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Mr Darren Millar AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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Dear Darren

WELSH GOVERNMENT RESPONSE TO PAC REPORT ON GOVERNANCE ARRANGEMENTS AT BETSI CADWALADR UNIVERSITY HEALTH BOARD

Following a request by the Committee Clerk in her letter of 7 February 2014, I have reviewed the Welsh Government's response to the Committee's report on Governance Arrangements at Betsi Cadwaladr University Health Board.

The Committee will no doubt be pleased to note that the Welsh Government has accepted all of the recommendations that are addressed to it (recommendation 11 is addressed to the Health Board). I also welcome the publication in January 2014 of the 'Good Governance Guide for NHS Wales Boards – Doing it right, doing it better', which is referenced frequently within the response.

However, I consider that the individual responses provided to several of the recommendations are unlikely to provide the Committee with sufficient assurance that the necessary actions are being taken to address the substantive concerns which sit behind the recommendations.

I have listed below the recommendations where I think the Welsh Government response needs to go further.

Recommendation 1: *The response does not set out what the Welsh Government has done to determine whether or not current performance management and appraisal arrangements for NHS Chief Executives and Chairs are robust, and are being properly implemented. I am aware that some specific developmental work is taking place within the Welsh Government to strengthen the existing arrangements, it is therefore perhaps surprising that no direct reference is made to this.*

Recommendation 2: *Whilst the response points to the availability of reference material and the ability to access national support, the Committee may feel that it does not adequately address the specific issue of ensuring that new board members routinely have access to right training material as part of their induction, or how this is being monitored.*

Recommendation 6: *The Welsh Government's response could have usefully gone further by providing the Committee with information on the breadth of the role of the Board Secretary in other NHS bodies in Wales. It is presumed that this information would have been available from the responses the Welsh Government received when it requested assurances from NHS bodies that they had considered the issues identified in the BCU report.*

Recommendation 7: *The response provides no indication of the anticipated timescale for the implementation of this recommendation, other than to note that it will be looked at alongside the recommendations of the Williams Commission.*

Recommendation 10: *Reference is made to a set of quality trigger questions that have been agreed by the National Quality and Safety Forum. A copy of these could have usefully been included in the Welsh Government's response, and the Committee may therefore wish to request that this information be forwarded.*

Recommendation 13: *The Welsh Government has indicated what it has done to reinforce the message on the agreement of budgets, but has failed to provide the Committee with any assurance that the practice of "caveated sign up" to budgets has been discontinued by Betsi Cadwaladr UHB in the current financial year.*

Recommendation 15: *The response to this recommendation makes minimal reference to the Committee's substantive point of cutting back on elective activity as a result of financial pressures, or to describe what the Welsh Government itself is doing to ensure that this practice does not routinely occur.*

Recommendation 18: *The Welsh Government has perhaps responded to this recommendation too narrowly by referring only to clinical reviews, when the Committee probably were looking for arrangements to be place to promote the sharing of findings from all external reviews.*

Recommendation 19: *The Welsh Government will have been applying scrutiny in recent weeks to the three-year integrated plan that Betsi Cadwaladr UHB has been working on. The Committee may therefore wish to obtain the Welsh Government's view on the quality of that plan, and indeed the quality of three-year planning in other NHS bodies in Wales.*

I note that the Committee is yet to receive a substantive response to recommendation 11, which was addressed to Betsi Cadwaladr University Health Board. If it has not already done so the Committee may wish to contact the Health Board to remind it of this.

Given the above comments, the Committee may well feel that it is appropriate to seek further oral evidence from the Welsh Government on the actions it is taking in response to the Committee's report. If possible, this could be done as part of a wider-ranging session with the Director General for the Department of Health and Social Services, before he departs his job at the end of March.

Finally, in relation to Recommendation 20, the Committee may wish to note that I am pleased with the progress that is being made on developing clearer arrangements for escalation and intervention when problems arise at NHS bodies in Wales. The arrangements described will provide a good basis for the collective sharing of information between Welsh Government, Healthcare Inspectorate Wales and ourselves. This should help identify concerns at an early stage, discuss what action is necessary and ensure that any resulting interventions are proportionate and co-ordinated.

I trust this information is helpful.

Yours sincerely



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES