Structured Assessment 2019 – **Welsh Ambulance Services NHS Trust**

Audit year: 2019

Date issued: November 2019

Document reference: 1545A2019-20

Contents

Summary report

About this report

1   This report sets out the findings from the Auditor General's 2019 structured assessment work at the Welsh Ambulance Services NHS Trust (the Trust). 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 2019 structured assessment work has included interviews with officers and Non-Executive Directors, observations at board, committee and reviews of relevant documents, performance and financial data.

3   The key focus of structured assessment is on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. This year, auditors paid critical attention to the progress made to address recommendations and opportunities for improvement identified in 2018 and previous years. The report groups our findings under four themes – the Trust's governance arrangements, strategic planning, managing financial resources and managing the workforce.

Background

4   In our structured assessment 2018 we concluded that the Trust continues to develop its strategic planning agenda and is committed to operating more efficiently and effectively but could improve its grip and pace of change in some areas. Over the last 12 months, the Trust has maintained its status on the Welsh Government escalation framework of 'routine arrangements' and has maintained its track-record of delivering a financial balance at year-end as well as securing an approved Integrated Medium-Term Plan (IMTP).

5   During the last year there have been changes to Board member appointments, with the interim Chair appointed substantively and new Directors for Operations, Quality and Nursing, and Planning and Performance taking up post. Further changes are planned for late 2019.

6   The Trust has faced challenges in terms of red and amber performance during 2019. Performance has been particularly affected by periods of very high demand, such as in September 2019, when the Trust entered level three of its Resource Escalation Activity Plan. The Trust continues to broaden its health offer to meet increasing demand by further developing its workforce model. Work is ongoing in terms of rolling-out the 111 service.

7   As this report provides a commentary on key aspects of progress and issues arising since our last structured assessment, it should be read with consideration to our Welsh Ambulance Services NHS Trust Structured Assessment 2018.

Main conclusions

8   Our overall conclusion from 2019 structured assessment work is that **the Trust has set a clear, long-term vision for the organisation supported by changes to its structure and workforce. The Trust is strengthening risk management and governance arrangements in some areas, including changes to Board frequency and committee structures. The Trust continues its good track record of delivering its financial duties and has made some improvements to performance reporting. However, it could further improve performance in areas including red and amber calls, and sickness absence; move beyond annualised cycles of capital planning; improve reporting of single tender actions and strengthen the board assurance framework.**

9   The Board is generally effective despite managing three vacancies during 2019 and recent changes at Board and committee level are having a positive impact. The Trust has improved its risk management processes with a new e-risk platform. We identified scope to strengthen use of the board assurance framework to maximise its usefulness as an assurance tool for the organisation. Our local work in 2019 showed good progress in the Trust's performance reporting arrangements. However, the performance framework is out-of-date and performance has worsened for several key metrics, affected by increased demand and handover delays.

10   The Trust's Long-Term Strategic Framework 2019-30 and other strategic plans details an ambitious vision for the organisation. The Trust continues to secure approval for its IMTPs from Welsh Government and is strengthening its strategic planning by drawing on greater information through demand and capacity and benchmarking data. However, the timing of agreeing winter plans creates a pressure to secure the appropriate quality infrastructure for some measures included within the plan. Recent changes to operational delivery and monitoring arrangements for its IMTP should strengthen the Trust's ability to deliver against its IMTP.

11   As of month-six of 2019-20 the Trust is likely to continue its track record of meeting its financial duties at year-end. However, there continues to be variability between budgets and savings themes, which could create problems in future. The Trust experienced some challenges in spending its capital budget allocation during 2019, including late notification of additional funding from Welsh Government, and should seek to move beyond annualised capital planning to avoid this in future. The Trust has generally effective financial reporting arrangements but we found scope to improve the clarity and format of regular reports on single tender actions.

12   The Trust has developed a People and Culture Strategy to support it in managing the changes to its workforce model. The Trust continues to have ongoing success with its 'big-bang' recruitment events for paramedics but faces some challenges in recruiting for its planned expansion of Advanced Paramedic Practitioners and the 111 service. Sickness absence continues to be an issue despite some improvement during 2019. The Trust is seeking to manage training challenges

through partnership working with universities across Wales, which will increase as it progresses its application for university status. The Trust continues to engage with staff, including roadshows with the new Chief Executive during 2019 and the Trust has developed findings from the NHS Staff Survey in 2018 into a programme of work.

13   Our findings are considered in more detail in the following sections.

Recommendations

14   Recommendations arising from this audit are detailed in Exhibit 1. We will place the Trust's management response to these recommendations on our website along with our report once considered by the relevant committee.

Exhibit 1: 2019 recommendations

Recommendations
Board Assurance Framework
R1   The Board should explore ways to strengthen the Board Assurance Framework as a live and robust assurance tool for its corporate objectives by: • ensuring relevant Committees and groups regularly review controls and assurances to assess their effectiveness and identify any gaps; and   • ensuring the relevant committees have regular oversight of the strategic objectives and risks assigned.
Performance Management Framework
R2   A review of the Trust's Performance Management Framework is well overdue and the Framework now needs to be updated to ensure it reflects: • recent changes to Local Delivery Planning arrangements; and   • arrangements for monitoring delivery of the IMTP, clarifying the respective roles of the Board, the Finance and Performance Committee and the Strategic Transformation Board.
Capital Planning
R3   The Trust needs to develop a less annualised approach to capital planning. It should develop an asset management strategy to help plan the use of capital in a more joined up way over the medium-term.

Recommendations
Single Tender Actions
R4   Improve the clarity and detail of the regular reports on single tender actions provided to the Audit Committee to enable effective and robust scrutiny, for example: •   including greater level of detail as to why the action was needed; and •   providing narrative to describe variations between budgeted and actual cost.

Detailed report

Governance

15   As in previous years, our structured assessment work has examined the Trust's governance arrangements. We looked at 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 considered the information that the Board and its sub-committees receive to help it oversee and challenge performance and monitor the achievement of organisational objectives. We also reviewed the progress made in addressing our recommendations.

16   In 2019, we found: **The Trust has strengthened governance arrangements, although performance in key areas is not improving as planned and it could strengthen use of the Board Assurance Framework**. Our findings are set out below.

Conducting business effectively

Changes to Board meetings and committee structures are having a positive impact on scrutiny and oversight, but there is scope to make some improvements to papers and standing orders need to reflect recent changes

17   In our structured assessment 2018, we reported that the Trust was making changes to its Board and Committee arrangements. The Trust has increased the frequency and length of its Board meetings from quarterly half-day to bi-monthly full-day meetings. Closed sessions now follow the open session and the Board continues to refine its agenda. These changes are better supporting oversight and scrutiny of Trust business and more timely and regular information flow to Board. As a result, there is a reduced need for the Trust to progress important business outside of Board meetings, for example through Chair's actions, which addresses one of our recommendations (detailed in Exhibit 2).

18   The Trust has continued to develop its Board through regular board development sessions, considering issues such as the Integrated Medium-Term Plan (IMTP) and the Trust's engagement framework. These sessions provide an important opportunity for the Board to discuss and develop key aspects of Trust business in greater depth than possible during board meetings. The Trust has also engaged Academi Wales to develop and deliver a formal board development programme to enhance the skills of its board members. While the Trust has completed two of the Academi Wales' three-stage model, progress over the last 12 months has largely been delayed due to vacancies at

Board level, including three Non-Executive Director posts. The Trust is planning to have a full cohort of board members in place by 2020 and plans to resume the programme at that time.

19   The Trust has also recently revised its committee structure, following a review led by Non-Executive Directors. The duties of the previous Finance and Resources Committee are now shared between two new committees: the Finance and Performance Committee and the People and Culture Committee. These two committees were established in April 2019 and are continuing to develop, with the Finance and Performance committee deciding in its July meeting to increase its frequency on a trial basis to bi-monthly to more regularly oversee and scrutinise finance and performance. While the committees are still relatively new, several of those we spoke to at the Trust feel they are already bringing a much sharper focus on their respective areas, particularly in terms of workforce.

20   The Trust's scheme of delegation was last reviewed in September 2018 and does not yet reflect the changes to the committee structure. The standing orders also need to comply with the revised model standing orders issued by the Welsh Government in 2019. The standing orders are scheduled to be reviewed for the November Board meeting.

21   Papers provided to the Board and its committees are of good quality, are clear on risk and generally provide the level of assurance required. In particular, the introduction of a Chief Executive Officer's update provides a comprehensive and clear report of developments since the last board meeting. The Trust has also been working during 2019 to make its cover pages for meeting reports more concise. However, we have noted some occasions where the administration of papers could be improved further. For example, the Board and Quality and Safety Committee action logs include completed actions dating back to 2017. Ensuring the action log is concise enables board members to focus on the outstanding actions without the distraction of completed actions. We also noted several occasions where verbal updates were provided for important aspects of business, rather than written reports. While the cycle of business will occasionally make it difficult to provide written reports, verbal updates do not give members an opportunity to prepare in advance and adequately scrutinize the information. The Trust should limit the use of verbal reports for important business where possible.

Managing risks to achieving strategic priorities

The Trust is taking steps to strengthen its risk management arrangements, and while its Board Assurance Framework continues to evolve, there is scope for further improvement

22   In 2018 we noted that while the Trust was working on its risk management arrangements, risk practice remained inconsistent, with concerns over the way risks were identified, scored and detailed on the corporate risk register. We stated that the Trust should prioritise its further planned work to ensure it was effectively managing the risks facing the organisation. An internal audit review of the Trust's risk management strategy and framework provided reasonable assurance in May 2019, though it highlighted risk management training, guidance on risk identification and risk escalation arrangements as areas for improvement.

23   Over the past year the Trust has improved aspects of its risk processes including developing electronic risk registers in DATIX and revising the criteria and forum for considering and escalating risks. These changes enable more robust and timely arrangements for risk identification and management, provide greater visibility of risk, and encourage broader ownership. Work is also planned to provide training and develop risk management capability as part of the Trust's Health and Safety improvement plan. While these changes mean that the corporate risk register is now more robust, the detail on mitigating actions and milestones for each risk does not yet reflect the wealth of information demonstrated on the DATIX system. This is something the Trust will need to action promptly.

24   The identification and management of risk is critical to developing and maintaining an effective board assurance framework. The Trust's board assurance framework has been in place since 2017 and the Trust maintains that it will continue to change in line with business needs. A paper at the September 2019 Board meeting detailed how the Trust is currently developing a committee assurance framework to build on the existing board assurance framework. However, some of those we spoke to at the Trust stated that they feel the board assurance framework needs more work to become an embedded assurance tool which is robust and live. Our review found some ways that it could be strengthened, set out in our 2019 recommendations (Exhibit 1). Once a full cohort of board members is in place the Trust will have an opportunity to explore any further changes to strengthen the board assurance framework.

Embedding a sound system of assurance

While performance reporting has improved, the performance management framework is out-of-date, and performance is not improving in line with plans for several metrics

25   As part of our fieldwork we looked at other systems which underpin assurance across the organisation including the Trust's performance framework,

performance over the past 12 months, matters relating to its clinical and quality governance arrangements and audit recommendation tracking.

