 14 April, when I was sent a copy by the chair. I actually met, to discuss it, with the chief executives and the chair two weeks later, on 30 April.

[21] **Darren Millar:** You didn't have a copy of any findings before that date.

[22] **Dr Goodall:** I had a provisional view of some of the findings, but I was formally sent a copy, and I think that's important in governance terms as well. This was the report that we supported to be commissioned as part of the escalation process that was happening, but it was always emphasised that we wanted to see how the board would receive that itself through the chair. Also, part of our check, I think, on the response has been, 'Was there sufficient response at a pace and urgency that we feel was necessary, in respect of the Ann Lloyd review and the report that took place?', and it was important that the board was actually going to have the opportunity to make sure that it could respond to that in its own context, but I think, also, to link it to the other reviews they'd been doing. The Good Governance Institute have been in with the board doing some particular work, and also the follow-up reviews for the Wales Audit Office and HIW—

[23] **Darren Millar:** Sorry, can I just go back to this review? This was part of the urgent targeted intervention that you wrote to this committee about back in November of last year. Do you think that it sounds very urgent, when you don't receive a copy of a report until April of the following year? I mean, this was the diagnostic part of a two-step intervention process, wasn't it? That's what we were told. So, why did it take so long?

[24] **Dr Goodall:** Well, the process started in January. It was—

[25] **Darren Millar:** Why did it start in January? You told us that you were intervening urgently in November.

[26] **Dr Goodall:** Because it was targeted intervention to give support to the organisation, and it was really important to make sure that it wasn't simply a table-top exercise. Part of Ann Lloyd's role and review was to make sure she was visible in the area, she was able to track through, not just different discussions with board members and with individual aspects of the board, but to actually observe the board in practice as well.

[27] **Darren Millar:** So, is that what we can expect from urgent targeted intervention in

the future?

[28] **Dr Goodall:** I think targeted intervention is an important milestone.

[29] **Darren Millar:** Urgent—you described it as urgent in your letter.

[30] **Dr Goodall:** Targeted intervention is an urgent level of support that's happening. It's not a special measures mechanism, which requires a high level of stability and urgency to be put in place for the organisation.

[31] **Darren Millar:** So, let me get this right: targeted intervention is you commissioning a report that you receive many months after the date you commission it. Is that right? Is that what we can expect from NHS Wales in terms of, if there are any problems anywhere else in Wales that you feel require urgent targeted intervention, you're going to send in somebody to do yet another review, which concludes—? I have to say I've read the report; it's very, very similar to other pieces of information that we already had. To me, it doesn't tell us a great deal that's new. To be fair to Ann, it's a very good diagnostic of where things are actually at, but do you think that that is really the sum of the intervention that was required in Betsi at the time when you said it needed urgent targeted intervention?

09:15

[32] **Dr Goodall:** It's not the only intervention that happened.

[33] **Darren Millar:** So, what else was going on?

[34] **Dr Goodall:** We have a lot of contacts on a regular basis with all health boards in Wales. Many, many contacts with Betsi Cadwaladr are going on through our quality and delivery meetings.

[35] **Darren Millar:** So, what else was there for the urgent targeted intervention? What additional stuff was going on in Betsi as a result of the targeted intervention?

[36] **Dr Goodall:** We had more regular contact with the teams in respect of the mental health issues. Jo, do you want to outline some of the areas?

[37] **Darren Millar:** But that was because you knew about the Tawel Fan issue. Yes?

[38] **Dr Goodall:** Tawel Fan and other issues. There were more generic—

[39] **Ms Jordan:** It preceded Tawel Fan.

[40] **Darren Millar:** When did you first get the Tawel Fan report?

[41] **Ms Jordan:** We first got the Tawel Fan report last September, in terms of an outline of what was in it. We had been notified when the ward was closed the previous December, in 2013, but we were already taking some action in relation to mental health services in north Wales at that time.

[42] **Darren Millar:** But that wasn't part and parcel of the ongoing targeted intervention, was it, because that was something that was occurring before the targeted intervention took place—the ongoing discussions?

[43] **Ms Jordan:** That's right. During the period of the targeted intervention we did, of course, carry out spot checks across elderly—

[44] **Darren Millar:** But they were going on anyway in response to ‘Trusted to Care’, weren’t they?

[45] **Ms Jordan:** The second phase, in relation to mental health services—we took a decision later in the summer as a result of some further diagnostics we did in relation to mental health. We then took a decision to extend—

[46] **Darren Millar:** That was across Wales. I’m asking, what specifically about Betsi was different?

[47] **Ms Jordan:** We did four out of the five wards in north Wales. We did not do that level of spot checks in the other parts of Wales. But, on top of that, we had the delivery support unit working with north Wales. We had our nursing officer supporting directly in terms of some of the lead management changes et cetera that were happening in north Wales. So, there was a sort of a series of actions and interaction with the team in Betsi. There was further support going in on the planning mechanisms—

[48] **Dr Goodall:** Yes; three-year planning mechanisms. So, targeted support there. On the capital planning issue that was highlighted under the targeted intervention, there was a lot of very regular contact, with the director of resources for the Welsh Government on the health and social care side being involved in those discussions, making sure there was regular dialogue; contact with organisations who’d been producing some of the reports that led up to that—so, leading to, for example, meet and link with Capita, who’d actually overseen some of the actual capital planning aspects. I think although needing the diagnostic to come out, making sure that we were still handling some of the extant issues to be addressed actually was part of the targeted intervention and the underlying concerns. What we also did was actually step up some of our normal contact arrangements as well. There were more frequent quality and delivery meetings happening in north Wales, making sure that people weren’t just having to visit us down here—that we were physically present up there in terms of the ongoing—

[49] **Darren Millar:** So, is Ann Lloyd’s report inaccurate in that itself says that this was stage 1 of the targeted intervention? That’s what the report says to us. It doesn’t refer to anything else in addition to her piece of work—the diagnostic piece of work going on in north Wales.

[50] **Dr Goodall:** We’d enhanced our level of contact and support with that organisation, with a targeted intervention approach, which was intended to support the organisation in the right kind of manner. Stage 1 was meant to be a diagnostic for us, which was intended to allow us more time to understand what support could be provided for the organisation in the right manner, and whether there was more intervention. We ended up, by last Monday, feeling that there was a need to step in in a different way, and through the discussion that was determining that it was a special measures recommendation that went to the Minister, that was recognising that, actually, I think, the organisational grip and assurance that was happening was insufficient to give us that kind of confidence collectively. Therefore, we did need to make sure. We couldn’t just move into stage 2 of the diagnostics. We had to move into the special measures arena instead.

[51] **Darren Millar:** I’m going to bring in some other Members in a second. I just want to ask one final question. So, you requested that the Minister convened the meeting, did you? Because the Minister’s statement was very clear that the Minister requested an urgent meeting.

[52] **Dr Goodall:** The Minister did. We—

[53] **Darren Millar:** Was that on your advice?

[54] **Dr Goodall:** We'd had to give advice over a recent period of time about concerns—

[55] **Darren Millar:** So, when would you have suggested to the Minister that he had that meeting? Given that you sat on the Ann Lloyd report from April, and the other one was hanging around since September, it was quite clear that there was sluggish progress with the urgent targeted intervention between November and April, which was the date, of course, of the Ann Lloyd report. When would you have actually suggested to the Minister, 'Minister, here's some advice to you: I suggest that you convene a meeting'?

[56] **Dr Goodall:** Well, it was the Minister who gave his own view and advice that was—

[57] **Darren Millar:** But when would you have done that, given that you sat on the report from April? You're the person who is director general, and also the chief executive of the NHS in Wales. When would you have requested that the Minister have that report? Because, frankly, the Minister came under some political pressure as a result of the Tawel Fan situation, didn't he? So, when would you have requested it? You're the person who is accountable here. You are the accountable officer for the Welsh NHS. When would you have requested this?

[58] **Dr Goodall:** We would have requested the meeting to aim for our normal process. We would have been meeting with the regulators anyway during June as part of our process and we would have picked up on the concerns, going through. I think, as I said earlier, there were a number of triggers that were occurring over that recent number of weeks that would have added to those concerns, which included the out-of-hours mechanism, and, if we had needed to bring it forward on our own advice, we would have done so, as we did in November when we originally put the organisation into targeted intervention.

[59] The routine meeting would actually have occurred at the end of all of the joint executive team meetings, and that would have occurred this month, in June, anyway, but it was necessary to bring that forward to make sure that there was some concerted action.

[60] **Darren Millar:** Okay. I'm going to bring in Aled Roberts and then Mike Hedges.

[61] **Aled Roberts:** Rwyf i jest eisiau deall yn iawn beth oedd y sefyllfa ynglŷn â'r ymyrraeth wedi'i dargedu. Rydych chi wedi sôn am fwy o ymweliadau dirybudd o ran iechyd meddwl ac rydych chi wedi sôn am gefnogaeth o ran y cynllun cyfalaf a hefyd y cynllun tair blynedd. Beth yn union sy'n digwydd heblaw am yr ymweliadau yma a'r ffaith eich bod chi, hwyrach, yn cael cyfarfodydd mwy rheolaidd efo uwch-reolwyr o fewn y tîm iechyd meddwl, er enghraifft?

Aled Roberts: I just want to understand properly what the situation was in terms of this targeted intervention. You've talked about more unannounced visits in terms of mental health and you've talked about support on the capital scheme and the three-year plan. What exactly is happening aside from these visits and the fact that you are now having more regular meetings with senior managers within the mental health team, for example?

[62] A allwch chi ddweud wrthym, gan fod yna gyfeiriad, mewn rhai o'r dogfennau, at rai problemau o fewn yr adran iechyd meddwl yn Wrecsam, yn dilyn ymweliad dirybudd, pryd oedd yr ymweliad yna?

Could you tell us, as there is a reference in some of the documents, to some problems within the mental health department in Wrexham following an unannounced visit, when that visit took place?

[63] **Dr Goodall:** Okay, diolch, thank you. It's probably worth you responding to mental

health, Jo. Do you want to outline—?

[64] **Ms Jordan:** Yes, certainly. It might be helpful for the committee if I outlined the staging of the action we were taking in partnership with Betsi Cadwaladr over the mental health services. We had some concerns about the services, initially, although nothing of the nature of the Tawel Fan situation—I would just make that absolutely clear—towards the autumn of 2013. There had been some additional serious incidents reported. There were some issues that had been picked up in terms of the Hergest unit and some correspondence the Minister was receiving, which, I think, some Assembly Members in north Wales were copied into. We had done some diagnostic work with Betsi over that, we'd encouraged them to call in the Royal College of Psychiatrists to do a review in respect of some of their services, and we had some concerns that the new requirements of the mental health Measure were not being fully embraced in all the mental health units in north Wales.

[65] There was also a whistleblowing issue that we were aware of, but it was not of the nature of the concerns of Tawel Fan; it was quite different. As a result of that, we decided in November 2013 to actually escalate Betsi in respect of mental health services, and that was a signal that we required them to take some urgent action in relation to improvement in mental health services in north Wales, and we were requiring them to produce detailed plans in relation to what they were doing to improve services. So, that action was taken, and they were escalated before we were notified of the Tawel Fan issue, which was on 17 December, I think we first heard of it. So, there were issues in relation to mental health services that we were alerted to in north Wales, but of a different nature.

[66] Obviously, when we were first notified in relation to Tawel Fan, we didn't know the full extent of the issues. We just knew that they'd had to take a decision to close the ward and we discussed with them the action that they would take as a result of that, and of course, that was the Donna Ockenden review and, following on from that, the Margaret Flynn review, which was a much broader review of mental health services. So, this action was proceeding during 2014. We were, with our delivery and support unit colleagues, in north Wales supporting them on a range of actions and encouraging them to fully take account of the recommendations that had been made in the series of reports, including a number of visits from Healthcare Inspectorate Wales.

[67] It was actually the fact that we were not convinced that we were getting full assurance that those recommendations were being implemented quickly enough, which fed into the decision for us to take further action in relation to escalation in November of last year. One of the things that we were aware of was that the Betsi team in respect of mental health was changing quite substantially. They were making a number of new posts. There was a transfer both at a director level and there was the engagement of the chief operating officer and a new head of mental health services. So, there were signals, with our support, that they were starting to make changes in the management structure, et cetera.

