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Structured Assessment 2018 – **Betsi Cadwaladr University Health Board**

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About this report

1 This report sets out the findings from the Auditor General's 2018 structured assessment work at Betsi Cadwaladr University Health Board (the Health Board). The work has been undertaken to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2014, to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency and effectiveness in their use of resources.

2 Our 2018 structured assessment work has included interviews with officers and Independent Members, observations at board and committee meetings and reviews of relevant documents, performance and financial data. We also conducted a survey of board members across all health boards and NHS trusts. Eight of the 22 board members invited to take part at the Health Board responded. As the survey response rate is limited, we have used the results alongside our interviews and observations to inform our evaluation, rather than report findings based solely on survey responses.

3 This year's structured assessment work follows similar themes to previous years' work, although we have broadened the scope to include commentary on arrangements relating to procurement, asset management and improving efficiency and productivity. The report groups our findings under three themes – the Health Board's governance arrangements, its approach to strategic planning and the wider arrangements that support the efficient, effective and economical use of resources. The report concludes with our recommendations.

4 Appendix 1 summarises the action that has been taken to address previous year's structured assessment recommendations.

Background

5 The Health Board is currently in special measures under the NHS Wales Escalation and Intervention Framework. As part of the special measures arrangements, the Health Board is expected to secure improvements in the areas of leadership and governance, strategic and service planning, mental health and primary care including out of hours services. This reflects ongoing challenges in a number of key areas including its ability to produce an approvable and financially balanced Integrated Medium-Term Plan (IMTP), fragility of primary care and mental health services, and concerns about specific aspects of its performance.

6 The Health Board reported a financial deficit of £38 million at the end of 2017-18. A growing year-on-year cumulative deficit stood at £88 million at the end of March 2018. The Health Board was not able to produce an IMTP that was approvable by Welsh Ministers in 2017-18 and is currently working to a one-year operational plan. The Health Board is failing to meet key targets set by the Welsh Government for time spent in A&E as well as referral-to-treatment targets, although the latter is improving. There is also a growing and significant backlog of follow-up outpatients. In contrast, we have seen some signs of improvement in relation to healthcare-associated infection rates and a strengthening focus on quality, which the Health Board will need to build upon.

7 The Health Board also received reports from HASCAS[1] (May 2018) and Ockenden[2] (July 2018) on the quality of care and governance arrangements for the Tawel Fan Mental Health Ward. The Health Board has recently established an Improvement Group to respond to the 15 recommendations in the HASCAS report and the 14 recommendations in the Ockenden Governance Review. We have not commented on the effectiveness of those groups in this report as they are in their early phases.

8 During the last 12 months, there has been some turnover at the Board level both in respect of executives and Independent Members. The previous Chair completed their term so there is a new Chair. The role of chief operating officer role was removed, and those responsibilities redistributed amongst the executive team. The Board has also reintroduced the post of Executive Director of Primary and Community Care, which should help to drive strategic improvements in this important area.

9 Our 2017 structured assessment acknowledged the Health Board was facing significant ongoing challenges in respect of its finances and performance. We also identified that the Health Board continued to evolve its corporate arrangements for governance, financial management, strategy development and workforce planning but those arrangements had not sufficiently enabled the Health Board to be where it needed to be with its finances and performance.

10 This report provides a commentary on key aspects of progress and issues arising since our last structured assessment review. This report should therefore be read with consideration to **our previous review**.

Main conclusion

11 Our main conclusion is **while the Health Board is strengthening its governance and management arrangements, it continues to struggle to develop financially sustainable medium-term plans and improve priority areas of performance**.

12 We describe several factors that contribute to the position on finances and performance throughout this report. The Health Board cannot improve its position significantly without making changes to key aspects of services; disinvesting in estate that is not fit for purpose or good value for public money and strengthening the way it works with partners to develop community and preventative services.

13 The findings which underpin our overall conclusion are considered in more detail in the following sections. The Health Board has made progress against previous recommendations, but in many areas, they still need further work to address in full. This is highlighted throughout the report and cross-referenced with a summary of overall progress against recommendations in Appendix 1.

[1] Link to the HASCAS report into the care and treatment on Tawel Fan ward: http://www.wales.nhs.uk/sitesplus/861/document/324118

[2] Link to the Ockenden report on the governance arrangements relating to Tawel Fan: http://www.wales.nhs.uk/sitesplus/861/page/75258

Governance

14 As in previous years, our structured assessment work has examined the Health Board's governance arrangements. We comment on the way in which the Board and its sub-committees conduct their business, and the extent to which organisational structures are supporting good governance and clear accountabilities. We also looked at the information that the Board and its committees receive to help it oversee and challenge performance and monitor the achievement of organisational objectives. We have drawn upon results from our survey of board members to help understand where things are working well, and where there is scope to strengthen arrangements.

15 We found that **the Health Board is strengthening its governance and management arrangements, but it needs to focus on the key strategic goals to overcome significant challenges**.

Conducting business effectively

16 We looked at how the Board organises itself to support the effective conduct of business. **We found the Health Board has good arrangements to support board and committee effectiveness, and shows recent signs of strengthened scrutiny, and is working to develop a strong focus on fewer but key priorities**.

17 Sound governance arrangements are fundamental to help provide strategic direction, challenge the effectiveness of delivery and ensure that corrective actions resolve issues where they arise. The Board and committees have a good 'cycle of business' approach that ensures key aspects are covered in the agenda. The administration of the Board meeting is generally good, and it is clear when decisions are made and there is recording of decisions. There is a good flow of assurance and risk between the committees and the Board. This includes a formal mechanism to escalate assurances, risks and issues, and sufficient time is routinely given at the Board to enable committee chairs to present matters arising.

18 The Board has agreed three strategic programmes: care for more serious health needs (acute services), care closer to home, and health inequalities and health improvement. While there is a good focus on acute services, and an improving focus on community care and aspects of primary care, it is not clear that reducing health inequalities and health improvement is yet an equal priority of the Board. Improving population health will be a significant factor in the long-term demand for healthcare. We identify later in this report that there are many objectives, aims, priorities and priority actions described in strategies and plans. The Board recognises the need to focus on a reduced number of fundamental priorities. The executive team has taken this forward with the wider Board and published these at the October Board.

19 The quality of board-level scrutiny has been quite variable during the year but has recently become more focussed and challenging both at the Board and across committees. Scrutiny and challenge in committees have generally been good and have improved over the last couple of months. However, we found that over the last 12 months, committees have not consistently challenged those responsible for delivery. Instead, challenge has focussed on corporate enablers such as central finance, central performance and central planning teams. We have now started to see committees take a firmer stance, call in those responsible for the delivery of finances, performance and operating plan actions,

and call those back in where they have not provided necessary assurance on progress. Over time, this should strengthen accountability for improvement.

20 There have been several changes to board membership over the last 12 months. We have seen strengthened challenge, accountability and improving focus to shape core priorities since the new Chair took up their role at the beginning of September. The changes to board membership have, however, left the board with no Independent Member with a specialty in finance. As a result, the Board is looking to supplement financial skills by commissioning bespoke support. This should help strengthen independent financial expertise. It should also help to support and challenge the financial sustainability of services for example.

21 We understand that new Independent Members have completed an initial induction and will shortly participate in the national induction programme. The Health Board recently issued an invitation to tender for a 2019 board development programme. The requirements of the proposed programme are clear, but a shortage of tenders resulted in the need to reassess options.

22 With the turnover of board members, the number of board member walkabouts and ward visits has reduced over the last six months. We have been told that this programme restarted in November to support new independent member orientation, but also, importantly, to listen to staff, observe services, understand pressures and consider quality of services.

23 We have previously challenged the intensive frequency of meetings. In September 2018, the Board agreed to reduce the frequency of board meetings and some of the committees' meetings. It has reviewed and changed the terms of reference for its Finance and Performance Committee (Recommendation 8, 2017), and has created an Information Governance and Informatics Committee. This should help balance the workload of the Finance and Performance Committee, and fewer meetings of the Board and some committees should provide the space to concentrate on delivering priorities and have greater impact.

Managing risks to achieving strategic priorities

24 We looked at the Board's approach to assuring itself that risks to achieving priorities are well managed. We found that **work is still ongoing to develop a board assurance framework and supporting risk management processes; this is now being helpfully supported by a comprehensive underpinning legislative assurance framework**.

25 The Health Board has continued to develop its board assurance map. This work has been ongoing for some time, although the Health Board is now more logically linking existing objectives to sources of assurance. At present, the way some of those objectives are described makes it difficult to identify the required assurance. In general, the Health Board has continued to make progress, but assurance mapping has been slowed by a lack of an approved IMTP with clear objectives (Recommendation 2, 2016). Underpinning the Board Assurance Framework, the Health Board has now created a Legislation Assurance Framework. This is a positive development and includes a comprehensive review of all primary and secondary legislative requirements (over 600 Acts and measures). The Health Board has determined the aspects which are relevant to each division and is seeking assurance in those aspects from the divisions.

26 In general, the strategic risk management arrangements are fit for purpose. The Health Board has, however, delayed its review of the risk management strategy to ensure roles and responsibilities align

to the Scheme of Reservation and Delegation being updated in November 2018. Risk management is core to the operation of the Board, and the board appropriately delegates accountability for oversight of corporate risks to the relevant committees. The committees then actively review those risks and summarise the risks, assurances received and the sufficiency of that assurance in their committee annual reports. The Health Board recognises it needs to focus more on risk appetite and is undertaking a development session on this in December. It should be noted that a review of the operation of risk management arrangements within divisions and teams was beyond the scope of our structured assessment work.

Embedding a sound system of assurance

27 We also examined whether the Health Board has an effective system of internal control to support board assurance. We found that **while formal internal controls are in place, there needs to be stronger accountability for the delivery of financial, performance and service change plans within divisions**.

28 Our work has identified that Standing Orders are up to date, while the Scheme of Reservation and Delegation will be revised in November 2018 to reflect changes in accountability at an executive level. The Standing Financial Instructions follow the 2016 all-Wales model and will be updated in line with ongoing national work.

29 There has been good work on the Register of Interest, Gifts and Hospitality which has seen strengthening of management controls and embedding the use of an electronic system to record and monitor declarations. This has resulted in better compliance compared to 12 months ago. The Audit Committee has reviewed both the Register of Interests and Declarations of Gifts and Hospitality and continues to focus on these and associated policies, particularly where exceptions have been reported.

30 We considered the work of Internal Audit, the Local Counter Fraud service and the Post-Payment Verification team[3]. We found a well-focussed programme of work for each, with sufficient resources for delivery, and effective approaches for reporting assurances or concerns. We also considered the progress made in addressing our recommendation on clinical audit. However, our work indicates that the approach for local clinical audit planning has not significantly improved, and the resulting assurance reporting arrangements are limited. There remains much opportunity to utilise local clinical audit to provide key assurances on the Health Board's priority quality aims and risks (Recommendation 9, 2017).

31 The Health Board continues to strengthen its quality governance arrangements. The Health Board's harms quality dashboard is now providing a stronger focus on specific aspects of possible harm and it enables triangulation between indicators to understand possible patterns and trends. The Health Board is also in the process of introducing ward-level whiteboards to provide staff and patients with quality information related to ward performance. Our interviews indicate that operational quality and safety groups are improving, and there is now a better flow of risks, issues and assurance from these groups into the executive level Quality and Safety Group, and then into the Quality and Safety Committee. **Putting Things Right** processes and complaints response arrangements are slowly

[3] Link to more information on post-payment verification: http://www.primarycareservices.wales.nhs.uk/ppv

improving, but there is more to do to ensure timeliness of response and ensure lessons are learnt and applied across operational services and sites (Recommendations 4 and 5, 2016). This has been a longstanding area that we have been concerned about since 2016 and further improvement is needed. Performance against many of the Health Board's quality indicators is broadly the same as it was 12 months ago, but some improvements to healthcare associated infection rates are evident and now need to be sustained and built upon. We compared the latest available data on quality (August 2018) with the same period for last year. Acknowledging there are fluctuations throughout the year, there has been improvement in C. Difficile rates, MRSA rates and MRSA and MSSA cases reported in month. However, the incidence of healthcare-acquired pressure ulcers has increased slightly and requires a greater focus.

32 We reviewed performance management arrangements. While there is a clear, logical and formal approach for performance management, it has not resulted in the required improvements in performance. We heard frequently during interviews and identified in our board and committee observations some opportunities to strengthen performance accountability and focus more on the timeliness and impact of remedial action for poor performance. We also considered the breadth of performance information provided to Board and Committees. We agree with the Board's own assessment that the formats of performance reports make it hard to focus on the priorities. The Health Board is now in the process of reviewing its performance management arrangements and reports for the Board and committees. The full Board reviewed the developing arrangements at its development day in October 2018. We also note the move of the performance team into the portfolio of the new Director of Planning and Performance. The full Board reviewed the developing arrangements at a workshop in October 2018. This move should enable a stronger focus that brings together service planning and its impact on operational performance. We further describe performance against some specific national indicators later in the report.

33 The Health Board has now embedded its process for tracking Internal Audit and External Audit recommendations and reporting actions to the Audit Committee. Its monitoring system allows the progress against target deadlines to be reported. Where progress is not sufficient, the system issues automated reminders to officers. The approach is providing an improved understanding on progress against recommendations and has enabled the Audit Committee to challenge senior management where progress is not sufficient. There may be opportunity to utilise this system to co-ordinate the action in response to other inspections and external reviews such as Healthcare Inspectorate Wales and Ombudsman reports. This approach would help support delivery of recommendation 10 of the recent Ockenden review on Tawel Fan and could provide additional assurance into the Quality and Safety Committee.

