

## **Agenda – Health, Social Care and Sport Committee**

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Meeting Venue:

**Committee Room 1 – Senedd**

Meeting date: 17 July 2019

Meeting time: 09.15

For further information contact:

**Sarah Beasley**

Committee Clerk

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### **Informal pre-meeting (9.15–9.30)**

#### **1 Introductions, apologies, substitutions and declarations of interest**

(09.30)

#### **2 Maternity services at the former Cwm Taf University Health Board follow up: Evidence session with the Independent Maternity Services Oversight Panel**

(09.30–11.30)

(Pages 1 – 20)

Mick Giannasi, Chair, Independent Maternity Services Oversight Panel

Cath Broderick, Lay panel member, Independent Maternity Services Oversight Panel

Research Brief

Paper 1 – Independent Maternity Services Oversight Panel

#### **3 Paper(s) to note**

(11.30)

##### **3.1 Letters from the Interim Chief Executive of Cwm Taf University Health Board**

(Pages 21 – 32)

##### **3.2 Letter from the Chair of the Finance Committee regarding Welsh Government Draft Budget 2020–21**

(Pages 33 – 40)



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- 4 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of this meeting**  
(11.30)
- 5 Maternity services at the former Cwm Taf University Health Board follow up: Consideration of evidence**  
(11.30–11.40)
- 6 Community and district nursing services: Consideration of draft report (2)**  
(11.40–12.00) (Pages 41 – 82)  
Paper 5 – Community and district nursing services: draft report (2)
- 7 Forward work programme**  
(12.00–12.20) (Pages 83 – 96)  
Paper 6 – Forward work programme
- 8 Implications of Brexit: UK-wide common policy frameworks**  
(12.20–12.30) (Pages 97 – 108)  
Paper 7 – Implications of Brexit: UK-wide common policy frameworks

Document is Restricted

**Mick Giannasi**  
**Chair of the Independent Maternity Services Oversight Panel**  
**Cadeirydd y Panel Trosolwg Annibynnol ar Wasanaethau Mamolaeth**

Eich cyf/Your ref **IMSOP-SE-003-19**  
Ein cyf/Our ref **IMSOP-SE-003-19**

Dr Dai Lloyd AM,  
National Assembly for Wales,  
Cardiff Bay,  
Cardiff,  
CF99 1NA

04 July 2019

Dear Dr Lloyd,

**Independent Maternity Services Oversight Panel**

Thank you for your recent letter about my forthcoming appearance before the Health, Social Care and Sport Committee to discuss the work of the Cwm Taf Morgannwg University Health Board Independent Maternity Services Oversight Panel.

I can confirm that my fellow Panel member, Cath Broderick, will also be attending with me and that she will be able to brief the Committee specifically about the work she is doing to enable the Health Board to engage with the women and families most affected by the service failures which have been identified.

Please find attached at Appendix A, responses to the areas which you have specifically highlighted in your report as being of interest to Committee Members. I hope that assists and trust that the information is largely self-explanatory.

I look forward to meeting you and your fellow Committee members on 17 July 2019. By that time, the Panel's first monthly update for Welsh Government will have been completed and I will be in a position to update you verbally on the progress which is being made.

In the meantime, if you have any further questions or require additional information, please do not hesitate to contact me.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Yours sincerely



Mick Giannasi  
Chair, Independent Maternity Services Oversight Panel

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## Appendix A

### Response to Specific Areas of Interest Raised by Committee Members

Area of Interest	Response
Extent to which Board members and senior management had knowledge of the issues identified in the Royal College's report.	<p>It is important to emphasise that there are five strands to the Ministerial intervention in Cwm Taf Morgannwg University Health Board which are being coordinated by a senior Welsh Government official. Placing maternity services in Special Measures and appointing the Independent Maternity Services Oversight Panel is one of those five strands.</p> <p>Whilst the five strands are complementary and in practice are being progressed in an integrated way, each has a different primary focus. The role of the Independent Oversight Panel, as set out in its terms of reference, is predominantly to ensure that the Health Board delivers the improvements in patient safety, quality and patient experience which have been identified as necessary in the Royal College's Report and other associated reviews.</p> <p>Whilst in practice, that will involve an element of looking back to understand the underlying causes of the failings which have been identified, other than the specific work around retrospective independent clinical review which forms part of the Panel's remit, its focus will be primarily forward looking. As such, the Panel will not be undertaking any specific investigative work to identify the culpability of individuals, groups of teams for the failings which have been identified. It is, in essence, a performance improvement mechanism rather than an inquiry or investigation.</p> <p>The independent clinical review element of the Panel's work <i>will</i> involve the retrospective examination of serious incidents and that, as an outcome of the process, may result in matters being referred to outside bodies (e.g. professional bodies, H.M. Coroner, etc.) for consideration of further action. However, even that element will, in accordance with the Panel's terms of reference, be primarily focused on ensuring that lessons are learned and acted upon as a driver for improvements in patient safety, quality and patient experience.</p> <p>By virtue of its terms of reference, the Panel has a responsibility to refer any wider corporate governance and leadership concerns to the Health Board and/or Welsh Government as appropriate, although again, that is not the Panel's primary focus.</p>

	<p>That focus rests with other elements of the intervention process, namely, the work which David Jenkins is doing to support the Chair and the Health Board to deliver improvements in leadership and corporate governance, the work which Welsh Government is doing in terms of the Health Board's targeted intervention status and the regulatory work which is being undertaken by Healthcare Inspectorate Wales and the Wales Audit Office.</p> <p>The Panel has been made aware that in consultation with David Jenkins and Welsh Government, the Chair of the Health Board has commissioned an independent external review of the handling of the report produced for the Health Board in 2018 by the seconded Consultant Midwife. That review may, in due course, provide some of the answers which Members of the Committee are seeking about who knew what, when and in what context. However, it is not directly within the Panel's remit and, as such, it would not be appropriate to comment further in this response.</p>
Timescales for the Panel's work.	<p>At this stage, it is not possible to identify with any degree of certainty what the timescales for the completion of the Panel's work will be. This is dependent on a number of factors, some of which are currently being worked through, most importantly the detailed scheduling and prioritisation within the Health Board's Maternity Services Improvement Plan alongside the scoping and scheduling of the clinical review and public and patient engagement elements of the Panel's work.</p> <p>It is also becoming increasingly apparent, both to the Panel and the Health Board, that the improvements which are necessary in Maternity Services can only be delivered on a sustainable basis as part of a wider organisational and cultural transformation process which is currently being worked through by the Health Board and will take several months to research, plan and initiate.</p> <p>It is envisaged that the potential timescales will become clearer by the end of September 2019 when the Panel presents its first formal report to the Minister. However, at this stage, it is only possible to provide a broad-brushed estimate based on previous experience and professional judgement.</p> <p>In terms of the performance improvement element of the work, experience in intervention situations within the Panel's knowledge (for example in Morecambe Bay and the Isles of Anglesey County Council) suggests that the 'make safe' element of the plan should, and indeed, must be delivered within 3 to 6 months of the start of the process and that within 12 months the organisation should have made sufficient progress for the Minister to begin to consider scaling back or de-escalating to a degree the intervention process.</p>

	<p>However, again based on experience elsewhere (for example in the case of the Welsh Ambulance Service), it is likely to be twelve months to two years or so before some of the longer-term changes which are required, particularly those which require cultural or leadership change and those which seek to rebuild public trust and confidence, start to take effect in a way which begins to embed change and makes it sustainable going forward.</p> <p>It is also likely to be twelve months to two years before it is possible to say with confidence that sufficient momentum has been achieved, whereby it is unlikely that if the external oversight and support was removed, that the organisation would regress or falter on its improvement journey.</p> <p>Where those changes need to be underpinned by wider organisational transformation and longer-term investment in organisational capacity and capability, it is not unrealistic to expect sustainable results to take three to five years to deliver.</p> <p>That is not to suggest for one minute that the Independent Oversight Panel or indeed the wider intervention will need to remain in place for that length of time nor that there will not come a time sooner when the intervention can appropriately be brought to an end. However, it is important to recognise that there is no quick fix and that change of the type which is necessary in Cwm Taf Morgannwg will not be delivered overnight.</p> <p>The independent clinical review element of the Panel's work brings an added dimension to the questions of timescales which at this stage is difficult to estimate with any degree of certainty.</p> <p>There are a number of phases in the clinical review process which are inter-dependent and will need to be scheduled in sequence.</p> <p>For example, until the review of the January 2016 to September 2018 cases (referred to in the Royal College's report as the 43 cases) have been reviewed, it will not be possible to scope what is required in terms of the further look back exercise to 2010.</p> <p>As an example, it is understood that a similar clinical review process which commenced in England two years ago has still not been fully completed.</p> <p>Clearly, it is not helpful to speculate in matters of this nature. However, some estimation of what the timescales might be is necessary for planning purposes and on that basis, the Panel is working on the broad assumption that its likely to be at least 12 months before the position has been reached where, if all goes well, a recommendation could be made to the Minister that he could consider scaling back the intervention.</p> <p>Whilst that does not provide a definitive answer to the</p>
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	<p>Committee's question, it is hoped that sharing the Panel's thinking about what the potential timescales might be and the rationale for that thinking, is helpful.</p>
<p>Powers of the Panel to obtain documents and information.</p>	<p>The Panel has no specific powers to require the Health Board or others to provide access to documents or other information. As such, there is and will continue to be a reliance on cooperation and negotiation to achieve what is needed. However, as things stand, that is unlikely to present a problem.</p> <p>In practice, the Health Board is cooperating fully with the Panel in enabling the proper discharge of its responsibilities and terms of reference. For example, case notes, patient records and other information have already been made available to assist members of the Panel in scoping out the clinical review process. Similarly, the Panel has been provided with access to the information which is needed to establish a database of the women and families affected and their preferences for contact and further engagement in the oversight and performance improvement process.</p> <p>At a more strategic level, performance information and internal reports are routinely being shared with the Panel and there is a regular two-way flow of information between the Panel and the Board at both executive and non-executive level. The Director of Nursing has been appointed as Senior Responsible Officer and acts as a conduit/problem-solver for the Panel, and a senior member of the Corporate Team acts as a single point of contact for day-to-day information and support.</p> <p>These arrangements are underpinned by an Information Handling Protocol which is currently in draft form but will eventually form part of the Panel's Scope, Terms of Reference and Methodology document. This will set out how information will be shared, handled, stored and disposed of to ensure compliance with relevant legislation and data protection and principles.</p> <p>In the event that there are data access issues which cannot be resolved through negotiation and cooperation, the Panel has within its Terms of Reference the ability to go back to the Minister to seek additional leverage. However, it is not envisaged, in the climate of cooperation which currently exists, that such an approach will be necessary.</p>
<p>Level of resources available to the Panel to enable it to carry out its work.</p>	<p>The Panel comprises of four core members, a coordinating Chair (Mick Giannasi), an obstetrician (Professor Alan Cameron), a midwife (Christine Bell) and an engagement specialist (Cath Broderick).</p> <p>In addition, the Panel will be supported, as necessary, by 'go to'</p>

	<p>individuals providing specialist advice and support in areas like legal services, communications and workforce and organisational development.</p> <p>The Panel will meet formally on a monthly basis and a number of participating observers (e.g. a workforce representative, a representative of the Community Health Council, representatives from the Welsh Audit Office and Healthcare Inspectorate Wales, etc.) will attend the meeting to assist the Panel in its deliberations.</p> <p>In terms of day-to-day operations, Welsh Government has nominated two support workers to assist the Panel on a full-time basis; that is in addition to providing other members of staff to undertake routine administrative support for meetings and ancillary tasks. The two support workers have a range of skills and abilities which enables them to undertake substantial pieces of work on behalf of the Panel, for example, arranging and co-ordinating meetings and events, managing dairies, drafting documents and undertaking background research.</p> <p>Within the last two weeks, with the support of Welsh Government and the NHS Delivery Unit, the Panel has interviewed and provisionally appointed a Business Manager to design, develop and coordinate the performance monitoring and assessment process which will underpin the Panel's formal reporting mechanism. The Business Manager will also act as the interface with the Health Board's Programme Management Team.</p> <p>The individual who has been identified has operated at Assistant Director level in a health board setting and has experience of programme management, performance management, corporate governance and quality improvement. This is a key appointment which will enable the Panel to accelerate the pace at which it is developing its business processes.</p> <p>The individual can start immediately and it is hoped that the appointment will be confirmed within the next seven days.</p> <p>It is envisaged that the business manager will spend 2 to 3 days per-week doing Independent Oversight Panel work, with the balance of his time being spent within the NHS Delivery Unit who will host his contract of employment.</p> <p>That is a helpful arrangement which has the potential to create synergy between the work of the Panel and the package of intervention and support with is being led specifically by the Delivery Unit.</p> <p>In terms of the independent clinical review element of the Panel's work, over the next few weeks, it will be necessary to recruit a number of multi-disciplinary teams of clinicians (mostly midwives, obstetricians, anaesthetists and paediatricians) on an ad-hoc basis</p>
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	<p>to undertake individual reviews on behalf of the Panel.</p> <p>At this stage, it is not clear how many teams will be needed or how they will be constituted for each case; that will not be known until the scoping work has been completed. However, with the support of the relevant Royal College's, Welsh Government has already compiled a list of suitably qualified individuals who have indicated a willingness to become involved.</p> <p>At this stage, the Panel believes that it has the resources that it needs to effectively discharge its terms of reference. However, should that change, Welsh Government has indicated that it will consider making additional resources available, if there is a properly evidenced business case to do so.</p>
<p>Details of the Panel's plans for engaging with patients, and the extent to which women and families will have the opportunity to have their voices heard.</p>	<p>The '<i>Listening to Women and Families about Maternity services in Cwm Taf</i>' report made strong recommendations about the way that the Health Board engages with women, families, patients and communities. Cath Broderick has started the extensive process of working with key people in the Health Board and partner organisations to understand in more depth how current engagement and patient experience activities and approaches can be developed and improved.</p> <p><b>Women and Families Engagement Workstream</b></p> <p>At the heart of this work is a new Women and Families Engagement Workstream that will report to the Maternity Services Improvement Board. Cath is providing support, advice and oversight to the staff committed to deliver new and innovative methods of engagement and the multidisciplinary group. This includes midwives, patient and public engagement and communication leads, and Cwm Taf Morgannwg CHC. The group met for the first time on 01 July 2019 to start the conversation about how engagement with women and families should improve.</p> <p><b>Principles for engagement</b></p> <p>An Engagement Strategy is being developed by the Health Board with support from Cath Broderick. This will be driven by a number of principles:</p> <ul style="list-style-type: none"> <li>• Women and families, in particular those directly affected by events leading to the review, will be at the heart of the work undertaken by the IMSOP and central to the Health Board's development of approaches, methods and delivery of engagement and communication;</li> <li>• The delivery of maternity services, the practice of individuals and the strategy for engagement and communication should be viewed through the eyes of the people who use services in Cwm Taf Morgannwg;</li> </ul>

	<ul style="list-style-type: none"> <li>• It must be as easy as possible for people to be involved and they should be actively involved in ways that are meaningful and provide real opportunities to influence change and improvement;</li> <li>• People must be informed about how their involvement has influenced decisions and practice.</li> </ul> <p><b>Women and families at the heart of engagement</b></p> <p>The Panel has met with women and families directly affected on a number of occasions, including a meeting with the Minister, and will continue to do so.</p> <p>People have told us how they want to be involved and explained how they wish to contribute to the improvement of maternity services in Cwm Taf Morgannwg. Their suggestions will be central to the development of the engagement strategy. In particular, they have told us that they want to-</p> <ul style="list-style-type: none"> <li>• Be kept up-to-date with progress on improvement and change within maternity services (the new IMSOP Newsletter for women and families is being distributed shortly and we are exploring the use of social media and other digital platforms);</li> <li>• Share their stories and contribute to the staff's understanding of the impact of failings in communication and care (they are interested in the development of a video and communication training tool for staff);</li> <li>• Be part of co-production events and workshops to design maternity care that meets everyone's needs (co-production will bring staff and families together to understand each other's experience and translate it into improved quality of care and good practice. The first event is being planned for early September);</li> <li>• Be part of work to improve complaints and concerns handling by sharing their experiences and views on how this can be changed to the benefit of women and families and resolving concerns;</li> <li>• Work with the Health Board to identify which measures matter from the families' when seeking to demonstrate and quantify improvement in maternity services;</li> <li>• Look at developing a Women and Families Group that will identify how they want to be engaged further;</li> <li>• Be supported and suggest new approaches to engage with the communities across Cwm Taf Morgannwg;</li> <li>• Self identify whether they want to be involved as representatives on the Women and Families Workstream group.</li> </ul> <p><b>Maternity Services Liaison Committee (MSLC)</b></p>
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	<p>The MSLC is a multidisciplinary group, including services users, with responsibility for bringing the voices of women and families into the Health Board to provide feedback on maternity care and ensure that services meet the needs of users.</p> <p>Women and families directly affected have been asked if they want to be part of the MSLC and a new Lay Chair is being appointed in response to the RCOG Review recommendations.</p> <p>Cath is working with the Women's Experience Midwife to ensure that new methods are developed to hear the views of women using services through a 'Walk the Patch' approach on the maternity units.</p> <p>Other approaches include building on the 'Real Time' maternity experience initiative started by the PALS team by developing reflective qualitative interviews with women when they are back in the community after the birth of their baby.</p> <p>They will be reaching out to women and families where they live through engagement at Mums and Toddlers groups, Baby Cafés, community clinics and informal events.</p> <p><b>Engaging with communities, building trust and confidence</b></p> <p>Building trust and confidence in maternity services in Cwm Taf Morgannwg is important for those women and families currently using services as well as those who will need to use it in the future. As such, community engagement methods are being developed to ensure that all of the families have an opportunity to be heard in familiar settings, be supported to engage and be assured that action will take place as a result of their feedback.</p> <p>In that regard, the learning from other NHS organisations which have faced similar challenges will be extremely helpful to the Health Board. That is particularly so in areas that have experienced similar challenges and found that their communities had heard nothing but 'bad news' about maternity services in the area.</p> <p>Cath worked with families affected by events leading to the Kirkup Review of maternity services at Morecambe Bay University Hospitals NHS Trust and developed co-production engagement and communication methods with the staff and families which are transferable to the Cwm Taf context.</p> <p>Connections have been made with colleagues in Morecambe Bay and the co-production methods and tools used to secure the involvement of women and families in change and community engagement are being shared.</p>
Assurances about the Panel's	The Panel is independent and in its early work has consistently and

<p>independence from both Cwm Taf Morgannwg Health Board and from Welsh Government.</p>	<p>deliberately demonstrated that to be the case.</p> <p>None of the members, or any other person directly supporting the Panel, has any previous connection or association with the Health Board. Indeed, three of the Panel members have not previously worked within Wales and bring insights from different UK health system. As such, the Panel comes to its task with fresh eyes and independence of thought.</p> <p>Within the Terms of Reference he has provided and in his verbal briefing to the Panel during its induction process, the Minister has made it clear that he expects the Panel to be, and to be seen to be fiercely independent and that it should not hesitate to make recommendations which relate to the role of Welsh Government within the current situation where that appears to be appropriate.</p> <p>Whilst the Panel is working collaboratively with both the Health Board and Welsh Government officials, that should not be seen as an indication of a lack of independence. Working with the Wales Centre for Public Policy, the Panel has adopted an evidence-based approach to the design of the oversight process taking account of academic research and evidence of what has worked in previous interventions.</p> <p>Academic research (Jas and Skelcher, 2005) suggests that the style and of any imposed external intervention should be the least intrusive which is necessary to achieve the outcome which is desired.</p> <p>The same research also suggest that three factors explain the ability of an organisation to remove itself from a performance intervention, namely:-</p> <ul style="list-style-type: none"> <li>• <b>COGNITION</b> (<i>i.e. a recognition by the organisation that it needs to change and an acceptance that it needs help to do so</i>);</li> <li>• <b>CAPABILITY</b> (<i>i.e. the knowledge within the organisation of what needs to be done and the technical skill to achieve it</i>);</li> <li>• <b>CAPACITY</b> (<i>i.e. the ability and resources to tackle the change agenda</i>).</li> </ul> <p>The Panel has been working with the Health Board to assess its 'cognition, capability and capacity' and recently conducted a self-assessment exercise during a Board Development Day.</p> <p>On the basis of the outcomes of the exercise, the Panel believes that it appropriate to adopt a collaborative approach, albeit within an atmosphere of scrutiny, challenge and support.</p> <p>That approach is again supported by academic research which suggest that 'the most effective performance improvement mechanisms are those owned by the organisation subject of the intervention ... albeit subject to the influence of government' (Fox</p>
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	<p>2003, Kellard et al, 2007).</p> <p>Similarly, the Panel is working closely with the regulators and with Welsh Government to ensure that the strands of the intervention are drawn together into a cohesive whole albeit that there is absolute clarity about the independent nature of the various elements.</p>
<p>Clarification about the powers of the Panel to make recommendations and insist on their implementation.</p>	<p>Items four and five of the Terms of Reference provided by the Minister state that the Panel should:</p> <ul style="list-style-type: none"> <li>• Escalate any wider governance related issues or concerns which emerge to the Health Board and Welsh Government as appropriate;</li> <li>• Advise the Minister on any further action which the Panel considers necessary to ensure the provision of safe, sustainable, high quality, patient centred maternity and neonatal services. This should include advice about the need for, and timing of, any follow-up independent reviews and the identification of any wider lessons for the NHS in Wales.</li> </ul> <p>Whilst the Panel has no specific powers to insist that its recommendations are implemented, the ability to make those recommendations is clear. As such, the Panel will rely on cooperation and negotiation to achieve compliance. However, it is implicit that within the Terms of Reference that where those recommendations are well founded, Welsh Government and where necessary, the Minister will take reasonable steps to support their implementation. Indeed, the Minister has made that clear in his initial conversations with the Panel.</p> <p>As previously stated, the Health Board is cooperating fully with the Panel in enabling the proper discharge of its responsibilities and Terms of Reference and, as things currently stand, it is not anticipated that issues will arise which need to be escalated. However, if that does become the case, the Panel will not hesitate to do so.</p>
<p>Actions that are being/will be taken to rebuild public and staff trust in the Health Board.</p>	<p>As outlined above, in accordance with its terms of reference, the Panel is working with the Health Board to develop the capacity, capability, systems, tools and techniques which will enable it to engage in an open and transparent with the women and families affected by the Review and more broadly with maternity service users going forward. Done correctly, that will, in due course, have an incremental impact of public trust and confidence.</p> <p>In addition, the Panel is currently involved in discussions with the Health Board about the need, as part of the Maternity Services Improvement Plan, to develop similar arrangements to engage staff more effectively in the design and delivery of improved</p>

	<p>services going forward.</p> <p>In our early discussions with the Health Board, a shared understanding has emerged that in order for change to be sustainable, maternity services will to be improved in the context of a wider organisational change process that encompasses organisational culture, leadership, mission vision and values. Those discussions have also identified the need to develop a structured communications and engagement strategy designed to change the narrative around the organisation.</p> <p>In order to be effective, the engagement and communication strategy will need to be owned and delivered by the organisation and its senior leadership, albeit that the Panel and Welsh Government will provide the support and challenge which is needed to drive it forward at pace.</p>
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Bwrdd Iechyd Prifysgol  
Cwm Taf Morgannwg  
University Health Board

Your ref/eich cyf:  
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5 July 2019

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Chair and Chief Executive

## Agenda Item 3.1

Dr Dai Lloyd AM  
Chair  
Health, Social Care and Sport Committee  
National Assembly for Wales  
Cardiff Bay  
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CF99 1NA

Dear Dr Lloyd

Thank you for your letter of the 14 June 2019.

You requested some further information on a number of issues which are attached in the Annex to this letter. The information you requested on Questions 1,2 11 and the further information on the systems now in place to deal with serious incident reviews will follow, my apologies for this delay.

Please let me know if any further detail or clarification is required in respect of the information we have provided.

Yours sincerely

**Dr Sharon Hopkins**  
**Interim Chief Executive/Prif Weithredydd Dros Dro**

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### Cyfeiriad Dychwelyd/ Return Address:

Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg, Pencadlys, Parc Navigation, Abercynon, CF45 4SN  
Cwm Taf Morgannwg University Health Board, Headquarters, Navigation Park, Abercynon, CF45 4SN

Cadeirydd/Chair: Professor Marcus Longley

Prif Weithredydd/Chief Executive: Mrs Allison Williams

Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg yw enw gweithredydd Bwrdd Iechyd Lleol Prifysgol Cwm Taf Morgannwg  
ICwm Taf Morgannwg University Health Board is the operational name of the Cwm Taf Morgannwg University Local Health Board

## Financial Performance

Question 1. The Health Board's written evidence notes that the funding gap for 2019-20 is £12.8 million. What measures are included in the integrated medium term plan (IMTP) to address this, and what will be the key challenges in delivering a balanced budget.

To follow

## Boundary Change

Question 2. What impact will the transfer of Bridgend services have on the Health Board's financial position.

To follow

## Winter Preparedness – Winter 2018/19 and plans for 2019/20

Question 3. How is the Health Board preparing for winter 2019/20, and where are the pressure points likely to be.

Winter planning is a key element of the HBs planning framework and forms part of a continuous cycle of reflection and learning following each winter period. The winter plan involves all stakeholders within the organisation and those that are key to delivering elements of the plan alongside the CTMUHB, these stakeholders include the Welsh Ambulance Services NHS Trust (WAST), Local Authority colleagues, third sector partners and our local population to name but a few.

We have already undertaken a formal review and reflection of our winter plan for 18/19 and will build on the initiatives that had a positive impact and learn lessons where initiatives were less successful. Our transformation bid (recently approved) will be a key element of the winter plan for 19/20.

At present, the Unscheduled Care Group holds the overarching responsibility for the development of the winter plan supported by our planning business partners. The winter plan is an integrated health and social care plan which is signed by all partner organisations.

## A Healthier Wales/Transformation

Question 4. An update on projects in the Health Board area being funded through the Transformation Fund.

Following the successful change in the Health Board boundary in April 2019, Bridgend County Borough Council have joined together with the former Cwm Taf partners to form the Cwm Taf Morgannwg Regional Partnership Board.

In anticipation of the boundary change, the Health Board worked with partners on developing transformation proposals in the former Cwm Taf and Bridgend.

These two proposals, namely ***Stay Well in Your Community*** in the former Cwm Taf area and ***Accelerating the Pace of Integrated Services*** in Bridgend were approved by Welsh Government on 9 June, with funding totalling £22.7m.

Building on pilots already established across the Region, the transformation funding will be used to expand successful pilot projects across the Region to provide greater choice and independence for individuals, whilst reducing pressure on social care, GP surgeries and hospitals. Implementation of the two programmes is now underway, with both aiming to deliver seamless services which are provided closer to home and transform outcomes for individuals and communities.

Question 5. The Welsh Government has made clear that service transformation must become a mainstream activity for Health Boards, using their core funding to deliver change. From the Health Board's perspective, how achievable is this. Has the Health Board identified any barriers to transformation becoming a mainstream activity.

A key part of the development of the Cwm Taf Morgannwg RPB transformation plans has been the development of a financial sustainability plan. This has formed part of Welsh Government's approval of the Region's transformation proposals. The sustainability plans are predicated on three assumptions; use of new recurring funding streams in 2019/20, the level of system wide cost release which can be reinvested into the transformation models and management of new models to budget. Each of these carries its own risk, however starting with a clearly agreed plan whilst monitoring and managing the risk, means that whilst it is ambitious to mainstream activity, it is achievable. The most significant barrier is the short timescale as transformation funding is only available until December 2020, with which to evidence the large scale benefits leading to cost release elsewhere in the system. Fundamental to working in partnership, and therefore to the implementation of the transformation proposals, including mainstreaming, is the growing maturity of the partners to be brave in their decision-making. This requires mutual trust of each other as we work through important elements of risk sharing, including how we can look to allocate or transfer appropriately (according to a successful evidence base) elements of core funding.