26   The Trust has a performance management framework which was due for review in 2017. The Trust plans to review it by April 2020. In September 2019 the Auditor General published a report on the Trust's Performance Management Information. We concluded that the Trust's performance management information supports scrutiny by the Board and its committees, though with scope for further improvement. We noted how recent changes to the frequency of Board meetings and to the committee structure were providing more time to scrutinise and challenge performance information. We also noted improvements to the format of performance reporting, though we recommended some further improvements including that the Trust should seek to evaluate the impact of recent changes after an appropriate amount of time.

27   During fieldwork observations of committee and board meetings we noted appropriate challenge and scrutiny by Non-Executive Directors, particularly for performance measures RAG rated as red and 'off track', where related improvement actions are reported as green and 'on track'. There will be occasions where the impact of actions can take time to materialise, or where actions are negated by external factors such as increased demand. Our 2019 report on performance management information included recommendations for providing a clearer narrative of issues affecting performance and better use of forecasting data. These recommendations, once enacted, should provide greater clarity on whether actions in relation to performance are having the desired effect.

28   In terms of performance over the last 12 months, of the top ten indicators routinely monitored by the Trust, half were RAG rated as red as of September 2019. While the Trust has maintained its performance above the 65% target each month except for September 2019 for its red calls, the challenges during the year has meant the Trust has been in enhanced performance monitoring with the National Collaborative Commissioning Unit since April 2019.

29   In October 2018, the Chief Ambulance Services Commissioner published the Amber Review: A Review of Calls to the Welsh Ambulance Service Categorised as Amber. The review made several recommendations for the Trust, as well as health boards aimed at addressing the increasing delays for patients whose calls are categorised as amber. The Trust has implemented several of the

recommendations, including reducing delays from handover to clear[1], ongoing work on sickness absence (as discussed in paragraph 78) as well as ongoing work with Trade Unions on lost operational hours as staff get 'back to base'. However, amber performance over the last 12 months has continued to deteriorate (in terms of 65, 95 and 99-minute waits). The Trust's data reflects that its capacity to deliver its services has remained static over the last 12 months, but that demand has increased around 4%. Data also suggests a direct correlation between delays in handing patients over from the ambulance service to hospitals (also known as handover delays) and waiting times for patients whose calls are categorised as amber. Handover delays increased significantly in 2019 compared with 2018. Those we spoke to at the Trust feel confident that the Trust is doing everything it can internally to make the service as effective as possible, as well as working to influence change externally.

30   Another worsening area of performance for the Trust is its response to Serious Adverse Incidents (SAIs) and concerns. While numbers are small, the percentage of SAIs and concerns responded to within required timescales is poor, ranging between 30% and 50% during 2019. The Trust states that this delay is partially due to capacity issues within its complaints team, as well as difficulties in responding to complaints on handover delays, which require health board involvement. The recently approved joint investigations framework requires health boards to lead on responding to handover delay complaints and therefore the Trust expects its performance in relation to SAIs and concerns to improve in the coming months. We will carry out a more detailed examination of the elements underpinning the Trust's quality governance arrangements in early 2020.

31   As discussed in our 2018 structured assessment, the Trust's audit recommendation tracker's format is effective at enabling Audit Committee members to analyse the status of current internal and external recommendations. We also note that the profile or the tracker has increased during 2019, with it now featuring as part of Executive Management Team meetings. However, as detailed within the exhibits of this report, there remain recommendations from 2017 and 2018 that are not yet fully complete, which the Trust should seek to address with pace.

Ensuring organisational design supports effective governance

Planned changes to corporate functions and a re-balancing of executive portfolios should support modernisation of the organisation

32   The Trust had an interim Director of Finance and Director of Planning and Performance during 2019. At the time of fieldwork, the Trust had appointed

---

[1] Handover to clear refers to the time between handing over a patient to an Emergency Department and being able to respond to the next call. The current target is 15 minutes.

substantively to the Director of Planning and Performance post and recruitment was underway for the Director of Finance. The Trust had also recently appointed a new Director of Quality and Nursing and was seeking to recruit to a newly created Director of Digital Services post. This post will also need to be reflected within the next review of the Trust's delegations and standing orders. The Trust has also been operating with three substantive Non-Executive Director vacancies since April 2019, though one interim Non-Executive Director has been in place. Non-Executive Directors report working significant additional hours during the year to cover the vacancies but have been happy to do so on a temporary basis. This has been well-managed by the Trust and has not affected the quoracy of Committee meetings, though it welcomes the greater stability expected once substantive appointments are made.

33   Once substantive Executive Directors are in place, the Trust plans to move some functions between Executive portfolios. For example, moving the estates function from the Planning and Performance Directorate to the Finance Directorate. The Trust will also invest in a new digital services directorate to support the new Director of Digital Services. This new directorate is an important step in modernising the Trust to achieve the ambitions set out in its Long-Term Strategic Framework about the service it offers its patients. Once in place, the directorate will be tasked with developing the Trust's digital strategy.

Previous recommendations

34   In 2018 we made the following recommendations in relation to Chair's actions, governance arrangements for information governance and ICT, risk and legislative compliance. Exhibit 2 describes the progress made.

Exhibit 2: progress on 2017 and 2018 recommendations

2017 / 2018 recommendations	Description of Progress
[2017: R4] The Trust should take steps to ensure it complies with the requirements of WHC 033.	Complete. Our review found all documents to be publicly accessible on the Trust website.
[2017: R8] The Trust should improve the pace of updating its Information Governance policies and make prompt progress against the wider General Data Protection Regulation (GDPR) requirements.	Complete. The Trust has made generally good progress against GDPR requirements and a review of the Trust policy log in 2019 shows most key policies relating to information governance are either approved or in development.