34 Information governance arrangements are being further strengthened, with the Health Board taking a proactive approach to preparing and responding to the requirements of the General Data Protection Regulations (GDPR). However, more work is needed to fully complete information asset registers, improve staff training rates and update required policies and procedures to achieve full compliance. Staff compliance with the mandatory national information governance training programme can be improved from the current 79% towards the target compliance rate of 95%. The Health Board invited the Information Commissioner's Office (ICO) to undertake a review of its data protection arrangements. This review provided reasonable assurance over governance and accountability for data protection arrangements and records management. However, the ICO reported a limited

assurance assessment on personal data access, and work is in progress to address these recommendations.

35 The Health Board has had an external cybersecurity assessment which identified improvement actions. The Health Board is also responding to these recommendations and in doing so updating security patches and replacing unsupported software and hardware. Cybersecurity arrangements and resourcing are being strengthened by establishing a specialist team to bolster resilience and incident response plans. The Health Board needs to ensure that its ICT disaster recovery plans are updated for recent changes to the ICT infrastructure.

Ensuring organisational design supports effective governance

36 We looked at how the Health Board organises itself to deliver strategic objectives collectively while ensuring clear lines of accountability for delivery. We found that **gaps in management capacity have limited the extent and pace of improvement, particularly in secondary care, but changes to executive roles and lines of accountability create a better spread of responsibilities across the executive team**.

37 The Health Board has not made significant changes to its overall operational structure since our last review. However, there are changes to lines of accountability at an executive level including:

- removing the role of Chief Operating Officer, and redistributing those responsibilities amongst the executive team;
- **re**-establishing the role of **Executive** Director of Primary and Community Care;
- responsibility for the secondary care division resting with the **Executive** Director of Nursing; and
- movement of the performance team to the **newly appointed Executive** Director of Planning and Performance.

38 These revised arrangements should help to provide a better spread of responsibility amongst the Executive Directors. The Health Board should keep these arrangements under review to ensure that executive officers maximise their collective and individual contribution.

39 We highlighted in previous years' work concerns about capacity within services and the ability to secure improvements and service change. The Health Board, with the financial support of the Welsh Government, is strengthening the management capacity in its Secondary Care Division (Recommendation 10c, 2017). In addition to speciality-based operational managers, a clinical, nursing and management triumvirate has been added, focused solely on emergency and urgent-care access. Those arrangements should help strengthen well-needed clinical engagement, but this remains an ongoing challenge (more information on clinical engagement arrangements can be found in Appendix 1, Recommendation 10e, 2017). Overall, the new management positions should create a consistent structure across the acute hospital sites and the posts will be recruited to over the autumn. This should help provide the required capacity and capability to proactively drive service management and improvement.

Strategic planning

40 Our work examined how the Board engages partners and sets strategic direction for the organisation. We assessed how well the Health Board plans the delivery of its objectives, finances, workforce and other resources. We considered the extent that plans are sufficiently joined up, both externally and internally and if they are realistic and time bound. Finally, we wanted to know if the Health Board is monitoring progress with these plans effectively. We found that **while strategic planning arrangements are developing, these have yet to result in an approvable Integrated Medium Term Plan and the Health Board's approach to monitoring the delivery of its existing plans has not been strong enough.**

Setting the strategic direction

41 We looked at how the Board goes about setting its priorities having engaged with key stakeholders and whether agreed objectives are clearly defined in strategic plans. We found that **the Health Board's engagement approach continues to develop and inform strategy development but there is a need for greater clarity on the shape of services**.

42 The Health Board has a comprehensive engagement approach that both seeks feedback on strategic aims and priorities, and the shape of services. The Health Board has continued its public engagement approach[4], enabling the public to provide their views, volunteer, join a group and respond to specific surveys. For example, the Health Board is currently seeking feedback on outpatients' services. The Health Board's 2017-2019 engagement strategy identifies four public engagement aims. These focus on building public confidence in the Health Board and driving greater public and patient involvement. This work aligns to a special measures improvement requirement and the approach reflects the National Principles for Engagement produced by Participation Cymru. The Health Board has agreed to engage at individual service, locality area, and whole of north Wales levels. The aim of this is to focus effort, discussions and development of services on the most relevant area of the population and involve key stakeholders.

43 The Health Board agreed its 10-year 'Living Healthier Staying Well[5]' strategy in March 2018. It sets out a logical argument for change, highlights the Health Board's wellbeing objectives and recognises that the Health Board needs to focus more on outcomes. The strategy identifies three main programmes:

- Health Improvement and Health Inequalities
- Care Closer to Home
- Care for more serious health needs (in general, acute based services)

44 The Board has, through a number of development sessions, agreed its corporate objectives and has assessed the objectives and recognises that they are, in part, aligned to wellbeing goals. The strategy provides a high-level intent for the direction of travel for services, but it does not provide the detail on the shape of services. The Health Board will need to ensure greater clarity is arrived at during the 2019-2022 IMTP development.

[4] Betsi Cadwaladr UHB engagement website: https://www.bcugetinvolved.wales/

[5] 'Living Healthier Staying Well': https://www.bcugetinvolved.wales/lhsw

45 A continuing challenge the Health Board faces is aligning an organisational strategy to strategies of partner organisations at both a Health Board and sub-regional level. Our observations of the Board and committees, and findings from interviews indicate that the Health Board is putting more emphasis on partnership working and building relationships with key partners. the Health Board is strengthening its representation at partnership fora and has also appointed a second third-sector Independent Member.

Developing plans

46 We considered the Health Board's approach to developing its annual and medium-term plans, and whether the approach is underpinned by appropriate analyses of costs, resources and potential savings. We found that **whilst the Health Board has strengthened its planning approach, it has not yet been able to generate an approvable IMTP; it has the ambition to do this for the 2019-2022 IMTP round although this will present a significant challenge for the Health Board**.

47 Throughout 2017, the Health Board had a clear and agreed planning approach, which helped to co-ordinate plan development activity. This approach has helped to focus planning efforts, but it did not result in the Welsh Government approving the draft IMTP in 2018. In the absence of an approved IMTP, the Health Board has been working to an annual operating plan (Recommendation 6, 2016). It has, however, developed a three-year plan which positively sets a longer timeframe upon which services will change, in lieu of an IMTP. Whilst the Board endorsed the three-year plan in March 2018, it did not sign off the annual operating plan until July 2018, making delivery of it within the 2018-19 financial year challenging. Our review of the three-year plan and annual operating plan indicate that in general they contain too many objectives, priorities and actions, which makes it difficult to plan for delivery. The plan clearly identifies savings and which aspects are funded and unfunded (Recommendation 4 and 7, 2017). This clarity on funding is helpful, however, the plan does not indicate the implication for the Health Board where workstreams are unfunded, for example, a few health improvement and health inequalities initiatives.

48 At present, the Health Board still does not have an agreed clinical strategy. The Living Healthier Staying Well 10-year strategy provides a high-level framework, but this does not set out the preferred clinical models going forward in sufficient detail. Nevertheless, there are a growing number of clinical plans for individual services which are at various stages. These include:

- the Sub-Regional Neonatal Intensive Care Centre, which has now been implemented;
- centralising vascular services;
- development of orthopaedics plan and ophthalmology plans;
- proposals for hyper-acute stroke services; and
- intention to introduce robotic surgery for urology services.

While work is progressing, it is important that greater clarity is provided around the future models of specialist services. This clarity is needed if the medical and non-medical workforce, acute and community estate, technology and medical equipment requirements are to be effectively planned. We first highlighted the urgent need for an agreed clinical strategy to support the delivery of clinically and financially sustainable services in our 2013 joint review of governance arrangements with Healthcare Inspectorate Wales. The Health Board is aiming to provide greater detail on clinical models as part of the IMTP process for 2019-2022.

49 Senior management indicated that sufficient central resource is available to support IMTP development. However, findings from our interviews highlighted opportunities to adopt a business partner model like that used by the finance department. The existing planning model is devolved and requires division and directorate engagement and ownership. In some divisions this has been reasonably successful but was more problematic where there have been changes to key management posts and where services have been under significant ongoing pressure and demand, such as secondary care.

50 The Health Board is now starting the IMTP development process for the period 2019-2022, building upon the existing population and service demand analysis. Preparation of an IMTP that is approvable by Welsh Ministers by the required deadline will clearly present a significant challenge for the Health Board. Our work this year indicates that there needs to be a better focus on a smaller set of core priorities, better grouping into deliverable service change programmes and clearer description of future service models and programme milestones. Moreover, the long-standing financial deficit is likely to create a significant risk to the approval of an IMTP.

51 The Health Board has had some additional funds to support its turnaround function (Recommendation 10b, 2017). These funds have been provided on a fixed two-year basis. The Director of Turnaround was appointed in April 2018 and is now in the process of developing the turnaround function, which will include the current programme management office, the improvement team and some additional temporary capacity if required. The turnaround function is currently focussed on financial recovery, but in our view will need to start to focus on transformation to enable sustainable service models.

Monitoring delivery of the strategic plan

52 Finally, we looked at whether progress with implementing current plans and supporting strategic change programmes is effectively monitored. We found that **arrangements to monitor delivery of the annual operating plan have not ensured effective delivery of it**.

53 As part of our review we considered the level of scrutiny and challenge on Annual Operating Plan (AOP) delivery as well as the content of the plans which are presented to the Strategy, Partnerships and Population Health Committee and the Board. Until recently, the central planning team presented progress against plans and was held to account by the Strategy, Partnerships and Population Health Committee. This did not ensure effective delivery of plans. Of the 615 actions in the 2017-18 annual operating plan only 56% were delivered, and as at the end of quarter 1 for 2018-19, only 51% of the 110 quarter 1 actions were delivered. This clearly demonstrates that existing monitoring and accountability approaches are not driving effective delivery of agreed plans. We have seen some improvement recently with the committee clearly highlighting concerns about pace of progress and also holding divisional management to account on their plan delivery responsibilities. However, the absence of formal tracking of delivery of the plan at Board level is a concern. The Health Board needs to ensure that the oversight of its overarching plan for delivery of improved and sustainable services and population health improvement is core to its business.

54 We also found that the content of the AOP progress reports do not enable effective monitoring. The plan progress reports are lengthy, and their content makes it hard to determine the consequence of non-delivery from last year on the current year's plan, on pace of change or whether intended benefits have been realised (Recommendation 10f, 2017). The central planning team is encouraging a stronger focus on the quality of business cases. This may provide clearer identification of desired

outcomes and, therefore, enable better monitoring of progress against expected outcomes and business benefits.

Wider arrangements that support the efficient, effective and economic use of resources

55 Efficient, effective and economical use of resources largely depends on the arrangements the organisation has for managing its workforce, its finances and other physical assets. In this section we comment on those arrangements, and on the action that the Health Board is taking to maximise efficiency and productivity. We also examine if the Health Board is procuring goods and services well.

56 We found that **the Health Board is continuing to experience significant challenges in managing its workforce, finances and physical assets, and it needs to develop a more transformational approach to improve service performance and efficiency.**

Managing the workforce

57 The workforce is the Health Board's biggest asset, not least because pay represents such a significant proportion of expenditure. It is important that the workforce is well managed and productive because staff are critical for day-to-day service delivery and for delivering efficiency savings and quality improvements. Our work identified that **new executive leadership and a commitment to develop a workforce strategy by the end of 2018 create an opportunity to address a number of existing and challenging workforce issues.**

58 The following table shows how the Health Board is performing in relation to some key measures compared with the Wales average.

Exhibit 1: performance against key workforce measures, July 2018[6]

Workforce measures	Health Board	Wales average
Sickness absence	4.9%	5.3%
Turnover	8.7%[7]	6.9%
Vacancy	2.7%	2.6%
Appraisals	66%	67%
Statutory and mandatory training	85%	73%

Source: NHS Wales Workforce Dashboard, Health Education and Improvement Wales

[6] Sickness: rolling 12-month average at July 2018; Turnover (Excluding Medical and Dental): 12-month period July 2017 to June 2018; Vacancy: advertised during July 2018; Appraisal: preceding 12 months; Statutory and mandatory training: at July 2018.

[7] This staff turnover figure includes Medical and Dental trainees. Health Board data for the month of July 2018 indicates an 8.1% turnover rate excluding Medical and Dental trainees.

59 Exhibit 1 shows that the Health Board's performance is better than average on sickness absence and statutory training, but unplanned staff turnover is a problem. This is a particular concern for medical and dental staff whose turnover rate is over 10%, and recruitment and retention remain a significant challenge across some acute specialties, primary care and nursing. At present, this is resulting in high temporary staff usage which, although reducing remains a significant challenge for the Health Board.

60 Resources to support recruitment have improved slightly (Recommendation 11b, 2017), with some additional temporary recruitment officers in place until December 2018. We understand that this has started to help co-ordinate effort and create better and more appealing offers to potential applicants for hard-to-fill places such as training or research opportunities, or exposure to different clinical case-mix. The Health Board has continued with its ongoing Train.Work.Live.[8] recruitment approach to help attract staff to North Wales. In addition, the project search[9], and step-into-work initiatives continue to enable work experience placements. In many instances, these lead to recruitment into positions where candidates may otherwise have had difficulty gaining these opportunities. The Health Board has developed a new retention process which involves staff interviews once they have notified their intention to leave. This approach might mean some of these staff are retained and should enable lessons to be learnt and applied to help reduce the turnover rate.

61 A continuing challenge is securing medical and other health professional training placements in North Wales. This has led to a lack of potential candidates coming through formal training routes which then translates into shortages of candidates for permanent substantive posts. The Health Board needs to develop solutions for the short, medium and long-term and work strategically with Healthcare Education Improvement Wales, and key partners in south Wales, within the north Wales region and with the north-West of England (Recommendation 11a, 2017).

62 The Health Board has put arrangements in place to meet the requirements of the Nurse Staffing (Wales) Act 2016, but there remain ongoing challenges to ensuring sufficient levels of nurse staffing, because of shortfalls of available staff and increased service demand. The Act, however, has provided a positive standard which senior nursing management are using to prioritise the quality of care.

63 The Health Board has undertaken a training needs survey and analysis at middle/senior management level. The analysis identifies the top 20 development needs (ranked) as well as the development/training delivery methods. These include the Proud to Lead framework including senior leadership masterclasses, modular workshops, active learning sets, coaching and mentoring, executive cohort sponsorship and post programme review (Recommendation 12, 2017). The training needs have been translated into a work programme delivered in co-operation with private-sector providers and education institutes such as Coleg Cambria and locally co-ordinated programmes in Conwy Business Centre.

64 Our work indicates that consultant job planning is progressing reasonably well across the organisation, and central support arrangements have enabled an improvement from 40% to 61% in nine months, albeit some sites are performing better than others. There is more to do to:

- address the variation in compliance and to strengthen overall compliance (80% or above); and
- use consultant job planning at a team level to enable service modernisation and efficiency.

[8] Train work live: https://www.trainworklivenorthwales.co.uk/

[9] Project search: http://www.wales.nhs.uk/sitesplus/861/news/49548

65 Staff engagement development is ongoing and some of the successes in the Health Board include the Seren Betsi monthly award[10] and the annual staff awards ceremony. The 2016-2018 staff engagement strategy focussed on several areas including staff engagement, Proud to Lead leadership development and involvement in locally developed 'discover, debate and deliver' exercises. In addition to the biennial NHS staff survey, the Health Board is starting quarterly staff surveys in the autumn on a rolling basis in different parts of the organisation (Recommendation 5, 2016). The 2018 NHS staff survey indicates that there has been a continued improvement in 2018 from the 2013 and 2016 NHS staff surveys. Improvements include the measure on overall staff engagement, staff advocacy and recommendation and ability to contribute toward improvements at work. There are some areas where the Health Board also needs to focus on, including work-related stress, bullying and harassment from patients, and the need for the Executive to communicate a clear vision. The Health Board has set out a clear timescale for the next three months to develop improvement plans.

66 The workforce department has a newly appointed Executive Director of Workforce and OD, replacing interim management arrangements. With the appointment has come greater clarity on the function and structure of the workforce teams, how they operate, work together and on departmental priorities. The new structure should bring together approaches for developing and managing the temporary workforce. There is currently no workforce strategy in place, but the department is working to prepare this by December 2018, to inform the 2019-2022 IMTP. We understand it will be supported by an establishment review and workforce modelling and service planning where possible (Recommendation 10d, 2017).

Managing the finances

67 We considered financial and budget management, financial controls, and operational support and processes. We found that **whilst aspects of financial governance and management are improving, the Health Board is projecting a significant year-end deficit and is still some way from being able to reach a position of financial balance.**

68 The Health Board's financial position remains a significant and long-term challenge. For the year 2017-18, the Health Board reported a £38.8 million deficit against the revenue resource limit, and for 2018-19 it is predicting a £35 million deficit after taking account of a planned £45 million in savings and efficiencies. In the absence of an IMTP with clear workforce and service models, the Health Board does not currently have a financial strategy, and its financial plans do not take a long enough view to help focus on recurring efficiencies or creating economy through transformation of services. Without a viable financial plan for the next three years it is unlikely that a 2019-2022 IMTP will be approvable.

69 Our annual accounts work has consistently identified that the Health Board has adequate budgetary financial management and control arrangements. The controls are designed to ensure clear lines of delegated budgetary responsibility, ensure accuracy of operational financial reporting, drive compliance to required financial standards and legislation. However, we are not yet clear that there is sufficient financial accountability in place and, irrespective of the control arrangements in place, the Health Board continues to overspend against its allocation.

[10] Seren Betsi: http://www.wales.nhs.uk/sitesplus/861/page/92953

70 Over the past 12 months, the finance team has continued to support budget holders through financial business partners, training and financial information. In addition, the finance team alongside the newly developing turnaround function and programme management office has adopted an improving approach to help strengthen financial savings arrangements (Recommendation 3, 2017). There were clearer savings plans earlier in the 2018-19 year than in previous years, but unplanned cost growth driven by demand for unscheduled care and mental health care packages during the year remains a challenge. This growth places greater pressure on saving schemes to recover the financial position. All savings schemes are subject to quality impact assessments which are signed off by the clinical executives (Recommendation 5, 2017). We understand that the impact assessments are highlighted to the Quality, Safety and Experience Committee where the process identifies a concern regarding quality, although we have not undertaken specific work to assess the robustness of these arrangements.

71 The Health Board has strengthened its use of its project management system, which helps track and manage savings schemes. This has helped to free the capacity of the Programme Management Office to start to focus more on efficiencies which should become more prominent for the next financial year. However, current savings approaches continue to rely on schemes focussed within the 12-month period and are weighted towards the back end of the year. (Recommendation 1, 2017). The Health Board needs to focus more and earlier on recurring savings and clinical productivity. We comment more on this issue later in this report.

72 Financial reporting to the Finance and Performance Committee has improved, with information that better highlights pockets of concern. The Committee's turnaround report is starting to extend the focus and intent beyond short-term cost controls and towards efficiencies. Turnaround arrangements include divisional monitoring and weekly accountability meetings and escalation processes. Over the coming months, the Health Board should reflect on the effectiveness of these arrangements to ensure they are impactful (Recommendation 6, 2017).

73 The Health Board's procurement arrangements are largely devolved to the NHS Wales Shared Services Partnership. There is an all-Wales Procurement Strategy, and this is underpinned by an all-Wales business plan. There is an overarching service level agreement between the Shared Services Partnership and the Health Board, but we understand the Health Board does not use it proactively to manage the 'contractual' relationship. We understand that the Health Board has good day-to-day relationships with the procurement service, focused on operational procurement and procurement cost reduction. However, it could adopt a more strategic approach to use procurement to help deliver wellbeing of future generation objectives and focus more on assets coming to end of life and better overall long-term value. This approach may require a richer skill mix and higher resource in the procurement team and/or an enhanced contribution and role by the finance department.

Improving performance, efficiency and productivity

74 We looked at what the organisation is doing to improve performance, efficiency and productivity. We found that: **the Health Board is not delivering against key access targets and service productivity and efficiency needs to be improved.**

Key waiting-time targets

75 The Health Board has had a challenging year, and **while some performance metrics have improved, meeting waiting-time targets, particularly for time spent in emergency departments, remains a significant challenge**. The Health Board is failing to deliver against its four-hour emergency department waiting-time target, having recorded a significant deterioration over the summer. Combined emergency department and minor injury unit performance as at October 2018 is 70.6% of patients seen within four hours, with the greatest pressure being felt in Ysbyty Maelor and Ysbyty Glan Clwyd whose performance is 54.1% and 58.5% respectively. This indicates both the overall extent of demand, and also the capacity and efficiency of the wider unscheduled care system and in-hospital patient flow.

76 The Health Board's own analysis indicates seasonal peaks during the summer at two sites. We understand that this seasonal effect is proportionately higher than other major health boards in Wales. While the overall emergency department attendance rate is slightly lower in winter than in the summer[11], it is likely that the acuity of patients may be greater over that period. This suggests that summer and winter unscheduled care plans need to be shaped according to patterns of attendance, for example, trauma or medical presentation, frailty, disease, and time of demand. The Board is now making unscheduled care its key priority. It has already invested some significant resource to address immediate performance concerns, and remodel services to achieve better patient flow and community-based services.

77 With regards to scheduled care, there has been improvement in comparison to last year with a small reduction in 26 and 36-week referral-to-treatment wait target breaches. This improvement has been supported by additional funding from the Welsh Government. However, the impact of that funding has not been as significant as was planned and may result in some financial claw-back if agreed target performance is not met.

78 Follow-up outpatients are a growing concern for the Health Board. The number of follow-up outpatients with a delayed appointment increased from 70,530 in August 2017 to 85,164 in August 2018. Welsh Patient Administration System (WPAS) system implementation issues are partly responsible for the increase in delays, but the extent of the increase is a concern. Over the last 12 months, we have also seen some deterioration in urgent suspected cancer performance, but some improvement in relation to GP out-of-hours access and stroke performance measures.

Productivity and efficiency

79 Our work this year has considered the Health Board's efficiency and productivity arrangements. Our findings indicate that **the Health Board actively engages in benchmarking exercises and clubs to identify areas where there are inefficiencies, but it needs to become better at securing improvements in efficiency and productivity**. This work is supported by benchmark costing undertaken by a costing team in the finance department, and performance analysis of productivity and efficiency by the central performance and improvement teams. The Health Board has good and improving information on efficiency and productivity. However, there is less clarity on the extent to

[11] StatsWales data on the Health Board's unscheduled care activity can be found at the following link https://statswales.gov.wales/v/Elaf

which this intelligence is being used to target savings, service change, productivity improvements and clinical decision making.

80 As part of our review, we considered information from NHS benchmarking and compared them to the benchmark group and all-Wales average. They indicate that generally:

- day-case rates are better than average;
- day-of-surgery admission rates are better than average; but
- average lengths of stay are higher than average.

81 We also considered the Health Board's surgical productivity benchmarking approach. Their ATOM tool provides a good mechanism to support service planning and determine inefficiencies. It has the potential to inform discussion on continuous improvement with clinicians. The tool provides a forecast of session activity and productivity plans against 'best in class'. At present the Health Board plans many of its sessions at below the best in class rates, and the actual productivity is between 5% and 10% short of those plans. This indicates that for some surgical specialties, there remains room for improvement in productivity.

82 The Health Board recognises its need to make efficiencies and has a number of workstreams to improve efficiency which should deliver both cash and non-cash savings. These include:

- theatre efficiency;
- reduction in length of stay, hospital-initiated cancellations and 'did not attends';
- community hospital length of stay and improving acute to community flow;
- primary-care clinical variation, focussing on inappropriate primary-care referrals;
- secondary-care clinical variation, although that workstream does not appear to sufficiently focus on productivity.

83 At present, these approaches are not having the desired effect in terms of delivering cashable efficiencies. The Health Board needs to continue to pursue where opportunities are the greatest and where this helps support financially sustainable services in the longer term.

84 Some of these efficiencies can be achieved through better operational management focus and processes. But, the greatest potential for improvement will be through effective clinically led innovation, clinical decision making, clinical productivity and prudent and value-based service models. A Value Steering Group has been created which includes executive team leadership and a range of appropriate members. The committee has agreed to focus on CT Colonoscopy and Diabetes, seeking to make changes which demonstrate improved outcomes and better value. The Health Board should then be able to use these demonstrator projects to support and encourage improvement (Recommendation 2, 2017).

Use of informatics to support service delivery

85 We assessed the Health Board's arrangements to utilise technology to support service delivery. Our work identified that **there is a good strategic approach in the informatics service, but this will require focussed investment and there also needs to be stronger oversight on the effect of national system risks on the Health Board**.

86 The Health Board has an agreed five-year informatics strategic outline programme. This was first produced and agreed in late 2016. It is currently being redrafted and reprioritised in line with Health

Board priorities and budget availability. The work of the informatics department has been overseen by the Finance and Performance Committee over the past 12 months but will soon be overseen by the new Information Governance and Informatics Committee. Overall informatics resources were increased in 2017-18 and the new server rooms at the Wrexham Maelor and Glan Clwyd sites are a positive investment. However, there remain several risks relating to medical records storage, and delays in national systems. For example, the national roll-out of the Welsh Community Care Information System has been delayed and this presents a lost opportunity, because of the lack of reliable community-based service and productivity information.

87 There are several positive local initiatives and pilot projects that use technology to support patient-flow improvement, digital dictation and tele-health. At present we believe the informatics department is well managed but continues to be resource constrained (Recommendations 10d and 13, 2017). This may limit the extent to which ICT can support service change through enabling digital technologies and may also present business continuity and resilience risks because of ageing ICT infrastructure.

Managing the estate and other physical assets

88 Finally, we considered how the estate and physical assets are managed. We found that **within a context of a large legacy estate and asset base and limited discretionary capital, day-to-day administration and maintenance of assets are managed reasonably well, but there is a need for a more strategic approach**.

89 We found the Health Board has no overarching asset or estate-management strategy. Instead it has a comprehensive asset register that identifies the scale and cost of replacement. The Health Board applies a risk-management approach, overseen by an asset-management group. This arrangement helps to prioritise the limited discretionary capital allocation across estate, ICT infrastructure, medical equipment and other related assets. The Health Board flexes and responds to new priorities, for example, where urgent and unexpected health and safety risks occur, or there is unexpected equipment failure. We understand that this results in some aspects of previously planned investments being postponed. We also found:

- clear lines of accountability for managing the estate and physical assets;
- improving capital project and expenditure reporting into the Finance and Performance Committee; and
- ongoing work to update and ensure corporate policies and processes for managing asset and estate are fit for purpose.

90 There have been a number of major capital projects funded through an application process in which business cases are submitted to the Welsh Government for scrutiny. Our interviews indicated the capability to prepare large or complex capital business cases is generally good. However, the capability within divisions to prepare small to medium-sized business cases is not sufficient, and bids often result in refusal of the application. We also heard that the capital and revenue analyses which support small to medium-sized business cases were, in general, not good enough. It may be that some proposals are sound, although not sufficiently rigorous to be successful. In this case, it would be helpful for the Health Board to continue to develop such proposals (Recommendation 10a, 2017).

91 The Health Board has a large legacy estate and asset base, and while some of this is relatively new or recently refurbished, there remains a significant backlog maintenance requirement. High-risk estate

backlog maintenance is currently £49 million. We heard that some parts of the current estate are, in some circumstances, unlikely to support new service models and promote efficient ways of working, and it will be difficult to bring to the required environmental standards. The Health Board has committed to develop an estates strategy to support the IMTP, and it should look to disinvest where existing assets and estates do not provide good public value for money, and alongside this determine the opportunity for more significant capital schemes.

Recommendations

92 The areas for improvement and further development identified in this year's Structured Assessment are already either covered by recommendations from previous years' Structured Assessment work, or form part of ongoing improvement activity by the Health Board. We therefore do not intend to include a further lengthy list of recommendations in this report. However, it is important that the Health Board tackles our recommendations from previous years' work with sufficient pace and grip. We have made one further recommendation below in relation to this.

Exhibit 2: 2018 recommendation

2018 recommendation	
R1	We recommend that the Health Board sets a clear target for implementation of each of the outstanding recommendations from our previous structured assessments. As a minimum, these targets should ensure that all outstanding recommendations are implemented by the end of December 2019. In doing this, the Health Board should ensure that specific priority is given to: • change management arrangements, including programme management and monitoring; • strengthening performance and financial accountability; and • continued rollout of quality improvement initiatives.

Appendix 1

Progress implementing previous recommendations

Exhibit 3: actions in response to 2017 and outstanding previous recommendations

Recommendation	Action taken in response	Progress
2016 structured assessment recommendations		
R2 The Health Board should build upon its assurance mapping work and work towards a board assurance map to complement the corporate risk register, and ultimately the IMTP.	The Health Board has now shaped its overarching board assurance arrangements. During 2018, officers developed a board assurance map as part of a board assurance framework which was presented at Audit Committee. The pace of preparing this has been limited by not having an agreed IMTP that contains clear priorities. The board assurance map needs to be aligned to the key priorities of the Health Board as part of the 2019-2022 planning round. There has also been innovative work to develop and start to implement a legislation assurance framework.	In progress
Learning lessons R4a The Health Board should look at further steps to improve clinical leadership and ownership of Putting Things Right processes, to support the improvement needed in response times and learning from complaints, incidents and claims. R4b The Health Board should strengthen its processes for systematically reporting, cascading and implementing lessons learnt.	The Health Board has made good progress with developing stronger quality assurance arrangements and leadership. There is a multi-strand approach to quality improvement, and stronger arrangements for putting things right. A number of metrics have improved since 2016, and we are aware of a better focus on the quality of response to complaints. We are also aware that there are improved approaches to reviewing serious incidents on a weekly basis. The Health Board needs to continue to strengthen lessons learnt processes, how those lessons learnt are adopted across sites and teams, and demonstrate improvement.	In progress In progress

Recommendation	Action taken in response	Progress
2016 structured assessment recommendations		
Culture R5 Work to support a positive and open culture from ward to board needs to expand beyond the most challenged teams to help the wider organisation understand and apply positive values and behaviours.	The Executive Director of Nursing and Midwifery and Medical Director are leading on quality improvement initiatives. This includes improving work on harms, mortality, leadership walkabouts, executive 'back to floor' days in July 2018 and progress with the 'harms quality dashboard' as mentioned above. Ward-based whiteboards, which include a range of metrics, will be implemented across all wards soon. Staff engagement has been ongoing, and the last 2016 staff engagement strategy will be refreshed to respond to the results of the recent NHS staff survey and align to the developing workforce strategy. The 2016 staff engagement strategy focussed on several areas including Proud to Lead leadership development and involvement in Discover, Debate and Deliver exercises. In addition to the biennial NHS staff survey, the Health Board is also undertaking quarterly staff surveys on a rolling basis in different parts of the organisation. While there is more to do, progress in arrangements is promising, and further progress on culture, behaviour and quality should be secured through respective quality improvement and workforce strategies.	Complete
Strategy and Planning R6 The Health Board must maintain focus on developing its strategy and plans to ensure it meets its own challenging timescales.	The Health Board has agreed its Living Healthier Staying Well strategy and has developed a three-year plan. More needs to be done to translate the strategic intent into clearly defined service models supported by deliverable programmes of change and improvement. However, as the requirement to develop an IMTP is set out by the Welsh Government in response to legislation, this recommendation is closed.	Closed

Recommendation		Action taken in response	Progress
2017 structured assessment recommendations			
R1	Embed a savings approach based on targeting savings at areas where benchmarking demonstrates inefficiencies, to deliver longer-term sustainability.	Benchmarking data was used to identify the Board's savings opportunities for 2018-19. These opportunities are being progressed under the turnaround programme. There remains more to do to target savings plans on productivity and efficiency improvements, as well as shifting to lower cost service models.	In progress
R2	Identify where longer-term and sustainable efficiencies can be achieved through service modernisation and application of approaches such as value-based healthcare, productivity improvements and invest to save	A Value Steering Group has been created which includes executive team leadership and a range of appropriate members. The group has agreed to focus on CT Colonoscopy and Diabetes. Progress is needed to make changes in these areas which improve outcomes and deliver better value. The Health Board should then be able to use these as demonstrator projects to support and encourage improvement.	In progress
R3	Ensure that budget holders receive the necessary specialist support from enablers such as the Programme Management Office, workforce, procurement and informatics teams.	Budget holders are supported by financial business partners, training, financial information. A review of Corporate Services will also be undertaken with a view to ensuring that the support provided to the organisation is appropriate.	In progress
R4	Ensure that financial savings assumptions are fully integrated into annual and medium-term plans so that savings efficiencies form part of service modernisation.	The financial savings identified for 2018-19 are reflected in the organisation's annual plan. Improvement areas such as theatres, length of stay and referral improvements are supporting operational delivery and performance requirements as well as financial improvement. The Health Board has indicated that as the IMTP is developed, the turnaround programme for 2019-2022 will be embedded to ensure that financial and service deliverables are aligned.	In progress
R5	Develop an approach for providing assurance to the relevant committee where delivery of savings schemes may affect service quality or performance.	All savings schemes are subject to quality impact assessments which are signed off by the clinical executives. Where this process identifies a concern regarding potential adverse quality impacts these will be escalated to the Quality, Safety and Experience Committee with appropriate reporting for assurance.	Complete

Recommendation		Action taken in response	Progress
2017 structured assessment recommendations			
R6	Further strengthen the corporate monitoring approach to ensure it supports and enables savings plans which are slipping, and encourages longer term savings and efficiency programmes.	Monitoring of savings progress at a divisional level is in place with escalation action as required. This is effected both by direct follow-up through the Director of Turnaround and Director of Finance with the divisional directors as part of turnaround arrangements. There continues to be a need, however, for a focus on longer-term and recurring efficiencies. The Health Board needs to strengthen these arrangements.	In progress
R7	Ensure that plans presented to the Board include costed options where applicable and contain sufficient information to indicate to the Board that they are affordable in the short, medium and long term.	There is generally better financial information within the plans agreed by the Board, and identification of key areas of the plan which are unfunded. This helps inform the Board on affordability when deciding to approve or not and will be critical as part of the 2019-2022 approval process. The clarity on affordability of plans will need to be increasingly strengthened over the coming year.	In progress
R8	Review the remit of the Finance and Performance Committee with particular consideration to breadth of current responsibilities.	The remit of the Finance and Performance Committee has now been reduced to enable a stronger focus on core aspects of turnaround and improvement.	Complete
R9	Build on the Health Board's programme of clinical audit to ensure it a) aligns with quality strategy priorities and risks; b) sets out patient/quality outcomes or impact as a requirement of audit planning to help it understand the value that clinical audit is contributing and c) informs the Quality, Safety and Experience Committee with clear and focussed assurance reports.	The Health Board has not significantly altered its clinical audit planning approach or strengthened its reporting to better provide targeted assurance into the Quality, Safety and Experience Committee.	Limited progress

Recommendation	Action taken in response	Progress
2017 structured assessment recommendations		
R10 Consolidate, strengthen and sufficiently resource the change-enabling capability of the organisation.	See component parts of the recommendation (below R10a to R10f).	
R10a Ensure financial savings are embedded into change programmes and plans.	There is better identification of financial savings in the overall corporate plans, but at present there appears to be more to do to consistently identify savings within programmes, project plans and business cases.	In progress
R10b Strengthen capacity and capability within centrally managed change programmes.	The Health Board has endorsed its approach to turnaround and supported investment in additional central resources to drive critical change and savings programmes. As part of this a formal programme management approach is being established with additional staff resources to bring a consistent methodology and discipline. Potential programmes of work will be assessed in terms of capacity and capability to deliver at inception to ensure optimal delivery.	In progress
R10c Strengthen change enabling capability and capacity in divisions.	The Health Board has recognised the need to enhance managerial capacity and capability within divisions. Specific additional resource has been secured from Welsh Government to enhance capacity, particularly in secondary care. This will add capacity to focus on key change programmes as well as operational delivery. The Health Board has indicated that it has increased finance skills development, and we understand there is training commencing to support local change management capability.	In progress

Recommendation	Action taken in response	Progress
2017 structured assessment recommendations		
R10d Ensure workforce, informatics and other enabling resources are integral to change delivery arrangements.	Informatics have worked with the quality improvement team to develop a ward-level harms dashboard which provides real time information on the elements of harm reduction and quality improvement within the Quality Improvement Strategy. This real-time data is a prerequisite for quality improvement and is starting to have some impact. Informatics services are better engaging with services and have stronger clinical leadership to help shape informatics support for service change. Involvement with IMTP developments at a programme and project level, and the alignment of the informatics strategic outline plan should be priorities in the year ahead. We are also aware that the workforce team are more engaged on service modelling and design as part of this year's IMTP development, this will need to continue and contribute to the developing workforce strategy.	In progress

Recommendation	Action taken in response	Progress
2017 structured assessment recommendations		
R10e Ensure clinical engagement and leadership are integral elements within change programmes.	The Health Board has recognised its lack of clinical leadership within the Health Board both in terms of capacity and capability and has outlined several strands of work to improve arrangements. It has: • acted to strengthen structures and lines of accountability: – appointed a substantive Secondary Care Medical Director. Beneath this, secondary care clinical service leads have been appointed. – all clinical director roles in Mental Health services have now been appointed. – the newly appointed Director of Primary Care and Community Services is experienced in driving clinical transformation in primary and community settings and all primary-care cluster leads have been appointed. • developed and is delivering its internal leadership programme and extended this to all doctors. The Health Board is looking to Academi Wales for additional external training support. • involved and engaged clinicians: – driving strategy formation in vascular surgery, urology, ophthalmology, orthopaedics and stroke. – with the development of the unscheduled care 90-day plan. – in job planning, with more to do. – improving engagement in reduction of hospital-acquired infection. These new arrangements show a promising and concerted effort by the Health Board and will take time to develop and bed in.	In progress
R10f Strengthen accountability for progress against plans, including the annual operating plan and, when developed, the IMTP.	The Health Board still needs to strengthen accountability for delivery against plans, both in regards of progress against timescales and in terms of benefits realisation.	In progress

Recommendation	Action taken in response	Progress
2017 structured assessment recommendations		
R11a Work with educational partners, research partners and internal stakeholders to shape new job roles to increase the attractiveness of the job offer as part of clinical staff recruitment.	The Workforce and Organisational Development (WOD) team has good links with educational partners and continues to engage with them in respect of commissioning needs, working closely with nursing and other clinical colleagues. There are some good examples of working with the university sector, but more needs to be done to consolidate efforts and develop a more co-ordinated and strategic approach.	In progress
R11b Increase tactical recruitment capacity to support delivery of R11a.	Some additional temporary recruitment capacity was made available and continued to be funded to the end of the calendar year. The Health Board will need to review those arrangements, in line with existing operational recruitment needs, recruitment effectiveness, and workforce strategy.	In progress
R12 Strengthen middle and senior management skills to provide sufficient breadth of business and financial capability and to support succession planning.	The Health Board has undertaken training needs survey and analysis at middle/senior management level which has considered training needs by area and role. The analysis identifies the top 20 development needs (ranked) as well as the development/training delivery methods. The Proud to Lead framework includes senior leadership masterclasses, modular workshops, active learning sets, coaching and mentoring, executive cohort sponsorship and post programme review. Training needs have been translated into a work programme in co-operation with private-sector providers and education institutes such as Coleg Cambria and locally co-ordinated programmes in Conwy Business Centre.	Complete
R13 Increase investment in technology where this clearly will result in a greater level of returned cashable efficiencies or transformational economies.	Informatics have developed a strategic outline plan, which has received support from the Health Board, the Exec Team and Welsh Government. However, even though these developments could deliver significant cost reductions, the investment to implement them has not been to date available. This is being progressed with the Welsh Government through National Informatics Management Board (NIMB) and spend-to-save applications. The application for digital dictation has been successful. The framework for additional investment in technology is in place through engagement in planning an investment process, but the business case process and service engagement with the process (eg engagement with Digital Transformation Group) needs to improve to identify major technology investment.	In progress

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