Question 6. The Health Board's written evidence to the Committee (28 September 2018) to inform the Committee's scrutiny of the draft Budget 2019-20 stated that its spend on primary care for the last 3 years, as a proportion of total Health Board spending, had remained broadly static. How likely is it that the Health Board will be able to realise a shift in resources from secondary care and into primary care/community settings going forward.

There are a number of areas where the Health Board is looking at shifting resources from secondary to primary care. There is considerable activity in secondary care in regard to the management of Type I and Type II diabetes, and also the management and monitoring of anti-coagulation services. Both of these areas are of specific focus for the Health Board in 19/20. There has already been a considerable shift of work load on glaucoma and acute macular degeneration into primary care, whilst specific resources are not transferred, there has been associated investment in primary care as a direct result.

The Transformation Fund is designed to both improve the strength and sustainability of primary care, as well as taking a significant step in regard to management of system demand into secondary care. This will result in the reduced need for secondary care beds/reduction on bed days and in line with the transformation financial suitability plans there will be a significant transfer of resource into primary care by 21/22.

There has been a very successful co-ordinated campaign to recruit GP trainees into Wales and we have fully recruited over the past 1-2 years. Additionally, the Welsh Government have agreed that we can over-recruit if there are sufficient suitable candidates this year. This is in contrast to the past 5 years when we have not been able to fill our training posts. We know that GPs are more likely to stay locally to where they train, so we are looking at more GP trainees being ready to fill posts in the coming one to two years, as the GP training is a 3 year scheme. We are encouraging GPs to take on Portfolio careers to ensure resilience in the GP workforce. We continue to work with our GP clusters to strengthen the multidisciplinary team working in primary care. Apart from doctors, we also need primary care practitioners with other skill sets such as physiotherapists, physicians associates and pharmacists. In addition, care navigation training is being provided to our GP reception staff to ensure that patients get to see the right practitioner the first time, whether it be a GP or otherwise.

## **Workforce**

### **Recruitment/retention Issues**

Question 7. Where are the most significant workforce pressures currently (e.g. in what settings, professions, specialisms etc).

The Health Board's most significant workforce pressures currently exist within the nursing, midwifery, medical and dental staff groups, linked to high rates of turnover and historical vacancy rates across a number of specialities.

The most notable areas of pressure are in nursing in acute inpatient areas (A&E, Acute Medicine and Surgery) across Prince Charles Hospital, Princess of Wales and the Royal Glamorgan (RGH); in addition, the Health Board has medical workforce pressures in A&E, most significantly at RGH. Middle grade posts within paediatrics have been difficult to recruit to, however we have recently had some success in attracting applicants to newly redesigned middle grade posts, with a more portfolio / flexible mode of employment, which has proven more attractive in today's employment market.

The Health Board is continually considering creative ways to mitigate these pressures, including development of new roles and consideration of alternative recruitment methods. The Health Board is about to engage in a substantial international nurse recruitment campaign, which, if successful, will impact historical vacancy levels.

Question 8. What action is being taken in the Health Board to support the health and wellbeing of the workforce.

In terms of the wellbeing of its workforce, there are significant links with some of the workforce pressures described above, and addressing some of these challenges will have a marked impact on the wellbeing of our existing workforce. In addition, the Health Board continues to support staff through a number of wellbeing initiatives, as well as bolstering its offering to support staff when they need it, for example, via counselling services, and targeted occupational psychology.

The Health Board is about to appoint to a full-time occupational psychologist role to examine evidence-based system-wide interventions to create positive conditions for wellbeing, following the model utilised successfully in Aneurin Bevan ABUHB and Cardiff & Vale C&VUHB. This work will support the Health Board's Feeling Fine, Working Well approach to supporting staff health and wellbeing, which covers three key themes, namely:

- supporting key preventable ill-health factors such as smoking cessation, physical activity and healthy eating
- incorporating Occupational Health issues
- areas such as organisational support and employee involvement.

#### **Agency**

Question 9. What progress has been made in the last year in reducing spend on agency staff.

The Health Board's reliance on temporary staffing remains challenging in the context of the workforce challenges described above. This will of course be significantly impacted by a successful international nurse recruitment campaign, which the Health Board will be commencing shortly with an external partner organisation.

In addition, in November 2018, the Health Board was the first in Wales to engage a "neutral vend" model with a provider to manage our relationship with medical agency locums. This system, while still in its relatively early days, is providing the Health Board with some significant intelligence, which is allowing us to closely monitor rates. As well as this, "fill rates" are much higher with the new neutral vend system and while this may drive initial increases in spend, this will provide a higher degree of safety within medical rotas. The Health Board will continue to monitor spend and rates to ensure that opportunities to work with agencies to draw out efficiencies are maximised, as well as continuing with the redesign of roles and service models to attract substantive medical staff.

### **Compliance with Nurse Staffing Levels Act**

Question 10. Is the Health Board compliant with the requirements of the Nurse Staffing Levels (Wales) Act. How is the Health Board preparing for the anticipated extension of the Act into other settings (for example, paediatric wards, mental health wards).

In January 2019, the former Cwm Taf University Health Board, declared compliance with the Nurse Staffing (Wales) Act and agreed significant investment into nursing establishments and the ongoing implementation is being overseen by the Director of Nursing, Midwifery and Patient Care. In relation to the Nurse Staffing (Wales) Act compliance position for the 5 medical wards and 5 surgical wards at the Princess of Wales (PoW) hospital, the Health Board is seeking further clarification based on the information recently provided by Swansea Bay SBUHB in relation to PoW, adult and medical surgical wards.

In relation to the extension of the Act into Paediatrics, the Health Board undertook a gap analysis which has been shared with Welsh Government and the paediatric nursing principles have been widely distributed within the Health Board. It is envisaged that compliance with these principles will be governed in the same way as the District Nurse principles.

The Health Board's Lead Nurse for Mental Health is actively working with colleagues across Wales in developing and shaping the extension of the Act and an agreement at a recent All Wales Director of Nursing meeting, agreed to a key set of metrics to be shared across organisations to further inform this work.

### **Mental Health**

Question 11. To what extent is staff recruitment and retention in mental health services an issue in the Health Board. How sustainable are services.

### **To follow**

Question 12. From the Health Board's perspective, what are the barriers to achieving greater parity between mental and physical health. How could these barriers be overcome.

'Parity of esteem' is often considered as valuing mental health equally with physical health but it is more than just that it is about tackling mental health issues with the same energy and priority as we have tackled chronic physical illness and other life changing conditions. Public Health certainly give good focus to mental health within the Health Board and have helped drive work on suicide prevention and co-occurring substance misuse and mental health.

For the Health Board, it is about changing the experience for people who require help with mental health problems wherever they receive any care. It is about putting funding, commissioning and training on a par with physical health services. There has been movement in recent years in relation to funding and training which is positive but this needs to be an ongoing journey.

Parity is also about tackling the physical illnesses of people with severe mental health problems. Currently they have the same life expectancy of people who lived in the 1950s – some 10 to 15 years shorter than average. This has to change but this change needs to be driven by a range of people not just mental health clinicians.

It will be fundamental for the Board to tackle and end the stigma and prejudice within the NHS which leads to diagnostic overshadowing and stops people with serious mental health problems getting treated with the same rigor as if they had a physical illness such as, diabetes or chronic obstructive pulmonary disease (COPD).

The statistics surrounding mental health are salutary. Notably, the fact that 75 per cent of all chronic mental health problems start before the age of 18, and yet currently research suggests only a quarter of children and teenagers aged up to 15 with mental health problems receive help from any services. We are investing heavily this year in Child & Adolescent Mental Health services as part of the mental health transformation fund in recognition of this.

Board have gone a long way to keeping mental health a priority and retaining the role of Director of Primary Community & Mental Health has been key to this. There is always more we can do so to say we have achieved 'Parity of Esteem' would be misleading but it remains the aim and this will be seen through.

#### **Digital and Data**

Question 13. In what ways is the Health Board maximising the use of digital technology to improve the delivery of care and patient outcomes.

Cwm Taf Morgannwg has a multi-year strategy to improve the use of digital technology for care and patient outcomes. There are several elements of this strategy which are already underway, among which are the following:

- Deployment of a new digital system in our emergency departments. We expect this system will help us to better manage the flow of patients through the department and monitor the most critical cases to ensure they receive timely care
- Cwm Taf Morgannwg is starting to scan our paper medical records and deliver them electronically. This is a 2 year process at the end of which clinicians will be able to read historical notes online and without delay
- Our hospitals are the first in Wales to digitise our human tissue specimens. Digitisation allows the specimens to be analysed more quickly and also allows outside expertise to be called upon where required
- In response to a Welsh Small Business Research Initiative to develop technology companies in Wales, we are the pilot site for a new paediatric nursing documentation and observations product that can be used on tablets at the bedside. The product frees up nursing time and improves care for children
- In Aberdare cluster, we are working across GPs, social care, voluntary sector and community care worker to better join up patient support with technology. One advantage of this technology is the ability to track our care workers in the field and direct them where they are most needed.

Our technology team is active at the national level advising on and driving the NHS Wales informatics strategy and projects. We hope in the near future to deploying the following products:

- Improved infrastructure, networking and hand held devices for our staff,
- Electronic prescribing,
- Adult nursing observations and documentation,
- Use of artificial intelligence to triage out of hours GP calls and video conferencing so that out of hours GPs can visually interact with patients.

## **Brexit Preparations**

Question 14. What have been identified as the key areas of risk within the Health Board (e.g what services, systems etc. are likely to be most affected by the UK's withdrawal from the EU).

The Brexit Risk assessment was completed in January 2019 for the former Cwm Taf (CTUHB) and has been amended for Cwm Taf Morgannwg. This however has had no impact on the original assessment as the issues identified are generic to all Health Boards.

The significant issue is the gap analysis in relation to staff affected by the potential directives relating to workers coming from EU states in the future, especially those below any future restrictions on minimum earnings of migrant workers that may be imposed. This is something the Workforce and Organisational Development team have already started in trying to collate information from departments of who is from the EU and what role they are engaged in.



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12 July 2019  
01443 744803  
01443 744800  
Sharon.Hopkins@wales.nhs.uk  
Chair and Chief Executive

Dr Dai Lloyd AM  
Chair  
Health, Social Care and Sport Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Dear Dr Lloyd

In my letter of the 5 July to you I promised to forward you the information you had requested on Questions 1, 2 and 11, in addition to further information on the systems now in place to deal with serious incident reviews, please see attached.

Please let me know if any further detail or clarification is required in respect of the information we have provided.

Yours sincerely

**Dr Sharon Hopkins**  
**Interim Chief Executive/Prif Weithredydd Dros Dro**

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**Cyfeiriad Dychwelyd/ Return Address:**

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Cwm Taf Morgannwg University Health Board, Headquarters, Navigation Park, Abercynon, CF45 4SN

Cadeirydd/Chair: Professor Marcus Longley

Prif Weithredydd/Chief Executive: Mrs Allison Williams

Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg yw enw'r weithredydd dros dro. Iechyd Lleol Prifysgol Cwm Taf Morgannwg  
Cwm Taf Morgannwg University Health Board is the operational name of the Cwm Taf Morgannwg University Local Health Board

## Financial Performance

Question 1. The Health Board's written evidence notes that the funding gap for 2019-20 is £12.8 million. What measures are included in the integrated medium term plan (IMTP) to address this, and what will be the key challenges in delivering a balanced budget.

The IMTP includes a recurring savings target of £12.8m in order to deliver a balanced budget in 2019/20. This is 1.4% of an estimated controllable budget of circa £900m for the new CTM UHB. The savings targets for the 2019/20 Savings plan have been constructed over the following key categories:

<b>Savings Categories</b>	<b>Existing Cwm Taf £m</b>	<b>Bridgend £m</b>
Addressing savings shortfalls and recurrent overspends from 2018/19	3.0	1.0
Improved Controls and Cost Reduction	2.2	0.8
Staffing Models., Workforce Management, Recruitment and Retention	3.0	0.9
Efficiency And Productivity	1.0	0.5
Value; Pathways; Referral and Treatment Thresholds; Clinical Decision Making	2.4	1.0
Sub Total	11.6	4.2
Contingency	(2.0)	(1.0)
<b>TOTAL</b>	<b>9.6</b>	<b>3.2</b>

During April and May there has been slippage and projected shortfalls against the original £12.8m savings plan. This is primarily due to the level of focus having to be given to both the Bridgend transfer and the emerging issues in maternity services. We have also made a number of changes to the financial plan which includes reducing the recurrent savings target from £12.8m to £11.8m and the in-year target from £12.8m to £10.0m. The latest forecast savings as at M2 is £8.0m which represents a current shortfall of £2m against the £10m in year target.

The Health Board is forecasting a breakeven position for 19/20. The key challenges in delivering this breakeven position are summarised below:

- Securing funding for the Bridgend recurrent deficit £7.4m following the submission of our arbitration case on 11 June (See Q2 below). This funding is assumed in the financial plan.
- Savings delivery risks £2.0m- This represents the difference between the £10m in year target and the sum of the Green & Amber schemes at M2. The savings delivery risk is primarily driven by the 'delay effect' due to the Bridgend boundary change plus the increased focus across the whole organisation on quality and safety.
- WHSSC performance risks £0.6m

- Additional costs associated with increased management capacity to deliver the improvements required from being in Targeted Intervention.
- Additional costs associated with delivery of the performance targets.

## **Boundary Change**

Question 2. What impact will the transfer of Bridgend services have on the Health Board's financial position.

One of the key assumptions within our IMTP was that the Bridgend boundary change should not destabilise the financial balance and performance record of the former Cwm Taf Health Board, on the basis of assurances from the WG. Our IMTP therefore assumed that the impact of the deficit resulting from the transfer of Bridgend would be neutral to the new organisation.

The process of assessing the value and handling of the deficit resulting from the Bridgend transfer has reached a conclusion but the outcome has not been agreed between CTM UHB and Swansea Bay UHB. As a consequence, the Welsh Government will determine the outcome through an arbitration process. CTM submitted its arbitration case on 4 June 2019 which identified an assessed deficit of £7.4m and associated proposed allocation transfer, after taking account of the economies of scale resulting from the transfer. The outcome of the arbitration is not yet known.

The £7.4m does not include c £2m cost associated with recurrent shortfalls in planned care capacity as well as the RTT backlog, which is being treated separately in agreement with WG, with support from performance funding. Post the above process, further work has recently been undertaken as part of the detailed budget setting process within CTM and the reporting of the M2 financial position. This work has identified a further risk, over and above the £7.4m, of £0.7m.

## **Mental Health**

Question 11. To what extent is staff recruitment and retention in mental health services an issue in the Health Board. How sustainable are services.

Recruitment of Consultant Psychiatry, particularly within the old Age Service can be challenging, however this is the position across Wales, whereby workforce modelling has suggested that Wales' future supply of consultants in this specialty is unlikely to meet demand. Other shortage areas include Psychiatry, middle grade and SAS Doctors and recruitment remains a challenge for these posts, both in Old Age and Adult services. However when recruitment is successful, the successful candidates are long serving and remain committed and engaged to deliver high quality services. Turnover is low and reflects retirement and career progression.

The Mental Health Directorate have included within their IMTP the ongoing need to ensure that workforce productivity is maximised and the focus remains on efficiencies in Agency and Locum use when ensuring gaps are filled and services maintained. The Workforce modernisation agenda includes reviewing skill mix changes where recruitment is a challenge, particularly the middle grade

vacancies, to ensure that Services are sustainable. The Workforce modernisation agenda looking at the patient pathway has a key focus on alternative roles and skill mix, such as Physician Associates, Advanced Nurse Practitioners and Clinical Nurse Specialist to address recruitment difficulties within the medical specialties.

<b>Information on the systems now in place to deal with serious incident reviews.</b>
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The systems in place to deal with serious incident reviews have been revised and strengthened. Whilst there remains some challenge in relation to the capacity of clinical teams in some areas, the organisation's consultation on the future structure of the Health Board will result in additional support to all clinical areas. This is a key factor in ensuring robust, timely serious incident reviews. Along with a weekly focus on serious incident reviews meetings, considerable progress has been made in reducing the number of outstanding reviews, supported by a small, newly developing team, of experienced Registered Nurses. With increased clinical leadership, there is also greater multi-disciplinary team involvement, again making the review process more robust. This will be further supported by training offered by Welsh Risk pool later this year. The recommendations that will arise from the joint review being undertaken by Wales Audit Office and Health Inspectorate Wales, along with those from the Delivery Unit Review, complimented by the work being undertaken by Welsh Risk Pool related to the datix incident reporting system, will all ensure that progress is maintained in the establishment of an effective system to manage serious incident review.

Chair, Children, Young People and Education Committee  
Chair, Climate Change, Environment and Rural Affairs Committee  
Chair, Culture, Welsh Language and Communications Committee  
Chair, Economy, Infrastructure and Skills Committee  
Chair, Equality, Local Government and Communities Committee  
Chair, External Affairs and Additional Legislation Committee  
Chair, Health, Social Care and Sport Committee

10 July 2019

Dear Committee Chairs

## Welsh Government Draft Budget 2020–21

At our meeting on 1 May 2019, the Finance Committee agreed its approach to the budget scrutiny. I am writing to all Chairs of subject committees to share our thinking, and to encourage your committees to consider how you can contribute to delivering the most coherent and effective scrutiny of the Government's spending plans.

### Budget focus

We have agreed to continue the approach followed in previous years, whereby budget scrutiny is centred on the four principles of financial scrutiny: affordability, prioritisation, value for money and process. The principles are:

- **Affordability** – to look at the big picture of total revenue and expenditure, and whether these are appropriately balanced;
- **Prioritisation** – whether the division of allocations between different sectors/programmes is justifiable and coherent;
- **Value for money** – essentially, are public bodies spending their allocations well – economy, efficiency and effectiveness (i.e.) outcomes; and
- **Budget processes** – are they effective and accessible and whether there is integration between corporate and service planning and performance and financial management.

Following a stakeholder event in Aberystwyth on 27 June, we have identified a number of areas which we would like to see the focus of the scrutiny, these are:



- *How the Welsh Government should use taxation and borrowing powers, particularly in relation to the Welsh Rate of Income Tax*
- *Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early), particularly in relation to the financing of local health boards and health and social care services*
- *Sustainability of public services, innovation and service transformation*
- *Welsh Government policies to promote economic growth, reduce poverty, gender inequality and mitigate welfare reform*
- *The Welsh Government's planning and preparedness for Brexit*
- *How evidence is driving Welsh Government priority setting and budget allocations*
- *How the Future Generations Act is influencing policy making*
- *In declaring a "climate emergency", is it clear how the Welsh Government intends to respond and resource that challenge*

We would encourage you to use some of these areas as the focus for your budget scrutiny.

### **Draft budget consultation**

As has been the previous practice, we will be undertaking a consultation on behalf of all Committees over the summer recess and the responses will be shared with you in the Autumn in order to assist your scrutiny of the draft budget.

I enclose a summary of the views we heard at the Finance Committee's pre-budget stakeholder event in Aberystwyth, which may inform your budget scrutiny.

### **Timetable**

The draft budget is usually published in October. However, this year the UK Government has confirmed it would hold a Comprehensive Spending Review which will conclude alongside the UK Budget. So the Welsh Government currently has no indication of funding from the UK Government for 2020–21 to base its budget upon. The Minister for Finance and Trefnydd has announced that the Welsh Government is planning to publish the outline and detailed draft Budgets together on 10 December 2019, and the final Budget on 3 March 2020.



As you will be aware the provisions in relation to the reporting by policy committees changed in 2017, and you are now able to report in your own right (if you so wish), and your reports can be used as a supporting document to the draft budget debate.

If you have any questions about any aspect of the draft budget process, please feel free to contact me or the Clerk to the Finance Committee, Bethan Davies, 0300 200 6372, [Bethan.Davies@assembly.Wales](mailto:Bethan.Davies@assembly.Wales)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Llyr', is centered within a light yellow rectangular box.

Llyr Gruffydd AM  
Chair of the Finance Committee



# Stakeholder Engagement: Welsh Government

## Draft Budget 2020–21

Finance Committee | July 2019

The Committee held an informal stakeholder event at the Marine Hotel, Aberystwyth on 27 June 2019. The event focussed on the draft budget for 2020–21.

### 1. Preventative Spend, Health & Social Care

Prevention and early intervention should be at the heart of budget allocation.

Stakeholders discussed the increased pressure on local authority budgets especially within social care due to demographical changes and workforce pressures. Current financial pressures for local authorities include workforce parity of treatment re-dress (eg changes to National Living Wage and sleep-in payments), high-cost high-need care packages and increased responsibilities following introduction of new policies and legislation (eg Additional Learning Needs Bill and Sustainable Drainage Systems Standards). Stakeholders felt that duties or responsibilities of local authorities are not reduced when budgets are cut.

Many local authorities are reaching “saturation point” and cannot absorb any additional costs. This is leading to significant cuts in preventative services despite specific focus in recent legislation on the importance of early intervention and prevention (eg Social Services and Well-being Act, Well-being of Future Generations Act, Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV) etc). Cutting non-statutory services such as leisure, culture and transport can have a potentially negative impact on the physical and mental well-being of the local population. In the long term, this can lead to increased pressure on statutory services. Cuts to public transport, for example, can have a significant impact on the local population, especially in rural areas.

Some stakeholders suggested that the affordability of universal services such as free public transport and free prescriptions needs to be revisited by Welsh Government given the current financial climate and reduction in budgets.

Out-of-county placements have huge cost implications for local authorities. It was suggested that local authorities need to work together on a regional basis to develop



specialist, not-for-profit services locally in order to avoid sending children and adults to high cost out-of-county placements.

However, stakeholders discussed the tension between preventative action, which often tends to be longer term, and addressing short term, immediate pressures.

## 2. Long-Term Planning & Strategies

Despite the Finance Committee's recommendations in 2017, the financial implications of new legislation remain difficult for local authorities to plan for. Even when Welsh Government provides assurances that any changes will be "cost neutral", this is rarely the case in practice. It is not just about the direct costs but also the impact of re-direction of resources away from other services. There is often an impact on the third sector too, for example the introduction of the VAWDASV Act had significant resource implications for domestic abuse charities.

Several stakeholders raised concerns about the potential impact of Brexit and the lack of clarity around post-Brexit policy and the Shared Prosperity Fund. It will be necessary to fill some legislative "gaps" post-Brexit but Welsh Government needs to carefully consider the cost implications of this. For example, if Welsh Government is considering raising regulatory standards for farming post-Brexit this could have significant resource implications for local authorities who would be expected to carry out additional inspections. They felt that the Welsh Government should be preparing for a New Deal Brexit, in order to be best prepared for that possible eventuality.

There is a need for more joined up working between health, social care and the third sector, for example on the Adverse Childhood Experiences (ACEs) agenda as this can impact on many areas of society.

Stakeholders stressed that long-term spending and vision were imperative as part of longer-term planning. There was a feeling that short term projects and yearly budgets do not allow for strategic spending nor for value for money – that budgets are being spent for the sake of being spent rather than to follow strategies and with priorities in mind.

A suggestion was made for 'disruptive' budgets, moving away from annual budgets and moving closer to the principles of the Wellbeing of Future Generations Act to ensure requirements are met. Budgets should have an emphasis on meeting the need, working in areas that require action and co-working across sectors rather than adheres to a departmental structures and encourage competition between sectors.



### 3. Economy, businesses & the Third Sector

The Welsh Government needs to do more to promote the economy and business in Wales. Wales should be procuring “from Wales for Wales”, for example, currently most of the education books are procured from England. This is often because procurement rules make it difficult for small suppliers to bid for contracts.

Stakeholders felt that having more support for local businesses would lead to increase in local economic growth and that the Welsh Government needs to work together with local authorities to achieve this.

The third sector is often expected to “take up the slack” when local authorities are forced to cut services but many of these organisations are also working at full capacity and having to turn people away due to lack of resources. Many smaller third sector organisations have been lost in recent years due to lack of funding or forced to merge with other organisations in order to survive and this has led to a loss of local knowledge, expertise and support.

Public transport was seen as key to communities and especially in rural communities, as well as being integral to enabling economic opportunities. Key considerations around transport were availability, affordability and quality.

Stakeholders were wary of providing funding for large innovative schemes and the risks that may surround that funding and suggested that those resources may be used to support other services. For example, stakeholders questioned whether it was for Wales to take the lead in unproven technologies such as tidal.

Stakeholders discussed the need for a fair work strategy.

### 4. Education funding

Stakeholders suggested that the education budget needed to be clarified and simplified.

Stakeholders from the education sector highlighted that certain industries, facilities and services operate across different areas and rather than competing for budgets, sectors should be working together with outcomes in mind.

### 5. Local services

There were also concerns that community facilities, including leisure centres, were closing. It was noted that this has a significant impact on health and well-being of those communities, which in many cases is preventative, either through opportunities to exercise or for mental health reasons. It was also noted that community facilities provided structures to build social capital.



There was a concern that services and assets were being transferred from local authorities to community and town councils. This leads to a significant risk in terms of the ability of the organisations responsible for service having capacity to operate them, with a local authority likely to have larger specialist teams and a wider pool of expertise compared to a community and town council. Stakeholders suggested that transfer of services needed to be supported by adequate transfer for funding and resources.

Stakeholders suggested that assets needed to be utilised better, and that all tiers of government needed to work together to understand what assets they had and how these may best be used.

There was a general feeling that there was increasing strain being placed upon local authorities due to the lack of funding, which would lead to reduction in staff and a lack of resources, which would only create further issues; stakeholders described this as an endless cycle that wasn't being resolved.

## 6. Housing

Local authorities need more support from Welsh Government to enable them to fulfil their priorities on the availability of affordable housing. For example, when borrowing to purchase own housing stock, it would be helpful if local authorities could pay back at the lower rate rather than the market rate that Registered Social Landlords are required to pay.

Some stakeholders wanted to see a resolution to the 'loophole' in second home tax, wanting to provide local Welsh residents more housing opportunities.

## 7. Transparency & Scrutiny

There's not a clear understanding of Welsh Government's spending decisions and focus needs to be on outcomes and the need of the citizen. The Future Generations Act is integral to impact assessments for local authorities, yet many commented that it has not had a significant impact. Stakeholders acknowledged that the Future Generations Act will likely have a positive impact in the long run, however there will be no immediate benefit and instead will only restrict upon how much money local government will receive. Stakeholders felt that the Future Generations Act needed to be fed into any other additional plans and not be treated as a standalone Act.

Some stakeholders felt that the Welsh Government was overspending and there was an unfairness with regards to funding for health services. Some stakeholders questioned how the Welsh Government is monitoring health boards' spending, given the number of boards in special measures.



## 8. Equality & Vulnerable Groups

Cuts to public transport often have a disproportionate impact on certain groups in society, for example disabled people, older people or victims of domestic abuse. Stakeholders noted that poverty should be at the core of all budget decisions and that the budget should utilise a poverty impact assessment methodology.

## 9. Taxation

Stakeholders were concerned that local taxes were increasing whilst services are being reducing. Stakeholders were keen to understand what additional taxes might be considered for Wales and what might be appropriate. There was an emphasis on the importance of the public being aware what Welsh taxes will fund and cross border concerns with taxes differing in England.

Stakeholders were keen on the idea of a 'Tourist Tax' for people visiting Wales and it's National Parks, arguing that tourists use resources such as the health services, so this could counter balancing that.



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