2017 / 2018 recommendations	Description of Progress
[2018: R1] Review, clarify and reduce need for Chair's actions.	Complete. A new process for Chair's actions was approved by the Board in 2019. As discussed in paragraph 18, due in part to the increased frequency of Board meetings there have been no Chair's actions during 2019.
[2018: R2] Take steps to strengthen the governance arrangements for Information Governance and ICT by: a) increasing regular attendance by core members of the Information Governance Steering Group; and b) clarifying and articulating links between information governance and ICT to strengthen the oversight and scrutiny of the Trust's digital business.	a) Complete. The Trust reports improved attendance levels during 2019. b) Complete. The information governance and ICT steering groups have been separated to clarify their roles. Links between the two groups have been formalised with several common members.

2017 / 2018 recommendations	Description of Progress
[2018: R3] To improve risk practice by: a) providing sufficient detail on the CRR and BAF to describe why risks have been escalated/de-escalated; and b) ensuring risks on the board assurance framework are live and anticipate future risks as well as reflecting on the success of mitigating actions.	a) Complete. The corporate risk register report provides greater narrative as to why a risk has been escalated or de-escalated. b) Complete. The board assurance framework reflects the updated position of the corporate risk register.
[2018: R4] Consider ways to provide assurance that the Trust is aware of and complying with new legislation.	In part. Members of the Trust have received a presentation from Betsi Cadwaladr University Health Board on their legislative assurance framework and continue to explore options to address this recommendation.

Strategic planning

35 Our work considers how the Board sets strategic objectives for the organisation and how well the Trust plans to achieve these, using the resources that it has, or can, make available. We also examine the Trust's arrangements for monitoring progress against its objectives and the difference it is making.

36 In 2019, we found **there is a clear strategic vision, generally good planning arrangements and strengthened delivery arrangements, with scope to make some further improvements.** Our findings are set out below.

Setting the strategic direction

The Trust has established a clear vision for the organisation, and has taken some steps to engage more effectively with partners and staff, but will need to work to ensure alignment between its Long-Term Strategic Framework and long-term commissioning intentions

37 The Trust's Long-Term Strategic Framework (the Framework) was approved by the Board in March 2019. The Framework sets an ambitious vision for the organisation which articulates a much broader offer than the traditional ambulance service. The document details ways in which the Trust wants the service to become more modern, digitally enabled and integrated within the wider health system. The Board were involved in developing the Long-Term Strategic Framework, which sets out the Trust's clear vision of 'delivering

excellence', a vision which also features clearly through its other strategic plans, including the IMTP 2019-22. This vision has eight underpinning strategic objective themes that articulate how the Trust intends to achieve its ambitions. Each iteration of the Trust's IMTP between 2019 and 2030 is expected to work towards the achievement of the ambitions set out in the plan.

38   While the Trust is not a named body within the Well-being of Future Generations (Wales) Act 2015, it has taken steps to incorporate the principles of the legislation within its strategic plans. Each of the Trust's 42 strategic actions within its IMTP has also been mapped against the 'A Healthier Wales' quadruple aims.

39   The Trust routinely engages with its partners in developing its IMTP in several ways, including:

- annually receiving commissioning intentions from and securing required approval of its IMTP through the Emergency Ambulance Services Committee, including the Chief Ambulance Services Commissioner;

- ongoing strategic and operational engagement through Executive and Non-Executive member links with health boards; and

- engaging in regional strategic planning through membership on four of the seven Regional Partnership Boards across Wales.

40   This year, the Trust has also been more proactive in identifying health board service changes that may affect its operational business or financial balance. The Board is notified of any potential impact through a strategic service change paper provided during the closed sessions of its Board meetings, which feeds into the Trust's plans. The Trust also undertakes significant ongoing engagement with the public through its Patient Experience and Community Involvement team, and relevant information from those engagement activities is used during its strategic planning process.

41   In developing its Long-Term Strategic Framework, the Trust engaged with around 440 members of the public, staff and partners, including the Chief Ambulance Services Commissioner. We did note that the Trust did not send a developed version of its Long-Term Strategic Framework to the Emergency Ambulance Services Committee. As previously stated, the Trust intends to use its rolling IMTPs between 2019-2030 to achieve its long-term ambitions. Given the influence that the Emergency Ambulance Services Committee has on the Trust's IMTP in terms of setting commissioning intentions and approving the draft IMTP, the Trust will need to maintain continuous effective engagement to ensure alignment between the Trust's long-term strategic direction and the long-term commissioning intentions of the Emergency Ambulance Services Committee.

Developing strategic plans

The Trust has an effective planning process for its IMTP which draws on demand and capacity and increasing benchmarking information, however the

timescales of agreeing its winter plans creates pressure for ensuring measures are implemented appropriately

42   The Trust's 2019-22 IMTP is the fourth consecutive IMTP that the Trust has had approved within the required timeframe. This is an achievement, particularly given there were two appointment changes to the Director of Planning and Performance post during 2018-19. There were no conditions placed on the Trust by the Welsh Government to approving its current IMTP.

43   The Trust's process for developing its IMTP is a combination of balancing high-level objectives with local priorities. Each directorate and region are required to develop individual Local Delivery Plans which then feed into the IMTP. However, internal audit provided a limited assurance report on the Trust's Local Delivery Plans in early 2019. The report highlighted a need for further work to improve planning arrangements, including ensuring a 'golden thread' between local plans and the IMTP, as well as improving the monitoring of Local Development Plans. The Trust has stated that, due to the Long-Term Strategic Framework setting the direction for future IMTPs, localities and directorates will have earlier and clearer direction in developing their own plans, which should strengthen planning arrangements going forward. The Trust will need to reflect these changes in its reviewed performance management framework.

44   The Trust develops a range of initiatives and escalation measures to mitigate the adverse impact increased seasonal pressures can have on its service through its winter plan. For example, during 2019, the Trust has seen increased use of St John Ambulance to provide additional support during times of high pressure. As part of its winter plan for 2019-20, the Trust has also agreed to contract private ambulance providers to help mitigate the pressure on the service. However, the Trust's winter plan was not agreed until September 2019, which creates significant pressure for the Trust to ensure quality governance arrangements are in place.

45   In 2016, the Trust commissioned a demand and capacity review to identify future population trends and demand, ways in which it could become more effective and efficient, and resourcing gaps. The Trust states that it made some changes as a result of the findings of the 2016 review, including reviewing rosters. However, the impact of the review was limited by being done in isolation by the Trust and only providing a view at a fixed point in time. In line with recommendations from the Amber Review in 2018, the Trust and the Chief Ambulance Services Commissioner have jointly commissioned a new demand and capacity review, using the same provider as in 2016. This year's review takes a significantly more detailed approach looking at how the service and its

workforce will need to change to meet the demand of the population with a five-year forward look. The review is expected to report its findings to the Emergency Ambulance Services Committee in November 2019. It is hoped that the data and predictions provided by the review will enable the Emergency Ambulance Services Committee, as well as the Trust itself, to make informed decisions and plans to strengthen the ambulance service and the wider unscheduled care system. It is concerning, however, that there was no evaluation of the prior 2016 demand and capacity review before progressing with the review in 2019.

46   The Trust is also continuing work on its in-house demand modelling software to support its operational planning. This data should help provide the Trust with useful information for future planning cycles.

47   Despite limitations of comparison within NHS Wales, the Trust are beginning to look increasingly at benchmarking data to inform and strengthen the rigour of its strategic planning. For example, the Trust is seeking to use data from the Carter Review[2] and the Welsh Chief Ambulance Service Commissioner's benchmarking toolkit, in conjunction with the NHS Benchmarking Network. It is also working with other ambulance services to explore comparable data in areas such as sickness and resource per incident.

Monitoring delivery of the strategic plan

The Trust has improved some arrangements to support the delivery of its IMTP, including establishing a small programme management office, though there is scope to strengthen Committee oversight

48   During 2019, the Trust changed its arrangements for monitoring delivery of the IMTP by replacing the IMTP Delivery Assurance Group with a new Strategic Transformation Board which meets monthly and is chaired by the Chief Executive. The Strategic Transformation Board monitors progress against each of the eight strategic themes within the IMTP throughout the year and provides quarterly progress reports to the Board.

49   The Trust does not have a specific strategy committee and the terms of reference for the Finance and Performance Committee states that it is responsible for strategy. However, currently the delivery of the IMTP is scrutinised by the operational Strategic Transformation Board; quarterly IMTP progress reports are scrutinised by the Board, oversight for significant change programmes within the IMTP are delegated across each committee. It is therefore not yet clear what the role of the Finance and Performance Committee is over strategy and how this should fit within existing arrangements.

[2] Operational productivity and performance in English NHS Ambulance Trusts: Unwarranted variations (also known as the Carter Review), published September 2018

Once the Trust has a full cadre of Board members there will be an opportunity to discuss and clarify current arrangements.

50   The 2018-21 IMTP contained 44 strategic actions; 30 of which were due to be delivered in 2018-19. According to the 2018-19 end of year report, the Trust achieved 21 actions, five were closed and the remainder were re-profiled into subsequent years. For 2019-22 IMTP the Trust has set 42 strategic actions. We have commented in previous years' structured assessments about the lack of dedicated resource for project managing work within the IMTP. This has historically caused the Trust to rely on the limited capacity of its staff to deliver actions and has regularly impacted on their delivery. During 2019, the Trust established a Project Management Office. The team is small, with only three members of staff to support Executive Officers in delivering strategic actions. However, this resource provides some much-needed additional capacity to strengthen the Trust's ability to deliver against its plans. The Trust have also finalised its project management framework which is encouraging better visibility of projects and greater consistency of project management approaches.

Managing financial resources

51   We considered the action that the Trust is taking to achieve financial balance and create longer-term financial sustainability. We have assessed the financial position of the organisation, the approach to financial planning, financial controls and stewardship, and the arrangements for financial monitoring and reporting. We also reviewed the progress made in addressing our recommendations.

52   We found that **the Trust continues to meet its statutory financial duties, but it could improve capital planning, savings delivery, and reporting of single tender actions.** Our findings are set out below.

Financial performance

The trust has a track record of achieving financial balance although departmental delivery to budget and performance against individual savings schemes remains variable

53   The Trust continues to maintain financial balance and achieve overall planned savings. The Trust met its financial duties for 2018-19 with an overall underspend for the year of £57,000. The Trust also met its duties for the three-year period 2016-19. At month six of 2019-20, the Trust's year to date financial

position was a small underspend of £11,000. The Trust is confident it will meet its financial balance at year-end.

54   As of month six, the operational directorate was £108,000 overspent and the Non-Emergency Patient Transport service was £264,000 overspent. The Non-Emergency Patient Transport service is regularly overspent against its budget, which we highlighted in our 2018 structured assessment. The Trust has explored the reasons behind this regular overspend, including possible underfunding and areas of inefficiencies, and is in ongoing dialogue with the Chief Ambulance Services Commissioner about solutions.