[68] **Darren Millar:** Sorry, can I just clarify, to help the committee? Obviously, the four-stage process wasn't developed, was it, until early 2014?

[69] **Ms Jordan:** No.

[70] **Darren Millar:** So, when you say that they were the subject of some targeted intervention back in November 2013, when you required some additional information in terms of plans to improve mental health, we were just told by Mr Goodall that they were just on the enhanced monitoring stage of intervention for the first six months of the financial year.

[71] **Ms Jordan:** Shall I explain?

[72] **Darren Millar:** Please.

[73] **Ms Jordan:** We did previously have an escalation framework that we had set out. What it didn't do was have the agreement that it would fully involve the regulators, et cetera. So, that was the further change that we made. But we did already have a system where we would examine different aspects of the service of the health board, and it might be that one aspect of the services they were providing would be subject to closer scrutiny and monitoring, and in terms of the escalation of mental health, that's what we mean. It was enhanced monitoring scrutiny—

[74] **Darren Millar:** So, that was in-house monitoring.

[75] **Ms Jordan:** Yes, and it wasn't targeted intervention. That came as part of the wider decision on the health board last November, but mental health fed into that.

[76] **Aled Roberts:** Pryd oedd yr **Aled Roberts:** When was the unannounced ymweliad dirybudd yn Wreccsam? A oedd o visit in Wrexham? Was it after the targeted ar ôl yr ymyrraeth wedi'i dargedu ym mis intervention in November 2014? Tachwedd 2014?

[77] **Ms Jordan:** Yes, it was. Now, I don't know whether—. Members won't have seen the full report. Sorry—you're talking about the one into Tawel Fan itself that HIW did?

[78] **Aled Roberts:** No.

[79] **Ms Jordan:** Or the Heddfan unit, in Wrexham.

[80] **Aled Roberts:** Heddfan, yes.

[81] **Ms Jordan:** That, I think, was one of the issues that perhaps caused us to then consider again whether or not the board should be in special measures. It was one of the things for me—. Although the issues were not of the nature of Tawel Fan—I think we need to be clear about that; the report isn't published—there were concerns, but they were not serious concerns of the nature that were in the Tawel Fan report. But, with some of the assurances that we got following the spot checks programme that we'd undertaken, where we'd asked for some immediate improvements to be made, the follow-up of the HIW report just after that gave us some cause for concern that, possibly, the action being taken by the health board wasn't as rapid as we would have hoped.

[82] **Aled Roberts:** Felly, a oes yna **Aled Roberts:** Therefore, are there minutes of the meetings between you and the senior gofnodion o'r cyfarfodydd rhyngoch chi a'r uwch-reolwyr lle rydych chi wedi mynegi managers where you expressed doubts bod gennych chi amheuan ynglŷn ag regarding the quality of the services? Can I ansawdd y gwasanaethau? A gaf i hefyd eich also refer you to Ann Lloyd's report? cyfeirio chi at adroddiad Ann Lloyd?

[83] I'm afraid there are no page numbers on my—. It's my page 166, but I think my page numbers might be different, because mine are in Welsh.

[84] **Ms Jordan:** Okay. I am familiar with it.

[85] **Aled Roberts:** It's talking about mental health services—talking about the need for focus and leadership. It talks about the fact that an interim director has recently been appointed and goes on to say the new mental health director should be held personally to account by the chief executive officer, and that

[86] ‘this responsibility should not be delegated. In discussions the Health Board directors are unclear in their views about where mental health might sit within their management structure with some believing that its component parts might be split between various service groups’.

[87] Did you actually express any concerns regarding the problems with the structure given that you were also aware that there were issues with regard to service itself, as evidenced by Tawel Fan and also, more recently—not on the same scale—the concerns with regard to Heddfan in Wrexham?

[88] **Ms Jordan:** Yes, I did. As part of the targeted intervention that was undertaken, there was a series of correspondence—or formal correspondence—between Andrew and the chief executive over the action being taken. One of those pieces of correspondence from the chief executive, Trevor Purt, at the time, set out the action and sought to reassure us in relation to mental health services and the changes he was making. We did quite a thorough diagnostic of his response, and my response to that in discussion with the senior medical officer in my team, the chief nursing officer, et cetera, was that, actually, we still had concerns that the action wasn’t being taken quickly enough, that there were uncertainties still over how the new team for mental health would report into the board, et cetera, and those concerns were put in writing.

09:30

[89] **Aled Roberts:** Felly, a oedd yna uwch-swyddogion o Lywodraeth Cymru, neu’r gwasanaeth iechyd, yn mynychu cyfarfodydd y bwrdd yn Betsi, lle, os oedd y papurau yma yn cael eu cyflwyno gan y prif weithredwr, roeddech chi’n mynegi eich barn ynglŷn ag amheuan ynglŷn â strwythur? Neu, a oeddech chi’n dibynnu ar y prif weithredwr i gyflwyno’r dystiolaeth yna i’r bwrdd, wrth feddwl, wrth gwrs, eich bod chi yn dweud wrthym ni eich bod chi’n targedu eich ymyrraeth?

Aled Roberts: Therefore, were there senior officials from the Welsh Government, or the NHS, attending board meetings in Betsi, where, if these papers were being presented by the chief executive, you gave your opinion about the doubts about the structure? Or, were you reliant on the chief executive to present that evidence to the board, bearing in mind, of course, that you are telling us that you were targeting your intervention?

[90] **Ms Jordan:** The Welsh Government, in the norm, doesn’t attend health board meetings—we’re not a member of local health boards.

[91] **Aled Roberts:** Not even on targeted interventions.

[92] **Ms Jordan:** Not under the existing system, no.

[93] **Aled Roberts:** So, you’re totally dependent on the local chief executive actually conveying your concerns to the board.

[94] **Ms Jordan:** Yes. I also had a discussion with Ann Lloyd about it as well.

[95] **Aled Roberts:** Did you have any discussions with the chair of the board?

[96] **Ms Jordan:** The Minister has the discussions with the chair of the board. I wasn’t party to all those discussions, but I would assume that some of those concerns were raised there.

[97] **Aled Roberts:** Okay.

[98] A gaf fi symud ymlaen at ddau beth arall, felly? Rydych chi hefyd wedi sôn am y cynllun cyfalaf. Mi oedd yna amheuon, mae'n debyg, ynglŷn â'u cynlluniau nhw ym mis Tachwedd, achos roedd llythyr Dr Goodall yn sôn am yr amheuon hynny. Rhyw fis ar ôl i'ch ymyrraeth chi ddigwydd, fe gyflwynwyd adroddiad Capita i gyfarwyddwyr y bwrdd iechyd—dyna beth mae adroddiad Ann Lloyd yn ei ddweud. Maen nhw'n dweud bod yr adroddiad yn gadarn. Mi oedd yna broblemau, mae'n debyg; eto, roedd Llywodraeth Cymru'n dweud eu bod nhw'n poeni am y sefyllfa, ac mi oedd yna ofyn ar y bwrdd iechyd i gyflwyno cynllun gweithredu ynglŷn ag adroddiad Capita erbyn mis Mawrth 2015. A wnaeth y bwrdd iechyd gyflwyno'r cynllun gweithredu mewn pryd?

Could I move on to two more things, therefore? You've also mentioned the capital scheme. There were doubts, apparently, about their plans back in November, because the letter of Dr Goodall mentioned those doubts. About a month after your intervention took place, there was the Capita report, which was presented to the directors of the health board—that's what Ann Lloyd's report says. They say that the report was robust. There were problems, apparently; again, the Welsh Government said that they were concerned about the situation, and there was a requirement on the health board to present an action plan on the Capita report by March 2015. Did the health board present that action plan in time?

[99] **Dr Goodall:** Yes, I mean, in respect of capital planning, there were some very significant concerns at that time, and we needed to have a confidence about the way in which—should capital moneys be able to be used, not least with the development of some of the local facilities—we could set it in a general context for the whole of the health board. And, yes, the health board did attract in some additional support from Capita, as some specialist advice, and, yes, we have received a copy of the Capita report and also the board's provisional response to that.

[100] **Aled Roberts:** When did you receive that?

[101] **Dr Goodall:** I can't remember the exact date that we received that—

[102] **Aled Roberts:** Why is it a provisional response, when the actions required of the board under this targeted intervention was that their action plan for implementation should be available by the end of March 2015?

[103] **Dr Goodall:** Because it would still be subject to some of the board's governance and processes in there, at that stage, and I just can't recall—I'm happy to give you a note on it—whether the board meeting had taken place before or after that, to actually give the governance cover that was necessary, despite our timescale. So, I will check that and I will give a note back to the committee on the timing of that issue.

[104] From our perspective, on the capital planning, however, if the action plan, I think, that has been conveyed by Capita—as in supporting the health board—and all of those actions are put in place, we would have a much better confidence and assurance, we think, about the way in which those issues are addressed. However, our concern is that, despite the action plan, it hasn't necessarily been implementation in line with that to the timetable that we would have expected. What I would just say, for the record, as well, is there is an ongoing police investigation happening on some aspects of the capital as well, and, again, if I could just acknowledge that at this stage—I wouldn't want to go into any of that particular detail, as that's still outstanding at this stage. And, clearly, it's also an area where a whole series of other parties would have their own concerns and would wish to reflect on those, not least including the Wales Audit Office as well.

[105] **Aled Roberts:** What I'm concerned about, you see, is drift, because, they're given a target to actually produce an action plan by the end of March. Also, in Ann Lloyd's report, they then have a further six months to review their implementation programme, and, actually there's a piece in here saying that, if the agreed action has taken place by the time of the further six-month review, the intervention level on this element will be lifted, and yet we're now told, in June, which is six months on, we only have, as far as we're aware, a provisional action plan in place. Has a competent director been assigned the responsibility to implement and monitor the action plan, as far as you're aware?

[106] **Dr Goodall:** Yes, there is a director in place. Again, if I could clarify my point on the 'provisional', the board has received that under its arrangements—the timing as to whether that was in March precisely and whether it had been covered by the public governance, I just can't recall for today. So, if I could allow us to perhaps not over-focus on the word 'provisional', and I'm very happy to lay out the receipt of the board of that particular report. However, what I would say is that the general discussion around whether special measures were required was in part a reflection on whether there was a pace and urgency around addressing the concerns that have been expressed as part of the targeted intervention. It's all very well having the action plan set out with Capita support in the first place, but it's more about getting on with the implementation and the delivery of that. I would have hoped that the capital planning aspect, which was a very clear issue that was highlighted under the targeted intervention, had the potential to actually be an area that could have been de-escalated. The whole point of having escalation frameworks in place is not simply that everybody goes up a level every time there is a meeting; the intention is actually to allow organisations to de-escalate from it as well. I think we would have had an underlying concern that, on capital, that simply hasn't been possible, unfortunately, and I don't think that they have made the requisite progress we would have expected.

[107] **Aled Roberts:** A phwy dalodd am waith Capita? **Aled Roberts:** And who paid for the Capita work?

[108] **Dr Goodall:** I think the Capita report was actually funded by Betsi Cadwaladr as part of their board governance. Our starting point with this, even under a targeted intervention mechanism, is that board governance still remains in place. This is actually about putting in support and intervention that allows the board to understand the seriousness of the issues and its ability to respond as an organisation.

[109] **Aled Roberts:** Ond rwy'n meddwl y buasai'r rhan fwyaf ohonom ni yn dweud ein bod yn derbyn mai cyfrifoldeb bwrdd Betsi ydy hyn i gyd, ond, o ran ymyrraeth wedi ei thargedu gan Lywodraeth Cymru, buaswn yn disgwyl, yn dilyn yr holl broblemau rydym wedi eu cael efo Betsi ar hyd y blynyddoedd, lle nad ydynt wedi gweithredu hyn a'r llall, eich bod chi'n eu dal nhw i gyfrif lle nad ydynt yn dilyn amserlen sydd wedi cael ei rhoi iddyn nhw. **Aled Roberts:** But I think the majority of us would say that we accept that all of this was the responsibility of the Betsi board, but, in terms of targeted intervention by the Welsh Government, we would expect, following all the problems that we've had with Betsi over the years, where they haven't implemented this, that and the other, that you hold them to account where they're not following the timetable that's been given to them.

