

Review of Workforce Planning Arrangements – Health Education and Improvement Wales

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Contents

Summary report

About this report	4
Key workforce facts for NHS Wales	6
Key messages	7
Recommendations	9

Detailed report

Section A: HEIW's national workforce planning remit	12
Section B: Effectiveness of HEIW's own workforce planning arrangements	20

Appendices

Appendix 1 – Audit methods	24
Appendix 2 – Organisational response to audit recommendations	26

Summary report

About this report

- 1 An effectively planned workforce is fundamental to providing good quality care services. Over the years there have been well documented concerns about the sustainability of the NHS workforce. Concerns around workforce challenges are also routinely highlighted to us in our audit reviews and ongoing engagement with health bodies. Despite an overall increase in NHS workers, these concerns remain. The workforce gaps are particularly acute for certain professions such as GPs, nurses, radiologists, paediatricians and ophthalmologists ([A Picture of Healthcare, 2021](#)). In nursing alone, our recent analysis drawn from health body data requests indicates there are around 2,600 nursing and midwifery vacancies¹. The pandemic has exacerbated these challenges and the health sector is now seeking to recover and reset services.
- 2 Given the current challenges, robust workforce planning is more important than ever. Effective workforce planning is essential to ensure both current and future services have the workforce needed to deliver anticipated levels of service effectively and safely. And it is especially important given the length of time required to train some staff groups, particularly medical staff. National and local workforce plans need to anticipate service demand and staffing levels over a short, medium, and long-term. But there are a range of complex factors which impact on planning assumptions, these include:
 - workforce age profile and retirement.
 - shifts in attitudes towards full and part time working.
 - developing home grown talent and the ability to attract talent from outside of the country into Wales.
 - Service transformation which can change roles and result in increasing specialisation of roles.
- 3 Health Education and Improvement Wales (HEIW) is the primary commissioner of health education and training in Wales. Its stated purpose is to work with partners to plan, develop, educate and train the current and future NHS workforce; adding value by developing national strategic solutions for workforce demand and supply². As such it has a critical role in ensuring a well-planned NHS workforce which meets current and future need. In October 2020, HEIW and Social Care Wales launched the 10-year [Workforce Strategy for Health and Social Care](#) (the Strategy). HEIW and Social Care Wales are jointly responsible for the Strategy's

¹ Vacancy data is derived from individual health body data requests as at March 2022.

² HEIW plan, commission, deliver, and quality manage undergraduate and postgraduate education and training for a wide range of health professions, including medical, dental, pharmacy and lead on apprenticeship frameworks in Wales.

delivery, which they developed in response to [A Healthier Wales](#)³. Successful delivery of the strategic aims is essential to provide a sustainable health and social care workforce. In February 2023, Welsh Government published its [National Workforce Implementation Plan: Addressing NHS Wales Workforce Challenges](#). The plan builds upon priority NHS workforce actions captured within existing NHS plans, and the 2020 joint Workforce Strategy for Health and Social Care, alongside new priority actions.

- 4 This review sought to answer the following question, 'Is HEIW effectively discharging its national responsibilities in respect of workforce planning for NHS Wales, as well as demonstrating effective workforce planning for its own staff?'
- 5 To answer this question, we reviewed HEIW's role as a strategic workforce partner, how it supports other NHS bodies and shapes national strategic workforce planning, how it monitors its impact, and the extent that it is leading by example in the way it develops its own workforce strategy and plans. The methods we used to deliver our work are summarised in Appendix 1, but included document review, data analysis, interviews with HEIW staff and meetings with Welsh Government and wider NHS bodies across Wales.

³ A Healthier Wales: Our Plan for Health and Social Care (2018) is the response to the Parliamentary Review of Health and Social Care in Wales (2018), which sets out the case for change in health and social care provision.

Key workforce facts for NHS Wales⁴

The key facts below provide a context for the issues set out in this report. They include some challenges facing NHS Wales, such as high sickness, growing use of agency and high vacancy levels. HEIW will have a role to play in helping the NHS in Wales provide immediate and longer-term solutions to these workforce challenges.



£5.64 Billion - Cost of the NHS Wales workforce 2022-23



1.4 million* days sickness absence across NHS Wales

At 2.2%, HEIW has the lowest sickness absence of all NHS Wales bodies



£325 million agency spend in 2022-23 across NHS Wales

£0.54 million agency spend in HEIW in 2022-23



27% NHS Wales workforce growth between 2012-13 and 2022-23

80% workforce growth in HEIW between December 2019 and December 2022



9.3% Annual staff turnover across NHS Wales and 10.4% in HEIW

2,290 Estimated level of Nursing and midwifery vacancies across Wales⁵



25% growth in nursing education places between 2018 and 2022



£22.1m funding returned to Welsh Government in 2022-23 because of student attrition and education commissioning underspend

⁴ Data presented represents 2021-22 unless indicated otherwise.

* Estimates

⁵ Nursing, midwifery and health visiting (registered) reported as at March 2023 source: Stats Wales.

Key messages

- 6 This report is in two sections:
- **Section A** of this report focusses on HEIW's national and strategic workforce planning remit; and
 - **Section B** considers the effectiveness of HEIW's own internal workforce planning arrangements.

Section A – HEIW's national workforce planning remit

- 7 **HEIW is contributing positively to the development of the NHS workforce in Wales in line with its core purpose. The Workforce Strategy for Health and Social Care sets clear ambitions to address current and anticipated future strategic workforce needs but HEIW needs to more effectively demonstrate the impact it is achieving in delivering this strategy. The substantial workforce challenges currently facing the NHS prompted Welsh Government to launch a new NHS Workforce Implementation Plan in February 2023. HEIW, alongside other stakeholders, is supporting the implementation of this new plan.**
- 8 Since its establishment in 2018, HEIW has made a positive contribution to supporting the development of the NHS workforce in Wales through developing resources to support workforce planning in NHS bodies, establishing a framework to commission education provision and building workforce planning capability.
- 9 In collaboration with Social Care Wales, HEIW published a Workforce Strategy for Health and Social Care in 2020 to set out the strategic direction and support and direct all partners to develop the future workforce. HEIW has adequate resources and an effective organisational structure to support the delivery of the strategy. And where required, it seeks additional investment to deliver key additional activities. Whilst this strategy is comprehensive and correctly seeks to address current and future workforce challenges through sustainable change, the pandemic has adversely affected the delivery of some of the strategy's initial aims. In particular, the pandemic limited HEIW's ability to engage with partners in the development of a joint workforce implementation plan across health and social care to enable partners to deliver the strategy. The position has since improved, and a health and social care workforce implementation plan for the second phase of the Strategy's delivery is starting to emerge.
- 10 Working with and across a range of stakeholders, HEIW is building its workforce planning and increasingly supporting workforce planning across NHS Wales to help deliver the national strategy. In light of this, there is now opportunity for HEIW to work in collaboration with Welsh Government to shape the workforce planning requirements within the annual Welsh Government planning framework. There is also opportunity for HEIW to explore options with Welsh Government to more explicitly adopt a role in the early support of the preparation of workforce and education elements of NHS bodies Integrated Medium Term Plans.

- 11 Key NHS stakeholders were generally complementary about the support they receive from HEIW, and our previous work has shown that HEIW's education commissioning arrangements are generally effective with good processes for overseeing the quality of the educational activities commissioned. However, there are challenges emerging across Wales which are currently impacting education commissioning and caused by multi-factorial issues. These challenges may impact the future workforce pipeline. In 2022/23, a symptom of this is that HEIW needed to return £22.1m of educational funding to Welsh Government (out of a total budget of £248m) partly because of an inability of health education providers to fill some commissioned training places and partly because students did not always complete their courses. It is something that all stakeholders involved will need to address. Where students do complete their training, better data is needed to help understand how many enter roles within the NHS in Wales. HEIW has set up a task and finish group that is making good progress working with higher education institutes to access and forecast information on unfilled education places and put in place remedial actions where necessary.
- 12 HEIW is monitoring delivery of its elements of the strategy through its IMTP monitoring arrangements with evidence of relevant actions clearly set out. However, the monitoring arrangements need to be strengthened to better understand whether the organisation is having the desired positive impact on the wider workforce challenges within NHS Wales in the short and medium term, and if not, what more it needs to do.
- 13 In February 2023, the Welsh Government launched a National NHS Workforce Implementation Plan. This NHS specific plan aims to address some pressing workforce challenges at greater pace, and it will require HEIW to reset or reprioritise some of its originally planned integrated health and social care workforce developments.

Section B – HEIW's own workforce planning arrangements

- 14 **Delayed by the pandemic, HEIW is now taking positive steps to address its current workforce challenges and put in place plans to address future workforce need.**
- 15 HEIW's People and Organisational Development Strategy for its own workforce, was approved by its Board in May 2023; its development having been delayed by the pandemic. The organisation has a good understanding of its current and future workforce challenges and its workforce plan, which was also delayed, is in the latter stages of development and is yet to be approved by the Executive Team.
- 16 HEIW is strengthening workforce planning capability, effectively engaging staff, improving recruitment practice and has good 'establishment control'⁶. It has

⁶ Establishment is the term for the workforce levels, staff roles and the NHS Agenda for Change banding which is financially budgeted for.

sufficient resource within its own internal workforce planning team to discharge its functions and it keeps its resources under review. The People Team also benefits from the workforce planning resources, training and tools developed by HEIW for the wider NHS. Similar to other NHS organisations, there are some roles, for example digital and finance positions where it is more challenging to offer competitive salaries and finds it difficult to recruit. To help address this issue it uses shorter term measures such as agency staffing, contractors and secondees.

- 17 The People and Organisational Development Strategy clearly outlines the intended evaluation and monitoring arrangements, but it is too early to judge the effectiveness of these arrangements.

Recommendations

Exhibit 1: recommendations

- 18 **Exhibit 1** details the recommendations arising from this audit. These include timescales and our assessment of priority. HEIW's response to our recommendations is summarised in **Appendix 2**. Appendix 2 will be completed once HEIW considers the report and organisational response.

Recommendations relating to Section A of this report

Workforce Strategy programme governance arrangements (Priority – High)

- R1 We found good intent to develop cross-sector strategy programme governance arrangements for Phase 2 of the Strategy's implementation. But with the introduction of a new national workforce plan implementation board, it is unclear how cross-sector elements of the national strategy will be overseen. In collaboration with Welsh Government and Social Care Wales, HEIW should formalise the programme management and governance arrangements for the Workforce Strategy for Health and Social Care.

NHS Planning Framework (Priority – High)

- R2 Working with a range of stakeholders, HEIW is building capacity and capability in workforce planning alongside a knowledge base that will underpin workforce planning maturity in NHS Wales. Building on this, HEIW should work in collaboration with Welsh Government to shape the workforce planning requirements within the annual Welsh Government planning framework.

Recommendations relating to Section A of this report

Supporting quality improvements of wider NHS workforce plans (Priority – High)

- R3 HEIW is not responsible for scrutinising workforce strategies and plans across NHS Wales. HEIW should explore options with Welsh Government that result in it more explicitly adopting a role in the early support of the preparation of workforce and education elements of NHS bodies IMTPs. These discussions should also identify how HEIW could have a role in producing an overview of key themes from the IMTPs and convening national workforce planning conversations as part of the IMTP development process.

Maximising the impact of education funding (Priority – High)

- R4 Health bodies indicated to us that it would be helpful to have a better indication of student attrition rates, those switching to part-time studies and the numbers of students that intend on working for the health body. As part of HEIW's workforce planning observatory developments, it should strengthen how it analyses and reports this type of information to relevant health bodies.
- R5 Our review found that not all funding for education and training places has been utilised due to Higher Education Institutes inability to fill commissioned places and student attrition, resulting in £22.1 million return of funding to the Welsh Government in 2022-23. The organisation has set up a task and finish group to work with key strategic partners to understand the reasons behind attrition on courses and take action to reduce attrition. In addition, HEIW should:
- a) review education promotional campaigns and strengthen approaches to fill education and training places;
 - b) collect, analyse and report the numbers and proportion of students that graduated and ultimately end up working in NHS Wales.
 - c) undertake work that aims to maximise the proportion of those who go on to work in NHS Wales after completing training courses commissioned by HEIW.

Recommendations relating to Section A of this report

Measuring impact (Priority – High)

- R6 We found that the Board receives regular updates on HEIW's part in delivering the Strategy, but these are task orientated reports with little information about what impact delivering the Strategy is having on NHS workforce challenges. To strengthen Board assurance, HEIW should develop a set of robust, measurable impact measures, aligned to the intended outcomes as described in its IMTP action plan.

Detailed report

Section A - HEIW's national workforce planning remit

19 In this section of the report, we provide an overview of HEIW role as a strategic workforce partner for NHS Wales. In doing so, we assessed the following criteria. Whether:

- There is a clear national workforce strategy and plan to deliver it.
- There are effective structures, resources, and capacity to support workforce planning across wider NHS Wales bodies.
- There are effective arrangements to monitor progress of strategy implementation and the impact and outcome it is having.

To date, HEIW has adopted a pragmatic approach for delivering the national workforce strategy, but it will need to adapt to help deliver the new national workforce implementation plan

The aims of the Strategy are logical and seek to address current and future workforce challenges

- 20 HEIW and Social Care Wales developed the Workforce Strategy for Health and Social Care (the Strategy) following a comprehensive stakeholder engagement programme in 2019. Over 1,000 people and organisations, including patients, healthcare providers, universities, and staff representatives participated in this initial engagement. HEIW and Social Care Wales used good practice and workforce intelligence, where available, to help shape the Strategy⁷.
- 21 The Strategy reflects relevant national policy and legislation, such as the Wellbeing of Future Generations (Wales) Act 2015, the Social Services and Wellbeing (Wales) Act 2014 and the 2018 Is Wales Fairer? review by the Equality and Human Rights Commission. It also has a clear ambition: 'to have a motivated, engaged and valued health and social care workforce, with the capacity, competence, and confidence to meet the needs of the people of Wales'. There are well-documented workforce challenges in NHS Wales particularly in relation to vacancies, clinical service sustainability and service recovery. The Strategy's seven overarching themes aim to address these challenges with improvement focussed on:
- an engaged, motivated, and healthy workforce;
 - attraction and recruitment;

⁷ We understand that there are limitations to workforce intelligence such as issues with the quality, timeliness and availability of some workforce data. A review of workforce intelligence arrangements will be completed as part of the Audit Wales programme for 2023-24.

- seamless workforce models;
 - building a digitally ready workforce;
 - excellent education and learning;
 - leadership and succession; and
 - workforce supply and shape.
- 22 Given the current workforce challenges and the need to modernise health services, the Strategy's themes seem logical, well-structured, and positively aim to drive better coordination across the health and social care sectors.

In the context of the pandemic HEIW has taken a pragmatic approach for implementing the Strategy. While the introduction of the new national workforce implementation plan creates some complexity for HEIW, it provides a necessary focus on some immediate workforce challenges.

Workforce Strategy for Health and Social Care - Phase 1 (October 2020 to October 2023)

- 23 The implementation of the Health and Social Care Workforce Strategy spans 10 years (2020-2030), with three phases of delivery. The current 'Phase 1' delivery aims to lay the foundations for wider workforce improvements including:
- frameworks for health and wellbeing, digital capability, staff governance, and building extended skills and advanced practice; and
 - specific strategic workforce plans for mental health, nursing, pharmacy, dentistry, and primary care.
- 24 HEIW effectively involved stakeholders during strategy development, but engagement became challenging at the early stages of strategy implementation because of the pandemic. In November 2021, the Senedd's Health and Social Care Committee highlighted concerns from some professional bodies on the engagement process that supported Phase 1 delivery⁸. HEIW indicated that the pandemic meant that it, and health bodies, needed to focus on addressing significant short-term workforce challenges. For HEIW's part, it needed to divert its resources to support activities such as establishing workforce planning principles for Covid workforce planning and developing workforce guidance NHS operational plans which Welsh Government required six monthly during the time. The pandemic also impacted HEIW's and Social Care Wales's ability to develop an integrated 'cross sector' Phase 1 plan. As a pragmatic alternative, HEIW used its annual plan and Integrated Medium-Term Plan (IMTP) which is providing a good mechanism for focussing its key improvement actions and taking key programmes

⁸ Transcript from Health and Social Care Committee meeting on 4 November 2021. [Health and Social Care Committee 04/11/2021 - Welsh Parliament \(senedd.wales\)](https://www.senedd.wales/committees/committees.aspx?committee=Health%20and%20Social%20Care&meeting=04/11/2021)

of work forward. Alongside this, HEIW is developing thematic plans. These initial programmes, include development of strategic workforce plans for nursing, mental health, primary care and pharmacy services. HEIW is developing these plans in partnership with experts from across relevant professions or fields and several plans are being co-led with relevant partners.

Workforce Strategy for Health and Social Care - Phase 2 planning (October 2023 to October 2026)

- 25 Over the last year, HEIW and Social Care Wales held a series of stakeholder engagement events informing delivery actions for Phase 2, in line with the commitment to strengthen integrated approaches across health and social care. At the same time, in response to substantial NHS workforce challenges, Welsh Government developed then published its NHS National Workforce Implementation Plan⁹ (the Plan) in February 2023. This new solely NHS focussed plan aligns to the Strategy's shorter-term priorities for the NHS, and it sets out time-bound actions for 2023 and 2024. But by focusing the Plan on the health sector alone there is a risk that the Strategy's vision for an integrated workforce planning approach across health and social care may not be effectively delivered. We understand that Welsh Government is in the latter stages of developing an equivalent workforce implementation plan for social care. There are clearly significant and urgent workforce challenges across NHS Wales that have prompted the preparation of the Plan, and a desire for improved pace of delivery and focus. However, the publication of the Plan creates uncertainty in respect of the extent that the original strategy's commitment to developing integrated health and social care workforce solutions will be delivered in a solely NHS focussed plan.
- 26 At present, HEIW is continuing to use its IMTP as a means for delivering short and medium-term Strategy actions that it is responsible for delivering. Its IMTP sets out sufficiently detailed actions and associated costs for the current year, and high-level deliverables for the following two years of the plan. HEIW's IMTP is logical and provides structured actions alongside costed education commissioning plans that aim to address the workforce challenges facing NHS Wales. Alongside this, HEIW continues to effectively identify and monitor the key risks that might prevent it from delivering the Workforce Strategy and plans through its corporate risk register. While HEIW can take action to manage risks within its remit, it is less clear how risks that cut across organisational boundaries will be managed.

⁹ <https://www.gov.wales/national-workforce-implementation-plan>

HEIW is strengthening how it supports workforce planning in bodies across Wales, but there is a risk that future workforce supply will not keep up with demand

Plans to establish an integrated Strategy implementation board have not materialised and with the advent of a new NHS specific workforce Implementation Board, it is unclear how cross-sector workforce improvements will be managed

- 27 Good governance and programme arrangements are essential for strategy delivery. The pandemic prevented plans to establish a formal integrated implementation board across health and social care to oversee delivery of the Health and Social Care Workforce Strategy. This issue is in part mitigated by setting up multi-professional and multi-organisation programme arrangements for some of the initial programmes. This includes the strategic workforce plans for nursing, mental health, pharmacy and primary care. Nevertheless, the approach appears to be more 'NHS sector driven' than originally intended in the Health and Social Care workforce strategy. Despite the absence of integrated governance arrangements across health and social care, HEIW has clear delivery arrangements for its responsibilities as part of its IMTP. There are generally good arrangements to oversee delivery of key IMTP actions with accountability through to HEIW's Board.
- 28 We understand that the intent for Phase 2 of the Health and Social Care Workforce Strategy implementation was to introduce joint programme arrangements across health and social care. However, Welsh Government is establishing a Strategic Workforce Implementation Board, chaired by the Chief Executive of NHS Wales. With the introduction of these new arrangements, at the time of writing this report there was uncertainty about:
- HEIW's role in the new national workforce implementation board arrangements; and
 - what the new Strategic Workforce Implementation Board arrangements mean for the previously intended cross-sector programme management arrangements for delivering the Workforce Strategy for Health and Social Care (**Recommendation 1**).

HEIW currently has sufficient capacity to support strategic workforce plan development, but will need to keep this under review to ensure effective delivery of them

- 29 In terms of HEIW's own capacity, it has appropriate teams with sufficient expertise in place to support its workforce planning remit and the ambitions set out in the Strategy. It has teams responsible for:
- leadership and succession,

- workforce supply,
 - strategic workforce planning and demand,
 - workforce data and analytics,
 - workforce transformation; and
 - education, commissioning, and quality.
- 30 HEIW has recently created a separate Strategic Workforce Planning Team. The team of nine, which has several temporary roles while HEIW recruits substantively, is leading on work to build workforce planning capacity and capability within the NHS. The Team also administers the Workforce Planning Network, which health body representatives that we interviewed spoke positively about. The network, which is currently under review, was set up approximately 10 years ago to support workforce planning practitioners.
- 31 For the current 'Phase 1' delivery, HEIW indicates that it has sufficient capacity to develop the strategic workforce plans, which are being led by professional leads and managers across HEIW. However, once these plans are developed HEIW needs to ensure that it has sufficient resources to deliver them. For example, in the instance of the Strategic Mental Health Workforce Plan, whilst waiting for Welsh Government to confirm the resource allocation to support the plan, HEIW identified actions it could take forward using its existing resources. Welsh Government has now approved funding for the delivery of it and HEIW have taken forward some actions that it committed to in the intervening period. HEIW continues to fully cost the resource requirements for the strategic workforce plans currently in development. These, in a similar approach to capital business cases, are submitted to Welsh Government for funding approval.

HEIW's arrangements for supporting workforce planning in NHS bodies is improving, although there is scope to further develop its role in system leadership

- 32 As part of this review, we assessed how HEIW is supporting improvement in other bodies approaches to workforce planning. Those we spoke to within HEIW were clear about their organisation's role for supporting NHS Wales health bodies. This includes developing national workforce training, guidance and frameworks to help local workforce planning and commissioning health education and training. We also interviewed a range of representative from health bodies in Wales. We found they understood HEIW's workforce planning remit and valued the support the organisation provides and the tools it develops centrally. However, health bodies were less clear about what they needed to do to deliver the Strategy at a local level. To support this, HEIW has developed a three-year plan (2022-25), which it has started to deliver, to build the foundations for better workforce planning across NHS Wales, actions include:
- improving workforce planning capability both within HEIW and across NHS Wales;

- reviewing existing workforce planning tools and resources and develop new tools to support regional workforce planning;
 - developing a digital workforce planning platform;
 - developing a new workforce planning specialist qualification and training;
 - reviewing the Wales Workforce Planning Network;
 - developing a workforce planning observatory; and
 - providing information to inform HEIW's Education and Training Plan.
- 33 Health bodies should be demonstrating in their IMTPs how they align their workforce plans with the national Strategy's delivery and how they intend to resolve their significant local workforce challenges. But HEIW cannot mandate health bodies to adopt the Strategy, nor is it responsible for holding individual bodies to account on delivery. HEIW engage with Welsh Government informally, which in the past has helped to inform the NHS Planning Framework. It also had a more formal role in drafting workforce planning guidance and shaping planning expectations during the pandemic. However, there is opportunity for HEIW to work in collaboration with Welsh Government to shape the workforce planning requirements within the annual Welsh Government NHS Planning Framework (**Recommendation 2**).
- 34 HEIW is not responsible for monitoring health bodies workforce strategies and plans. However, there is an argument that as a workforce system leader and given its growing knowledge and expertise on workforce challenges and solutions across Wales that it should explore options with Welsh Government to more explicitly adopt a role in the early support of the preparation of workforce and education elements of NHS bodies IMTPs (**Recommendation 3**). This would allow HEIW to identify immediate concerns, support local improvement in health body plans and would usefully also inform how HEIW can further strengthen its support for health bodies.
- 35 In terms of HEIW's wider stakeholder engagement, it meets routinely with the Royal Colleges, higher education institutes and professional bodies through peer engagement and forums such as the stakeholder reference group. These meetings allow HEIW to understand workforce challenges from a wider perspective and develop any required improvements. HEIW also has good relationships with its counterparts in England, Scotland and Northern Ireland. Collectively, they share ideas and best practice, including access to a range of workforce planning guides and resources. HEIW has sought to ensure that the six-step approach¹⁰ to workforce planning (the UK standard model) is embedded within its workforce planning resources and training.

¹⁰ Link to [HEIW's six step methodology](#)

There is a risk that education commissioning will not deliver the required contributions to workforce supply to keep up with demand across the NHS in the long term

- 36 Education commissioning forms a key part HEIW's remit. Our review last year identified generally effective operational commissioning arrangements¹¹. And there are good arrangements for monitoring the quality of education that HEIW commissions¹². HEIW is strengthening the approaches for education commissioning, to help better determine the number and type of required education and training places. This includes better planning for retirement and turnover, accommodating flexible training and flexible working and adapting training to support new models of care (and associated changing clinical roles).
- 37 Education commissioning is not the sole solution to tackling workforce challenges, but it does play an important part in ensuring a sustainable future workforce. Welsh Government more than doubled its funding allocation for health education between 2019-20 and 2023-24, from £114 million to £281 million. HEIW is responsible for using these funds to commission training and education places from a number of different health education institutions. However, in common with the position in some other parts of the UK, there are challenges associated with the commissioning of training and education which include:
- not all funded commissioned education and training places being filled by Higher Education Institutes (some are undersubscribed); and
 - students leaving courses part way through (attrition).
- 38 In 2022-23, this meant that HEIW was not able to spend all of its £248 million commissioning budget, with £22.1m being returned to Welsh Government.
- 39 Health bodies we met with as part of this review reported the need for more timely education commissioning information. Health bodies know the number of places they have commissioned, but indicated that to better inform workforce plans, it would be helpful to have a better indication of student attrition rates, those switching to part-time studies and the numbers of students that intend on working for their health body. HEIW is developing a workforce planning observatory and should consider how it analyses and reports this type of information (**Recommendation 4**).
- 40 Last year we recommended that HEIW needs to better understand the short and medium-term consequences of its underspend. It is clear this year that the extent of the £22.1 million underspend, if this continues, could present a material challenge to the workforce 'pipeline' for Wales. As such, HEIW needs to work with health education providers to ensure that action is taken, to maximise the fill rate, reduce attrition and encourage those completing courses to work in NHS Wales

¹¹ [Review of Annual Commissioning Arrangements - HEIW \(audit.wales\)](#)

¹² [Internal Audit Review of Quality Monitoring of commissioned services, Agenda item 2.1 appendix 3](#)

(Recommendation 5). We are aware that HEIW has recently set up a task and finish group with the purpose of overseeing delivery of the 2023-24 Education and Training Plan. The group, which is chaired by the Director of Digital met for the second time in June 2023. Working with higher education institutes, the group is focusing on activities such as ensuring 2023-24 nursing course places are filled and improving data access to forecast information on unfilled education places at an earlier stage than last year. An action plan, which is evolving, is supporting the activities of the group.

HEIW needs to better understand the impact that it is having on meeting current and future workforce demand

- 41 The actions within the Strategy which HEIW is responsible for delivering are housed within its Integrated Medium-Term Plan. The IMTP includes a detailed action plan which sets out key deliverables, detailed milestones for the year ahead and high-level deliverables for subsequent years. Positively, the Board receives regular Strategy progress updates through the quarterly integrated performance report, which includes IMTP monitoring, and periodic standalone progress reports, such as those received in November 2022. However, the reports focus on actions that have been completed and whether they are on target. There is little information about the impact the action taken is having on current workforce challenges, and any difference HEIW is making to the effectiveness of workforce planning across wider NHS Wales bodies. This gives the Board little assurance of the Strategy's effectiveness.
- 42 HEIW and Social Care Wales are currently evaluating Phase 1 delivery. The evaluation report will be presented to their respective Boards in July 2023. HEIW recognises the lack of impact measures and reported that the evaluation report will be mainly actions focused. Moving forward, HEIW should develop a set of robust, measurable impact measures which align with the intended outcomes as described in its IMTP action plan (**Recommendation 6**).

Section B – Effectiveness of HEIW’s own workforce planning arrangements

- 43 In this section of the report, we provide an overview of HEIW’s own workforce planning arrangements. In doing so, we assessed the following criteria. Whether:
- HEIW has a clear workforce strategy and plans to deliver it.
 - There are appropriate resources in HEIW to support workforce planning for its own workforce.
 - There are effective arrangements to monitor HEIW’s workforce strategy and plans.

Delayed by the pandemic, HEIW is now taking positive steps to address its current workforce challenges and put in place plans to address future workforce need

The organisation has a good understanding of its current and future workforce challenges, and its workforce plan, which was delayed by the pandemic, is in the latter stages of development

- 44 HEIW’s People and Organisational Development Strategy for its own workforce was approved by its Board in May 2023. It is acknowledged that development of this strategy, and its strategic workforce plan, was adversely affected by the pandemic. During the pandemic, HEIW redirected its resources to support the pandemic response, for example supporting the national covid vaccination programme and co-chairing the national workforce cell. As a result, staff engagement on its People and Organisational Development Strategy was paused and then restarted in 2022. HEIW engaged approximately 300 staff, including the Board, executives, and sessional workers, through meetings and a series of roadshows. HEIW is aiming to formally launch the strategy at its staff conference in June 2023. The People and Organisational Development Strategy aligns to the seven themes of the national [Health and Social Care Workforce Strategy](#) setting out objectives to deliver them.
- 45 HEIW is also drafting a strategic workforce plan, which will sit alongside its People and Organisational Development Strategy and IMTP. HEIW intends on reviewing the plan each year to support IMTP planning. The workforce plan is in the latter stages of development and is yet to be approved by the Executive Team. We reviewed a draft version, which HEIW has drawn together using the workforce planning template designed for use across the NHS Wales. The plan is based on robust analysis of workforce establishment¹³, recruitment patterns, age profile,

¹³ Establishment is the term for the workforce levels, staff roles and the NHS Agenda for Change banding which is financially budgeted for.

predicted retirement rates and a PESTLE¹⁴ analysis. This information has allowed HEIW to clearly articulate its workforce challenges, such as:

- difficult to recruit areas such as digital and Welsh language staff.
- the number and type of staff needed for the future;
- talent management and succession planning at an executive level;
- medical and dental recruitment and succession planning; and
- the future use of agency, bank and locum workers.

46 HEIW's People and Organisational Development Strategy is future focussed and recognises that much of its future workforce are already working within HEIW. This makes retention and developing the current workforce equally important aspects of future planning. HEIW recognises that it needs to continue to strengthen some key areas such as embedding flexible working practices and improving access to learning and development opportunities. Some of the actions being proposed in HEIW's People and Organisational Development Strategy are already progressing, such as embedding agile working practices and embedding compassionate leadership principles.

HEIW is managing its current workforce challenges through strengthening workforce planning capability, effective staff engagement, robust establishment control and improving recruitment practice

- 47 HEIW has clear roles and responsibilities and sufficient resources to support its internal workforce planning. The People Team includes the Head of People and her deputy, four people business partners, who support the directorates, two administrators and a senior business partner role. The business partnering model has been in place since HEIW was established. As some members of the team are new, HEIW recognises that they will need further development and support before this operating model is fully embedded.
- 48 HEIW has sufficient 'people' resources available to deliver its People and Organisational Development Strategy. Senior managers recognise that as the body grows, demands on the central people team may increase accordingly. To date, it has managed this risk, recently adding two assistant business partners roles to the team. In terms of financial resources, there were no additional costs associated with the People and Organisational Development Strategy when it was approved. Work is ongoing to cost the associated draft strategic workforce plan and HEIW has indicated that it will manage additional resource requirements through additional business cases if needed.

¹⁴ PESTLE is an analysis of Political, Economic, Social, Technological, Legal and Environmental factors.

- 49 In terms of workforce planning capability, the People Team benefits from the workforce planning resources, training and tools developed by HEIW for the wider NHS. This includes introduction to workforce planning training, NHS workforce planning guidance and associated workforce planning templates. Some members of staff have also benefited from external workforce planning training.
- 50 HEIW has a well-managed staffing establishment. The People Team has a clear process, within each directorate, to ensure the organisational structure and establishment is kept up to date. HEIW is also in the process of digitising its organisational chart to make it easier to keep it up to date.
- 51 HEIW is an organisation with a specialist remit, so the workforce challenges are different to the larger health bodies. It has a turnover rate of about 10% with exit surveys showing that most people leave taking opportunities for career progression elsewhere. Like other NHS organisations in Wales, HEIW finds it hard to recruit to certain roles such as digital and finance, in part, because it cannot offer competitive salaries. Where there are skills or resource gaps, HEIW tends to use agency staff, contractors and secondees. There are also plans to undertake further skills gap analysis as part of its People and Organisational Development Strategy.
- 52 To improve working conditions for staff and help retention, HEIW runs and takes part in the NHS staff survey and conducts regular pulse surveys to understand its workforce. Following surveys, staff receive feedback through a 'you said, we did' report. Examples of recent action taken to improve working conditions includes reducing the number of days staff need to be in the office to help with travel costs.
- 53 The recruitment process in general seems to work well, HEIW has recently developed a new values-based recruitment and selection policy. This includes an establishment gateway process, which is a formal sign-off process for posts being added to HEIW's establishment. The recruitment process is likely to improve as the business partner model embeds. HEIW encourage business partners to work with services when specifying new roles, shaping the role to meet service need, and contribute to IMTP delivery.

The People and OD Strategy clearly outlines the indented evaluation and monitoring arrangements, but it is too early to judge the effectiveness of these arrangements

- 54 HEIW's new People and Organisational Development Strategy clearly outlines the indented evaluation and monitoring arrangements. This includes evaluating the strategy's impact at year two, local partnership forum oversight and regular progress updates to the Board and Executive Team through performance reporting, progress monitoring and wider reporting against outcomes. The strategy identifies 'measures of success' for each strategic theme and the IMTP highlights how performance will be measured.
- 55 HEIW's manages its own workforce risks through the Corporate Risk Register and an operational risk register maintained by the People Team. As of December 2022, the team's operational risk register contained two risks. One related to the team's

capacity and the other about job evaluations. Whilst HEIW is managing these risks appropriately, we would have expected a risk highlighting the lack of an approved workforce strategy and plan.

- 56 The Board, through the integrated performance report receives quarterly updates on relevant workforce metrics related to HEIW's own workforce. These include workforce movement and turnover, recruitment and employee relations, sickness, equality data, appraisal rates, and statutory and mandatory training compliance. The integrated performance report highlights where performance is off target, for example appraisal rates, and sets out steps the organisation is taking to improve matters. These metrics rarely give cause concern, although the organisation does struggle to recruit to some posts.
- 57 Alongside the integrated performance report, HEIW publishes a performance dashboard. Neither the dashboard nor the integrated performance report benchmarks data against other organisations. For some metrics, it compares HEIW's performance to the national target for example appraisal rates or the NHS Wales average such as sickness rates.

Appendix 1

Audit methods

Exhibit 3: sets out the methods we used to deliver this work.

Element of audit approach	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none">• Workforce Strategy for Health and Social Care• HEIW's Integrated Medium Term Plans• Papers related to national strategic workforce plans underpinning the Workforce Strategy for Health and Social Care• Operational level implementation/delivery plans for the H&SC workforce strategy• Examples of H&SC workforce strategy progress reports to the Board, Executive Team, and Welsh Government• Operational level performance reports related to the delivery of H&SC workforce strategy• Operational risk register(s) related to the delivery of the H&SC workforce strategy• Evidence of stakeholder engagement related to the delivery of the H&SC workforce strategy• Review of Education and Training Activity (January 2023)• Emerging plans following the Workforce Strategy Implementation• Stakeholder engagement events relating to workforce planning• Examples of NHS wide workforce modelling analysing current and future need• HEIW's organisational structure and description of team functions• Examples of skills-gap analysis for HEIW staff and resulting plans to address gaps.• HEIW's People and OD Strategy development and final strategy• Welsh Government's National Workforce Implementation Plan

Element of audit approach	Description
Interviews	<p>We interviewed the following senior officers and independent members:</p> <ul style="list-style-type: none"> • Chair of the Board • Chief Executive • Deputy Chief Executive / Director of Workforce • Deputy Director of Workforce and OD • Interim Deputy Director of Workforce Transformation • Programme Lead for National Programmes • Head of Strategic Workforce Planning • Head of People • Deputy Head of People <p>We also spoke to a selection of health body senior workforce leads and Welsh Government officers.</p>

Appendix 2

Organisational response to audit recommendations

Exhibit 4: HEIW's response to our audit recommendations.

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R1	In collaboration with Welsh Government and Social Care Wales, HEIW should formalise the programme management and governance arrangements for the Workforce Strategy for Health and Social Care. (Priority – High) .	<p>The governance arrangements for phase 1 are in place. A joint steering group including the CEO of HEIW and CEO of Social Care Wales, meets on a quarterly basis and oversees implementation. Progress is currently reported to our Boards.</p> <p>For phase 2, which is planned to commence April 2024, the arrangements will be reviewed and refreshed.</p>	<p>Complete</p> <p>April 2024</p>	Deputy Director Workforce and OD

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R2	HEIW should work in collaboration with Welsh Government to shape the workforce planning requirements within the annual Welsh Government planning framework Priority – High .	<p>The Welsh Government Planning Framework Document was updated in 2023 to include a link to the HEIW Workforce Planning resources and six step workforce planning approach adopted within Wales.</p> <p>HEIW has developed a set of high-level Workforce Planning Questions for organisations to address as part of their workforce planning requirements.</p>	Complete	Assistant Director of Strategic Workforce Planning
R3	HEIW should explore options with Welsh Government that result in it more explicitly adopting a role in the early support of the preparation of workforce and education elements of NHS bodies IMTPs. These discussions should also identify how HEIW could have a role in producing an overview of key themes from the IMTPs and convening national workforce planning conversations as part of the IMTP development process (Priority – High) .	<p>HEIW’s Education and Training Plan development timeline includes early initial engagement with Health Boards and Trusts to discuss their emerging IMTP and Workforce Planning requirements (including education requirements and commissioning intentions).</p> <p>HEIW routinely reviews organisations’ IMTPs as part of the annual process to develop the Education and Training Plan.</p>	<p>December 2023</p> <p>April 2024</p>	<p>Director of Finance and Planning/Assistant Director of Planning & Performance</p> <p>Deputy CEO/Director of Workforce & OD</p>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R4	<p>Health bodies indicated to us that it would be helpful to have a better indication of student attrition rates, those switching to part-time studies and the numbers of students that intend on working for the health body. As part of HEIW's workforce planning observatory developments, it should strengthen how it analyses and reports to relevant health bodies on student attrition rates, those switching to part-time studies and the numbers of students that intend on working for their health body. (Priority – High).</p>	<p>HEIW has developed the Education and Training Monitoring Dashboard which takes data submitted by higher education institutions across Wales and supports the performance and contract management of the commissioned programmes.</p> <p>The analytics allow HEIW to explore variations/variances outside scope of set parameters for attrition for nursing, allied health professional, healthcare sciences and some dental care professional education programmes. Metrics include attrition rates, course completion, interruption to and return to studies. Currently, changes to student status are currently reported internally monthly.</p> <p>A programme of work is underway to establish the HEIW Workforce Observatory which will provide externally facing information and resources.</p>	<p>HEIW Dashboard has been developed for internal use and is updated on a monthly basis.</p> <p>Launch March 2024.</p>	<p>Assistant Director of Digital – Data & Analytics</p> <p>Assistant Director of Strategic Workforce Planning</p>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
R5	<p>HEIW should (Priority – High):</p> <ul style="list-style-type: none"> review education promotional campaigns and strengthen approaches to fill education and training place capacity; collect, analyse and report the numbers and proportion of students that graduate and ultimately end up working in NHS Wales; and undertake work that aims to maximise the proportion of those who go on to work in NHS Wales after completing training courses commissioned by HEIW. 	<p>As noted during the audit, a 12-Point action plan was put in place earlier in the year to support universities to increase their applications for this year. All education programmes and institutions are monitored against recruitment KPI's. Where recruited numbers are adverse, providers are asked to review their recruitment processes and implement an improvement plan, which is managed through performance management and enhanced monitoring.</p> <p>HEIW currently monitors bursary students graduate recruitment via streamlining (certain courses only) and there is a survey of graduate destination. Moving forward HEIW has a plan to develop data analytics to capture graduates to employment data and report.</p> <p>HEIW has also implemented several initiatives to enhance student nurse recruitment in Autumn 2023, including: recruitment of international nurse students (commencing Sept 2023), quadrupling the</p>	<p>December 2023 (when HEIW receives final student fill rate data from HEIs)</p> <p>December 2023 (Final graduate data for courses completing in 2023)</p> <p>Complete – plan in place</p>	<p>Deputy Director Education Quality and Commissioning</p> <p>Asst Director of Digital – Data & Analytics</p> <p>Deputy Director Education Quality and Commissioning</p>

Ref	Recommendation	Organisational response	Completion date	Responsible officer
		number of places for support workers on Level 4 nursing programme, closer working relations with Colleges of Further Education to develop bridging modules into health professional courses etc.		
R6	HEIW should develop a set of robust, measurable impact measures, aligned to the intended outcomes as described in its IMTP action plan (Priority – High) .	The HEIW Performance Framework provides a reporting mechanism for IMTP deliverables and work has commenced to develop a range of Realisation of Benefit Measures as part of the development the HEIW 2024 – 2027 IMTP.	Spring 2024	Assistant Director of Planning & Performance



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.