55   In respect of savings, the Trust delivered £4.3 million savings against its 2018-19 target of £4.2 million. For 2019-20, the savings target is £2.1 million, and at month six savings of £1.138 million had been delivered against a profiled target of £1.127 million. We have previously reported that the Trust's planned savings delivery is inconsistent, with underperforming themes offset by overachieving themes. In 2018-19, none of the £200,000 savings relating to Non-Emergency Patient Transport were achieved and a further three savings themes underachieved against their targets. This underachievement was compensated by three savings themes overachieving by over £1 million. For example, the management of non-operational vacancies overachieved by £816,000 in 2018-19. While there are always challenges in planning and managing savings, there is a risk that continuing inconsistency in delivering planned savings creates significant problems in future.

Financial planning

While the Trust's overall financial planning process is generally effective capital planning is not sufficiently strategic despite some recent improvements to processes

56   The Trust routinely identifies cost drivers within its financial reports to the Finance and Performance Committee and Board. For example, as discussed in paragraph 42 the Trust has been proactively identifying the potential impact of health board service changes on its finances throughout the year. During 2019, the Trust has also been anticipating the potential financial impact from the UK's exit from the European Union and is working on various scenarios.

57   While the Trust is mainly funded through the Emergency Ambulance Services Committee, it also receives funding in-year from the Welsh Government, both revenue and capital, often to supply its winter plan to manage peaks in demand. This money often comes late in the financial year and with little notification ahead of time, which, during 2018-19 contributed to significant unspent capital money towards year end. The Board called a special meeting in March 2019 to agree on three schemes that could utilise the funding quickly. The Finance and Performance Committee subsequently undertook a deep dive to understand what led to the situation and the Trust produced a lessons learned paper which identified the following issues:

- late notification of winter funding from the Welsh Government;
- having uncommitted capital money within the annual budget;
- absence of developed reserve business cases; and
- weaknesses in approved business cases.

58   The Trust has since developed and approved several reserve business cases that can begin at short notice, while also improving its business case processes. However, the Trust reported to the October 2019 Finance and Performance Committee that it had £2.1 million unallocated capital due to slippage of current schemes amounting to £400,000 adding to its existing unallocated capital funding. The Trust needs to ensure it has sufficient project management capacity and capability to prevent slippage in schemes. It should also develop a longer-term approach to capital planning, to make better strategic use of available capital funding, aligned to its IMTP. This will also be important for supporting delivery against the new digital strategy being developed.

59   In our structured assessment 2018, we recommended that the Trust consider the benefits of developing an overarching asset management strategy. The Trust currently has plans for specific types of assets, including an Estates Strategic Outline Plan and a Fleet Strategic Outline Plan. The Trust has recognised that developing an asset management strategy would enable it to more clearly plan the use of its capital money in a joined-up way, and better align business cases across the various strands. During 2019 the Trust introduced an Internal Capital Management Board, which brings together the groups and boards that oversee various strands of the Trust's assets, such as the Internal Capital Planning Group, the Estates Programme Board and the Vehicle Procurement Programme Board. Once embedded, the Capital Management Board should help provide a more consolidated view of the Trust's asset management and enable the Trust to develop an asset management strategy. The Trust has significant ongoing costs in terms of fleet and estate, including very high levels of backlog maintenance. Having recognised the potential benefits of an asset management strategy, the Trust should look to progress with this work at pace.

60   The Trust's approach to savings planning is to identify overarching savings themes, that have several actions to deliver financial savings. The Trust states in its IMTP that it's 'approach to developing savings plans has reflected the need to deliver immediate, recurrent and sustainable cost reductions.' The Trust also states that all its savings have been recurrent since 2017-18. However, some themes, such as the management of non-operational

vacancies achieves savings through cost avoidance rather than recurrent savings, and the theme of local schemes is geared towards income generation rather than savings. While these themes continue to support the Trust to achieve financial balance, the continued need to deliver against savings targets means the Trust will need to be mindful that each of its savings themes are sustainable in the long-term.

Financial management and controls

The Trust's financial management and controls are generally effective, with plans to formalise finance business support to strengthen arrangements

61   The Trust introduced a finance business partner in 2018 to provide budget planning and management support. This was very limited in scope and used specifically to identify and address the reasons behind the Non-Emergency Patient Transport department's consistent overspending against budget. While the Trust's financial managers provide ongoing support to its departments, this is not formalised into a broader business partner model. The Trust plans to restructure its finance department in 2020, which will provide an opportunity to further formalise and embed operational support for financial planning and management across departments. This is currently on hold until a substantive Director of Finance has been appointed but should progress as soon as possible thereafter.

62   The biennial National Fraud Initiative (NFI) data-matching exercise helps detect fraud and overpayments by matching data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions. In January 2019, the Trust received 848 data-matches, with 159 matches considered to be of high risk and recommended for early review. As at 15 October 2019, the Trust had made good progress in reviewing the high risk matches with enquiries ongoing in several cases. However, the NFI web application does not record that any creditor payment matches have been reviewed, including high risk/high value matches. The Auditor General is undertaking further work to examine the effectiveness of counter fraud arrangements across the public sector in Wales, with a view to publishing his findings in summer 2020. His work will be informed by local fieldwork commencing in late 2019.

Oversight and scrutiny of financial performance

Changes to the committee structure and risk management arrangements have strengthened financial performance oversight, though reporting of single tender actions lacks clarity

63   The Trust has well-established monthly financial monitoring arrangements. The financial position, financial risks and delivery of savings are regularly scrutinised by the Executive Finance Group, Executive Management Team (EMT) and the Welsh Government.

64   The Finance and Performance Committee and Board also scrutinize financial and savings delivery on a bi-monthly basis. The Trust's work on improving its risk management arrangements has also led to the risk of 'maintaining financial balance' featuring in the corporate risk register, despite it being considered as low likelihood. Current risk and financial reporting to committee and Board, should enable the Trust to identify, mitigate and track any performance issues regarding the Trust's financial balance in a regular and transparent way.

65   Like most NHS Wales organisations, the Trust consistently seeks to achieve savings through procurement activities. For 2019-20 procurement has a savings target of £300,000 which was delivering as planned as of September 2019. In structured assessment 2018 we commented on some weaknesses within the Trust's oversight of the procurement undertaken by the NHS Wales Shared Services Partnership (NWSSP). The Trust is confident that its oversight has improved, with the Interim Executive Director of Finance engaging regularly with the NWSSP throughout the year to discuss savings and wider performance. However, the Service Level Agreement between the Trust and NWSSP is yet to be reviewed. Acknowledging the fact that the procurement element forms part of a broader Service Level Agreement between the Trust and NWSSP, the Trust should seek to review the agreement to strengthen governance in relation to procurement when possible.

66   There is scope to improve the clarity and purpose of financial reports regarding single tender actions. Between December 2018 and September 2019 the Trust has awarded ten single tender actions. While reports are regularly presented to Audit Committee, and the Trust has increased the level of detail included compared to some years ago, the lack of narrative and context within the report makes it difficult to understand whether the decisions taken offer value for money, expose the Trust to risk, or reflect weaknesses in the Trust's contract management, planning and financial controls. For example, current reports provide limited detail as to why the action was needed; and does not explain any variations between budgeted and actual cost. In April 2017, the Auditor General for Wales published Ensuring Value for Money in the Use of Single Tender Actions which provides helpful questions for audit committee members to consider in relation to single tender actions to ensure effective and robust scrutiny. We also note that there is an internal audit review of single tender actions planned for early 2020.

67   In 2017 and 2018 we made the following recommendations in relation to savings, oversight of procurement and asset management. Exhibit 3 describes the progress made.

Exhibit 3: progress on 2017 and 2018 recommendations

2017 / 2018 recommendation	Description of progress
[2017: R2] The Trust should take steps to ensure its Savings Delivery Reports highlight any risks that savings schemes may present for service performance or quality.	Complete. The Trust routinely considers and details operational and quality risks within its savings highlight reports to the Finance and Performance Committee.
[2017: R3] The Trust needs to address the further improvements to asset management controls identified in the Auditor General's accounts report and Final Accounts Audit Memorandum for 2016-17.	Complete. Work to progress the Trust's Real Asset Management (RAM) system was well-managed and completed in early 2019 which supports achievement of this recommendation.
[2018: R5] Explore the impact of ongoing vacancy management on the Trust's corporate capacity.	Complete. The Trust states that it regularly reviews the potential impact of its savings on its service delivery and quality and found no adverse impact from this savings theme, which continues to significantly overachieve against its target.
[2018: R6] Improve the oversight and ownership of the procurement activity undertaken on its behalf by NWSSP, including: a) reviewing the Service Level Agreement between the Trust and NWSSP; and b) provide greater scrutiny of quarterly performance reports.	In part. a) Not yet complete. Procurement forms one element of a broader SLA with NWSSP which the Trust has not yet reviewed. b) Complete. The Trust states that the quality of performance reports has improved in 2019.
[2018: R7] The Trust should explore the potential benefits of developing an overarching asset management strategy.	Complete. The Trust is planning to develop an asset management strategy soon, driven by the Capital Management Board.

Managing workforce productivity and efficiency

68   We considered the action that the Trust is taking to ensure that its workforce is well managed and productive. We also assessed arrangements for addressing training and development needs and action to engage and listen to staff and address wellbeing needs.

69   We found that **there is ongoing work to modernise the workforce, improve staff wellbeing and address challenges with training and sickness absence**. Our findings are set out below.

Managing the workforce

The Trust is taking steps to redesign its workforce but has not yet achieved a sustained reduction in sickness absence rates

70   The Trust is planning several changes to its workforce model in order to support the enhanced clinical service articulated within its Long-Term Strategic Framework, including:

- Continuing to upskill its paramedic workforce, with most of its paramedic workforce currently engaged in a two-year training programme to move from band five to band six of the Agenda for Change pay framework.

- Reviewing the role of local paramedic managers, Clinical Team Leaders.

- Continuing to expand its cohort of Advanced Paramedic Practitioners[3], Clinical Desk staff[4], and Falls Teams[5], subject to consideration by its commissioners.

- Exploring, in discussion with its commissioners, the Trust's relief gap[6] and required resources to match its planned and actual resource.

- Continuing to bring in all Non-Emergency Patients Transport Service activity from each of the health boards.

- Continuing development of the national 111 service.

71   There is therefore a potential for a significant increase and several changes to the Trust's workforce model in the near future. The Trust will need to manage these changes effectively in order to maintain and modernise its service in line with its strategic vision.

[3] Advanced Paramedic Practitioners are trained to treat a broader range of cases out in the community, which reduces the need to convey patients to hospital.

[4] Clinical Desk staff are clinically trained nurses that provide advice to patients from Clinical Contact Centres.

[5] Falls Teams review opportunities to reduce the risk of falls and repeat falls amongst the frail and elderly, which represents a significant portion of the Trust's demand.

[6] Relief gap is when there is planned resource to cover both expected and unexpected abstractions, such as annual leave and sickness absence, which ensures that the service can still operate effectively.

72   The Trust has developed a People and Culture Strategy which is due to be considered by the Board in November 2019. The People and Culture Strategy aims to articulate more clearly how the Trust can achieve its ambition to support its 'people to be the best they can be' which covers five objectives of workforce including volunteering, training, and health and wellbeing. This strategy is intended to work as an enabler to help the Trust carefully manage its workforce modernisation agenda.

