

30 October 2015

## Public Accounts Committee – Health Board Governance

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

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

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

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

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

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

### **Self-assessment**

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

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

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

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

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

## Governance reviews

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

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

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

### a) Betsi Cadwaladr University Health Board

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

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

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

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

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

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

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

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

#### b) Cwm Taf University Health Board

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

#### c) General observations

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

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

### Front line inspections

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

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

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

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

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

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

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

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

**Delivery of Safe and Effective Care:**

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

**Quality of Management and Leadership:**

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

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

### The importance of collaboration

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

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

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

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

## Purpose

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

## Values

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

## Outcomes

### **Provide assurance:**

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

### **Promote improvement:**

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

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

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

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

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