[110] A gaf i jest symud ymlaen—y pwynt olaf—at gymorth allanol ychwanegol ynglŷn â Deloitte? Mi oedd Betsi i gyflwyno eu cynllun tair blynedd erbyn 31 Ionawr 2015. Cawsant gymorth gan Deloitte, ac maen nhw wedi rhoi cyfarwyddwyr ychwanegol yn eu **Aled Roberts:** Could I just move on—the final point—to external additional support in terms of Deloitte? Betsi was to present its three-year plan by 31 January 2015. They had support from Deloitte, and they have put additional directors in place, but the Welsh Government

Ile, ond nid oedd Llywodraeth Cymru wedi didn't accept the Deloitte plan even. So, derbyn cynllun Deloitte hyd yn oed. Beth what's the situation in terms of Betsi's three- ydy'r sefyllfa ar hyn o bryd ynglŷn â year plan? Did they pay, again, for the chynllun tair blynedd Betsi? Ai nhw a external support? dalodd, eto, am y cymorth allanol?

[111] **Dr Goodall:** Just to answer, and I will go on to deal with the three-year plan, you were asking about and raising why weren't we intervening at earlier stages with an organisation with the historical issues that they'd had, with a series of interventions in place. In part, our response on this was because there was a new chair in place, significantly, board members had changed around, we had a new team in place, we had a new chief executive, new appointments taking place even halfway through the year, and the intention, irrespective of the historical issues, is to have an expectation that that new team is able to grab the focus within the organisation and is actually able to demonstrate, not least externally and publicly, the nature of the progress that it's been making. So, I'd just like to help to clarify those issues. This is about trying to give a team that is in place the time and opportunity to be able to address issues.

[112] On the three-year plan mechanism, yes, again, the board felt that it needed to bring in some external experience to try to help them with the review and the report. Our approach to the three-year plans is a consistent one across the different health boards and trusts in Wales. Our intention is to make sure that there are criteria that demonstrate that this is a bar that people need to meet. It's not simply about approving plans because we feel it's right for the organisation locally, it's actually making sure that we feel that we can have the progress and clarity required for the future set out in those plans at this stage. It was clear from the contact point and from some of the early submissions and with everything that was going on, I think, in respect of governance that it simply wasn't going to be clear enough. The financial performance of the organisation had caused us some concerns, and we didn't see the financial resilience, so that we were unlikely to be able to see them going into an 'approved' category box. So, with consistent criteria from the whole of Wales, we did share with Betsi that we would rather that their attention was spent not just on looking forward over the next three years, but on giving us a strong and robust plan for the next 12 months, not least discharging some of the expectations that we would have around planning in general terms, but on the way in which financial performance would actually be there. I think that one of our drivers for that was that we were seeing a deteriorating run rate in their financial position during last year to a very significant level, which had been unexpected. I think, to be fair to the organisation, it recovered some of that by the end of the year, but it was a very material financial position that we were left with, and we did not have the confidence that the team would be able to deliver it. The support that came from Deloitte was, again, commissioned by the organisation itself. Yes, they'd had support in, but it was still a report that was owned by the board and led by the board and actually supported by the executive team members. So, it wasn't that it was just simply written by an external organisation, and nor would we expect that in the context of what is a really important plan for their local organisation.

[113] **Aled Roberts:** I don't think that the people of north Wales would expect an external organisation to provide that level of support either, given that Ann Lloyd indicates that, in a paper to the board in January 2015, the financial director estimated that the new management structure would cost an additional £2.6 million, but the three-year plan indicates that an additional £5 million per annum will be required for the management structure—and yet they still require two outside consultants to prepare both their capital plan and their three-year plan.

[114] **Dr Goodall:** But I think, also, as an organisation they have to do two things. I think what they have to try and do is to build up their capacity, their skill set, and their experience as a team in general terms, in order to make sure that they're able to continue to lead and

drive services forward. Irrespective of our intentions, the fact that they've ended up in the special measures mechanism, as agreed by all parties, shows that it was not felt that they were providing the right organisational assurance, but also we would have expectations that they needed to step up in the short term to actually provide some level of support and submissions as part of the three-year plan at that stage. Our wish and intention would be that local teams have the kind of expertise and experience necessary. I think, reflecting on Betsi Cadwaladr as an organisation currently, it's going to take them some time to continue to build up that capacity on a local basis.

[115] **Darren Millar:** Okay. We need to move on. Can I just ask for two pieces of information to be sent to the committee, following that discussion? One in terms of the Royal College of Psychiatrists' report, which was done quite early on into some of the mental health services, and what action the Welsh Government took at that time: if you can just send us some information on that. And then, in relation to the police investigation, can you just confirm whether that is in relation to potential fraud or—. What is the—.

[116] **Ms Jordan:** In relation to the capital.

[117] **Darren Millar:** In relation to the capital.

[118] **Dr Goodall:** Yes, in capital planning. It's just a police investigation happening. It is a potential—. I wouldn't really want to go into any more details at this stage.

[119] **Darren Millar:** Yes. Of course.

[120] **Dr Goodall:** It's in part why, I think, even in the November session that we held here, I wasn't really able to go into too much detail, because that was an ongoing investigation.

[121] **Darren Millar:** Is there a potential for the problems on capital to jeopardise the much anticipated sub-regional neonatal intensive care centre, given these capital problems and planning problems?

[122] **Dr Goodall:** Again, Chair, without going into detail, it's just a very discrete issue that's being dealt with. I think it's being handled on its own terms, and we would still continue to expect that Betsi Cadwaladr, as an organisation, would focus on its local development plans for any of the sites and services that are going on in north Wales. But I really wouldn't want to be drawn into the specific detail.

[123] **Darren Millar:** Mike Hedges.

[124] **Mike Hedges:** Well, as you know, the Betsi Cadwaladr board is roughly five times the size of the Powys board. One of the most bizarre answers I ever got from your predecessor was when I said, 'Which is the right size?' and he said 'both'. But we know, with large organisations, that they actually should have capacity. If large organisations haven't got capacity, why would smaller organisations have capacity? So, I'm bemused by the answer on capacity. If Betsi Cadwaladr hasn't got capacity, how would any health board in Wales, all of which are smaller than Betsi Cadwaladr, have capacity? That's the first question.

[125] Large organisations are really liked in the Assembly right across the piece. I'm one of the people who doesn't believe in 'big is beautiful', but it's a general view across political parties and most spokespeople that these large organisations are the way forward. I believe that the economies of scale that you expect rarely occur. More importantly, you have a layer of management and a layer of information travel, which means—. And I have some sympathy with the board; I mean, they don't know what they don't know, and, sometimes, they're hung

out to dry when the information hasn't ever got to them. I've just done a quick calculation; you can tell me if I've got this wrong. A problem occurs on a ward and the nurse finds it and starts pushing it up to escalate it to the board. I work out that that goes to at least seven people at Betsi Cadwaladr—you tell me if I'm wrong. Seven to 10 is my quick calculation—perhaps you could tell me how many—and each one of them has got the capacity to stop it. So, it has to go through each person. So, you've got this long chain of information travel, which can be stopped at any stage. Do you not see that as a problem?

09:45

[126] **Dr Goodall:** Well, responding to the issue of reporting, I think there are different routes around this. Firstly, as to whether it's seven or not, I can't answer that question. But it's really important, if there are front-line concerns from staff, that they can be escalated within the organisation. I think there are different means of doing that. In my former chief executive role, in the worst kind of cases, I would expect that people would have felt that they could even whistleblow to myself, if necessary, on the most serious issues, and I know that's something that's been put in place by some of the other chairs and chief execs, but that can be quite difficult, obviously, for members of staff at the front line. From a reporting perspective, there are systems in place around patient safety or concerns and they are able to be reported into the centre; there is a fast-track route for drawing those through, so that they can be analysed in that way. I think we have to have some trust and confidence about the way and the nature in which information is brought forward. The intention is to make sure that it can be made transparently available, and I do think that, across Wales—irrespective of concerns on the special-measures side on the Betsi mechanism—boards do take very seriously their governance concerns, they do put committee mechanisms in place, they do allow for staff to talk to them very directly on these issues. But I do think there is something about the tone that you establish from the top as well, about trying to create that open culture, so that these issues come through.

[127] On the levels of management infrastructure—yes, I would expect large organisations to have the capacity, the experience and the expertise to handle these issues on a local basis. The fact that we've declared special measures for Betsi is a sign that we don't feel that is currently in place, and there needs to be more support. But, actually, we should have an expectation that people are able to work their way through these kinds of issues at this stage, and information is at the core of it. I think, as I look at public information available across all of the trusts and health boards in Wales, it's improved enormously over the last five years. I still think that there is more work that could be done. I think we have to make it more visible in different ways; it's not just about relying on board papers, there are different ways of accessing websites. But, if a member of staff has a concern, then I believe that they should be able to feel that they can raise it somewhere in the organisation—hopefully, through line management, hopefully, through their professional routes, but, if necessary, at the very top of the organisation.

[128] **Mike Hedges:** You mentioned fast track. Can you drop us a note telling us how many complaints have started at nurse and ward level and have been fast-tracked through? I wouldn't expect you to be able to answer that today, but perhaps you could drop us a note on how many of those have occurred during the last 12 months.

[129] **Dr Goodall:** Well, I wouldn't know initially, just to respond, but I could certainly give you a note about some of the serious incident reports that happen in Wales. When they come in, they are responded to generally within that first number of hours—within 24 hours—within health boards as organisations, and then they are picked up very quickly by those senior teams. So, with the serious incident reporting, that happens.

[130] **Mike Hedges:** Sorry, maybe there's a difference in words and maybe they both mean

the same thing, but is a fast-tracked the same as a serious incident? If something is designated a serious incident, is it always fast-tracked to board level?

[131] **Dr Goodall:** Serious incident reports are fast-tracked to board level, and, actually, are fast-tracked to Welsh Government as well, in terms of us receiving them ourselves in terms of sentinel events. ‘Fast track’ is my phrase; serious incident reporting is actually the mechanism.

[132] **Mike Hedges:** As they come to you, how many have you had in the last 12 months?

[133] **Dr Goodall:** I will do you a note on that to report on that.

[134] **Mike Hedges:** I thought you might know, because they come to you, but okay. The other thing is on hospitals. We’ve lots of hospitals belonging to the same board, and that gives them overarching control of them. I’ve yet to know anybody who thinks they work for ABMU; people think they work for Morriston Hospital, people think they work for Singleton hospital, and I’m sure that people in Bridgend think they work for Bridgend hospital. Governance is great, and we’ve talked about how things are governed, but, if people don’t believe they belong to the organisation, there’s bound to be a communications breakdown. Assuming you think that the current structure is correct—which I don’t, but I’m sure that you do, because otherwise you would have produced a report creating a more logical structure—. But, if you think it’s correct, what is being done to make people feel a sense of belonging so that they actually feel they belong to Betsi Cadwaladr, whether they’re in Ysbyty Gwynedd or Ysbyty Glan Clwyd, rather than thinking they work for those, or, whether they’re in Morriston or whether they’re in Bridgend, they think they belong to the same organisation? I can tell you, in Morriston and Bridgend now, they do not.

[135] **Dr Goodall:** Well, just quickly on large organisations—I think just because an organisation is large doesn’t mean that you can’t have personal contact with your staff, and I don’t think it means that you can’t have contact on a more local basis with stakeholders, with communities, that there aren’t mechanisms for engaging. I think we have different examples of that in Wales, and I think, again, it’s about a question of board approach, and the leadership style that’s set at the top of the organisations.

[136] In terms of whether staff feel part of issues, I think I would, first of all, accept your analysis that people will almost start with the individual service that they are part of, and then probably build up, actually, to the broader sites, perhaps, and individual hospital, and they will, quite rightly, be proud of working in that kind of arena or environment. I think it requires the organisation to really make sure that you can be liaising with people on a day-to-day basis.

[137] Now, my old organisation, Aneurin Bevan, have 14,500 staff. We tried all sorts of different mechanisms for trying to get messages out. The thing that probably worked, to try to get the organisation to feel that it was part of both the site and Aneurin Bevan as an organisation, to try and get over some of our messages at that time, which were, I think, about trying to ensure that quality was the real focus for us, was to find different mechanisms of engaging with our staff, and that meant it wasn’t simply about having formal set-piece events—it was using a whole variety of different settings within the organisation. The thing that really made a difference was a real focus around, ‘What’s the common purpose?’, and actually a debate about the values that are important to people who work in the organisation, in the service, and, actually, as part of the NHS, and that’s going on all over Wales at this stage. I know Abertawe Bro Morgannwg have done some very significant engagement activity with their staff, for example. But I think you’re right to say that people will always feel very much a part of their individual part of the service and structure, and I think it’s important for boards to make sure that they reach out to the staff in general, in organisations. I

think that's part of governance and assurance as well.

[138] **Darren Millar:** Mike started off his line of questioning there about the information available to boards. Obviously, the role of board secretary is absolutely critical, isn't it? We've still got board secretaries who also have executive duties and, therefore, might feel very close to the executive team and less close to independent members. This was something of a concern to this committee, of course, in the past, and indeed to the Wales Audit Office and HIW. Why aren't board secretaries completely separated, as a distinct role, by every single board in Wales? There are different arrangements, it seems to me, in every single board.

[139] **Dr Goodall:** Well, of course, the core role remains the same in terms of discharging that support, but I think it's because there are different experiences of that. I see positive advantages for the board secretary, in some situations, not to take on an over-extended portfolio, but whether they are able to discharge some of the communications approach on behalf of the organisation, because it's reflective of some of the organisational intent, and I've seen some good work on that aspect. The bit that's really important, however, is to make sure that the board secretary role is suitable to strong governance in any of the individual organisations. Certainly, if they are finding that it's difficult to discharge the board governance environment, and give the nature of response to individual members, for example, to make sure the committee mechanisms are in place, then I would have worries that they should focus on that as core business. But, I have also seen some good examples in Wales, where people have taken on just a more extended brief, not unnecessarily. I think the independence of their ability to give a statement of support to the board, however, is retained, and I think we do need to look at the way individuals practice themselves. That's why they're a group who are looking at accreditation—the way in which they can make sure that they are able to do qualifications in this area, and make sure they can give that broader public governance as well. But, I accept the concerns that were reflected by the committee members before.

[140] **Darren Millar:** And you're satisfied that all board secretaries discharge their duties to the board effectively, are you, across Wales, and with sufficient independence from the executive?

[141] **Dr Goodall:** I think there is variation in some of those experiences, and even as we look at some of the issues around escalation frameworks and special measures, or engagement, or where that's happening, it would mean that we would need to judge it at this stage. So, I think, without saying that everybody is able to discharge that to the consistent basis right across the whole of Wales, where there are concerns and pressures—and, clearly, in the Betsi situation, that's been very much highlighted, not least with the committee's overview—it's really important to make sure that there is a direct response to those types of issues. But there are some benefits from having some of the broader portfolio as well. Jo.

[142] **Darren Millar:** Very briefly, if you can.

[143] **Ms Jordan:** Yes, just very briefly. Only to say that, since the report into Betsi, which, obviously, was shared with all health boards, there have been changes made to the responsibilities of board secretaries. I'm not saying that they don't do any other duties, but, certainly, boards have considered this very carefully and, in a number of instances, have reorganised and moved duties as a result of that. I'll also say—and I think the Minister's been quite open about this, and we gave it in response to the committee—that we will be asking further questions and consulting on the role of the board secretary as part of our Green Paper on quality and governance that the Minister will be publishing.

[144] **Darren Millar:** Okay. Jocelyn Davies, and I'll then come to Sandy.

[145] **Jocelyn Davies:** One of the things that bothered me the most about the Tawel Fan report was that the staff thought that they were a centre of excellence. That was the most disturbing thing for me—that they thought that they were doing a really, really good job, when, in fact, the opposite was true. I wondered in general about our chief executives and our chairs and our boards across Wales: do they have a realistic view of the way that they are performing? At Betsi, do they have a realistic view of how they are performing? I wonder if that culture of thinking that you're doing a really good job on one ward is actually the culture of the whole organisation. I wondered whether you had a view of that because what I've heard from you this morning is that you've got concerns about the pace, the urgency, the lack of progress, the understanding of the seriousness of the situation, the lack of implementation, the timetable slipping and, as you just said, they should have more support. So, are you concerned about the culture? If you could just address that, do we have a problem of people thinking they're doing a good job because they simply don't have a realistic view of their own performance?

[146] **Dr Goodall:** I think it's important that boards use a whole series of sources and that's also used for staff themselves. I would expect that, on a professional basis, within organisations, there should be an expectation—

[147] **Jocelyn Davies:** I was expecting a 'yes' or 'no' from you, actually. I know you're always honest with us when you come here. Do you think people have had a realistic view of their own performance?

[148] **Dr Goodall:** I do think that people have a realistic view. I don't think that Tawel Fan had a realistic view of itself, however—

[149] **Jocelyn Davies:** But that's not reflected through the rest.

[150] **Dr Goodall:** I don't think it does reflect the overall system. I do think boards need to make sure that they use information—

[151] **Jocelyn Davies:** Can you explain then, if they have a realistic view of their performance, why there was the lack of pace and urgency, lack of progress and lack of understanding of the seriousness? Was the plan okay and they just didn't implement it? Because you've said several times now that you've had assurances and that you've been concerned about—. So, were there assurances? Were you told, 'We will do this by a certain date' and then that didn't happen? Because, if every time we have new people we give them six months to bed in, all you've got to do is change the people in six months. Everybody who's new who has come in to those positions has known exactly what they were facing. They've known exactly, so there's nothing new. So, we can't just say, 'Well, we'll have new people and then we'll give them six months'.

[152] **Dr Goodall:** I think that, for NHS Wales, which was your question about the realistic assessment, I think there is, and there are, examples across Wales of realistic assessments being constantly made, using a whole series of external sources of advice and even board members forming their own judgments. I think that, for Betsi itself, I think it would be right to have had a realistic assessment of the progress that it should have expected at this stage. I do think—

[153] **Jocelyn Davies:** So, they knew they were failing? They knew—

[154] **Dr Goodall:** I think any new team coming in, you would wish to give them sufficient time to grab the organisational issues. I think, however, clearly, for the organisation itself, it's also having to deal with some of the history and legacy, not least in the development of

services, engagement with the public more broadly, concerns having been expressed in the organisation and not addressed, and complaints handling, which, although it's improved, I've got to say, over this last 12 or 15 months or so, was a real problem of concern for the north Wales population. I think that you are right to say that, surely, if all you're looking to do is to constantly change the leadership at the top of the organisation, how do you actually handle the culture of the organisation? I don't think that governance is simply a technical exercise. I think governance is actually about how you have the behaviour change, about how you have the culture change in the organisation, and how you have common purpose in terms of the way in which organisations track their performance and their objectives over the forthcoming years.

[155] **Jocelyn Davies:** So, when the decision was made to escalate into special measures, was that a consensus of everybody, including the board and the management?

[156] **Dr Goodall:** Well, the special measures escalation framework is a mechanism that is through Welsh Government, through HIW and through the Wales Audit Office. In the same way that the targeted intervention was agreed to be the appropriate level and that was a consistent agreement back in November, yes, the special measures was a consistent issue that was agreed across those three parties. I think that, in advance of that meeting, the chair of the board had written to express concerns that the board did not have sufficient capacity in place to respond to all of these issues and I think that, as you will have seen subsequently, the chair has welcomed the support and intervention that can be offered through the special measures mechanism on behalf of Betsi Cadwaladr at this stage.

[157] **Jocelyn Davies:** But there was no request for special measures locally from the board or from the management.

[158] **Dr Goodall:** Well, they were in targeted intervention anyway—

[159] **Jocelyn Davies:** And they knew it was failing—

[160] **Dr Goodall:** —and they knew we were looking for them to certainly give us a very clear response to the Ann Lloyd review. In normal circumstances, the expectation would have been a clear set of actions being asked for from the board, on top of areas that we would have wished to respond to that were highlighted by Ann as well, but, in advance of the escalation meeting that took place, the chair did indicate to us that he felt that there was a need for some additional capacity, experience and expertise around that board as well, to help them through some difficult circumstances.

[161] **Jocelyn Davies:** Well, certainly the impression that we've been given on this committee, and we've taken evidence directly from them, is that they were turning everything around. So, I do wonder whether there was a realistic view of their own performance.

10:00

[162] **Dr Goodall:** Well, within the current context, there are some examples on some of their measures where I think Betsi Cadwaladr as an organisation has shown that it's been able to make some improvements. So, I look at their cancer services response, for example, and that they have managed to really materially improve that service by the end of March. They had a financial deficit in-year. Having said that, they were at least able to give us more confidence that, in the last three months of the financial year, they had a better grip on the financial arrangements. They put in project management arrangements. These were factors that would have been taken account of as part of the escalation review, but that of itself was insufficient to take away the general concerns and feelings that the organisation did not have the traction in place that we would have expected.

[163] **Jocelyn Davies:** So, the plan was okay, but they just failed to implement it. Is that what I'm hearing?

[164] **Dr Goodall:** I think there are aspects of planning going forward, certainly as far as the three-year plan is concerned. I don't think, really, what we have had sufficiently yet at this stage is a plan that can really set out what a set of services can look like that can deliver from primary through to hospital services for the north Wales population, but also to do that on the premise of having a proper engagement with that community, so that people do understand some of the choices that are needed to be made, the sorts of standards and expectations that could be set for really good and excellent services locally. I think that, in general terms, the fact is that they hadn't quite got there on the three-year plan, and there was still sufficient outstanding work to be done; I think that's still missing for north Wales. I think Betsi Cadwaladr still needs to give us a real impression of what the next three years can look like from that total service perspective.

[165] **Jocelyn Davies:** So, you know, yourselves, exactly why the targeted intervention failed.

[166] **Dr Goodall:** We would have expected to have had more progress from the new team in place, and we have acted because we can't simply allow the organisation to not move forward at the pace that we would have expected.

[167] **Jocelyn Davies:** Okay.

[168] **Darren Millar:** Isn't the pace part of your responsibility? This urgent intervention, the diagnostic for what should happen next, took all of those months. Surely, you're partly responsible here. This is not all down to the board not pulling its socks up and getting on with the job, is it?

[169] **Dr Goodall:** It is and we've been very clear with the board—

[170] **Darren Millar:** Do you not accept any responsibility for the poor pace of progress here?

[171] **Dr Goodall:** We have responsibility to make sure that the board is able to discharge its governance, and we should have expectations for progress. I think that, in some areas that we have highlighted where we would have wanted a response, the board was actually able to demonstrate that it was making some progress. And certainly on some of the performance areas, they were able to show that, whether targeted intervention was there or not, they were clearly able to grab some of these issues. On some of the other areas, we had enhanced our level of support and actions. We had been, alongside the board, making very explicit some of our concerns. On the areas of finance, we've been liaising with them, as you would expect, on a very regular basis. That was part of the routine arrangements.

[172] **Darren Millar:** But you accept that the diagnostic wasn't completed within a reasonable timescale. Do you not think that there is a problem in terms of the timescale for this being complete? I'm simply asking you a genuine question here. Isn't there a problem in terms of how long it took for this report to be published?

[173] **Dr Goodall:** I think, using the escalation framework for the first time, we do need to pause and think about the mechanisms that we have in place here. As I said right at the outset, Chair, I think that we've moved an organisation through four levels of an escalation framework in almost less than a 12-month period of time. I think that's rapid progress according to the escalation framework. I think we would have expected more rapid action

from the board itself.

[174] **Darren Millar:** Sorry. Forgive me; it's not within 12 months, though, is it? Because, as Joanna Jordan told us earlier, there was already, effectively, monitoring arrangements taking place back as far as November 2013.

[175] **Ms Jordan:** That was specifically in relation to mental health—

[176] **Darren Millar:** Okay, but it's still enhanced monitoring. It's the first rung of the ladder. You didn't have these until—

[177] **Ms Jordan:** On one service.

[178] **Darren Millar:** Yes. Okay. But it's still enhanced monitoring, isn't it? Okay? So, it's not true to say that it's taken just 12 months, is it?

[179] **Dr Goodall:** I said at the outset that we had put them immediately on enhanced monitoring on the new escalation framework, recognising the outstanding issues that were in place that were of concern.

[180] **Darren Millar:** Okay. Sandy Mewies.

[181] **Sandy Mewies:** Thank you, Chair. Okay; I accept that there was a meeting and there was a decision to put special measures in place, and it was decided properly. That's what you seem to be trying to get across to us today. But speaking on behalf of someone who lives in north Wales and uses north Wales health services and hospital services, and as an Assembly Member who fairly consistently has issues brought to me by constituents, what worries me is this: we're having report after report after report, we know that there are reports coming in the future, and still what I'm hearing from you is, 'Well, you know, it takes time to do this. We have to look at this. The board have to do this'.

[182] I've got quite a few questions. I'm not at all confident that the special measures, in which I think the health Minister wants particular issues addressed within four months, are going to produce the desired effect. That's my big worry. You know, let's be absolutely honest about it. That's my really big worry here. I look back and I think, okay, the chief executive went previously, the chair of the board went previously, we've had a new chair in place for 18 months now—18 months—we've got new people there, and yet we're still being told that there doesn't seem to be the skill set there in the independent members. They've got a sit-along board of advisers with them telling them what to do. Now, how long is that going to go on? It says in this report that some people are being replaced within three months. Well, given that this report was in April, I think, by now, that should be coming into place. So, are you making sure that the people who come into place will have that skill set so that this doesn't go on and on?

[183] I look at the finances and I despair, really, because, from what is being said here, the plan is never going to happen. You've bailed them out. You've bailed them out over pensions. Are you going to continue to bail out, or is this plan going to work, this three-year plan, now? Is it going to work this time around?

[184] I can see the chair. I look at this report and his comments and other comments in this, which say—. Well, actually, they're asking the questions but they're not getting the answers. Do you expect a board to accept that? I've worked in organisations where you have similar balances, where you would say to your operational officers, 'Right, what's going on?' and you don't get the answer. So, you complain, and there have been complaints, but nobody's taking responsibility, it seems to me, for getting those answers, and if they don't get the

answers, they're not going to get the improvements that are seriously required.

[185] There was one thing here where I've written 'wow' beside it because I was so surprised at what it said.

[186] 'Currently the Executives and Directors meet collectively weekly as the Corporate Directors Group with an informal session weekly to discuss the politics and other all Wales issues that they need to be aware of. The purpose of this group appears confused in terms of whether or not it is a decision making body.'

[187] That's at the heart of it. If you don't know you're a decision-making body, you're never going to make a proper decision, are you? You've had this report in your hands for quite some time, and I do feel that there has to be some oversight of what on earth is going on. What on earth is going on here? We've got the chief executive saying that he recognises the difficult issues. He's been there for 18 months. I would've thought, when somebody went in—. These were not new problems. Nobody went into that board without knowing, because reports had already been done about governance. Issues like Tawel Fan and other issues had been flagged up already. I would've thought that there would've been immediately a focus on maybe half a dozen issues that needed to be addressed immediately, that people would be set to work on them. I'm sorry, but all I seem to be getting here is a hands up, handwringing, 'Well, you know, we've got the processes, we're doing the processes', with absolutely no idea when things are going to improve. So, we've got people who don't know whether they can take decisions, and now we've got an appendix here that says, 'Now, what are we going to do? What's this board going to do in 2015? What are their priorities?'

[188] Well, it refers to financial management; commissioning effectively; no more endless action plans, but action; demonstrate visible and engaged leadership; increase the pace of change—and you've talked yourself about pace. This was for 2015-16. What happened before? You see, I've got—. I feel that—

[189] **Darren Millar:** Okay, Sandy, come on. Let's have some questions.

[190] **Sandy Mewies:** Well, I feel that I am not confident now these have come up. What I'm asking you is: are you sure that special measures are going to produce, for the people of north Wales, a service that is effective, that they're not frightened to use—which is the case with some—and that will come about speedily? Or is it going to be another three years? Because north Wales can't stand it. Do you think you're going to be able to recruit people? I have very serious fears that, if we lose people because of all that's going on now, recruitment is going to be—. It's already an enormous difficulty. Do you see that as getting better or as getting worse because of this?

[191] **Darren Millar:** Dr Goodall.

[192] **Dr Goodall:** Okay. There are a few issues in there. Yes, special measures have to respond to the issues, and yes, they have to give the confidence, and, yes, they have to be around a range of different actions. We are using them for the first time, to be open with everybody. That gives us a whole series of choices to make. I think we can look at evidence and experiences elsewhere as part of that, and I think this will require access and support that is not simply within the NHS Wales system; it'll be needing to use expertise from outside as well, and, yes, it needs to be targeted. There is a danger, potentially, of misinterpreting some of the expectations on timescales. I think the four months checkpoint as part of the special measures at this stage is clearly not an expectation that suddenly everything is sorted within that period of time, but I think, given that one of the underlying reasons for—

[193] **Sandy Mewies:** There are targets in that, though.

[194] **Dr Goodall:** For special measures? The reasons that they are being drawn through were because of pace, and traction, and progress. It's really important to actually say, 'Do we have the genuine signs that the board has grabbed this differently, that the interim arrangements that we've had can give the support, and there is the start of a different level of discussion happening with stakeholders and the public more generally?' I think the timescale for the organisation may not be as long as three years, but if we're really trying to address fundamentally the culture and approach within that organisation to show that it can have a can-do attitude, and that it can push on with things, you're feeling like you're working at a timescale that is over one to two years, and building up to three, ultimately, but always with clear milestones in place.

[195] I think, on the reporting aspects of what's going on, we need to recognise that, as boards have to deal with difficulties in governance, and where there have been problems and pressures—and, to be fair, some of the issues currently being dealt with by the board are arguably historical, but they've had to handle them at this stage—boards that do good governance deal with problems. They get them out on the table, they address them, and they actually work them through and put in place clear actions at this stage. I think that we have to have an expectation that a good board for the future, a successful board, will do that, but they will do it in an informed and appropriate manner, as they go through. I do think that, if we allow ourselves to think that there won't be something that's found going forward, or as an area is reviewed, or as an individual service pressure kind of happens, my test for governance is that publicly it's dealt with, and actually boards show that they're able to handle it and have a clear set of actions in place.

[196] On the special measures arrangements, we will still have a series of ongoing choices to make going forward. Certainly, with Simon Dean just acting in the interim position at this stage, we'll be expecting very quick, rapid feedback from Simon about what he thinks the organisation needs very quickly.

[197] **Sandy Mewies:** So, he can do that? You expect him to do that?

[198] **Dr Goodall:** We expect Simon to give his—

[199] **Sandy Mewies:** But this hasn't been done up to now.

[200] **Dr Goodall:** He will be able to give his own feedback, drawing in the information, but he will have a sense of some of the more immediate priorities himself. He's able to use the information that's been worked through the escalation meeting, and he's got the Ann Lloyd review, and they are a point of focus for him personally as he goes in. The Minister can also choose to support a whole series of other messages that we move forward at this stage, and that will still be a choice.

[201] On the financial position of the organisation, I think if we can't get that lined up in the right manner, that would be a worry about the ongoing governance, because whatever your good intentions, if you can't manage within your money and show some resilience there, it is clearly going to cause concerns because of the potential knock-on effects that it has. I did worry as Betsi Cadwaladr as an organisation—which I think also led to targeted intervention that's underpinned some of the special measures discussion—was an organisation that ended one financial year with a £2 million overspend that was being broadly managed and wasn't quite there, but that turned into something that was suddenly, at one point, heading for a deficit that was going to be as high as £38 million, and that was unexpected. It was not the previous year's delivery, and it wasn't in line with the plans that they'd set out as an organisation.

[202] In terms of governance generally, I do think we have a responsibility to make sure that boards have advice available to them, that they can be developed and supported. Coincidentally, on the back of a governance discussion that we're having this morning, I'm speaking to 110 members of boards across Wales about governance, what it constitutes, what it looks like when you apply it, how you evaluate it. I was previously involved in the good governance guide that was produced by Academi Wales trying to give some really pragmatic insight. I would say to you that, from experience, having worked in five board arrangements in Wales, there is good governance in place. We have mechanisms in place to support it. Every board can still improve and mature. We use structured assessments as a way of getting feedback on that, not least from the Wales Audit Office, and there is an opportunity to make sure that good boards in Wales can also help those that are struggling more as well.

[203] I'm not sure whether I picked up on all of your individual issues.

10:15

[204] **Sandy Mewies:** Can I just ask you one more question? Ann Lloyd talks about a bullying culture. In the Ockenden report, it seemed to suggest that the bullying culture was within the clinicians. Where is it, because I can't identify it? Governance is affected by the culture, without any question. If people were frightened to raise issues, that would cause problems. So, people are talking about a bullying culture. Where is that bullying culture? Who does it lie with and how's it going to be solved?

[205] **Dr Goodall:** I think Ann's analysis in the review actually says it was a reflection that came from the chair himself as he'd come into the organisation, and that his impression within the organisation was that that had pervaded at times in some of the areas and sections.

[206] **Sandy Mewies:** Clinically or bureaucratically?

[207] **Dr Goodall:** Well, one has to say that the tone for any organisation starts at the top of the organisation, and it has to work its way through the structures, and, irrespective of individual areas where these issues may have been raised or where it was whistleblowing, I think it does start with the organisational tone that's set at the top of the organisation. Even with a new team, it's really important they establish that tone themselves, whatever the history that may well have been in place.

[208] **Darren Millar:** Okay. Mohammad Asghar, then I'll come to Jenny.

[209] **Mohammad Asghar:** Thank you very much, Chair, and thank you, Andrew. I know of the best work you have done for Nye Bevan health board. I know very well. You were very good. That is a health board, but now you're director-general of NHS and social services. In your earlier speech or statement, you said there are underlying pressures on services—that is what you said earlier—in north Wales. Why did you not roll out best practice, which you had experienced so much in south-east Wales, and north Wales was totally on the other side of the ditch? Did somebody pull the wool over your eyes? You've got to be honest, because you probably didn't have the whole picture or all the information. We need to know here whether there were financial constraints or a lack of right people, in the wrong places, or lack of planning, lack of information—whatever it is. So, please explain to this committee how this has gone so far to special measures and how you're going to put things right all over Wales.

[210] **Darren Millar:** Perhaps in addressing that question, you could just tell us a little bit more. You mentioned good governance and you said you've got confidence in governance. There's obviously been a member training programme in north Wales. We had a chart of participation in that member training programme, and it showed that a good number of the independent board members hadn't attended the majority, or even three-quarters, in some

cases, of the board training sessions that had been put on for them. What sort of work are you doing to ensure that that best practice that Mohammad Asghar has mentioned is being rolled out, and that there's proper and full engagement in board member improvement programmes?

[211] **Dr Goodall:** Firstly, the starting point is chairs will still hold the responsibility for making sure that there are programmes in place. I don't know when you would have had the last update from Betsi in terms of the attendance and the profile, but I know, certainly from my own discussions with the organisation, that members have been going through development on a monthly basis to try and make sure that they have had access and support. Sorry, Jo.

[212] **Ms Jordan:** I was only going to say my understanding is that, where independent board members haven't been able to attend that training, then there's been follow-up directly with those independent board members. So, they will have had some of the training et cetera delivered to them personally.

[213] **Dr Goodall:** But I also think we have a responsibility to make sure there is a framework for the way in which people work within the totality of NHS Wales as well, and that's why I really appreciate the event that's taking place today, for example, on a range of different subjects around planning expectations and around governance arrangements. I'm joining colleagues from across Wales—that's 110 individual board members from across the whole of Wales—gathered to make sure that we've got a consistent picture that we can provide to people. We can allow them to have some understanding of the expectations placed on them, and hopefully give them some support for the challenges that they do need to put on in respect of their organisations. Again, my own history and practice have been that I've been used to organisations that have had a very high degree of scrutiny and challenge happening around executive team members, and about the progress that's been made within organisations.

[214] On the service development issues and what's happening at that stage, I think you're absolutely right to say that if we have organisations able to now give us confidence about three-year plans and their ability to show what the next three years look like, we do need to make sure it doesn't just happen in isolation. I think we need to make sure that NHS Wales is able to give that kind of response as well, but I do think that there are lessons to be supported and helped around engagement more generally. As I said earlier, in response, I don't think that, just because we have large organisations in place, that means that you can't have local engagement and that you can't build up relationships with stakeholders, whether that's Assembly Members, local councillors, or different organisations such as community health councils. I do think you need to do that, and I do think that there are still lessons to be learned across Wales to help colleagues in Betsi with the way in which they respond to one of their key special measures areas, which is a better response and engagement with the broader population of north Wales; that is one of the key expectations that we have for them.

[215] **Darren Millar:** You said that that was one of the triggers for the special measures—what engagement had the health board had with the Welsh Government regarding its proposals on maternity before it publicised them? Because, the information that we as Assembly Members in north Wales have received is that all of the information in terms of the engagement, the announcements and how the communication with the public would have been handled was all discussed previously to the announcement by the board, and that you'd agreed it.

[216] **Dr Goodall:** We were aware of the pressures around maternity services—

[217] **Darren Millar:** So, how can you then criticise them? This is the point. I'm not talking about pressures in the service; I'm simply talking about the engagement that they had

with you, including on their public announcements on the issue and the way in which they would go about communicating the maternity issue with the public and the changes that they were proposing.

[218] **Dr Goodall:** I think the criticism would be about making sure that it's an involved, broader set of engagements, and, as concerns were being expressed, that there was a very rapid response to being able to handle some of those debates on a public footing. From my own experience, irrespective of needing to do that through numbers of events, it's that you need to keep going at it, you need to continue it on all fronts, you need to respond to different settings, and you need to take the conversation from perhaps larger scale public meetings into more individual ones that make people involved. I think, certainly, it's really important to make sure that on any service concern across Wales, the reality of those concerns on the ground and what it means in terms of some of the pressures that people are handling absolutely need to come to the forefront. Again, in experience, and looking elsewhere in Wales, organisations have managed to discharge all of that, but, as we know, fragility of services is a very difficult thing on which to try and convey knowledge to the broader population, and people will want to have some confidence and assurance that plans will be better for them, whatever the outcomes for the future.

[219] **Darren Millar:** Okay.

[220] **Sandy Mewies:** Chair, I haven't had an answer about recruitment, and what you foresee.

[221] **Darren Millar:** If I can come to Jenny, I'll make sure we come back to the recruitment issue. I'm going to come to Jenny next, and then Julie, if I can.

[222] **Jenny Rathbone:** Could you just clarify for us what involvement, if any, the Welsh Government had in the selection of the new chief executive last year?

[223] **Dr Goodall:** The chief executive was appointed through the normal process. Chief executives are appointed by chairs of boards, and with support of advice around that table, which can include external advice. The director general and NHS Wales chief exec sits on the appointment panel as part of that process. So, my predecessor sat on the panel.

[224] **Jenny Rathbone:** He sat on the appointment panel for the new chief executive. Ann Lloyd describes the role of the chair and the new vice chair to have been to

[225] 'test the status quo and to challenge the delivery of services'.

[226] Do you think that is something the new chief executive ought to have had at the forefront of their mind?

[227] **Dr Goodall:** I think any chief executive in their role should be looking to pick up a real focus for the organisation, to set the tone, along with board members, about expectations, to give clarity about priorities, and certainly to deal with some of the historical concerns that were there and present, not least in their handling going forward, and also to bring together a team focus, not just around his immediate table, but actually for the whole of the organisation. It's really important that if there are problems to be addressed, obviously they do need to be handled, and if there are genuine concerns on issues, I would expect them to be dealt with as part of that board approach. I think it's about establishing a leadership style for the organisation.

[228] **Jenny Rathbone:** Indeed, but Simon Dean wrote to Trevor Purt in March, saying that there was significant analysis of the current position and an emerging clarity of strategic

direction, but the main issue is translating that into practical actions. That has been the problem all along, because there have been several reports written about how to make financial savings, none of which seem to have been implemented. So, I just have concerns about how clearly it was articulated in the job description and the person spec for this new chief executive that they actually were going to go in and implement the things that had never been implemented in the past because of resistance by quite senior staff.

[229] **Dr Goodall:** It would be difficult for me to comment on the process that was gone through. Yes, there's a standard chief executive job description for Wales, and, yes, it would be clear about the Government's expectations—

[230] **Jenny Rathbone:** But, standard—it couldn't possibly be standard. Surely, it must have been shaped to fit the circumstances.

[231] **Dr Goodall:** They would also be shaped, as well, irrespective of those, and, certainly, I would have expected that the interview process for north Wales would have highlighted areas of local interest that would need to be handled and addressed. I say that because I wasn't part of the process, but I've just been through recent chief executive appointments in Wales in different places and I can confirm that that was certainly the feature of Hywel Dda in the appointment process and it was certainly the feature of Powys in terms of the chief executive being appointed there, and I would've expected that that would've been the feature of Betsi Cadwaladr, as well.

[232] **Jenny Rathbone:** I think there are several worrying things in the Ann Lloyd report about the focus of this huge challenge and the attention it was being given. Appendix C is apparently an outline of the role of the board written by the chair. It is not dated, but, if you look back into the narrative, that was apparently presented to the board in January 2015, and this was at a time when the £33 million of savings that should've been implemented back in July 2014 were leading to a massive black hole, about which, by the time Ann Lloyd had concluded her report, we were talking about raiding the pension fund and raiding HMRC money in order to not go bankrupt. Yet, there is nothing about living within our means or implementing savings plans at all in the chair's analysis of what the role of the board should be. I just wondered why this didn't seem to be uppermost in everybody's mind.

[233] **Dr Goodall:** Well, I think, maybe, as a core duty, it's something that perhaps has been just left as the label that is 'addressing the financial management'. What I can say as part of our own views on the escalation mechanisms, is that one of our triggers during this financial year was clearly that the finances were going awry; they were well away from the expectations that had been set by the board and, actually, were not in line with previous financial delivery within that organisation. So, I think the financial context of Betsi—and it's very true for the organisation, as it looks forward now—absolutely is about gripping the financial arrangements and agenda for that organisation at this stage.

[234] **Jenny Rathbone:** What action do you expect the Welsh Government to take to strengthen the board in terms of the executive members, because, with the exception of the medical director and the nurse director, there are considerable question marks put over the roles of the other members by Ann Lloyd, basically saying that these are people who don't think it's their job to implement what the board decides and they appear to opt out of collective responsibility?

[235] **Dr Goodall:** I think the Minister has a range of options that remain available to him under special measures and with the advice and the intervention that will happen. I think Ann's report does reflect on some of the impact and outcomes that happened with some of the individual members, not least in some areas where we would have had genuine concerns in the past, and not least the professional areas, about the need to really deal with problems and

engage in a very different manner. There has been a change in many of the board members around the Betsi table; it's often difficult to convey that. I think around 75 per cent of the board members actually have only been there within the last 12 to 18 months and, probably, it's important to at least recognise that at this stage. But we would expect concerns to be addressed in a proper manner within the board as part of special measures arrangements. If that means having to focus on the board as a whole, as teams or as individuals, that's not part of our actions at this stage, other than the intermediate actions we've taken, but the Minister has a series of powers and responsibilities that he's able to discharge if necessary.

[236] **Jenny Rathbone:** Would you agree that the main challenge for anybody coming in and, obviously, the acting chief executive, is to change the culture in order to ensure that people stick to the plans that are set and implement them, because all over the Ann Lloyd report is a failure to actually implement any plans?

[237] **Dr Goodall:** I said earlier, in looking at governance, that it's not simply a technical exercise. Whether it's the culture and the behaviour that needs to be driven forward, from my perspective, the greatest confidence that you get is about making progress on the areas that you're committed to. I think that's the blunt expectation that we should have for the board at this stage; if they say that they're going to deliver something, to manoeuvre it forward, if they're going to change the aspects around the board, or if they're going to bring a different public engagement perspective forward, it's to make sure that that happens in practice at this stage.

[238] **Jenny Rathbone:** Okay. In relation to the independent members, Ann Lloyd says that the board needs strengthening, because, at the time of writing in February, it didn't have anybody with an expertise in finance, legal, estates or somebody with a purely commercial background. Given that there have been some independent members' terms of office coming to an end, what opportunity has been taken to appoint people with these missing skills?

[239] **Dr Goodall:** Yes, opportunities have been taken, and yes, new independent members have been appointed and, yes, it helps with the general skill set now around the board, going forward. I think that will need to continue to be the case with Betsi, in terms of bringing in some of those new individuals who can give the level of challenge and scrutiny that's necessary around the board table. But, we have been able to address some of those skill sets.

10:30

[240] **Jenny Rathbone:** Okay. So, could you send us a note on who's been appointed in relation to the skills that were missing?

[241] **Dr Goodall:** Yes.

[242] **Darren Millar:** In direct relationship to that, obviously, board appointments are made by the Minister—yes?

[243] **Dr Goodall:** Yes.

[244] **Darren Millar:** So, the Minister acts on advice.

[245] **Dr Goodall:** Well, it's an appointments process that takes place, and—

[246] **Darren Millar:** Okay, but the Minister acts on advice that he's given—yes?

[247] **Ms Jordan:** Yes.

[248] **Darren Millar:** And, therefore, the advice that he's given, in terms of the required skill sets, and the right people to be at the table, must have been wrong, if there weren't the appropriate people around the table—yes? You're looking very quizzical. It must have been, mustn't it? I mean, there was no-one there with a finance background, no-one there with a commercial background, no-one there with a HR background. I mean, it's ridiculous, isn't it? What's wrong with your processes in terms of board appointments?

[249] **Dr Goodall:** It's a public appointments process that takes place. The recommendation goes to the Minister. That's—

[250] **Darren Millar:** But why weren't those recommendations better suited to making sure that there was the right skill set around this table? That's the point I'm making.

[251] **Dr Goodall:** There are public appointees who do this, and the chair is involved in the process, and it comes forward as a recommendation. The skill sets need to have people applying with the skill sets in the first place, and if—

[252] **Darren Millar:** If they don't apply, you just stick another advert out, don't you?

[253] **Dr Goodall:** But Betsi had continued to not be able to fill some of these individual areas of deficit because there wasn't an interest. We've been able to put that right recently with the recent appointments. And, actually, going back to the recruitment concerns that were addressed, as we went through the last round of independent members appointments, through that public appointments process, there was actually a good range of applicants that were made for Betsi. And, irrespective of all the focus that that organisation has had, I would hope that there was ability to—

[254] **Darren Millar:** So, just to clarify this—and I'd like this confirmed in writing—there were no applicants with a financial background, a commercial background, in previous board appointment rounds, that could have filled posts around that table in order to diversify the mix of skills that were at the table at the time when these problems were occurring?

[255] **Dr Goodall:** Chair, we'd have to go away and review that, and check with—

[256] **Darren Millar:** Please, and send us a note.

[257] **Dr Goodall:** But, given that other boards in Wales were able to appoint to some of these posts, the tendency in Wales was that, if you didn't have somebody who came forward, for example, with the requisite ICT skills, you were unable to make that appointment at that time. I know that chairs had some opportunity in the past, where they could look to different levels of experience, sometimes, if they were simply unable, at various points, to continue, so that they were actually able to add to the board governance aspect at this time. We will review the detail for you.

[258] **Darren Millar:** I find it astonishing. I mean, if this were the business world, this company would have gone bust a long time ago, if it didn't have people with appropriate skills on finance, HR, et cetera. I'm astonished that the process recommended to the Minister to make appointments without people being around that table with the appropriate skill set. Jenny, did you want to come in?

[259] **Dr Goodall:** Chair, I will clarify the situation.

[260] **Darren Millar:** I look forward to receiving that.

[261] **Jenny Rathbone:** I just have one further question—and I reiterate what the Chair has

also said—which is around the handling of complaints. I was very disturbed to see that the previous chief executive decided to move the handling of complaints from the nurse director, with all the clinical knowledge that she has, to the corporate services director, who's not clinically qualified and who might not be able to exercise the same influence with clinical staff and complainants that the nurse director has clearly demonstrated. I would reiterate that concern, and I wondered whether the complaints are still being handled by somebody who doesn't have a clinical background.

[262] **Dr Goodall:** I think there are different choices across Wales. I think, certainly, as we look at outstanding worries and concerns, I would first of all acknowledge that, with some of the problems that Betsi Cadwaladr had had around its complaints handling, I do think the nurse director has led a very different process, has tried to deal with what was, effectively, a backlog of complaints, to try to put it in good order at this stage, and I think we should acknowledge that progress that was made. Again, organisations can make different choices about issues. I chose to have the complaints handling reporting to me when I had my previous chief executive role, in the sense that I needed to make sure I was discharging that very personally on behalf of the organisation, but it was always with some oversight that came through the clinical arena, to make sure that that was robust. So, boards always need to choose some of their own structures, but, for me, the best practice representation would be that still being handled, with all of the background that we've had for Betsi, through those clinical eyes, and we will be picking that up as an individual issue.

[263] **Jenny Rathbone:** Okay. Obviously, what the nurse director seemed to have been doing was to ensure that everybody learnt from complaints, which is, ultimately, what we need to do.

[264] **Dr Goodall:** Which is what our expectation would be.

[265] **Jenny Rathbone:** And, I suppose, finally, one of the most worrying aspects of the out-of-hours report was that there were three district nurses who had been on full pay for three years without having had their disciplinary procedures either upheld or not found to be upheld. How could that have happened—that it took three years to deal with the suspension of somebody who, apparently, was not fit for the job?

[266] **Dr Goodall:** I wouldn't wish to defend that. I think we should have an expectation that disciplinary processes happen as quickly as possible. Issues can be complicated, sometimes, by other environments; if it involves professional referral, for example, to the General Medical Council or to the Nursing and Midwifery Council, then that, in itself, can add some delays; if it's the subject of a police investigation, then that can add issues, but my own belief is that, for both the organisation's sake and for the individual's sake, the disciplinary processes should be used to very quickly move people through in order to get to a resolution.

[267] **Jenny Rathbone:** If we haven't got the ability to actually hear the complaint, then we shouldn't be suspending people. It's complete madness to suspend them without the capacity to give them a fair process.

[268] **Darren Millar:** Of the three individuals that Jenny's referring to, none of them were referred to regulatory bodies or the police, were they?

[269] **Dr Goodall:** I'm talking generally about the events.

[270] **Darren Millar:** Okay, but just to put that on the record.

[271] **Dr Goodall:** I've also said that I wouldn't seek to defend that kind of delay that's

happened in that respect; I would have an expectation for that to happen. In respect of your issue that people shouldn't be suspended if you can't deal with it quickly, I think people need to be suspended and put through a disciplinary process if it's the right thing in the interests of the organisation and the individual. Of course, if there are clinical concerns that are being expressed, there will be moments when, maybe, you can place people on other duties, but that, actually, will be about the nature of the complaint and the concern in the first place. Organisations, however, should ensure that they have got the capacity to respond to those issues at the same time.

[272] **Jenny Rathbone:** So, what is the Welsh Government doing to speed up the disciplinary process? I appreciate that some of these professional bodies like to be involved, but there's got to be a much tighter process, because, unfortunately, this is not restricted to Betsi Cadwaladr; there are other concerns I have around Cardiff and Vale—my own health board. So, what is the plan of the Welsh Government to actually ensure that, when disciplinary procedures are commenced, they actually are terminated and completed in a timely manner?

[273] **Dr Goodall:** We set our expectations; we've made sure that the all-Wales disciplinary policy is actually in place and is there to be used, with some very specific examples. There were some concerns about outstanding issues with doctors' disciplinary processes, for example, in Wales. What we've managed to do is to intervene in that in order to get an agreement, which is now in place, with the British Medical Association so that that becomes clear, because it was starting to get in the way of some of the potential progress that could be made in disciplinary procedures.

[274] **Jenny Rathbone:** It was certainly costing the taxpayer a huge amount of money. How is the agreement that you've now reached with the BMA actually going to improve things?

[275] **Dr Goodall:** It lays out a very clear process, with timescales, with timetables, so that we can move people through as quickly as possible.

[276] **Jenny Rathbone:** May we see them, because that's a really important part of the concerns that we have?

[277] **Dr Goodall:** I'm happy to give you a note on the disciplinary policy for medical staff. I'll say that we did negotiate that and make sure that that was dealt with, with BMA colleagues in Wales, as well.

[278] **Darren Millar:** With that note, could you tell us how you monitor compliance with that new disciplinary process? Julie Morgan.

[279] **Julie Morgan:** Thank you. I wanted to ask you about this issue about the change in leadership at the top of the organisation. Jenny's covered some of this already, but I was surprised when the chief executive officer was suspended, because I felt that it was a relatively short time that he'd actually been in that post, in terms of trying to take through any plans. So, first of all, I wanted to know: did you have any comments on that?

[280] **Dr Goodall:** I think the board has made an initial response to the special measures, and they've chosen to make that suspension. I'd want to say, for the record here, today, that suspension of the chief executive is, clearly, a neutral act for both himself and the organisation at this stage. I would rather, given that there'll be ongoing relationships between the organisation and the chief executive at the moment, if I didn't need to go into detail around those circumstances.

[281] **Julie Morgan:** You don't feel that you can discuss the position of the suspended chief executive; is that what you're saying?

[282] **Dr Goodall:** I believe that the board needed to take action in respect of the circumstances that they found themselves in. Clearly, what we were raising, in respect of the special measures concerns, along with others, was about the grip and the leadership tone and approach taken in the organisation, and about the pace and the progress being made.

[283] **Julie Morgan:** So, the suspension, you say, is a neutral act and it's not something like the sorts of suspensions that we've been talking about earlier on.

[284] **Dr Goodall:** I think the suspension is an action that the board has taken as part of its local governance, in response to knowing about the special measures environments and the areas that were highlighted as part of the special measures at this stage. I think it would be right to make sure that the board has to discharge its responsibility to any employee, which would include the chief executive at the moment.

[285] **Julie Morgan:** Yes, that's what I was thinking. Then, on the issue of bringing in somebody from another part of the organisation in Wales, obviously Simon Dean was at Velindre hospital in my constituency, and I was sorry that he came to—. Did he come to the Welsh Government on a temporary basis? And has he now gone on a temporary basis to Betsi Cadwaladr?

[286] **Dr Goodall:** This has been put in place that Simon has been acting as the deputy chief executive for NHS Wales, not least over this last year and a half or so. We needed to have some very quick arrangements to give stability to that organisation at the leadership level— again, to be respectful of the decision that the board took in respect of the chief executive— and we wanted to make sure that there was a very immediate response. Simon is a very experienced chief executive, as you've outlined, not least with the local context that he's had with you.

[287] **Julie Morgan:** I know. He's very highly regarded.

[288] **Dr Goodall:** His role is, really, to help us over these next several weeks and months. We've talked about the special measures initially being reviewed at four months level. Simon is not going in there as a substantive chief executive arrangement; he's going in, simply, to allow the organisation to have some clarity about the expectations on them, to help them locally discharge their governance, and make sure that there is proper support for the board on the areas of concern under the special measures.

[289] **Julie Morgan:** So, he's going in just for four months.

[290] **Dr Goodall:** He will be going in for no more, initially, than four months at this stage. Clearly, we would have to look at what the leadership requirements would be for the organisation going forward, but as I've outlined earlier, there's a mechanism in place for the chief executive locally, as well, at this stage. The most important thing for us was to make sure that, knowing that information, there needed to be action taken to give that initial stability to the organisation.

[291] **Julie Morgan:** What are the implications of him being moved from one post to another, to another?

[292] **Dr Goodall:** There will be some implications. Certainly, as we pull together a suite of support around special measures, it's to make sure that these are not just individuals being drawn from organisations across Wales—we were doing that at earlier stages of support and

escalation for Betsi in the past; we want to make sure that we can put in some dedicated support in a different way. As I said earlier, that may include bringing in some levels of support, actually, out of the Welsh context as well. Clearly, it will have some knock-on effects for the Welsh Government department at this stage. I'm working through those with the team, and with the Welsh Government, about what the potential consequences and implications are, but, clearly, Simon was supporting us and leading us in respect of an overview of performance areas and planning in Wales in that context. I'll be able to discharge some of those duties myself, but we'll be looking at what the infrastructure is within the Welsh Government team, not least for this next two, three, four-month period.

[293] **Julie Morgan:** Right, and just one last question. I think, in Ann Lloyd's report, it said about the CEO having to spend a lot of time in meetings in Cardiff. What's your comment about that?

[294] **Dr Goodall:** My comment on this—and I say this having been a chief executive previously—is that we do have responsibilities to balance delivering for local organisations and actually recognising that we need to liaise as NHS Wales together as well, but it starts first and foremost with the leadership and showing that we can have strong local organisations in place. We do expect and require chief executives and others to be able to take leads on individual issues in Wales; you'll have seen some of those through the respective committees within Welsh Government, where we have various leads being taken at this stage. Having said that, I would be expecting that chief executives spend their predominant time and attention in respect of their local organisation, even if there is a pull to some of the national priorities that we need to manoeuvre through. Often, if you discharge them, they are also in the interest of your organisation, but we would not expect that people are spending all of their time outside of their individual organisation.

[295] **Julie Morgan:** So, do you think that he was spending too much time outside the organisation?

[296] **Dr Goodall:** There was some reflection on that. I think that that would not have been our wish or expectation. Clearly, chief executives do act as leads, but they absolutely have to balance that first with their organisations, and I know that from my personal experience, having been a chief executive over the last five years in Wales.

[297] **Sandy Mewies:** Can I get some clarification please?

[298] **Darren Millar:** Very briefly, Sandy.

[299] **Sandy Mewis:** The Chair has made it very clear that the suspension of the chief executive was a neutral act. In fact, it doesn't apportion blame in any way at all. Who knows? And I'd also understood that, when special measures are brought into an organisation, that the chief accounting officer is the person who would be suspended, because I think that there's a bit of a misunderstanding here about the whys and wherefores of it. I would like also to tell you that when I was talking about recruitment, I wasn't particularly concerned about recruitment to the board, but recruitment of the people who work in our hospitals.

[300] **Darren Millar:** Okay, just very briefly. Can you confirm that that is the case, that this is a suspension as part of the natural course of events when special measures are announced? Can we expect these of other boards going into special measures in the future?

[301] **Dr Goodall:** I think that the special measures did highlight concerns around leadership, around assurance and about pace and progress. Obviously, there are some general issues of concern around the leadership and the particular focus and priorities, but it's not always the case, under special measures, that that means that you would have that sort of

response. Certainly, if we look at the experiences of special measures across the United Kingdom—

[302] **Darren Millar:** So, it's not neutral then, is it?

[303] **Dr Goodall:** It can be an outcome, but it may not be.

[304] **Darren Millar:** I'm sorry, but how can it be neutral, then, if it's not always going to be the case under special measures? You're suggesting that this is a neutral act, and yet on the other hand you're saying, 'But under these circumstances, it's appropriate'.

10:45

[305] **Dr Goodall:** I'm saying that the organisation has a responsibility as employer and to its employee at this stage, and they have acted in response to the special measures concerns. The question—

[306] **Sandy Mewies:** The chair says it—. The chair's written to me to say it's a neutral act—

[307] **Dr Goodall:** They have to discharge their responsibilities as an employer to any employee within the organisation, and that would include the chief executive. From a UK basis, though, special measures do not always lead to the fact that a chief executive may lead in the specific circumstances. So, we need to make sure that, whatever actions are taking place, they are appropriate to the environment for any organisation in that level. What I would say in the Welsh context though is that this is the first time that special measures have been put in place within the NHS in Wales, and therefore it's a very serious—

[308] **Sandy Mewies:** I suppose local authorities—

[309] **Dr Goodall:** —and of significant concern.

[310] **Sandy Mewies:** —would be what people would look at.

[311] **Darren Millar:** Just on the recruitment issue, obviously it's a very big question, but to what extent do you feel this may impact on recruitment? What are you doing to guard against that? I think that was the—

[312] **Dr Goodall:** My general worry for any organisation is to make sure that, whatever level of escalation they're in, they are able to give confidence in progress and are able to articulate the level of response that is happening. I think my worry in Betsi at this stage is that they've not been able to really convey that sufficiently, particularly over this most recent period of time. I think, from a staff perspective, it's important to make sure that, if there are problems that they are aware of or that are highlighted, they see that they are at least being tackled, because that, in itself, can be a recruitment block. I would worry that, if we are not able to show confidence in some of the approaches, as for any organisation in Wales, people clearly have other choices of the kind of organisation that they want to go to, and they will make their own choices at this stage. I think we have a collective responsibility, and this includes Welsh Government, to make sure we can be very firm and clear about the future that we expect for Betsi Cadwaladr, and that should allow us to make sure that we can appoint the high-quality staff that the north Wales population deserves. So, we'll very much need to keep an eye on that at this stage. Betsi is able to be recruiting in a number of different areas at this stage, but we do keep it as a regular item under discussion with the health board at this stage, and, if there are any worries and concerns, we will pick them up.

[313] **Darren Millar:** Mike, very briefly.

[314] **Mike Hedges:** Very briefly. What you're doing in the health service in Wales, of course, is you're managing expenditure growth. We talk about cuts, but you're actually managing expenditure growth, aren't you? Two questions. When we looked at Betsi Cadwaladr before, the budget that was set by the board was considered a bit of an advisory, but it didn't really matter because that was the first stage of a negotiating position when you were to get more money. Is that still the case? Is it not good practice, if people are continually overspending, to remove their ability to spend?

[315] **Dr Goodall:** Well, I think we've tried to just break this perception and cycle over the last two or three years or so. The three-year planning cycle, the financial flexibilities that were introduced, not least with legislation, were all targeted at doing this. Whatever concerns there were about perceptions that people would almost bide their time to wait for some availability of funds, I do think that environment's generally changed. We have now got a difference emerging between organisations that can now say that they are in approved plan status versus non-approved. They have access to funds in a bit of a different way. The one thing that did not happen last year with organisations that breached their financial duties was that they were not given the money to allow them, organisationally, to actually manage within their resources. That was something that was held back in the centre to make sure that it was explicitly known that they had not delivered within their financial proposals.

[316] **Mike Hedges:** Sorry, but my question was specifically about internal organisation and Betsi Cadwaladr in particular where, historically, the position was that the financial plans were agreed by the board, but then they weren't agreed by the people on the receiving end of it. Isn't it good practice, if people are overspending, to just take their power away from them to spend and make somebody higher up the hierarchy sign off all expenditure? That concentrates the mind, in my opinion.

[317] **Dr Goodall:** I think having accountability and governance in place and down through the structures is absolutely right. I think that in the best performance that we've got in Wales around financial organisations, that is an infrastructure that is in place.

[318] **Darren Millar:** Okay, Mike? Aled.

[319] **Aled Roberts:** Sandy mentioned that the people in north Wales have to have their confidence in Betsi restored. I think, to be honest with you, the more I read these reports, the more I think that NHS Wales also have a job to restore confidence, because enhanced monitoring doesn't appear to have brought any real improvement in governance as far as Betsi's concerned. You mentioned that it's not normal practice for Government officials or NHS Wales officials to attend board meetings. Do you actually get minutes of all board meetings and minutes of senior management team meetings? Is there a particular officer? Is it like local government where there's a link officer within NHS Wales for Betsi? Because I think that, if your enhanced monitoring actually allows minutes, such as those of the senior management team meetings in the mental health service—. I'm going to read some things. On the serious untoward incidents—

[320] **Darren Millar:** Can you be very brief?

[321] **Aled Roberts:** Yes. I will be brief, but I think it's worth noting this. On training et cetera:

[322] 'No commitments from trainees. 2 meetings already cancelled. Tomorrow's meeting looking likely to be cancelled. AGREED—...to write to...'

[323] Then, on 'Quality and Safety Priorities—Governance':

[324] 'We don't have a pathway, we should have a pathway around admissions, we have a problem because we don't have a pathway. We should have a moratorium on Out of hour's admissions, we have had a few problems. Don't know if we've told YGC'—

[325] that's Ysbyty Glan Clwyd—

[326] 'we need to get'

[327] so-and-so and so-and-so

[328] 'to write short information paper...Every admission needs to be seen by a consultant...asked for this paper to go to CPG Board in May...gave a cautionary note, CPG are so detached from this Review...has tried to keep hold of it, offering his services and attend the Steering Groups.'

[329] Agreed action:

[330] 'to discuss at Ops meeting today and ask for somebody to complete paper'.

[331] I have to say, if I was sitting in NHS Wales and was reading this from senior management teams under enhanced monitoring for this service, I think I would need to be asking more questions than clearly were asked at the time.

[332] **Darren Millar:** Okay. Can you also—? We've obviously seen a copy of the report into GP out-of-hours services as well. There is a lot of information. There's an appendix at the back, which refers again to the sorts of meetings, notes and exchanges—you know, things agreed to be done that weren't followed up on. Can you tell us how you monitor the effectiveness of the governance arrangements and any follow-up on anything that's agreed?

[333] **Dr Goodall:** I would really not wish to give the impression that the only contact points we have is standing back twice a year and thinking about Betsi Cadwaladr in an escalation meeting. The level of contact that we have routinely is significant across Wales for any organisation. The level of contact that we've had as officials, as teams, with support going into Betsi, has been enhanced and of a different level over this recent period of time. We do need to make sure that the boards are the starting point for governance arrangements. We are in a Welsh system, which is spending £6.7 billion and having millions of contacts a year on health services, and we do have a mechanism in place that is about discharging these governance arrangements through the organisations that we've established in Wales. That is the model that we've actually set up.

[334] We do need to rely on the systems being in place to actually make sure that the appropriate information does feature. So, if there are serious incidents and events there are mechanisms whereby we get a hold on them. But we do have discussions and detail around quality. They involve the chief medical officer and they involve the local teams. We do have detailed conversations around performance and expectations, and it would not be practical to be able to monitor every aspect of operational performance for the whole of Wales in those sets of circumstances. Having said that, the examples that you give just do give an insight and a worry about the general concerns that have led to the organisation being under special measures, which is about the grip, the attention and the practical actions that do need to be in place.

[335] Sorry, Chair; I forgot your second point—

[336] **Darren Millar:** We were talking about the link with out-of-hours. We were scheduled, obviously, to look at some unscheduled care issues today, which is why Dr Robinson is here. We have very limited time to be able to do that. Dr Robinson, if you are available next week, we'd be very happy to take some evidence from you next week.

[337] **Dr Robinson:** Well, I'll have to check, Chair, because I've got clinical commitments.

[338] **Darren Millar:** Okay. I completely understand. In that case, perhaps you could just give us a brief response to some of the issues that were identified in the GP out-of-hours report. It was very clear that information was travelling weekly back to the Welsh Government in terms of the failure of the board to meet its monitoring standards. There was failure to collect information, and that was being reported back, or not being reported back, to the Welsh Government and yet there was absolutely nothing on your radar in terms of there being any concerns about GP out-of-hours services. What on earth are your monitoring arrangements like? You're telling us we can be confident in them, and that you've got good governance.

[339] **Dr Goodall:** Well, from a national basis, out-of-hours services pick up nearly 600,000 patient contacts a year, so it's an enormous—

[340] **Darren Millar:** Look, I'm not interested in that. I'm interested in you collecting information from Betsi Cadwaladr. Dr Robinson, you're the lead on this. The GP out-of-hours service is an incredibly important part of unscheduled care systems across the country. We've seen all the pressures that we've had in emergency departments—some of that is as a result of the failure of GP out-of-hours services to properly meet demand. Can you tell us, given the information that's travelling back to the Welsh Government on a weekly basis—that's what the report said—why on earth this wasn't subject to any sort of additional monitoring, and what you're actually doing with the information, given that it was clear they were failing on every single measure?

[341] **Dr Robinson:** Okay. So, the first thing is to entirely accept that GP out-of-hours services have been under pressure, and have been failing to perform adequately in north Wales, and I haven't come here to try and convince you otherwise. There have been regular contacts, as the director general has been outlining, between the Welsh Government and that organisation, which aren't confined to monitoring. So, the fact that it was under pressure was not a surprise.

[342] I suppose the one point I would want to make is that the picture is not unremittingly bleak. The main contacts that I have are with the clinicians who are involved in the service, and it's important to balance what I entirely agree is a negative picture here with the fact that there is significant progress being made in some areas. The out-of-hours service have been working very well with the ambulance service, and pioneering new models, involving training paramedics, and delivering out-of-hours care. So, I have been involved in that side of it, and was aware that the service was under pressure.

[343] **Darren Millar:** Okay. So, you were aware that the service was under pressure and was failing by every single measure that it's measured against, in terms of the performance standards, yet it was not the subject of enhanced monitoring, it was not subject to any kind of targeted intervention, and it's not part of the special measures arrangements. Why not?

[344] **Dr Goodall:** It is part of the special measures arrangements.

[345] **Darren Millar:** Oh, it is?

[346] **Dr Goodall:** It is one of the aspects that have been outlined in the special measures

mechanism as the outcome, and traction and progress on there was an issue, so that is where we've reflected. On the general approach to out-of-hours services at this stage, we issued new standards back in May last year. We wrote in the autumn. We have refreshed that recently. And we were aware of the intentions of the board to commission the review, because of the underlying concerns on the service, and we were aware that that would allow us to have further assurance, as Welsh Government, about the actions to be taken, rather than set up a series of different actions at this stage. But it is under the special measures mechanisms, and it is one of the areas that has been included to be highlighted.

[347] **Darren Millar:** But, basically, the board wasn't even recording some of the data that it was supposed to be sending to you.

[348] **Dr Goodall:** New standards came in last May. We had expectations the boards would be stepping up with those; they've had some system problems on some of the issues, so it's a data collection issue on some of the areas. There are also some service pressures that we had. It was quite clear from the unscheduled care telephone calls and teleconferences happening across Wales that there were some particular days when there were pressures and problems within the north Wales system. We are expecting that the action plan being put in place now responds, not just to the report itself, but actually the new standards that were put in place last May. So, we'll be continuing our ongoing monitoring of progress around those areas.

[349] **Darren Millar:** So—. Go on, Aled.

[350] **Aled Roberts:** The failings are actually against 2006 standards. So, in 2014, they were failing on 10 of the standards.

[351] **Darren Millar:** Which is all of them.

[352] **Dr Goodall:** Yes.

[353] **Darren Millar:** Just to clarify.

[354] **Jocelyn Davies:** All of them?

[355] **Darren Millar:** Every single one.

[356] **Aled Roberts:** Do you have any observations as well on the situation in Wrexham, where people were being triaged into either out-of-hours services, or accident and emergency, and, when they were nearing the four-hour cut-off, they were being transferred to the other side of the department?

[357] **Darren Millar:** Just before you answer that—I'll let you answer that question—it's obviously almost 11 o'clock, which is the end of our session. I would be grateful, Dr Robinson, if you could consider your availability next week to attend the Public Accounts Committee meeting. We could make a slot available in our meeting next week for that, and, obviously, we will want to consider the evidence that we've taken this morning. But, I'll allow you to answer that question very briefly, and then we'll close this meeting.

[358] **Dr Goodall:** I would find it difficult to comment on the operational aspects of that. We can check some of the details, not least with the organisation itself.

[359] **Aled Roberts:** Can I just check one other issue before next week? How does the dignity and essential care inspection into accident and emergency at Wrexham interact with the out-of-hours service, because there are issues in there that—? I think there are issues as to how the board is reacting. If you look at their action plan, their action plan raises more issues

than solutions.

[360] **Dr Goodall:** We'd expect it to be dealt with, broadly, in the same environment. Yes, there are discrete issues on these DECI's, but they would have been looking at the system performance, and that would have included the liaison with out-of-hours as well. We can make sure that we align the two things together.

[361] **Darren Millar:** Okay. I'm afraid that the clock has beaten us. I'm going to defer all further items until our meeting next week, and draw the meeting to a close. Thank you very much to Dr Goodall, Dr Robinson and Joanna Jordan for your attendance. You'll be sent a copy of the transcript of today's proceedings. If there are any inaccuracies in there, please let the clerks know. And, obviously, you'll also have a note on the additional information that you've promised to provide the committee. Thank you.

[362] **Dr Goodall:** Thank you. Diolch yn fawr.

*Daeth y cyfarfod i ben am 10:59.
The meeting ended at 10:59.*