

Structured Assessment 2021 (Phase One) – Operational Planning Arrangements – Betsi Cadwaladr University Health Board

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Summary report

About this report

- 1 This report sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at Betsi Cadwaladr University Health Board. Our Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2014.
- 2 Health bodies are required to submit a three-year Integrated Medium-Term Plan (IMTP) to the Welsh Government on an annual basis. In January 2020, health bodies submitted IMTPs, covering the period 2020-2023, for approval. However, the Welsh Government suspended the process for approving IMTPs to allow health bodies to focus on responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic.
- 3 The Minister for Health, Social Services and Sport set out shorter planning cycles for health bodies covering 2020-21. Guidance set out key considerations for planning, with the requirement for health bodies to produce a quarter one plan by 18 May 2020, a quarter two plan by 3 July 2020, and a combined plan covering quarter three and four by 19 October 2020.
- 4 The planning framework for quarter three and four 2020-21 covers the maintenance of effective and efficient operational planning arrangements in health bodies to guide their continuing response to the pandemic as well as responding to winter pressures and the implications of EU transition. Health bodies also need to continue to lay the foundations for effective recovery beyond 2020-21.
- 5 In our [2020 Structured Assessment report](#) we considered the Health Board's planning arrangements for developing the quarter one and two plans. This report considers the planning arrangements underpinning the development of the operational plan for quarter three and four of 2020-21 and the 2021-22 annual plan.

Key messages

- 7 Overall, **we found that the Health Board had improving short-term planning arrangements and is refreshing its strategy to help drive improvement, service recovery and sustainability.**
- 8 The Health Board's Quarter 3-4 plan broadly met the Welsh Government's guidance requirements. The plan focussed on the four COVID harms and included modelling and scenario planning to help inform the Health Board's capacity to respond to any surge in COVID-19 over the winter. The Quarter 3-4 plan provided a good link between previous plans, carrying over actions and projects not fully completed, and longer-term challenges such as restarting and recovering services. The Health Board also demonstrated that it learnt from previous short-term planning approaches, and prepared, engaged and approved the plan in a timelier way.
- 9 The Health Board set out a logical approach for developing its Annual Plan 2021-22. Their ambition was to pull together strategic intent (top down) and service planning (bottom up). This was a desirable but, in retrospect, challenging approach to take, because pandemic pressures on service delivery limited the capacity of key service management to engage in the planning process. There are significant challenges ahead, and the Health Board needs to ensure future service recovery and longer-term service sustainability. Current plans set out steps needed to increase service capacity with the aim of recovering performance. The Health Board is also planning to renew/refresh the existing strategy. There remain both risks and opportunities including engaging the public, staff and population as part of planning, building sufficient programme and planning capacity. Enablers such as workforce, digital and estates also need sufficient resource which is aligned to delivery of strategic objectives.
- 10 There are arrangements for scrutiny and assurance of plan delivery at Board level as well as regular reporting of progress to both the Strategy, Partnerships and Population Health and Finance and Performance committees. There is still a need to better describe the impact of delivery of programmes and initiatives set out in the plans. The Health Board is undertaking work to improve how it reports on the progress of delivering its plans. This is fundamental if the Board is to fully understand whether its investments and initiatives are leading to the desired improvement.

Recommendations

- 11 Previous structured assessment report recommendations remain in progress. In many areas the actions were paused because of the pandemic. As a result, we have made no additional recommendations arising from this audit. We will undertake phase 2 of the structured assessment later this year and this will include a follow-up of all outstanding structured assessment recommendations.

Detailed report

Scope and coverage of the 2020-21 quarter three-four plan

- 12 Our work considered the scope and coverage of the Health Board's 2020-21 quarter three-four plan (the Quarter 3-4 plan) in line with Welsh Government planning guidance. We found **the Health Board's Quarter 3-4 plan broadly met the Welsh Government's guidance requirements and was based around the four COVID-19 harms, risk, and ongoing improvement initiatives.**
- 13 The scale and nature of the pandemic significantly altered the planning landscape for the Health Board in 2020-21. In our [2020 Structured Assessment report](#), we highlighted some of the challenges that the Health Board experienced developing operational plans, such as the short timescales between preparation and Board approval. The Health Board learnt from earlier quarterly planning and improved the timeliness of Board level scrutiny of the Quarter 3-4 plan, prior to approval. The Strategy, Partnerships and Population Health Committee scrutinised the Quarter 3-4 plan on 1 October 2020. The Health Board submitted the Quarter 3-4 plan and a fully completed 'Minimum Dataset' to the Welsh Government by the required deadline, 19 October 2020. Formal Board approval occurred on 12 November 2020. Like other health bodies, the Board did not receive formal feedback from the Welsh Government.
- 14 The Quarter 3-4 plan broadly met the scope required by the Welsh Government and the plan aligned well with the seasonal winter plan which was produced at the same time. In general, there is good overall coverage in the Quarter 3-4 plan which is both a progression of the first two quarterly plans and provides some aspects of the future/longer-term direction of the Health Board. As such, there is a reasonable balance between short-term pressures and wider service change. We did note, however, very limited coverage on finances in the Quarter 3-4 plan itself. Because of this, it is not clear whether key aspects of the plan were affordable or whether other choices would have offered better value.
- 15 There is improving information supporting the development of plans. The Health Board undertook scenario planning and forecasting based on Swansea University data analytic models for surge demand. This led to scenario models which linked to the extent of COVID-19 infection over the winter. Capacity and demand information has also helped to shape initiatives such as the diagnostic and treatment centre proposals (see **paragraph 17**).
- 16 The Quarter 3-4 plan included analysis of core and surge capacity available within its normal sites and the temporary rainbow hospitals, supported by the completion of the Welsh Government's 'Annex D' dataset. The analysis indicated the potential to increase surge capacity and the timescale required to introduce it. The Health Board focussed on short-term workforce modelling if additional winter capacity was required or resources were impacted by infection/unavailability over the winter period. The plan recognised the toll of COVID-19 on the workforce, and the need to continue to focus on mental health, traumatic stress, and wellbeing of staff.

- 17 The Quarter 3-4 plan set the context of the four harms relating to COVID-19. This helped to balance focus between COVID-19 direct care, the need to maintain essential services and prioritise patients with the most urgent needs. Examples include:
- a health-board-wide risk stratification approach applied to patients waiting to access outpatients or inpatients/day cases to ensure that the highest priority patients are offered appointments at the soonest opportunity;
 - delivery of 'essential services' supported by work to re-design and re-model services and, in some areas, additional investment;
 - recognition of the growing backlog in delays and, as a result, developing a diagnostic and treatment centre model to help provide the capacity necessary to recover services in the medium-term; and
 - ensuring continued access to primary care services, and communicating these, options for self-care and promoting COVID-19 vaccination.
- 18 The Quarter 3-4 plan sets out long-term outcomes, however, in many instances the measures defined are not good indicators of whether an outcome will be achieved. This is particularly notable in the domain of planned care. Actions are specific, have defined senior level owners, and are timebound, but in many instances 'outputs' are described in a way which will make it difficult to assess the impact achieved. We also note that the assessment of risks to delivery of actions could be strengthened. This would help the Board to understand not only the extent of ambition, but also where delivery of the plan may be hindered by risks within or outside the control of the Health Board.
- 19 While there are points for improvement, the plan provided a mechanism to focus improvement activity across the Health Board, is sufficiently comprehensive for a short-term plan. Its contents broadly align with our understanding of the key risks and challenges facing the Health Board at that point in time.
- 20 Health Board officers indicated that the process of quarterly planning has been helpful and commented on the ability to compare and contrast with other health boards over 2020-21. They also told us that while short-term plans help responsiveness and adaptability to the pandemic, there is a risk that very short planning cycles do not create the necessary space for creating meaningful change and improvement. This is an area that the Health Board continues to navigate as it balances short-term pandemic response, restarting core services and multi-year service recovery.

Arrangements for developing the annual plan and opportunities for future strategy development

- 21 Our work considered the Health Board's arrangements for developing the 2021-22 Annual Plan and wider strategy and programme capacity. We found that **there are reasonable arrangements for developing operational plans but significant challenges ahead that will require ambitious strategy and plans in the medium to long term.**
- 22 The Health Board has both a planning workstream and a planning group. The planning workstream includes senior management and service leads. The planning group includes representatives from informatics, workforce, finance and planning. When developing the 2021-22 Annual Plan (the Annual Plan), the Health Board's planning workstream considered the impact of COVID-19 during the autumn and adopted an initial annual planning approach based on a principle of collective internal engagement. The ambition was to pull together strategic intent (top down) and service planning (bottom up). This was a desirable but, in retrospect, challenging approach to take. The original intent of the Health Board was to prepare a board-approved Annual Plan by January 2021. However, growth of COVID-19 in December and January had a significant effect on key divisional/service management capacity to contribute to Annual Plan development. This in part contributed to the delay in the planning timetable.
- 23 We noted little evidence of external partner engagement as part of plan development, but within the plan, there are clear requirements for external engagement over the coming 12 months. New ways of working are incorporated in the Annual Plan. The Health Board is in the process of developing and agreeing a digital strategy and this has been shaped by engagement with staff, the public and partners. The engagement on the digital strategy has helped the Health Board recognise the opportunity to continue to develop digitally enabled clinical services, and the need to prevent digital exclusion for those who do not have access to or find it difficult to use new technology. It has resulted in a digital strategy approach which is shaped around patient choice.
- 24 The Strategy, Partnerships and Population Health Committee and wider board members had the opportunity to discuss and comment on the emerging Annual Plan in February 2021 and it was also later taken to the Finance and Performance Committee in March. The Board formally received the draft 2021-22 Annual Plan in its private session on 30 March 2021 and approved it for submission to the Welsh Government.
- 25 Strategy and planning are core domains within the Welsh Government's targeted intervention escalation framework¹. The Health Board intends to refresh the Living Healthier Staying Well strategy during 2021. Strategy renewal provides the

¹ [Welsh Government's targeted intervention framework for Betsi Cadwaladr University Health Board](#)

opportunity to obtain a balance of focus across acute, community and primary care as well as meeting wider population level commissioning needs. Key risks and improvement areas for the Health Board are:

- the continued challenge to respond to the pandemic, the significant need to recover and develop sustainable services and wider contribution, in partnership, to population health and wellbeing.
- the need for clear objectives, which properly link to Wellbeing of Future Generations Act (Wales) 2015 requirements and set out ambitions and achievable goals.
- organisational plans that clearly align to the overall strategy, contributing to the delivery of its objectives. Clinical (and wider) engagement remains a pre-requisite of service change proposals.
- the need for a robust programme delivery structure and methodology supported by sufficient capacity and resource.
- sufficient internal planning capacity and expertise. The loss/churn of interim management which continues to occur may impact on the continuity of longer-term programmes.
- workforce, digital and estates all need to be sufficiently resourced to effectively enable service improvement and modernisation.

26 In our 2020 structured assessment report, we highlighted areas where the Health Board had responded well to the pandemic, setting up programme structures and aligning accountabilities around core workstreams. The effort was united around an urgent need to respond to the impact of COVID-19. The Health Board can draw on this experience and the capabilities it demonstrated as it tackles the challenges ahead, particularly in relation to the recovery of health services.

Arrangements for monitoring delivery of operational plans

27 Our work considered the Health Board's arrangements for monitoring and reporting on the delivery of the operational plans. **We found that there are appropriate arrangements for scrutiny and assurance of plan delivery and progress reports to committee are being refined to better help understand the business benefits.**

28 There are arrangements in place for Board scrutiny and assurance of delivery of operational plans at both the Finance and Performance Committee and the Strategy, Partnerships & Population Health Committee. Reporting progress on the delivery of the Quarter 3-4 plan continued at each committee meeting throughout the period November 2020 to March 2021. This scrutiny helped to ensure that undelivered aspects of the Quarter 2 plan continued to be monitored, where required. Officers have indicated that because of COVID-19 peaks over the winter, some aspects of the Quarter 3-4 Plan were not progressing as originally expected,

but the delivery of these aspects will continue to be monitored in 2021-22. We note there is often good scrutiny from independent members asking for more information on impact, reasons for non-achievement, recovery actions and the timescale required to complete these actions.

- 29 In our [2020 Structured Assessment report](#), we identified that the approach for monitoring plans was improving, but we identified a need to improve the focus on outcomes. Recommendation 3 of that report set out a requirement to 'Ensure that impacts and outcomes achieved as a result of delivery of actions are appropriately articulated within quarterly and Annual Plan monitoring reports. This may require strengthening of underpinning business benefits analysis processes.'
- 30 While there has been a slight improvement since previous iterations of monitoring reports, our review of more recent monitoring reports has found that against some actions it is still difficult to see the extent of delivery, and whether the intended outcome/impact has been achieved. We understand that the Health Board intends to strengthen the plan monitoring reports in spring 2021.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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