73   Last year, we noted that the Trust had developed a rigorous and detailed planning toolkit across its directorates to inform its IMTP planning process, including its IMTP 2019-22. Each directorate is required to complete the toolkit which informs central plans about workforce needs. This toolkit, used effectively, will support the Trust to also have a broad view of its day-to-day workforce needs.

74   The Trust continues to have ongoing success with its 'big-bang' recruitment events which enables the Trust to over-recruit, supporting the Trust to manage predicted turn-over. As part of its 2019-20 winter plan, the Trust will also seek to recruit an additional 50 trained paramedics to help manage and meet demand. However, the Trust faces challenges in finding enough candidates to meet its planned expansion of Advanced Paramedic Practitioners and develop the 111 service. The Trust anticipates that there will be an increasing appetite for these roles as they become more embedded and clearly understood.

75   The Trust has had significant issues with its sickness absence for several years. During 2019, the Trust saw some improvement to sickness absence rates, with a decrease from 8% in January to 6.2% in May but this improvement has not been sustained. In August 2019 the sickness rate was 7.5% compared to 7.3% in August 2018. Sickness absence has received significant attention from the Trust over the past 12 months. The Trust agreed a nine-point action plan to attempt to address the underlying causes and the new People and Culture Committee conducted a deep dive in July 2019. The Trust recognises that it has much more work to do, including a full review of Occupational Health services and a focus on short-term sickness planned for 2020.

Training and development

The Trust is seeking to manage training challenges for its current and future workforce and its appraisal and mandatory training rates continue to improve

76   The Trust recognises that one of its biggest challenges in achieving its vision for its workforce is ensuring that training is enabling the changes it wants to make. In July 2019 the Board approved the Transforming Education and Training Strategy. The Transforming Education and Training Strategy clearly states the need to modernise training for paramedics in order to support the modernisation of the service. However, training for Trust staff is often limited because training programmes are scheduled at set points during the year and are constrained by classroom sizes. The Trust is currently progressing an

application for university status, which provides significant opportunities to strengthen partnership working with universities across Wales which will help make training more accessible and relevant as the Trust progresses its workforce modernisation agenda. This work will be overseen by a shadow partnership committee, expected to be introduced during early 2020.

77   In terms of statutory and mandatory training, the Trust's performance was consistently above 90% throughout 2018-19, which exceeds the national target of 85%. The Trust's appraisal rates for 2018-19 were 75% against a target of 80%. In our structured assessment 2018 we reported that the Trust was working to improve the quality of appraisals and linking appraisals to the Electronic Staff Record. The Trust is still engaged in this work. Until complete, the Trust faces challenges in identifying and addressing individual staff training needs in a streamlined and timely way.

78   The Trust has developed a workforce and organisational development dashboard, which is reported to each meeting of the new People and Culture committee. This reporting was introduced to ensure consistency in the workforce data reported internally and externally. In addition, sickness absence is one of the 'top ten' metrics included in the Integrated Quality and Performance Report (IQPR) each quarter to the Finance and Performance and the Quality, Patient Experience and Safety committees and to the Board. The transparent and regular reporting for the Trust's workforce metrics should support oversight and scrutiny of the Trust's important workforce agenda over the next few years.

Staff engagement and wellbeing

The Trust engages with staff and is improving staff wellbeing through work on staff conflict, violence and aggression and mental health

79   The Trust has undertaken significant work in terms of staff engagement. In previous years, we have mentioned aspects such as the annual staff awards ceremony and regular and informal ride-outs by Board members during the year. Trade union representation on the Trust Board and committees also importantly adds to these ongoing valuable opportunities for staff to engage and share experiences with board members. While the engagement events that followed Trust board meetings stopped during 2019 to allow full-day Board meetings, staff stories now feature at board meetings, alternating with patient stories. The Chief Executive also undertook over 20 introductory engagement 'roadshows' with staff across Wales. This provided an opportunity for staff to feedback on things they felt are working well and things that could improve.

This information has fed into four workstreams that will feature as part of the 2020-23 IMTP.

80   The Trust took part in the NHS Wales staff survey in late 2018. The Trust's participation rates in responding to the 2018 staff survey (42%) were higher than in 2016 (30%), and higher than at an all Wales level (29%). The Trust's own analysis of the survey results found an overall positive movement from 2016. The Trust saw positive changes in terms of line management, learning and development and diversity, but lower scores for harassment, bullying and abuse, and change in the organisation. The Trust held a series of workshops to encourage staff to discuss the results and identify themes for driving improvement which the Trust is developing into workstreams for 2020.

81   The Trust also continues its programme to improve staff wellbeing. Last year, we reported that the Trust launched a Trauma Risk Management (TRiM) Programme to strengthen the support it provides to paramedic staff that have experienced a traumatic work event. This programme has been rolled-out to more staff, including Clinical Contact Centre staff during 2019, which has been well-received. The Trust has also set up a personal safety steering group which manages a violence reduction plan and is planning a pilot of body-worn cameras for its paramedic workforce in order to deter and reduce incidents of violence and aggression.

Previous recommendations

82   In 2017 we made the following recommendations in relation to reducing sickness absence. Exhibit 4 describes the progress made.

Exhibit 4: progress on 2017 recommendation

2017 recommendation	Description of progress
[2017: R7] The Trust should prioritise action to reduce sickness levels	In progress While the Trust continues to focus on sickness absence through a range of measures, and saw some improvement during 2019, sickness absence has since returned to its previously high levels.

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru