Audit, Finance and Risk Committee

Thu 02 December 2021, 09:30 - 12:30

via Microsoft Teams

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Agenda

09:30 - 09:45
15 min

1. Preliminary Matters

1.1. Apologies for Absence

Verbal *Chair*

1.2. Declarations of Interest

Verbal *Chair*

1.3. Draft Minutes of the Meeting held on 07 October 2021

Attachment *Chair*

1.3 Approved minutes 07_October_2021.pdf (13 pages)

1.4. Action Sheet

Attachment *Chair*

1.4 Action Sheet 02_12-2021 Meeting.pdf (7 pages)

1.5. Committee Work Plan

Attachment *Chair*

1.5 Audit Committee Work Plan 2021.pdf (1 pages)

09:45 - 10:05
20 min

2. Best Use of Resources

2.1. Estates Efficiency Framework

Attachment *Interim Director of Finance, Procurement and VFM*

2.1 Estates Efficiency framework. Final.pdf (14 pages)

10:05 - 10:45
40 min

3. Governance and Assurance

3.1. Update on Governance, Financial Control Procedures and Technical Accounting

Attachment *Assistant Finance Director*

3.1 Update on Governance, Financial Control Procedures and Technical Accounts.pdf (3 pages)
3.1 Appendix 1 - Audit Committee Summary Sept - Nov 2021.pdf (1 pages)

3.2. Losses and Special Payments

Attachment *Assistant Finance Director*

3.2 Losses and Special Payments Report.pdf (4 pages)

3.3. Overview of Legal Services Processes Related to Losses and Special Payments

Attachment *Head of Legal Services*

3.3 Legal Services Report Audit Committee.pdf (6 pages)

10:45 - 11:00
15 min

4. Finance Update

4.1. Finance Update 2021 / 2022

Attachment *Interim Director of Finance, Procurement and VFM*

4.1 AFRC Finance Update October 2021 final.pdf (20 pages)
4.1a Key MMR Tables for AF&RC October21.pdf (13 pages)

4.2. Comfort Break (10mins)

11:00 - 11:30
30 min

5. Risk and Assurance

5.1. Audit Tracker

Attachment *Board Secretary*

5.1 a Audit Tracker Cover Report.pdf (4 pages)
5.1 b High Level Recommendations Tracker Nov 2021 v2.pdf (3 pages)

5.2. Risk Report

Attachment *Head of Corporate Services, Risk and Assurance*

Risks overseen by the Audit, Finance and Risk Committee

5.2 a Strategic Risk Report.pdf (5 pages)
5.2 b Appendix 1 AFR Risks.pdf (14 pages)

11:30 - 11:50
20 min

6. NWSSP Audit & Assurance - Internal Audit & Specialist Service Unit

6.1. Internal Audit Plan Progress Update

Attachment *Head of Internal Audit*

6.1 Internal Audit Assurance Progress Report.pdf (11 pages)

6.2. Internal Audit Reviews

Verbal *Head of Internal Audit*

Linked to the Internal Audits in 9.2 Supplementary Papers

11:50 - 12:10
20 min

7. External Audit

7.1. Audit Wales Update

Attachments *Audit Wales*

Additional reports in supplementary papers section 9.3

7.1 a Audit Finance Risk Committee Update_December_2021.pdf (16 pages)

7.2. Feedback from the Annual Accounts 2020 - 2021 - Management Letter

Attachment *Audit Wales*

7.2 Audit of Acounts Addendum.pdf (14 pages)

12:10 - 12:10
0 min

8. Date of Next meeting

Thursday 3rd February 2022 09:30 - Business Meeting

12:10 - 12:10
0 min

9. Supplementary Papers

9.1. Audit Wales De-carbonisation Baseline Review

Information

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9.1 AC284 - Letter on call for evidence.pdf (2 pages)
9.1 AC284ENC - Call for Evidence.pdf (20 pages)

9.2. Internal Audits (Reasonable/Substantial Assurance) linked to item 6.2

Information

9.2 AB 2122-10 - Clinical Negligence Fianl Internal Audit Report_.pdf (12 pages)
9.2 AB 2122-12 - Charitable Funds FINAL Internal Audit Report for Client.pdf (10 pages)
9.2 AB 2122-23 - Pathology FINAL Internal Audit Report for Client.pdf (16 pages)
9.2 ABUHB 2021-22 Mental Capacity Act Final Report client issue.pdf (17 pages)
9.2 ABUHB 2021-22 Occupational Health FINAL Audit Report for Client.pdf (12 pages)
9.2 ABUHB_202021_GUH Financial Assurance_Final Report.pdf (16 pages)
9.2 ABUHB_202021_GUH Technical Assurance_Final Report.pdf (10 pages)
9.2 ABUHB_2122_PAQ_Tredegar HWBC.pdf (1 pages)
9.2 ABUHB_2122_Tredegar HWBC_Final Report.pdf (27 pages)

9.3. Audit Wales Supplementary Papers

Information

7.1 b Radiology Report.pdf (19 pages)
7.1 c Picture of Public services.pdf (44 pages)
7.1 d Picture of Healthcare.pdf (35 pages)
7.1 e Picture of Social Care.pdf (22 pages)
7.1 f Taking-Care-of-the-Carers-October-2021-English.pdf (29 pages)

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

ANEURIN BEVAN UNIVERSITY HEALTH BOARD

Minutes of the Finance, Audit & Risk Committee held on Thursday, 7th October 2021 at 9.30 am via Teams

Present:

Shelley Bosson	Independent Member (Chair)
Richard Clarke	Independent Member (Vice-Chair)
Paul Dineen	Independent Member
Katija Dew	Independent Member

In attendance:

James Calvert	Medical Director
Stephen Chaney	Deputy Head of Internal Audit
Julie Chappelle	Assistant Workforce Director – Workforce Planning, Clinical Futures
Darren Griffiths	Audit Manager (Performance), Audit Wales
Richard Howells	Interim Board Secretary
Sara Jeremiah	Post Payment Verification Location Manager
Glyn Jones	Director of Finance and Performance
Gwen Kohler	Assistant Finance Director (Financial Systems & Services)
Amanda Legg	All Wales Post Payment Verification Manager
Caroline Mills	Consultant Dermatologist, Outpatient Clinical Lead
Julie Poole	Outpatient Transformation Lead
James Quance	Head of Internal Audit
Tracy Veale	Audit Manager (Finance), Audit Wales
Leanne Watkins	Director of Operations
Suzanne Webb	Committee Secretariat

Apologies:

Richard Harries	Audit Wales
Danielle O'Leary	Head of Corporate Services, Risk and Assurance
Judith Paget	Chief Executive

AC 0710/01	Preliminary Matters	
	1.1	**Apologies for Absence** The Chair welcomed everyone to the meeting. Apologies for absence were noted.
	1.2	**Declarations of Interest** There were no Declarations of Interest to record.

	1.3	**Draft Minutes of the Meeting held on 12th August 2021** The Committee approved the minutes of 12th August 2021 but requested for following amendments- change outlined in italics: (Page 5 Chair to question James Quance) **Item 4.3:** The Chair questioned whether a Direct Engagement update had been shared with the Executive Team. This update had not yet been presented to the Executive Team but would be added to the forward planner and email to be distributed to Independent Members with date. **Action: Secretariat/Julie Chappelle** **Item 6.2:** The Chair queried if the action (page 12) had been completed and/or if it was included in the tracker. The Director of Finance and Performance stated that the financial risk assessment would be ongoing and included in the tracker, however the broader assessment of risk implications was discussed in a recent Board development session.
	1.4	**Action Sheet** The Committee received a copy of the action sheet, and the following updates were recorded: **AC 0402/05- Counter Fraud Update** Audit Wales had requested further update from NFI colleagues. Audit Wales updated the Committee that Shared Services had agreed to take forward the matches for creditor payments for the Health Board. The ABUHB dashboard indicated that some progress had been made. Timescale for reporting yet to be agreed. The Committee was satisfied that this would be picked up under Audit Wales general reporting. To be marked as complete. **Action: Committee Secretariat** **AC 1208/05- Update on Governance, Financial Control Procedures and Technical Accounting** Meetings to be arranged.
	1.5	**Committee Work Plan** The Committee received a copy of the work plan. The Committee requested: • Amendments to work plan listed as follows: 1. Inclusion of Risk and BAF.

		2. Action log items to be transposed into regular reporting. 3. Plan to provide clear visibility for the whole year. Revised work plan to be sent to all members once amendments completed. **Action: Board Secretary/Secretariat** • A review of December's meeting items to be undertaken and deferred to January if appropriate. To be discussed further at agenda setting meeting. Committee members requested that items rolled over to the next meeting be kept to a minimum. **Action: Board Secretary/Secretariat** • Head of Internal Audit stated that several items should be consolidated into one. Communication to take place outside of meeting. **Action: Head of Internal Audit** • The Chair requested that the Committee Work Plan should be shared with both internal and external Auditors. **Action: Board Secretary/Secretariat** • Committee members requested that reports presented at other Committees to be fed back to Finance, Risk and Audit for assurance only. It was agreed that a standardised form to be produced for the Chairs of each Committee to capture any risks or assurances that need reporting to this Committee. **Action: Board Secretary/Secretariat** The Committee noted the update.
AC 0710/02	**Best Use of Resources**	
	2.1	**Follow-up Outpatient Transformation** The Director of Operations, the Outpatient Transformation Lead and the Outpatient Clinical Lead provided an update on the progress on Outpatient Transformation, supported by a detailed report. It was noted that the COVID pandemic had driven adjustments to previous ways of working. It was reported that the reviewed vision for outpatients would include: • An Outpatient Steering Group which would drive strategic delivery, with a membership aligned to delivery. • A focus on delayed follow-ups. • A weekly Divisional focus meeting to review targets. • The opportunity for cost effective Virtual Assessments to support pathways. The Committee noted: • The review aligned with the Health Boards Recovery Agenda, intending to address the current waiting list backlog.

		• Current system constraints may impact delivery, such as social distancing measures. The Health Board had undertaken a detailed risk assessment and implemented a one metre social distancing rule mitigating risks with screening. • A draft Outpatient Transformation plan would be discussed at the Outpatient Transformation Group on 19th October 2021. • Regular meetings were taking place with the Finance teams to outline efficiencies and costings which would be measured against benchmarking data. • Revised terms of reference for the Outpatient Steering Group include a requirement for community representatives and representatives from the Community Health Council (CHC) to be included on the group. • Quality impact assessments and age profiling would be included in the transformation. The Committee questioned what blocks may slow down progress going forward. The following was noted; • The lack of Outpatient Coding had hindered data collection requiring labour intensive manual auditing, which was less efficient, could lead to issues with record compliance and was time consuming. • Clinical engagement was a challenge, alongside engagement with Directorate teams. • Clinical variation was noted by the Medical Director as a challenge and linked to ongoing revisions to the job planning process • There needed to be a change in risk attitude/appetite to allow transformation to move faster • There was a need to be more robust in being clear what was required from the workforce to enable change to occur. The Committee was assured that National Planned Care Programmes enabled an All-Wales approach with the aspiration of standardisation of pathways and consistent methodologies. The Committee noted that by demonstrating through the Outpatient transformation programme, the type of changes which would lead to improved patient outcomes by delivering care in a different way would require a shift in resources. Work had been done in tele dermatology services at a cost of £34-£44 per visit, by utilising different services and doing things differently, the Health Board could improve outcomes while freeing up resources elsewhere. This will need to be part of a broader financial strategy to free up and reinvest resources. The Committee welcomed the roll out of the overall methodologies outlined in the report across all specialities and Health Board transformation programmes.

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		The Committee queried if e-rostering systems, in relation to consultant job planning, would be effective in improving clinical engagement. The Outpatient Clinical Lead indicated that new ways of working and efficient job plans were needed for improved service delivery. The Committee requested an update on the progress of Outpatient Transformation as it relates to the terms of reference of the committee (effective and efficient use of resources and risk), to be reported back in April 2022. **Action: Director of Operations, Outpatient Transformation Lead and Outpatient Clinical Lead/Secretariat** The Committee thanked the teams, welcomed the update, and received assurance of the progress undertaken to achieve efficiencies.
	2.2	**Agile Working** The Assistant Workforce Director (Workforce Planning, Clinical Futures) provided an update on the Health Boards Agile Working offer, supported by a detailed report. Developments in the Agile Framework were reported as: • Several surveys had been undertaken to influence next steps, including an Agile Working electronic framework, highlighting the principles and benefits, to support Health Board staff. • An Agile Working map had been developed, alongside the Health Board' Estates Strategy. A series of departmental meetings had taken place for clarification. • Conversations had taken place with Local Authority partners to learn from best practice elsewhere. The Committee noted the next steps as: • Complete the update of the Agile Working Framework, influenced by recently collated data. • Updating workforce policies to reflect changes outlined in the framework. • The Health board has an offer for disciplinary meetings to take place either face to face or virtually. • Estates mapping changes. Workforce Division was linking with the planning teams to reconfigure workspaces. • Continuation of decreasing annually allocated financial spends for travel expenses. The Committee requested an environmental impact assessment take place, linking with the Green Health Group. **Action: Assistant Workforce Director**

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		• A 'hot desk' pilot was taking place with IT teams in Mamhilad, where desks could be electronically booked and reserved. The Committee was assured that any workforce changes are equality assessed to ensure minimum impact for staff. The Committee was assured that the Agile Working Framework was regularly discussed at the People & Culture Committee. A further update to come back to the Finance Audit and risk Committee, alongside the Estates Strategy. **Action: Assistant Workforce Director/secretariat** The Committee noted the update and thanked the Assistant Workforce Director and the teams.
AC 0710/03	**Governance and Assurance**	
	3.1	**Consultant Job Planning Update** The Medical Director provided an update based on previous recommendations from the Committee; supported by a detailed action plan. The Committee was advised that there was slow and steady progress being made, but a recent key challenge which was likely to slow progress was the requirement for an 'All Wales' centralised Electronic Roster system. . As part of the consultation on the 'All Wales' approach, Allocate was the recommended system that was being used by other Health Boards. On investigation it was noted that the software was not cost effective, in comparison to other packages; feedback from other Health Boards indicated that it was not fit for purpose as it did not link with other Health Board systems mainly when mapping with current Rota software. A report on the procurement of the new system would be brought to the Executive team in the coming months. It was reported: • Job planning across most Divisions had been successful in MH and LD, Child Health and families, with frontline areas such as Emergency Surgery and Obstetrics and Gynaecology needing further work. • Job planning exercises are being undertaken and the workforce escalation is in place, which is working well • The Medical Director is now signing off on any 12 + SPAs The Committee welcomed the update and was content for future detailed reports to be reported to the People & Culture Committee for assurance. Job Planning would remain on the

		Audit Tracker until all Internal Audit recommendations had been discharged. **Action: Medical Director/Secretariat**
	3.2	**Update on Governance, Financial Control Procedures and Technical Accounting** The Assistant Finance Director (Financial Systems & Services) provided an update on the governance, financial control procedures and technical accounting. The committee noted the following: • A positive meeting had taken place with Audit Wales and a full report would be presented to the Committee in December. **Action: Assistant Finance Director/Secretariat** • Public Sector payment targets were being achieved. • An Oracle system upgrade was due to take place between the 14th and 19th of October. This will take place over a weekend period to minimise disruption. In terms of Risk, a series of validation checks will take place before the system is re-enabled. To aid knowledge and understanding, the Chair queried the Health Board' procurement processes in relation to single tender awards. The Director of Finance stated that 'Once for Wales' commands a requirement for a set of standards across Wales, however, does not state that all Health Boards are required to tender with the same providers or systems. It was recommended that the procurement process is always followed and where possible to enter arrangements with local businesses, adhering to the Welsh Government recommendation of Foundation Economy Objectives. The committee noted and received assurance on the updates provided.
AC 0710/04	**Finance Update**	
	4.1	**Finance Update** The Director of Finance & Performance provided an update on the Health Boards financial position at Month 5 (end of August 2021). The following was reported: • Month 5 (end of August 2021) reporting a break-even position for the year to date, forecasting a balanced position for the end of the financial year. • Over the previous week, the Welsh Government had confirmed an additional £56m non recurrent COVID stability funding to support delivery of local COVID response plans. This funding will support the Health

		Board to open additional capacity and staff beds in line with the plans it submitted to Welsh Government in June. It was noted that mass vaccination and test, trace and protect services were funded nationally. • In addition to the £17m tranche 1 recovery funding, the Health Board had received Tranche 2 funding of £9.9m to support further recovery plans including Primary Care, Secondary Care and Mental Health Services. The Committee noted a further bid was to be submitted to Welsh Government on Health Board plans for Cancer services, Ophthalmology and options for alternative offers to support patients on waiting lists. If the bid was successful, this would equate to an extra £1.5m and a total of c£27 to £28m recovery funding during this year. The Committee noted: • Welsh Government has given early notice of an extra £170m recurrent funding from 2022/23 financial year. Allocated on a capitation formula share this would mean the Health Board will receive £32m recurrent funding. This funding provides the Health Board with some certainty in addressing its underlying financial position and prioritising commitments as part of the IMTP 2022/23. • The Health Board can no longer just rely on transactional efficiency savings and future plans also need to focus on shifting resources to improve health outcomes, support reinvestment and deliver recurrent savings. This will require transformational change in the way the Health board delivers services so that it is more effective for patients and more financially sustainable. This in part linked to the earlier discussion on the Outpatient Transformation Programme. The Committee queried the Health Boards predicted financial position for the end of the financial year. The Director of Finance & Performance reaffirmed that the financial forecast for the Health Board was a breakeven position for the end of the financial year 2021-2022. The Committee agreed that a collective response across Health and Social Care, working alongside 3rd sector partners, was required to support patients at home, which could reduce the burden on Emergency and Urgent care, leading to improved patient care and savings going forward. The Chair queried if the Enhanced Care model of nursing improved outcomes for patients. The Director of Finance & Performance suggested that a clinical nursing view would be required to look at the impact on outcomes as a result of Enhanced Care staffing. For assurance, the chair requested

		further discussion on this issue at the Patient Quality, Safety and Outcomes Committee. **Action: Secretariat** The Committee thanked the Director of Finance & Performance for the report and noted the outlined risks, alongside the encouraging and positive financial forecast.
AC 0710/05	**Post Payment Verification**	
	5.1	**Post Payment Verification (PPV) Mid-Year Review** The All-Wales Post Payment Verification (PPV) Manager provided an update on PPV. The following was reported: • Successful training pilots had been undertaken on an All-Wales bases around the use of teams for remote access visits in General Medicine Services (GMS), with the intention to roll out to Pharmacy and Ophthalmology disciplines when possible. • Utilising Primary Care data, trials were to commence for remote Quality and Safety checks in Pharmaceutical Services. • Quarterly training roadshow events were being provided across Wales. • On Welsh Government recommendations, work was being undertaken around an audit of bonus payment verification across all Health Boards in Primary and Secondary Care sectors. • GMS statistics indicate that Aneurin Bevan Health Board was performing well against All Wales data. No Health Board revisits were required or undertaken. It was agreed that an SBAR was to be circulated to the Committee outside of the meeting. **Action: All Wales PPV Manager/Secretariat** Further updates would come back to the Committee at the end of the year. The Committee thanked the All-Wales Post Payment Verification (PPV) Manager for the clear and positive report.
AC 0710/06	**Risk and Assurance**	
	6.1	**Audit Tracker** The Interim Board Secretary gave an update on the status of the Audit Tracker; providing an overview of the Audit recommendations and the tracking mechanism for assurance. The following proposals were agreed:

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		• To include a surveillance period following completion of each recommendation. This allows for increased monitoring of changes and potential reinstatement where necessary. • Exception reporting to the AFR Committee, in line with completion timeframes. The Committee noted the following: • On sign-off of each recommendation, the Board Secretary would liaise with Audit Wales and Internal Audit to ensure sufficient evidence was in place. • The Chair requested that when items come to the Audit Committee for sign-off, sufficient information on service improvement, patient safety and efficiencies be included (reference the practice note adopted by the HB). **Action: Interim Board Secretary** For Assurance, the Committee requested the following: • Future reports to include a short paragraph on the management of low and medium level risks that were reported at corporate level. **Action: Interim Board Secretary** • Evidence of monitoring external reports and to what Committee they are reported. **Action: Interim Board Secretary** • Full tracker to come back with all high-level recommendations to the next Committee meeting taking place December 2021. **Action: Interim Board Secretary**
	6.2	**Board Assurance Framework Update** The Interim Board Secretary gave an overview of the mid-year review of the Board Assurance Framework (BAF). The following amendments were noted: • Cover report states that there were 25 risks and 12 scoring 15 or higher. Page 12 of the BAF had incorrect information and numbers needed aligning with the cover report numbers. **Action: Interim Board Secretary** • Page 6 showed a previous governance infrastructure; this required amendment to reflect the Health Boards current structure. **Action: Interim Board Secretary** The following was reported: • The mid-year review provided an outline of the progress made to the revised Risk Management Strategy. • Included in the BAF was a 'Proof of Concept' reporting template relating to the risk relating to Patient Falls; enabling mitigation of risks to be linked with planning,

		performance and risk and providing assurance to Committees. The Committee discussed the complexity of risk, reporting risks when working alongside partnership organisations and integrated services, and controlling the responsibility of such risks. The Interim Board Secretary informed the Committee that the Health Board's approach is to link risks with its strategic objectives and integrated service provision. The Committee stated the requirement for clarity and responsibility. The Head of Internal Audit stated that integrated service reporting best practice was being monitored within other organisations and any feedback would be reported to the Committee. The Chair requested further detail about the actions to reduce perceived gaps of assurance and reporting. **Action: Interim Board Secretary** **Decision:** The Committee approved the changes made to the BAF, subject to completion of amendments. The Committee noted the Health Boards embedded risk management approach and endorsed the 'Proof of Concept' reporting template. The Committee requested a visual, colour coded front page summary, to include a table indicating risk number, risk owner and risk status (red, amber or green rag rating) to be attached to the BAF for future meetings. **Action: Interim Board Secretary**
	6.3	**Freedom of Information Mid-Year Review** The Interim Board Secretary gave an update on the report on the legislative requirements under Freedom of Information requests and compliance rates to the Committee. The following was noted: • Compliance rates had improved to 97%. • The Health Boards Freedom of Information Officer can call upon the Wales Community of Practice to obtain advice. • The highest level of requests were COVID and Workforce related. • Publications scheme progress was received. The Committee thanked the Interim Board Secretary for the extensive report.
AC 0710/07	**NWSSP Audit and Assurance - Internal Audit and Specialist Service**	

	Unit	
	7.1	**Internal Audit Plan Progress** The Head of Internal Audit gave an update on the Internal Audit Assurance Progress report. Discussions had taken place on progress that can be made within the Health Board during the pandemic. The report covered the 'Putting Things Right' report which received "reasonable assurance". The Head of Internal Audit highlighted to the Committee the request to defer the De-Carbonisation Audit outlined in the paper. **Decision:** The Committee agreed the proposal to defer the De-Carbonisation Audit until early 2022. Further reports and updates to come back to the next Committee meeting. **Action: Head of Internal Audit** The Committee received the update and thanked the Head of Internal Audit and the team for the report.
AC 0710/08	**External Audit**	
	8.1	**Audit Wales Update**
		The Audit Wales Manager (Finance) provided an update on the planned audits. It was noted that the Charitable Funds Audit was to take place in November 2021, date to be confirmed. **Action** It was requested that the date of the next Charitable Funds Committee meeting be amended. **Katija Dew/secretariat** The Audit Wales Manager (Performance) provided an update on the current and planned work. In May 2021 the Health Board received and considered the report on the Governance arrangements of the Welsh Health Specialised Services Committee (WHSSC). Since then both management and Welsh Government responses had been received. These recommendations were included in the report and WHSSC tracked progress will be shared with each Health Board via the Board Secretary. There was no requirement for the Health Board to log the recommendations on the individual tracker. It was highlighted that the following reports were expected to be reported to the Committee in December 2021: • Review of arrangements for securing efficiencies. • Structured Assessment Report 2021. • Radiology Report- also for consideration in the next Patient, Quality, Safety and Outcomes Committee.

		Relevant national study reports were discussed. Audit Wales had recently published its Picture of Public Services report, the link was shared with the Committee. Sector Specific Output on Health and Social Care report had been published on the day of the meeting and was available for viewing on the website. A further Audit Wales report to on Staff Wellbeing to be published at the end of November. The Committee received and noted the update provided.
AC 0710/09	**Date of Next Meeting**	
	9.1	The date of the next business meeting was noted as 2nd December 2021 via Microsoft Teams.

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GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Audit, Finance & Risk Committee
2nd December 2021
Action Sheet

(The Action Sheet also includes actions agreed at previous meetings of the Audit Committee and are awaiting completion or are timetabled for future consideration for the Committee. These are shaded in the first section. When signed off by the Audit Committee these actions will be taken off the rolling action sheet.)

Please note, any actions not yet complete due to staff diverting attention to COVID-19 pandemic will be rolled forward to the next Action Sheet.

Outstanding
In Progress
Not Due
Referred to another Committee
Completed

Minute Reference	Agreed Action	Lead	Target Date	Progress/ Completed
AC 0804/03	**Overview of legal processes in relation to losses and special payments Report:** To support the Committee in providing assurance to the Board the Financial Advisor would discuss the appropriateness of receiving a report to inform committee members in respect of its remit to consider losses and special payments which are considered in detail at the Litigation Group, at a future meeting with the Chair of the Board.	**Interim Board Secretary / Garvin Jones**		**Completed**. On the December agenda. An update and overview by Garvin Jones will be presented to the December meeting. Confirmed item and attendance with Garvin.
AC 1208/05	**Update on Governance, Financial Control Procedures and Technical Accounting** Salary Sacrifice – it was confirmed that the policy specifically related to approved schemes where there was an HMRC element that would provide a tax benefit. Non-HMRC salary deductions should be covered by the payroll procedures, but this will be clarified.	**Assistant Finance Director (Financial Systems & Services)**		The Payroll Financial Control procedure includes a section in relation to Deductions from pay by type of deduction, namely: • Statutory • Attachment of earnings orders • Voluntary deductions • Salary sacrifice deductions referring back to the salary sacrifice procedure.

	Update on Governance, Financial Control Procedures and Technical Accounting To aid knowledge and understanding the Chair and Committee member (Katija Dew) requested a briefing outside of the Committee on the Health Board's capital equipment replacement processes.	**Director of Finance & Performance**		**Completed.** **10.11.21** Meetings arranged Meeting being arranged with members and the Director of Planning, Digital and IT and Assistant Director of Finance to receive a further briefing.
	Risk Management Strategy and Framework The Committee welcomed the approach and for assurance requested staff feedback on the mechanisms being put in place. A review of how best to measure and capture staff feedback to be considered.	**Head of Corporate Services, Risk and Assurance**	**March 2022**	This will be undertaken as part of the review of the implementation of the Strategy and Framework (March 2022)
AC 0710/01 1.5	**Committee Work Plan –** Circulate to members the revised work plan with the inclusion of the following • Risk and BAF • Action log to be transposed into regular reporting • Provide clear visibility for the full year • Reporting of FOIs to be added	**Interim Board Secretary** **Secretariat**		**23.11.21** To be circulated following update of Committee membership. Risk & BAF added Reporting of FOI's added Work underway on the other elements.
1.5	Consolidate items into single agenda item.		**January 2022**	**23.11.21** This will be undertaken as part of the revised forward work programme

1.5	Review December's agenda items and defer to January where appropriate.			**Completed**
1.5	Share the Forward Work Programme with internal and external auditors			To be circulated once updated.
1.5	A standardised form capturing risks and assurances to be developed and shared with Committee Chairs for reporting to the AFR Committee.			To be discussed/developed with new Board Secretary, as they may have a view on how this is undertaken.
AC 0710/02 2.1	**Follow-up Outpatient Transformation** A progress report on the outpatient transformation (effective and efficient use of resources and risk) to be received April 2022	**Director of Operations, Outpatient Transformation Lead** **Outpatient Clinical Lead** **Secretariat**	**April 2022**	Not due
2.2	**Agile Working:** The Committee requested an environmental impact assessment take place, linking with the Green Health Group	**Assistant Workforce Director**	**April 2022**	Not due

2.3	A further update to come back to the Finance Audit and risk Committee, alongside the Estates Strategy.	**Assistant Workforce Director** **Secretariat**	**April 2022**	Not due
AC 0710/03 3.1	**Consultant Job Planning Update** Job Planning would remain on the Audit Tracker until all Internal Audit recommendations had been discharged.	**Medical Director** **Secretariat**		**23.11.2021** The AFR Committee to be informed that updates will be monitored by the People & Culture Committee as part of its remit. (minutes of the P&CC 03.11.21)
3.2	**Update on Governance, Financial Control Procedures and Technical Accounting** A full report linked to the Audit Wales meeting to be presented to the Committee in December	**Assistant Finance Director** **Secretariat**	**December 2021**	**Completed.** On the agenda for December
AC 0710/04 4.1	**Finance Update** A clinical nursing review would be required to look at the impact on outcomes because of Enhanced Care staffing. Transferred to the PQSOC for discussion and action.	**Secretariat**		**Completed** **08.11.21** secretariat for PQSOC added to forward work programme

AC 0710/05 5.2	**Post Payment Verification (PPV) Mid-Year Review** SBAR to be circulated to the Committee outside of the meeting	**All Wales PPV Manager** **Secretariat**		**Completed.** Circulated 24/11/2021
AC 0710/06 6.1	**Audit Tracker** Items for Audit Committee sign-off, should have sufficient information on service improvement, patient safety and efficiencies included (reference the practice note adopted by the HB)	**Interim Board Secretary**		
6.1	Future reports to include a short paragraph on the management of low and medium level risks that were reported at corporate level.			
6.1	Evidence of monitoring external reports and to what Committee they are reported.			
6.1	Full tracker to come back with all high-level recommendations to the next Committee meeting taking place December 2021			**Completed.** On December agenda
6.2	**Board Assurance Framework Update** The BAF paper to be amended with the correct information and scores as per the cover report.	**Interim Board Secretary**		**Completed.** BAF Amended

	Amend the governance structure to reflect the Health Boards current position			**Completed.** BAF Amended
6.2	Reports to include a visual, colour coded front page summary, to include a table indicating risk number, risk owner and risk status (red, amber, or green rag rating)			**Completed.** Implemented in the December report.
6.2	The Chair requested further detail about the actions to reduce perceived gaps of assurance and reporting			
AC 0710/07 7.1	**Internal Audit Plan Progress** Further reports and updates on decarbonisation to come back to the next Committee meeting	**Head of Internal Audit**		**Completed.** 24.11.2021 Work on decarbonisation has been deferred until next year. Any further reports/updates will be shared with the Committee following commencement and progress of work. Added to the Forward work plan.
7.2	**External Audit** The date of the next Charitable Funds Committee meeting be amended.	**Katija Dew** **Secretariat**		**Completed.** Amended

Aneurin Bevan University Health Board

Draft Audit Committee Work Plan 2021

	Frequency	3rd February	8th April	18th May	8th June	12th August	7th Octber	2nd December
		Business	Business	Draft Annual Accounts	Final Accounts	Business	Business	Business
Audit Committee Members Private Meeting with Auditors and Counter Fraud								
Counter Fraud		√					√	
Internal Audit			√					√
Audit Wales						√		
Governance & Assurance								
Review of Standing Orders, SFI's, and Scheme of Delegation	Annually	√						
FOI Update	Each Business Meeting							
FOI Compliance Update	bi-annually							
Development of Financial Procedures	Each Business Meeting	√	√			√	√	√
Finance and Governance Updates	Each Business Meeting	√	√			√	√	√
Risk & Assurance	Each Business Meeting	√	√			√	√	√
Financial Management & Control Systems								
Single Tender & Single Quotations	Each Business Meeting	√	√			√	√	√
Losses & Special Payments	2 x Year	√	√			√	√	√
Invoices > £100,000	Each Business Meeting	√	√			√	√	√
Tracking of Audit Recommendation Actions	Each Business Meeting	√	√			√	√	√
Additional Items								
Annual Accounts								
Lessons learnt form accounts process	Annually						√	
Annual Accounts Plan	Each Business Meeting	√	√			√	√	√
Accounting Policies Review	Annually			√				
Draft Accounts Review	Annually			√				
Approval of Annual Accounts	Annually				√			
Approval of Governance Statement	Annually			√				
Additional Items								
Clinical Audit								
6 monthly update on Clinical Audit	Every 6 months	√				√		
Additional Items								
External Audit								
Annual Audit Fee	Annually		√					
Approval of Annual Audit Plan	Annually		√					
Progress Reports	Each Business Meeting	√	√		√	√	√	√
ISA 260	Annually				√			
Final Accounts Memorandum	Annually				√			
Annual Audit Report	Annually							√
Additonal Items								
NWSSP Audit & Assurance - Internal Audit								
Approval of Annual Plan	Annually		√					
Progress Reports	Each Business Meeting	√	√			√	√	√
Receipt of Individual Reports	Each Business Meeting	√	√			√	√	√
Receipt of Annual Report	Annually			√				
Interim Head of Internal Audit Opinion	End of Quarter 3	√						
Head of Internal Audit Opinion	Annually			√				
Additional Items								
NWSSP Audit & Assurance - Specialised Unit								
Approval of Annual Plan	Annually		√					
Progress Reports	Each Business Meeting	√	√			√	√	√
Receipt of Individual Reports	Each Business Meeting	√	√			√	√	√
Receipt of Annual Report	Annually			√				
Additional Items								
Counter Fraud & Post Payment Verification								
Approval of Counter Fraud Annual Plan	Annually		√					
Counter Fraud Progress Report	Quarterly	√					√	
Counter Fraud Annual Report	Annually		√					
Annual PPV Report	Annually		√					
Additonal Items								
Planning & Review								
Agreement of Committee Annual Work plan	Annually	√						
Review of Committee Effectiveness	Annually		√					
Production Of Audit Committee Annual report	Annually		√					
Review Of Audit Committee Terms of Reference	Annually		√					
Additonal Items								
Efficiencies								
MSK - update to meeting 3 February 2022	April	√	√					
Eye Care - update to meeting 3 February 2022	April	√	√					
Outpatients	August					√		
Agile working	October						√	
Estates	October						√	
Hospital network (GUH/e-LGH)	TBC							
Actiion Log								
Job Planning Update (Dr James Calvert) (AC 0402/04)	August					√		
Terms of Reference Update	May			√				
Update on Governance, Financial Control Procedures and Technical Accounting Issues including an update on the Health Board's repair and replacement policy	August					√		
Losses and Special Payments Report (AC 0804/03) - overview litigation process	October						√	
Audit Tracker - Review of High, Medium, Low Recommendations	August							
Internal Audit Plan Progress - Exec Team Review high level actions (AC 0804/07)	August					√		
Terms of Reference Update (AC 1805/01) - 10 Actions recorded	In Progress						√	
Review of the Draft Accounts for 2020/21 (AC 1805/02) - 6 Actions recorded	Completed							
Draft Accountability Report and Annual Governance Statement (AC 1805/03) - 8 Actions recorded	October							
Internal Audit Plan Progress (AC 1805/05) - monitoring of medium/low recommendations	August							
Board Assurance Framework Update (AC 1805/06) - 4 Actions recorded - Update October 2021	October							
Review of Final Accounts 2020/21 (AC 0806/01) - 3 Actions recorded - 2 will be incorporated in the August update	August							
Review of Final Accounts 2020/21 (AC 0806/01) - Retinue Contract - Julie Chappelle to provide an update	August							
Performance Report and Accountability Report (including Annual Governance Statement and Remuneration & Staff Report) (AC 0806/02) - 2 Actions recorded	In Progress							
Head of Audit Opinion (AC 0806/03) - reset & review report	August							
Report/Note Governance processes for Patient, Quality, Safety & Outcomes Committee	October							
Further reports and updates on decarbonisation	TBC							
Forward Review of areas - for Assurance - February 2022								
Health System Leadership Board	TBC							
Urgent Care Transformation	TBC							
Mental Health Transformation	TBC							

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Aneurin Bevan University Health Board Audit, Finance & Risk Committee Thursday 2nd December 2021 Agenda Item: 2.1

Aneurin Bevan University Health Board

Capital / Revenue Estates Efficiency Framework

Executive Summary

ABUHB has various strategies, projects and schemes which affect the management and use of its estate. The necessity to progress the ABUHB estates strategy against significant financial challenges requires consideration of both capital investment and disinvestment and clarity of the revenue consequences, with decisions providing opportunities and risks affecting the Health Board estate. The aim is to support a more efficient capital asset portfolio and reduce recurring revenue expenditure associated with ABUHB premises either owned or leased.

The Strategic Capital and Estates Group requested a framework for capital efficiency to be developed. The final version of the proposed approach describing a capital/revenue efficiency framework with potential scoring and implementation was agreed by the Strategic Capital & Estates group in October 2021.

There are multiple groups considering estate changes across the UHB and this needs to be clarified and summarised to ensure the main strategic aims for ABUHB estate are achieved. Furthermore the 2021/22 UHB annual plan identifies 18 objectives linked to the Estate Strategy. These require prioritisation alongside the overall aims of the strategy in order to ensure capital efficiency and reduce revenue premises/operating costs where possible, as well as trying to chronologically order individual projects as appropriate to 'enable' change and achieve the strategic aims.

The framework requires consideration of a range of parameters which require scrutiny and approval for a proposal to proceed. The decision matrix should be followed in order to enable a chronological plan to be developed.

The framework aims to demonstrate improved value for patients from the resources available.

It is assumed that the recommendations and principles of this framework are included in the Estate Strategy refresh being considered in November 2021.

The Committee is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	√
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe – Interim Director of Finance and Procurement / Nicola Prygodzicz, Director of Planning

Report Author: Tristan Harris – Interim Head of Financial Strategy

Report Received consideration and supported by:

Executive Team		**Committee of the Board**	

Date of the Report: 12th November 2021

Supplementary Papers Attached:

1. Estate strategy priorities
2. List of parameters
3. Decision Tree appendices
4. Prioritisation flow chart
5. Glossary

Purpose of the Report

This report describes the framework agreed to use for potential projects. It specifically describes the:-

- requirement for the inclusion of leases when making decisions with regards to capital investment/disinvestment
- establishment of a 'capital/lease pre-investment panel'
- approval/agreement of the key priorities of the Health Board estates strategy

Assessment & Conclusion

ABUHB has various strategies, projects and schemes which are affecting the overall estate. The impact of the pandemic, opening of GUH and the necessity to progress agile working coupled with significant financial challenges requires consideration of capital investment and disinvestment to support a more efficient capital asset portfolio and reduce recurring revenue expenditure associated with ABUHB premises either owned or leased.

There are numerous groups considering changes of service location and estate including:-

- Strategic Capital and Estates group
- GUH/eLGH reconfiguration group
- Capital group
- Primary Care Estates Group
- Accommodation of Services User group (ASUG)
- Agile working programme board
- Divisional/Site teams

This list is not exhaustive and it is recommended that the remits of the various groups are clarified in order to minimise any duplication regarding their remit and decision-making.

It is suggested that the prioritisation of the Estate Strategy objectives needs to be agreed by the Executive Team.

The UHB aims to enable 'optimal patient outcomes across a safe environment whilst providing the best value for the overall funding available'. This is based on the premise that the Health Board should aim to:-

- Maximise vacant estate
- Invest in ABUHB owned property where appropriate
- Rationalise where the estate is inappropriate.
- Reduce the amount of properties leased on the assumption that this property is more expensive and less beneficial to ABUHB on a long-term basis.
- Identify the enablers to achieve the objectives of the best option.

The assessment with regards to prioritising the Estate Strategy objectives is shown in the next section. The framework approach described outlines a proposed method to systematically make decisions to support these aims. This will require on-going refinement but the overall approach and governance arrangements are key in order to progress this.

To fully deliver the agenda, ABUHB will need to consider patient value improvement and be open to innovative solutions. These solutions will also need to reflect service needs, staff

requirements and the overall agile/hybrid working strategy to enable increased well-being for staff, patients and service users alike.

Estate Strategy / Governance

This framework aims to optimise the use of the current estate and to reduce the use of leased estate to provide high-quality, fit for purpose health facilities for ABUHB patients for the future.

A revised estates strategy is due to be discussed at the Health Boards Strategy, Planning, Partnerships and Well-being (SPPWb) Group in autumn 2021. The current objectives have been categorised into High, Medium and Low, however, the vast majority remain in the high category and therefore, need to be prioritised further. The Health Board is expected to consider and approve a refreshed Estate Strategy in November 2021.

A separate multi-disciplinary group has considered and agreed the key priority objectives for the Health Board as follows:-

1. Closure of old St.Woolos site
2. Reduction of leased properties by ABUHB
3. Review and progress of eLGH hospitals at Royal Gwent Hospital (RGH) and Nevill Hall (NHH).
4. Review of Chepstow PFI and services
5. Review of all vacant and part occupied buildings.

The full list of prioritised objectives is shown in appendix 1. The Strategic Capital and Estates Group has noted that 'the reduction of leased properties' is not currently explicit within the Estate Strategy objectives and recommended it's inclusion, along with lease decisions becoming part of the remit of the Group.

Objective	Actions
Closure of old St.Woolos site	Review of vacant/part-occupied buildings on RGH site. Review of services that can be moved from off an acute site Development of agile working space on RGH site and others to facilitate moves
Reduction of leased properties	Review current lease terms Identification of other options Agile working review progress including well-being Review of vacant/part-occupied buildings on other sites
Review and progress of eLGH plans (RGH/NHH)	Completion of projects as per agreed site plan Review of services that can be moved from off an acute site Agile working review progress including well-being
Review of Chepstow PFI and services	Review of PFI agreement and options Review of current services and alternative options
Review of all vacant and part occupied buildings	Liaison with local authority and other organisations for collaborative working options

It should be noted that an Executive paper on the future plans for RGH and NHH was discussed on 5th July 2021 and this provides an over-arching plan for the main clinical blocks on those sites. There were a number of outstanding decisions regarding specific areas and how they link with the St.Woolos (SWH) site and a further paper is currently being finalised.

It has been agreed that all estate projects are approved through the Strategic Capital & Estates Group including decisions to lease premises on a long term basis (>12 months). This would

involve a description of the scheme, timescales, a decision tree/matrix and an assessment score of the parameters described on page 4 / Appendix 3.

Projects that affect a number of schemes or are strategic in nature should also be approved by the Executive Team after approval by the Strategic Capital & Estates group and align to SO/SFI requirements.

Decision Tree process / example

Given the potential range of options, issues and competing priorities both for the Estate Strategy but also with regards to UHB service plans. It is envisaged that projects will need to follow an initial internal 'decision tree' process in order to identify that these are in a position to be scored using the parameters described.

In principle the service plan should drive the capital/premises plans. The decision tree process effectively proceeds through the following questions although the ordering is dependent on the process pictured in Appendix 3:-

- Does the project meet one of the key states strategy priorities (High priority objectives but further prioritised)?
- Does it meet one of the High priority areas?
- For the service(s) in question – what is the future service model and workforce plan?
- If a clinical service then does it need to be on a hospital site?
- Is the current building described occupied?
- Are there alternative accommodation options for the service (including agile working and partner organisations)?
- Have other partner organisations been involved with regards to premises options?
- Does the solution/option link appropriately with the overall agile/hybrid working strategy?
- Does framework score above 57 (out of a current maximum of 80)?
- Has a PPD (or relevant scoping document for larger schemes) been completed and signed off internally?
- If yes then proceed for approval through strategic capital and estates group

The decision tree is attached in Appendix 2 and shown pictorially in Appendix 3. The list is not exhaustive and can be amended to include other questions as appropriate.

Parameters assessment

As described in the decision tree in the previous section, the parameters shown in table 1 should be evaluated and scored for each project. This should be undertaken by a project team with scrutiny and review at the Strategic Capital and Estates Group (SCEG).

Given the nature of the scoring and especially in the early stages of this framework, a separate sub-group may need to be formed to review and scrutinise projects objectively and make recommendations to the SCEG. This may effectively become a pre-investment panel for capital schemes (and leases with premises which are greater than 1 year). This proposal requires discussion and approval.

The scoring system for most parameters will be 0-5 with some being a single 0 or 5 score given the binary nature of the parameter in question, (5 being best). Scoring should be objective and without bias.

The scoring for the statutory compliance section should be completed in conjunction with the Estates and Facilities Division. 6 facet scores will be included as relevant and these can have

associated scores. The scoring for the digital organisation/ICT parameters must be undertaken in liaison with the ICT Directorate. The scoring for the financial implications must be undertaken in conjunction with Finance Directorate support and signed off by the Deputy Finance Director. A Pre-Investment Panel (PIP) revenue service case may be required and approved as appropriate before the capital solution is progressed.

The list of parameters is shown as follows (also in appendix 4)

Summary parameter	Parameter
Statutory Compliance / Accommodation and well-being	6 facet survey score (background score) Compliance to relevant statutory regulations Alternative accommodation/venue options (inc. agile options and partner organisations) Improvement to the working environment and staff well-being
Improve Patient outcomes / service transformation / continuity	Patient Equity 'Improvement' to current service – (patient facing) (Y/N) 'Improvement' to current service – (non-patient facing) (Y/N) Future service/workforce plan(s) and benefits developed? Utilisation of space/frequency of usage (per week) – 6 facet score to go in
Facilities, Digital Organisation, Other	Carbon footprint benefit Fit with estates strategy Car parking / public transport /sustainable travel effect ICT infrastructure Digital Transformation – Technology to support clinical/operational workflow and efficiencies delivered
Financial assessment	Revenue cost/saving Capital cost/saving Backlog maintenance cost to resolve current estate

The scoring system is summarised in Appendix 4 and assesses each parameter on a scale from 0 – 5. There remains a large amount of subjectivity to the assessment and some of the assumption are listed as follows:-

- 6 facet scores (including utilisation of space) should be judged on the basis that poor/low ranking estate should attract a higher score, as the need is greater. A score of 0 assesses that the estate is in good condition whereas a score of 5 means that the estate is extremely poor and the service needs to have improved operating premises as a priority.
- It is assumed that if there are more alternative accommodation options this should attract a lower score. No or little alternatives will attract higher scores and this would include agile working options and shifts outside of hospital and into the community.
- The parameters which are Yes/No answers should attract scores of either 0 or 5.
- The Facilities, ICT and other parameters should be scored in conjunction with the relevant departments to ensure a level of consistency.
- The financial implication scores will be based on the financial analysis undertaken.
- The multi-disciplinary working group agreed that a score of 57 is the lowest score assessed in order to for the project to proceed for approval. This will need to be adjusted if parameters are amended/changed.

The parameters, scoring and assumptions were approved by Strategic Capital and Estates Group (SCEG) to proceed for implementation.

Project prioritisation
It is inevitable that as projects are compiled and reviewed there will be alternative options and some that are mutually exclusive. The parameter assessment aims in the first instance to identify those projects with higher scores for completion. In order to prioritise between options it is suggested that the following parameters are used in order to determine which project provides greatest patient value & should be progressed first:-

- Improvement to current service (service sustainability)
- Patient equity (and other patient outcomes)
- Service/workforce plan developed (known activity level changes) coupled with defined workforce benefits e.g. recruitment and retention/well-being
- Financial impact (financial sustainability)
- Deliverability if there are finite/time-limited resources

It is assumed that these parameters can be scored 0-5 with the highest scores proceeding in terms of priority unless specifically stated. This approach to prioritisation (flow chart shown in Appendix 5) requires approval from the Strategic Capital and Estates Group (SCEG) to proceed.

Conclusion
Ultimately the capital/revenue efficiency framework provides a systematic way to score, rank and prioritise capital projects. It is noted and acknowledged that this approach may be superseded by emergency decision-making processes and/or urgent requests on a UHB or national basis.

The framework aims to provide an informed approach to project decision-making highlighting the capital and revenue consequences of such investment. The framework is not an exact science and subsequent updates may be required in order to refine the process and the product. It is noted that there were currently no other such detailed frameworks found in other NHS Wales organisations and research with other NHS bodies found similar difficulties in developing such a framework. As a result, the framework described provides a platform to use immediately with a quarterly review recommended to test compliance & practicality in use.

The Strategic Capital and Estates Group (SCEG) reviewed and approved the following at their October meeting:-

- the basis, principles and approved for the framework to proceed for implementation
- Agree the key priorities identified in this document as part of the estates strategy subject to completion of the revised estates strategy
- include leases within the SCEG capital decision making regime
- the need to consider establishing a 'Capital/Lease Pre investment panel' or equivalent to scrutinise proposals on a monthly basis. Terms of reference will be created for discussion and approval at SCEG
- agree to receive quarterly reviews on numbers of projects progressed through this mechanism.

Recommendation

The Committee is asked to note:

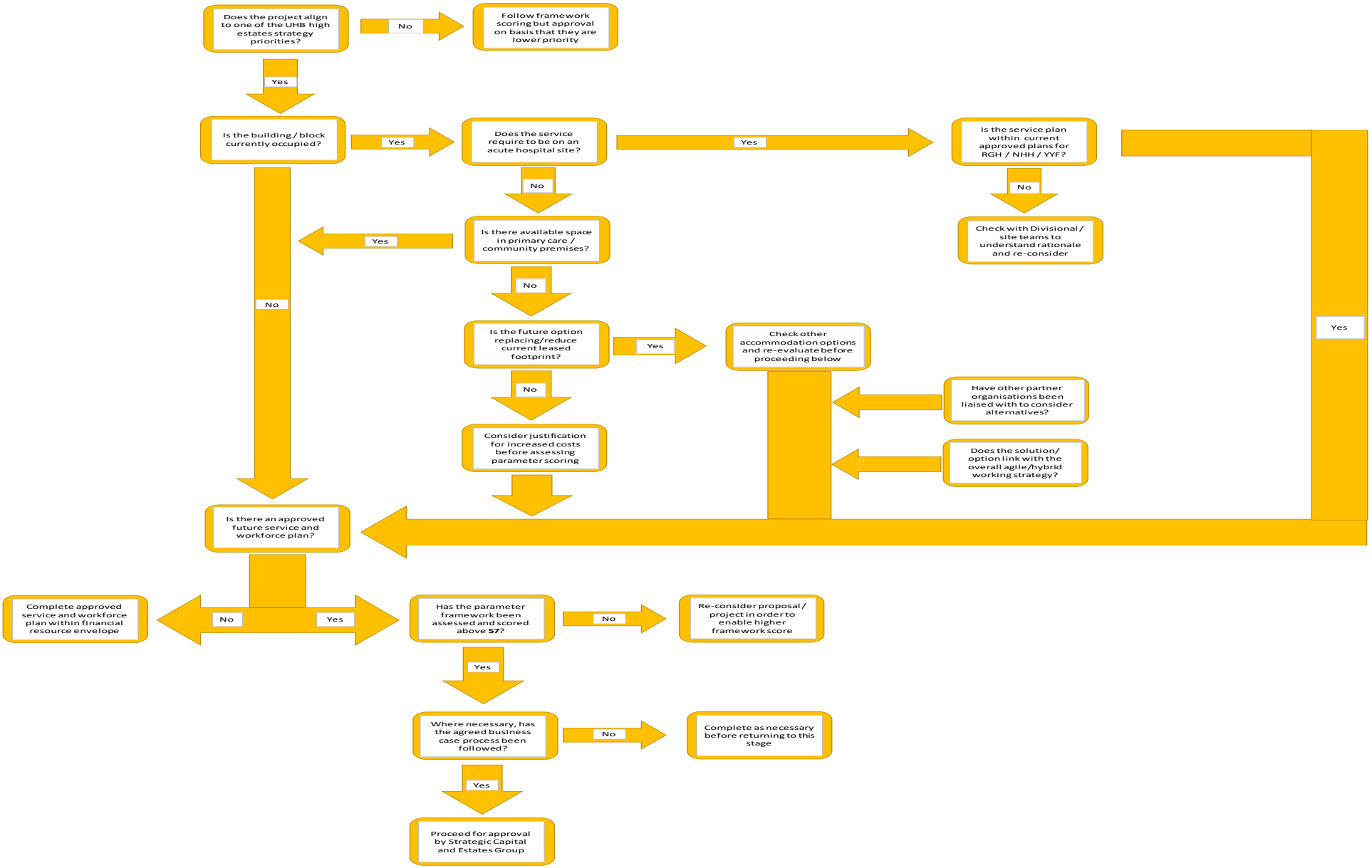
The Efficiency Framework, including the decision tree, parameters for review and the requirement for capital/lease pre-investment panel (or equivalent) in order to scrutinise and evaluate proposed projects.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Risks of additional capital projects being progressed which are not the most beneficial to the ABUHB. Risk of the Health Board not achieving statutory financial duties and other financial targets.
Financial Assessment, including Value for Money	This paper provides details of how an efficiency framework would provide improved Value for Money by assessing or capital/lease projects and ensuring that only those which provide the necessary levels of efficiency are progressed.
Quality, Safety and Patient Experience Assessment	This paper links to AQF target 9 – to operate within available resources and maintain financial balance.
Equality and Diversity Impact Assessment (including child impact assessment)	Not Applicable
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper links to the ABUHB estates strategy and will be necessary in order to progress and support the Health Board's 3-year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3-year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	The Health Board Financial Plan has been developed based on the approved AOF/IMTP, which includes an assessment of how the plan complies with the Act.
Glossary of New Terms	See Below
Public Interest	Available as a public document.

Appendix 1 – Estate strategy priority objectives

Summary parameter	Parameter	Scoring system	Source / approach
Statutory Compliance / Accommodation and well-being	6 facet survey score (background score)	0 - 5	6 facet score
	Compliance to relevant statutory regulations	0 - 5	Judgement based on PPD
	Alternative accommodation/venue options (inc. agile options and partner organisations)	0 - 5	Judgement in liaison with Workforce/OD
	Improvement to the working environment and staff well-being	0 - 5	Judgement in liaison with Workforce/OD
Improve Patient outcomes / service transformation / continuity	Patient Equity	0 - 5	Evidenced - based on service plan
	'Improvement' to current service – (patient facing) (Y/N)	0 or 5	Evidenced - based on service plan
	'Improvement' to current service – (non-patient facing) (Y/N)	0 or 5	Evidenced - based on service plan
	Future service plan(s) developed?	0 or 5	Evidenced
	Utilisation of space/frequency of usage (per week) – 6 facet score to go in	0 - 5	6 facet utilisation score
Facilities, Digital Organisation, Other	Carbon footprint benefit	0 - 5	Judgement in liaison with Estates and Facilities
	Fit with estates strategy	0 - 5	Align with prioritised strategy
	Car parking / public transport /sustainable travel effect	0 - 5	Judgement in liaison with Estates and Facilities
	ICT infrastructure	0 - 5	Evidenced - based on service plan / IT
	Digital Transformation - Technology to support clinical / operational workflow and efficiencies delivered	0 - 5	Evidenced - based on service plan
Financial assessment	Revenue cost/saving	0 - 5	Financial analysis
	Capital cost/saving	0 - 5	Financial analysis
	Backlog maintenance cost to resolve current estate	0 - 5	6 facet / analysis

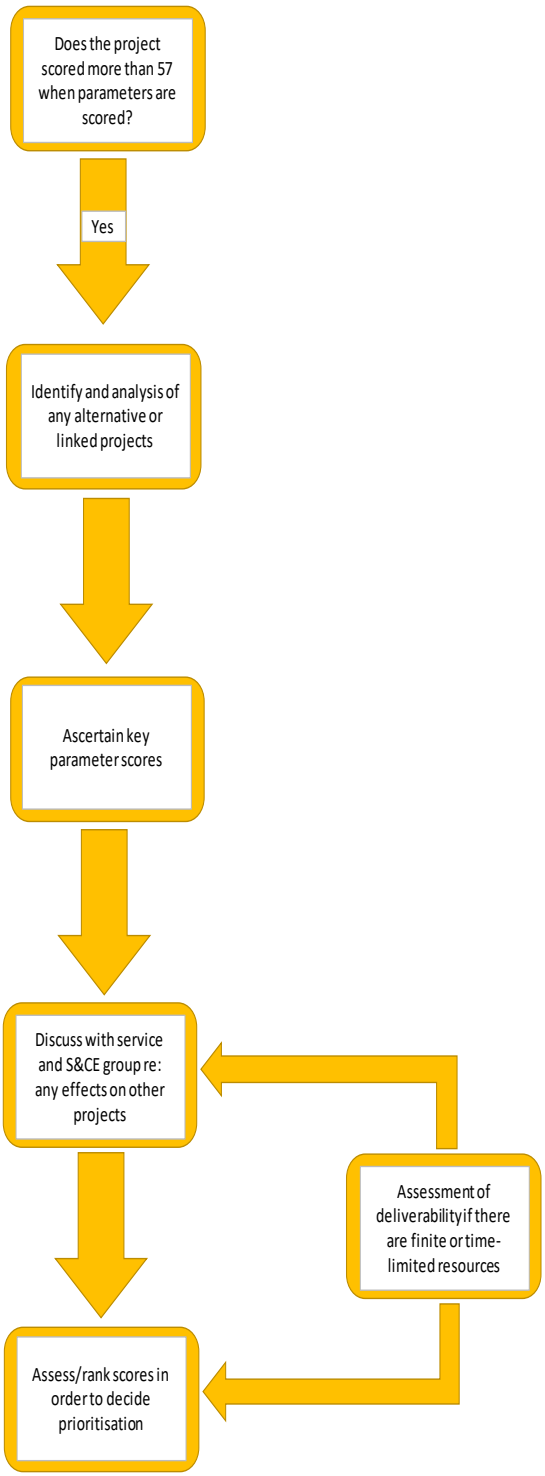
Appendix 2 – Decision Tree process (before considering parameter scoring and prioritisation)



Appendix 3 – List of parameters

Summary parameter	Parameter	Scoring system	Source / approach
Statutory Compliance / Accommodation and well-being	6 facet survey score (background score)	0 - 5	6 facet score
	Compliance to relevant statutory regulations	0 - 5	Judgement
	Alternative accommodation/venue options (inc. agile options and partner organisations)	0 - 5	Judgement
	Improvement to the working environment and staff well-being	0 - 5	Judgement
Improve Patient outcomes / service transformation / continuity	Patient Equity	0 - 5	Judgement
	'Improvement' to current service – (patient facing) (Y/N)	0 or 5	Judgement
	'Improvement' to current service – (non-patient facing) (Y/N)	0 or 5	Judgement
	Future service plan(s) developed?	0 or 5	Evidenced
	Utilisation of space/frequency of usage (per week) – 6 facet score to go in	0 - 5	6 facet utilisation score
Facilities, Digital Organisation, Other	Carbon footprint benefit	0 - 5	Judgement
	Fit with estates strategy	0 - 5	Align with prioritised strategy
	Car parking / public transport /sustainable travel effect	0 - 5	Judgement
	ICT infrastructure	0 - 5	Judgement
	Digital Transformation - Technology to support clinical / operational workflow and efficiencies delivered	0 - 5	Judgement
Financial benefits	Revenue cost/saving	0 - 5	Financial analysis
	Capital cost/saving	0 - 5	Financial analysis
	Backlog maintenance cost to resolve current estate	0 - 5	6 facet / analysis

Appendix 4 – Draft prioritisation flow chart



Glossary

A		
A&C – Administration & Clerical	A&E – Accident & Emergency	A4C - Agenda for Change
AME – (WG) Annually Managed Expenditure	AQF – Annual Quality Framework	AWCP – All Wales Capital Programme
AP – Accounts Payable	AOF – Annual Operating Framework	ASUG - Accommodation of Services User group
B		
B/F – Brought Forward	BH – Bank Holiday	
C		
C&V – Cardiff and Vale	CAMHS – Child & Adolescent Mental Health Services	CCG – Clinical Commissioning Group
C/F – Carried Forward	CHC – Continuing Health Care	Commissioned Services – Services purchased external to ABUHB both within and outside Wales
COTE – Care of the Elderly	CRL – Capital Resource Limit	Category M – category of drugs
CEO – Chief Executive Officer		
D		
DHR – Digital Health Record	DNA – Did Not Attend	DOSA – Day of Surgery Admission
D2A – Discharge to Assess	DoLS - Deprivation of Liberty Safeguards	DoH – Department of Health
E		
EASC – Emergency Ambulance Services Committee	EDCIMS – Emergency Department Clinical Information Management System	eLGH – Enhanced Local general Hospital
ENT – Ear, Nose and Throat specialty	EoY – End of Year	ETTF – Enabling Through Technology Fund
F		
F&T – Family & Therapies (Division)	FBC – Full Business Case	FNC – Funded Nursing Care
G		

GMS – General Medical Services	GP – General Practitioner	GWICES – Gwent Wide Integrated Community Equipment Service
GUH – Grange University Hospital	GIRFT – Getting it Right First Time	
H		
HCHS – Health Care & Hospital Services	HCSW – Health Care Support Worker	HIV – Human Immunodeficiency Virus
HSDU – Hospital Sterilisation and Disinfection Unit	H&WBC – Health and Well-Being Centre	
I	IMTP – Integrated Medium Term Plan	INNU – Interventions not normally undertaken
IPTR – Individual Patient Treatment Referral	I&E – Income & Expenditure	ICF – Integrated Care Fund
L		
LoS – Length of Stay	LTA – Long Term Agreement	LD – Learning Disabilities
M		
MH **–** Mental Health	MSK - Musculoskeletal	Med – Medicine (Division)
MCA – Mental Capacity Act		
N		
NCN – Neighbourhood Care Network	NCSO – No Cheaper Stock Obtainable	NICE – National Institute for Clinical Excellence
NHH – Neville Hall Hospital	NWSSP – NHS Wales Shared Services Partnership	
O		
ODTC – Optometric Diagnostic and Treatment Centre		
P		
PAR – Prescribing Audit Report	PCN – Primary Care Networks (Primary Care Division)	PER – Prescribing Incentive Scheme
PICU – Psychiatric Intensive Care Unit	PrEP – Pre-exposure prophylaxis	PSNC –Pharmaceutical Services Negotiating Committee
PSPP – Public Sector Payment Policy	PCR – Patient Charges Revenue	PPE – Personal Protective Equipment
PFI – Private Finance Initiative		
R		

RGH – Royal Gwent Hospital	RN – Registered Nursing	RRL – Revenue Resource Limit
RTT – Referral to Treatment	RPB – Regional Partnership Board	
S		
SCCC – Specialist Critical Care Centre	SCEG - Strategic Capital and Estates Group	SCH – Scheduled Care Division
SCP – Service Change Plan (reference IMTP) SLF – Straight Line Forecast	SFI – Standing Financial Instructions	SLF – Straight Line Forecast
SO – Standing Orders	SpR – Specialist Registrar	
T		
TCS – Transforming Cancer Services (Velindre programme)	T&O – Trauma & Orthopaedics	
U		
UHB / HB – University Health Board / Health Board	USC – Unscheduled Care (Division)	UC – Urgent Care (Division)
ULP – Underlying Financial Position		
V		
VCCC – Velindre Cancer Care Centre		
W		
WET AMD – Wet age-related macular degeneration	WG – Welsh Government	WHC – Welsh Health Circular
WHSSC – Welsh Health Specialised Services Committee	WLI – Waiting List Initiative	WLIMS – Welsh Laboratory Information Management System
WRP – Welsh Risk Pool		
Y		
YAB – Ysbyty Aneurin Bevan	YTD – Year to date	YYF – Ysbyty Ystrad Fawr

GIG CYMRU NHS WALES — Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Audit, Finance and Risk Committee Thursday 2nd December 2021 Agenda Item: 3.1

Audit, Finance and Risk Committee

Update on Governance, Financial Control Procedures and Technical Accounting Issues

Executive Summary			
This report gives the Audit, Finance and Risk Committee assurance and update in relation to a number of standing items which are reviewed in line with the Committee's terms of reference and work plan.			
The Board is asked to: (please tick as appropriate)			
Approve the Report		✓	
Discuss and Provide Views			
Receive the Report for Assurance/Compliance		✓	
Note the Report for Information Only			
Executive Sponsor: Robert Holcombe, Interim Director of Finance and Procurement			
Report Author: Estelle Evans, Head of Financial Services and Accounting			
Report Received consideration and supported by :			
Executive Team		**Committee of the Board**	✓
Date of the Report: 17th November 2021			
Supplementary Papers Attached: Appendix 1 - Single Tender Action			

Purpose

This report gives the Audit, Finance and Risk Committee assurance and update in relation to a number of standing items which are reviewed in line with the Committee's terms of reference and work plan.

Assessment and Conclusion

1. Review of Standing Orders, SFI's and Scheme of Delegation.

There is no update since the last meeting.

2. Financial Control Procedures

The Overseas Visitors procedure was scheduled to be presented to this meeting for approval but due to staff changes within the Schedule Care Division the procedure is currently being reviewed by the newly appointed Private Patients Manager and will be presented to the February 2022 meeting for approval.

3. Technical Accounting Issues

There are no new technical accounting issues to report at this Committee.

4. Annual Accounts

There is no update since the last meeting.

5. Public Sector Payment Policy

The Health Board is continuing to achieve the statutory target.

6. Single Quotation and Tender Actions – 22nd September to 19th November 2021

The SFI's set out some of the exceptional circumstances which are needed to secure goods from a single supplier (as opposed to the usual competitive process). They are set out below:

- Follow up work where the provider has already undertaken initial work in the same area.
- A technical compatibility/compliance issue.
- Genuine business continuity reasons.
- Joining collaborative all Wales agreements where there is no formal agreement in place.

Although these are not new, they are now clearly set out in the all Wales SFI's and the schedule prepared by procurement (Appendix 1) now explicitly refers to these reasons which was not always the case previously.

As can be seen from the Appendix 1, all requests for a Single Tender Action or a Single Quotation action are submitted to the Chief Executive for approval and also reported to the Audit, Finance and Risk Committee.

There have been 15 requests submitted and approved during the period with a total value of £988,047.41 Ex VAT. Appendix 1 provides the full detail.

Within the appendix there are two requests ABU-GUH-STA-00008 and ABU-GUH-SQA-00003 dated 25th October 2020 and 25th September 2020 which have not previously been reported to the Audit, Finance and Risk Committee. These were both processed by the Grange University Hospital procurement team. Unfortunately the central procurement team was not made aware of these.

The procurement processes have now been amended with the requirement for all future orders to be sent to the central procurement team. This will ensure that all Single Quotation and Tender Actions are recorded centrally and reported to the Audit, Finance and Risk Committee as they occur.

7. Payments In Excess of £100K

There are no exceptional items to report.

Recommendation

The Audit, Finance and Risk Committee is requested to:

- Note the contents of the report for assurance and compliance

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	*SFI's. SO's, Financial controls and accounting systems and processes form the basis of many organisational controls without which the organisation would be exposed to significant financial and reputational risk.*
Financial Assessment	*No direct financial implications but the financial governance issues covered in this standard Audit, Risk and Finance Committee paper set a framework of key financial controls for the organisation.*
Quality, Safety and Patient Experience Assessment	*An effective equipment replacement programme is an important part of patient safety and experience.*
Equality and Diversity Impact Assessment (including child impact assessment)	*No averse impact*
Health and Care Standards	*No applicable*
Link to Integrated Medium Term Plan/Corporate Objectives	*SFIs, SOs, Financial controls and accounting systems and processes form the basis of many organisational controls which form part of the delivery of financial targets and good governance.*
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	*Not relevant*
Glossary of New Terms	*SFIs - Standing Financial Instructions*

Appendix 1 - Summary of Single Tender/Quotation Actions

Date of Request	Type of Request	Reference No	Description	Anticipated Annual Value (ex VAT)	Supplier	Type	Reason for request	Advice from Procurement	Approved / Rejected	CEO Approval Date	Chairs Approval Date (If Applicable)
09/09/2021	Single Tender	ABU-STA-48204	POCT Roche Liat Testing Kits	£100,044.00	Roche	Goods	The kits can only be supplied by Roche as the equipment that the tests are performed on have already been purchased by the HB and have been in use for the last 12 months. Furthermore, the devices have been extensively evaluated by the HB and the results are comparable to the laboratory, demonstrating that they are reliable and safe. Other suppliers were considered at the initial purchase: Abbott ID NOW and LumiraDX but were rejected as they are not able to perform all the test panel required (Covid and Flu) on a single sample and in one test kit.	Appropriate for approval in line with STA guidelines 'service/goods/works is follow up' and to retain business continuity	Approved	21/09/2021	
14/09/2021	Single Tender	ABU- STA-48232	Growing Space	£47,000.00	Growing Space	Services	Due to the current challenges recruiting within the care sector, this was a concern and a risk to the service. Growing Space has offered 4 x accredited Peer mentors to provide support and are in a position to commence the roles having achieved their accreditations.	Appropriate for approval in line with STA guidelines 'compatibility issue' to ensure service runs parallel with existing arrangements over Mental Health and to work with ED at GUH.	Approved	15/09/2021	
14/09/2021	Single Tender	ABU-STA-48234	Gritting Services - North Gwent	£26,322.50	MRI Whistance	Services	Extension for current gritting & snow clearing for MRI Whistance, is due to not being able to get companies to tender at this current time, with staff shortages, and companies being closed down and unable to trade due to Covid -19.	Appropriate for approval in line with STA guidelines 'service/goods/works is follow up' and to retain business continuity until market strengthens to conduct procurement exercise.	Approved	04/10/2021	
15/09/2021	Single Tender	ABU-STA-48259	Monmouthshire Primary Care & Community Well-being Links Project	£50,598.00	Gwent Association of Voluntary Organisations (GAVO)	Services	Through the IWN Transformation fund programme, the HB are working with Monmouthshire Council and GAVO to set up a test project where Well-being Co-ordinators will be employed to work with GP practices to support patients accessing well-being services. As an existing delivery partner for place-based approaches to well-being in Monmouthshire, GAVO will host 2 posts to perform these roles, they will recruit and employ the posts. It is a partnership involving MCC and the NCNs and will be overseen by the Monmouthshire Integrated Services Partnership Board.	Appropriate for approval in line with STA guidelines 'genuinely only one provider' suitable to conduct work locally and in timeframe	Approved	27/09/2021	
20/09/2021	Single Tender	ABU-STA-48310	Capital Purchase of eGross Dissection Table	£58,466.93	A Menarini Diagnostics	Goods	The Cellular Pathology Department currently has only 2 dissection benches, one used for Consultant Pathologist dissection and the other for BMS dissection. As a result of the ever increasing workload and complexities, a third dissection bench is paramount to the department being able to function effectively.	Appropriate for approval in line with STA guidelines 'compatibility issue' to retain business continuity and unique to market place	Approved	20/10/2021	
20/09/2021	Single Tender	ABU-STA-48319	Capital Purchase of a Nikon Microbiology Microscope	£21,507.00	Nikon	Goods	Current microscope is deteriorating and accuracy is reduced while Nikon offer a bespoke package that can replace the current set up for reading slides, storing images and teaching purposes.	Appropriate for approval in line with STA guidelines 'compatibility issue' to replace current unit that staff are trained on.	Approved	20/10/2021	
23/09/2021	Single Tender	ABU-STA-47952	Replacement of equipment to existing infrastructure	£323,042.00	Honeywell	Goods and Service	Honeywell are the designer, installer and provide ongoing maintenance for current system and are best placed to carry out the work required more cost effectively. The maintenance contract which Honeywell was awarded in June 2021 stipulates two site visits to ensure timely repairs on any developing issues.	Appropriate for approval in line with STA guidelines 'service/goods/works is follow up' and to retain business continuity	Approved	21/09/2021	
19/10/2021	Single Tender	ABU-STA-48607	Risk Analysis of the Integrated Information Solution (IIS)	£29,475.00	Safehand Consulting Limited	Services	Due to the significant time and resources required to develop a hazard log and Clinical Safety Case report from scratch, The National 1 1 1 Programme Wales are looking for support from Safehand Consulting Ltd to enable the work to commence without delay. It is expected that this work will be delivered through the Programme led process, with guiding support from Safehand who have over ten (10) years of experience in risk management techniques and process which work in a healthcare setting.	Appropriate for approval in line with STA guidelines 'genuinely only one provider' along with 'service/goods/works is follow up'.	Approved	25/10/2021	
21/10/2021	Single Tender	ABU-STA-128992	Update to scan trainer software	£14,995.00	Medaphor	Goods and Service	The scan trainer equipment and software enables the service to audit and maintain the competence and compliance register for all staff undergoing essential transvaginal scanning within the service. The equipment allows staff to practice and maintain their core skills ensuring patient safety.	Appropriate to retain a particular contractor for real business continuity issues	Approved	21/10/2021	
25/10/2021	Single Tender	ABU-STA-129004	Consultant Supportive for Specialist Pallative Care	£40,300.00	Supportive Care UK	Services	The Palliative Care Directorate have been unable to recruit to the vacancies for Consultant-Palliative Medicine posts, despite 5 round of recruitment and on 15th November 2021 will lose another consultant resulting in half of the consultant establishment remaining. In addition, since the opening of the Grange University Hospital, the Palliative Care Directorate has seen a significant increase in demand for the service (approx. 60%) which has impacted on capacity and ability to provide a safe service. There is no availability of Consultants in Palliative Medicine with the appropriate skill set via locum/agency.	Appropriate for approval in line with STA guidelines 'genuinely only one provider'	Approved	27/10/2021	
13/10/2020	Single Tender	ABU-GUH-STA-00008	Panocom	£98,000.00	MED Surgical	Services	As the equipment is required across GUH and RGH, it has to be wireless to support the transfer. There is a RetCam available on the NHSSC Framework which is the ICON. It is about the size of a large filing cabinet, on wheels. The camera is connected by a wire and therefore the base unit needs to be wheeled around to take images. The base size of the PanoCam is roughly the same size but the camera can be used independently due to wireless function.	Appropriate for approval in line with STA guidelines 'genuinely only one provider' suitable	Approved	28/10/2020	
20/09/2021	Single Tender	ABU-STA-48309	Capital Purchase of 2 x Autoclaves	£131,780.00	LTE Scientific Ltd.	Goods	The two autoclaves in the ABUHB Microbiology laboratory are now at the end of a 10 year life span and are frequently breaking down and in need of replacement of costly parts.	Appropriate for approval in line with STA guidelines 'compatibility issue' plus saves future repair costs escalating further	Approved	09/11/2021	
04/11/2021	Single Tender	ABU-STA-129230	LAPSIM Laparoscopic Training	£93,825.90	Surgical Science	Goods and Service	The LAPSIM is the leading and only laparoscopic trainer that has validated exercises currently available on the market. LapSim® comes without demands on operating theatre resources, including teacher supervision High-performance laparoscopic skills come only with repetition. With LapSim®, techniques and complete procedures can be practiced repeatedly at increasing levels of difficulty, with thousands of new challenges, scenarios, and	Approved due to this genuinely being the only such system currently on the market	Approved	11/11/2021	
21/09/2021	Single Quotation	ABU-SQA-48311	Capital Purchase of a Leica Microbiology Microscope	£17,843.08	Leica Microsystems	Goods	Current microscope is deteriorating and accuracy is reduced. Leica offer a bespoke package that can replace the current set up for reading slides, storing images and teaching purposes.	Appropriate for approval in line with SQA guidelines 'genuinely only one provider'	Approved	20/10/2021	
28/09/2021	Single Quotation	ABU-SQA-48227	2 Wish upon a star pilot project	£16,000.00	2 Wish Upon a Star	Services	Service already running as a pilot and extension to bridge the gap between the end of the services and the Welsh gov procured service	Appropriate for approval in line with SQA guidelines 'service/goods/works is follow up' and to retain business continuity until Welsh Gov procured service in place	Approved	28/09/2021	
25/09/2021	Single Quotation	ABU-SQA-48236	CPAP Units	£16,848.00	Fisher and Paykel Healthcare Limited	Services	It is predicted there will be a significant increase in RSV infections in children this Autumn due to them having missed some herd immunity from catching no flu or RSV last year. This will be particularly acute in children under 2 years and for those vulnerable to respiratory exacerbations. RSV commenced in August 2021, may peak in November and continue throughout the winter period. There is a need to secure aditional CPAP units rapidly.	Appropriate for approval in line with SQA guidelines 'compatibility issue'	Approved	04/10/2021	
	Single Quotation	ABU-GUH-SQA-00003	Laryngoscopes x 15	£18,000.00	Healthcare 21 UK Ltd	Goods	Each particular type of laryngoscope requires traning and familiarision. Use of an alternative would expose the patient and the HB to significant clinical risk.	Appropriate for approval in line with SQA guidelines 'compatibility issue'	Approved	25/09/2020	

GIG CYMRU NHS WALES — Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Audit, Finance and Risk Committee Thursday 2nd December 2021 Agenda Item: 3.2

Audit, Finance and Risk Committee

Losses and Special Payments Report

Executive Summary

This report provides the Audit Committee with information in relation to financial losses and special payments made by the Health Board between 1st April 2021 and 31st October 2021.

The losses and special payments recorded during the period 1st April 2021 to 31st October 2021 totalled £8,574k of which £7,127k is recoverable from the Welsh Risk Pool (WRP), this means the actual loss to the Health Board is £1,447k.

In addition to the cost recorded above, a provision for clinical negligence and personal injury cases is recorded on the balance sheet and is based on the estimated potential liability as advised by Welsh Health Legal Services of the maximum possible future cost for all known cases. This has increased by £53.2m since 31st March 2021 to an overall provision of £216.8m of which it is expected that £211.2m is recoverable from WRP leaving a potential future loss to the Health Board of £5.6m.

The Audit Committee is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	✓
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe, Interim Director of Finance and Procurement			
Report Author: Estelle Evans, Head of Financial Services and Accounting			
Report Received consideration and supported by :			
Executive Team	N/A	**Committee of the Board [Committee Name]**	N/A
Date of the Report: 11th November 2021			
Supplementary Papers Attached:			

Purpose of the Report

To provide the Audit Committee with information in relation to financial losses and special payments made by the Health Board between 1st April 2021 and 31st October 2021.

Background and context

Losses and Special payments are reported in the financial position monthly and reported to the Audit Committee in line with the Committee's terms of reference. The main content of the report is in the Losses and Special Payments table and sets out the recorded "loss" for the year to date alongside where this category of expense is considered and scrutinised within the Health Board. The report also provides details of the provision held by the Health Board in relation to all outstanding Medical Negligence, Personal injury and redress claims which are currently under review. This provision is, in effect, a view into the future potential cost to the NHS in Wales of current cases.

Financial Implications

1 Financial Analysis of Losses

LOSSES AND SPECIAL PAYMENTS 01.04.21-31.10.21

	No. of Cases	Amount of Loss or Payment			Type of loss/payment	Where reported/reviewed	Notes
		ABUHB £'000	Welsh Risk Pool £'000	TOTAL £'000			
LOSSES:							
Bad Debts	0	0	0	0	Various	Authorised by Division and notified/approved by Audit Committee	
SPECIAL PAYMENTS:							
Loss of personal effects	32	12	0	12	Minor Losses	Losses form completed - Authorised by Division and Putting Things Right team	Lost dentures, glasses etc.
Clinical negligence with advice	166	946	6,687	7,633	Clinical Negligence	Clinical negligence and personal injury - payment verified and lessons learnt addressed by the litigation committee for claims over £25K. Feedback into the quality and patient safety committee re Lessons Learnt. Reimbursement of payment made not processed by WRP until satisfied that lessons learnt have been clearly documented and implemented. Annual Report to Quality & Patient Safety Committee by the Litigation Department. Includes case type, numbers, financial information and historic comparisons.	Completed cases
Personal injury with advice (includes Permanent Injury Benefit)	77	443	191	634	Personal Injury	As above	Completed cases
Other clinical negligence and personal injury	31	22	249	271	Clinical Negligence and Personal Injury - claims under £25K	Redress committee for payments under £25K. Lessons learnt fed back to division	Completed cases
Other	15	24	0	24	Various	Ombudsman cases - confirmed by putting things right team, other losses reports completed as appropriate	
TOTAL LOSSES AND SPECIAL PAYMENTS	**321**	**1,447**	**7,127**	**8,574**			
Of which, cases of £250,000 or more: Clinical negligence with advice	4	0	4,889	4,889			

2 Clinical Negligence and Personal Injury Provisions

The table below shows the analysis of the estimated liability for losses as at 31st October 2021 compared to the position reported at 31st March 2021. It reflects the estimated liability in relation to cases advised by Welsh Health Legal Services for both clinical negligence, personal injury and redress with the provision updated to reflect new or changed cases.

After the expected recoveries from the Welsh Risk Pool are taken in to account the estimated liability to the Health Board at the end of October 2021 is £5,614k.

Losses & Special Payments Provisions	**31-Mar-21**		**31-Oct-21**	
	No. of Cases	**£000**	**No. of Cases**	**£000**
Clinical Negligence	242	159,645	250	212,635
Personal Injury	71	313	61	766
Permanent Injury Benefit	21	3,353	21	3,161
Redress	36	311	29	259
Sub Total	**370**	**163,623**	**361**	**216,821**
Less WRP Recoverable: Clinical Negligence	-119	-157,469	-124	-210,478
Less WRP Recoverable: Personal Injury	-4	-45	-6	-488
Less WRP Recoverable: Redress	-36	-283	-29	-241
Net Liability	**211**	**5,825**	**202**	**5,614**

Recommendation

The Audit, Finance and Risk Committee is asked to note the contents of the report.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	N/A
Financial Assessment	*Financial implications stated in Section 2.2 above*
Quality, Safety and Patient Experience Assessment	*N/A*
Equality and Diversity Impact Assessment (including child impact assessment)	*N/A*
Health and Care Standards	*N/A*
Link to Integrated Medium Term Plan/Corporate Objectives	*N/A*
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	*N/A*
Glossary of New Terms	*None*
Public Interest	*Report to be published in the public domain.*

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Aneurin Bevan University Health Board Thursday 2nd December 2021 Agenda Item: 3.3

Aneurin Bevan University Health Board

Overview of ABUHB Legal Services role in clinical negligence processes and governance

Executive Summary

The ABUHB Legal Team plays a pivotal role in the management and oversight of clinical negligence legal claims against the Health Board. This report seeks to provide assurance around the clinical negligence processes and governance that is in place at ABUHB and provides a flavour of its work and services for both Health Board and its staff.

Where the Health Board has to make financial compensation payments, the Legal Team is the key facilitator of overseeing financial reimbursement applications to the Welsh Risk Pool, ensuring that all required evidence, documentation and assurance is available to secure granting of financial reimbursement from the Welsh Risk Pool to ABUHB.

The ABUHB Legal Team oversees a significant and diversified portfolio of work, beyond the management of clinical negligence claims. Support to Health Board staff throughout these often traumatic and difficult times is a significant feature.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance	√
Note the Report for Information Only	

Executive Sponsor: Rhiannon Jones Executive Director of Nursing			
Report Author: Garvin Jones Head of Legal Services			
Report Received consideration and supported by :			
Executive Team		**Committee of the Board [Committee Name]**	
Date of the Report: 12 October 2021			
Supplementary Papers Attached:			

Purpose of the Report

The Chair of the Audit, Finance & Risk Committee has requested an overview of the Legal Services role in clinical negligence processes and its links to the Health Board's overall governance.

Background and Context

ABUHB Legal Services Team – who are we?

The team consists of 12 members of staff. We are a small corporate team servicing the entire Health Board. As a team we sit within the Executive Director of Nursing (EDoN) portfolio. The Head of Legal Services reports directly to the EDoN. Since inception of the *Putting Things Right Regulations* in Wales in 2011, the team has sought to grow and diversify its people and skills to meet the ever growing challenges and complexities of the work undertaken, to be *fit for purpose.* The team consists of an effective blend of very experienced NHS staff combined with externally recruited colleagues bringing fresh lens and new skill sets. Four of the team are solicitors by professional qualification, together with other expertise from planning, IT and complaints backgrounds.

ABUHB Legal Services Team – what do we do?

Brief overview of the teams current work and responsibilities:

Legal Claims

The team represents the Health Board and have overall day to day management of legal claims advanced against the Health Board by way of clinical negligence or personal injury liability. The team plays a pivotal role in the gathering and securing of evidence to ensure informed and financially sound decisions can be made. The Team play a vital role in ensuring input from, and support to, ABUHB staff throughout the legal process, working collaboratively to improve patient safety and prevention of future harm.

Whilst NWSSP Legal & Risk Services provide formal legal advice, the ABUHB team work alongside it, providing further guidance and input to the Health Board in the decision making process. The team often have a helpful steer in many instances, informed by local knowledge, often helping to identify risks early, repeated patterns, staff involved, areas and clusters.

The team has full responsibility for conducting and securing all applications to the Welsh Risk Pool for financial reimbursement of ABUHB's outlay, carrying significant risk, pressures and deadlines

Patient Redress

Under the Welsh Government *'Putting Things Right' Regulations 2011* the Health Board is empowered to agree and settle concerns directly with patients and their families up to the value of £25,000. The management of these cases, including their presentation through the Health Board's formal 'Redress Panel', is conducted and overseen by the team. ABUHB has been acknowledged as a leader in this field and *model of choice.* This has found great favour with patients, their representatives and external stakeholders. Redress concerns are resolved far more timely than legal claims, and with significant cost savings to the NHS Wales budget compared to civil legal claims.

Coroner & Inquests
The team is a frontline service in receiving and dealing with requests and enquiries from H.M. Coroner Service, through to ensuring the Health Board is fully and appropriately prepared when called upon to attend an Inquest. The team has a long and proud history of working with the Coroner, its officers, and families of the bereaved to ensure ABUHB is seen as an open, learning organisation. A significant part of this work involves support to staff, their preparation as witnesses for the Health Board, being able to return to frontline duties on conclusion. Alertness to reputational and political matters, ensuring Prevention of Future Death Reports are suitably addressed, including briefings to EDoN, CEO, and Executive and Communication teams as required.

Of note, this has been a substantial area of growth for the legal team, the Health Board and its staff over the last 2 years. Since inception of a new Senior Coroner for Gwent in summer 2019 and the introduction of the new Medical Examiner Service the Health Board has seen a very significant growth in requests from the Coroner and inquests being held. From a pre-2019 position of around 30 live matters at any given time, the team is managing in excess of 260 live matters. In August 2021 there were nearly 40 new requests in that month.

Indemnity cover and reimbursement to ABUHB
The team manage enquiries across the Health Board with regard to indemnity arrangements, the existence of cover, or not, and the seeking of indemnity from the Welsh Risk Pool as required. The team has, for example, successfully brokered and secured WRP indemnity cover to the Occupational Health department for flu vaccines to first responders; the team was able to advise on malicious damage provisions, successfully applying and recovering a sizeable contribution to ABUHB's outlay for the malicious property damage to the YAB hospital entrance and arson attacks to the on-site Villas at Llanfrecha Grange.

Serious Incident investigations/complex complaints
The team works very closely with colleagues in the PTR Concerns team, providing early support, guidance and advice where it is identified that a Serious Incident or complex/difficult complaint is likely to require an inquest, to be considered for Redress, or likely to proceed as a full legal claim. This helps to ensure overall best management and appropriate resolution for the patient and Health Board.

Learning/Improvement/Patient Safety/Assurance
The Legal Services team at Aneurin Bevan is playing a key role in directly supporting the improvement of safe front line health care:

- Demonstrated actions and early interventions taken as a result of the Redress process, directly preventing future patient harm
- Delivery of evidence based learning, actions, and assurance, checked and approved through the scrutiny of the Welsh Risk Pool and its sub-committees
- Constructive engagement with staff ensuring reflections, learning, and so development and growth as practitioners
- Being at the heart of All-Wales discussions and forums to best learn, influence, disseminate and drive improvements, locally and nationally.

Medico-Legal issues
On a daily basis the team field all manner of general enquiries and requests for help, guidance or support, across the Health Board, to include, complex patients, consent,

next of kin, families in dispute, Deprivation of Liberty, Court of Protection, Best Interests, capacity, property, Wills, police requests, staff statements.

Some general points

- The ABUHB Legal Services Team has a high standing in Wales
- The team is trusted and respected by staff throughout ABUHB
- At a Board Development Session, Jonathan Webb, Head of Safety & Learning, WRP stated that the team was *"Best in Wales"*
- ABUHB Redress process and Panel - *All-Wales model of choice*
- The legal team has hosted a number of Health Boards – BCUHB, SBUHB, Velindre, and a visit to WAST colleagues, to share and disseminate best practice, learning, and improvement.
- ABUHB staff can access Legal Services, information and resource tools via dedicated intranet pages – *Services and Departments/Legal Services*
- Internal Audit, Financial Management of Claims, '*Substantial Assurance'*

ABUHB Legal Services – our role in clinical negligence processes and links to the Health Board's overall governance.

The Health Board owes a duty of care to those it treats and as a result, in the event that harm is suffered, and that this is as a result of a breach of this duty, claims for compensation may be made. NHS organisations have seen the value of clinical negligence claims rise significantly in recent years. The clinical negligence provision in the Health Board's annual accounts has increased from £53m at 31 March 2016 to £156m at 31 March 2021.

The Health Board has formal delegated responsibility from the Welsh Government for the management of claims valued under £1m and, within its own management structure, agrees delegated financial limits for the settlement of each claim. Approval for claims that exceed £1m is required to be sought from the Welsh Government. Welsh Government will not grant approval unless it is aware that it has been considered and approved by the ABUHB Board in the first instance.

Claims are conducted and managed in accordance with the Health Board's 'Policy for the Management of Clinical Negligence and Personal Injury Litigation' to provide the Health Board, Welsh Risk Pool, Internal Audit and other stakeholders with assurance that it complies with the relevant standards for the handling of clinical negligence claims, whilst seeking to minimise the financial impact to NHS Wales and that, where necessary, improvements are made because of issues identified.

The ABUHB Legal Team operates via an agreed process of Briefing Reports and Authorised Signatories, within delegated financial limits, to include CEO and Chair as defined.

Matters that may potentially settle over the sum of £100,000.00, where cases may be taken to trial and for cases which significantly risk the reputation of the Health Board, these are formally presented, deliberated, and scrutinised via the Health Board's 'Litigation Committee'. As a sub-group of the Board this provides high level input, determination and governance around decisions made and instructions provided. Attended by Chair, Deputy Chair, CEO, Directors of Nursing, Medical and Therapies, as well as Board Secretary. This provides a very effective process for assured decision making alongside ability to fully assess any learning, actions and improvement work

undertaken, as well as escalate or take further interventional steps as required to help prevent future occurrence.

The Health Board utilises the services of NWSPP Legal & Risk to act on its behalf in all claims for compensation relating to clinical negligence, personal injury and property, which require legal advice, brought against the Health Board.

Where a legal claim settles, and the Health Board is liable to pay damages and/or legal costs, these payments must be made by ABUHB in the first instance. Under the Welsh Risk Pool indemnity 'pooling arrangements' the Health Board can apply to seek reimbursement of its financial outlay from the Risk Pool. There is no automatic entitlement to reimbursement, each claim attracting significant review and scrutiny from the WRP before approval may be granted. The ABUHB legal team is at the heart of this process.

Since April 2019, for every settled legal claim and Redress matter, it is now a requirement of Welsh Government/Welsh Risk Pool that financial reimbursement will *not* be made to the Health Board until a 'Learning from Events Report' has been submitted, and WRP are suitably assured as to breadth, depth and quality of the lessons learnt, improvements, and preventative measures taken. The new requirements are far more searching and involved than previous Action Plan reporting arrangements. The Legal Service Managers are central to this process, working closely with Divisional colleagues, overseeing and ensuring compliance with strict requirements, deadlines, potential for significant penalty, not least withholding or delaying financial reimbursement to the Health Board. The application of time, effort and management required from the managers to deliver this stream of work, and the pressures that it carries, on top of delivery of their portfolios, cannot be underestimated.

The ABUHB Legal Team reports, shares, contributes and disseminates via a number of routes:

- Bi-annual Litigation Report to Executive Team and PQSOC
- PTR Annual Report
- PTR Newsletter
- Corporate Nursing Risk Register
- Executive Briefings and papers
- Litigation Committee reporting and papers (sub-group of Board)
- Intranet Departmental pages and carousel

Assessment and Conclusion

Through the described policies, systems and processes in place, ABUHB Legal Team endeavour to ensure:

- Clinical negligence claims are managed appropriately in line with the requirements of Section 8 of the PTR Guidance on dealing with concerns about the NHS (Version 3) (which replaced Welsh Health Circular (97) 17); Welsh Risk Pool operational policy and the Health Board's Policy for the Management of Clinical Negligence and Personal Injury Litigation
- Evidence and assurance of lessons learnt are obtained, submitted for scrutiny and approved

- Payments are made appropriately and in accordance with governance and authorisation systems
- Financial reimbursement to the Health Board is secured

ABUHB Legal Team contribute to the Board's assurances regarding the NHS Wales Health and Care Standards as follows:

- Standard 2.1 – Managing Risk and Promoting Health and Safety
- Standard 3.1 – Safe and Clinically Effective Care
- Standard 3.3 – Quality Improvement, Research and Innovation
- Standard 6.3 – Listening and Learning from Feedback

Recommendation
The Audit, Finance & Risk Committee is asked to receive the report for assurance.

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Aneurin Bevan University Health Board
Thursday 2nd December 2021
Agenda Item: 4.1

Aneurin Bevan University Health Board

AFRC Finance Update – October (Month 07) 2021/22

Executive Summary

This report sets out the financial performance of Aneurin Bevan University Health Board, for October 2021.

The 2021/22 financial performance is measured by comparing the expenditure with the budgets as delegated in the Budget Delegation paper agreed at the March, July and September 2021 Board meetings, this will be updated further for quarter 4. The Health Board has statutory financial duties and other financial targets which must be met. The table below summarises these and the Health Board's performance against them.

Oct-21
Performance against key financial targets 2021/22
+Adverse / () Favourable

Target	Unit	Current Month	Year to Date	Trend	Year-end Forecast
Revenue financial target To secure that the HB's expenditure does not exceed the aggregate of it's funding in each financial year. *This confirms the YTD and forecast variance.*	£'000	0	0	⇔	**0**
Capital financial target To ensure net Capital Spend does not exceed the Capital Resource Limit. *This confirms the curent month and YTD expenditure levels along with the % this is of total forecast spend.*	£'000 £39,611	2,862 7.2%	16,772 42.3%	⇔	**0**
Public Sector Payment Policy To pay a minimum of **95%** of all non NHS creditors within 30 days of receipt of goods / invoice (by Number)	%	93.6%	95.9%	↓	**>95%**

Performance against requirements 20/21		**18/19**	**19/20**	**20/21**	**3 Year Aggregate**
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Revenue	✓	**(235)**	**(32)**	**(245)**	**(512)**
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Capital	✓	**(41)**	**(28)**	**(13)**	**(82)**
Prepare & Submit a Medium Term Plan that is signed off by Welsh Ministers	✓				

Underlying Financial Position (Brought Forward ULP)	**18/19**	**19/20**	**20/21**	**21/22**
This represents the recurrent expenditure commitments and the recurrent income assumptions that underpin the financial position of the HB moving into future years.	**£19.763m Deficit**	**£11.405m Deficit**	**£16.261m Deficit**	**£20.914m Deficit**

Note: The Health Board is in it's 3rd year of the approved IMTP, the HB has submitted a refreshed Annual Plan for 21/22 in place of a revised 3 year IMTP, as directed by WG.

Key points to note for month 7 and year to date position include:

- Income – includes anticipated and confirmed Covid-19 funding
- Pay Spend – at a similar level to previous months,
- Non–Pay Spend – has increased by £2m, due to additional WHSSC costs relating to Cystic Fibrosis drugs, increased costs for Ophthalmology and Haematology drugs, non-cash limited expenditure and the variable profile of ICF payments.
- Savings – expected achievement remains at the same levels as previously reported.

Significant issues for the Health Board's forecast financial plan include;

- There remains a small risk with regards to finalising the income assumptions for Covid-19 with Welsh Government and ensuring that recovery solutions are achieved in the most efficient and effective way,
- Improving and achieving the level of savings and efficiency programmes on a recurrent basis to support long term financial sustainability, and
- Ensuring that service and workforce solutions, in response to the challenging demands being faced, are achieved in the most cost-effective way.

At Month 7, the forecast revenue and capital positions are break-even for the 2021/22 financial year.

The latest financial assessment of income levels, service and workforce costed plans is that the Health Board should be able to deliver these plans within anticipated available funding.

The underlying financial deficit has been analysed and updated to £20.9m. This will need to be addressed to maintain financial balance in future years.

The Committee is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	√
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe – Interim Director of Finance and Procurement

Report Author: Suzanne Jones – Interim Assistant Director of Finance

Report Received consideration and supported by:

Executive Team		**Committee of the Board [Public Partnerships & Wellbeing Committee]**	

Date of the Report: 11th November 2021

Supplementary Papers Attached:

1. Glossary
2. Extract from Monthly Monitoring Returns (Month 7) submitted to Welsh Government.

Purpose of the Report

This report sets out the following:

- The financial performance at the end of October 2021 and forecast for 2021/22 – against the statutory revenue and capital resource limits,
- The revenue reserve position on the 31st of October 2021,
- The Health Board's underlying financial position,
- The Health Board's cash position and compliance with the public sector payment policy, and
- A financial assessment of the risks and opportunities which may impact on delivering the financial forecast for 2021/22.

Assessment & Conclusion

Revenue Performance

The month 7 position is reported as **break-even** with a forecast **year-end out-turn reported as break-even.** A summary of the financial performance is provided in the following table.

Summary Reported position - October 2021 (M07)	Full Year Budget £000s	YTD Reported Variance £000s	Prior month reported variance £000s	Movement from prior month £000s
Operational Divisions:-				
Primary Care and Community	271,005	(1,445)	(1,779)	334
Prescribing	106,494	1,445	1,827	(382)
Community CHC & FNC	65,658	38	(141)	179
Mental Health	110,366	308	67	242
Director of Primary Community and Mental Health	565	(54)	(48)	(6)
Total Primary Care, Community and Mental Health	**554,088**	**293**	**(74)**	**367**
Scheduled Care	236,447	616	744	(128)
Medicine	116,673	375	323	53
Urgent Care	39,790	588	280	307
Family & Therapies	119,102	(88)	(47)	(42)
Estates and Facilities	82,154	27	(39)	66
Director of Operations	6,193	367	0	367
Total Director of Operations	**600,358**	**1,884**	**1,261**	**622**
Total Operational Divisions	**1,154,446**	**2,177**	**1,187**	**989**
Corporate Divisions	123,007	(1,430)	(479)	(951)
Specialist Services	170,501	(2,238)	(1,171)	(1,067)
External Contracts	77,096	1,557	1,124	433
Capital Charges	30,971	(0)	(0)	(0)
Total Delegated Position	**1,556,022**	**66**	**662**	**(596)**
Total Reserves	23,837	(66)	(662)	596
Total Income	(1,579,859)	0	0	0
Total Reported Position	**0**	**(0)**	**0**	**(0)**

Financial impact of service and workforce pressures

- During October 2021, pay and non-pay expenditure in the Health Board continued at relatively similar levels incurred during the previous months of this financial year.
- Whilst the number of Covid-19 positive patients in hospital are significantly lower than the levels being cared for during the 1st and 2nd waves of the pandemic, there has been an increase in the number of patients being treated for and recovering from Covid-19 in September and through into October. All services still need to operate in a Covid-19 safe environment leading to a significant financial cost.

- Unlike the previous waves of the pandemic, demand for emergency and urgent care across all services – including primary care, mental health and acute/community hospitals – has increased significantly and in many cases is above the levels seen pre-pandemic.
- A similar position is being reported in social care – along with workforce constraints – which is resulting in some patients not being discharged from hospital in a timely manner, causing further pressures to the emergency care system.

As a result, additional costs are being incurred due to the following:

- Additional workforce capacity to support the significant pressure on the Emergency Department and other urgent care services,
- Workforce costs for covering increased sickness absence and self-isolation periods,
- Maintaining 'green' patient pathways to minimise infection,
- Additional hospital bed capacity to ensure the safe and timely flow of patients,
- Increased acuity of patients presenting and demand for enhanced care, and
- Commissioning step-down capacity to support patients in their discharge back home or to a longer-term care home placement.

As a result, key areas of focus for the Health Board are:

- System level working to expedite patients to the most appropriate care setting,
- Enhancing same day emergency care and flow,
- Securing additional capacity, and,
- Other actions to underpin the operational management and leadership to support clinical teams.

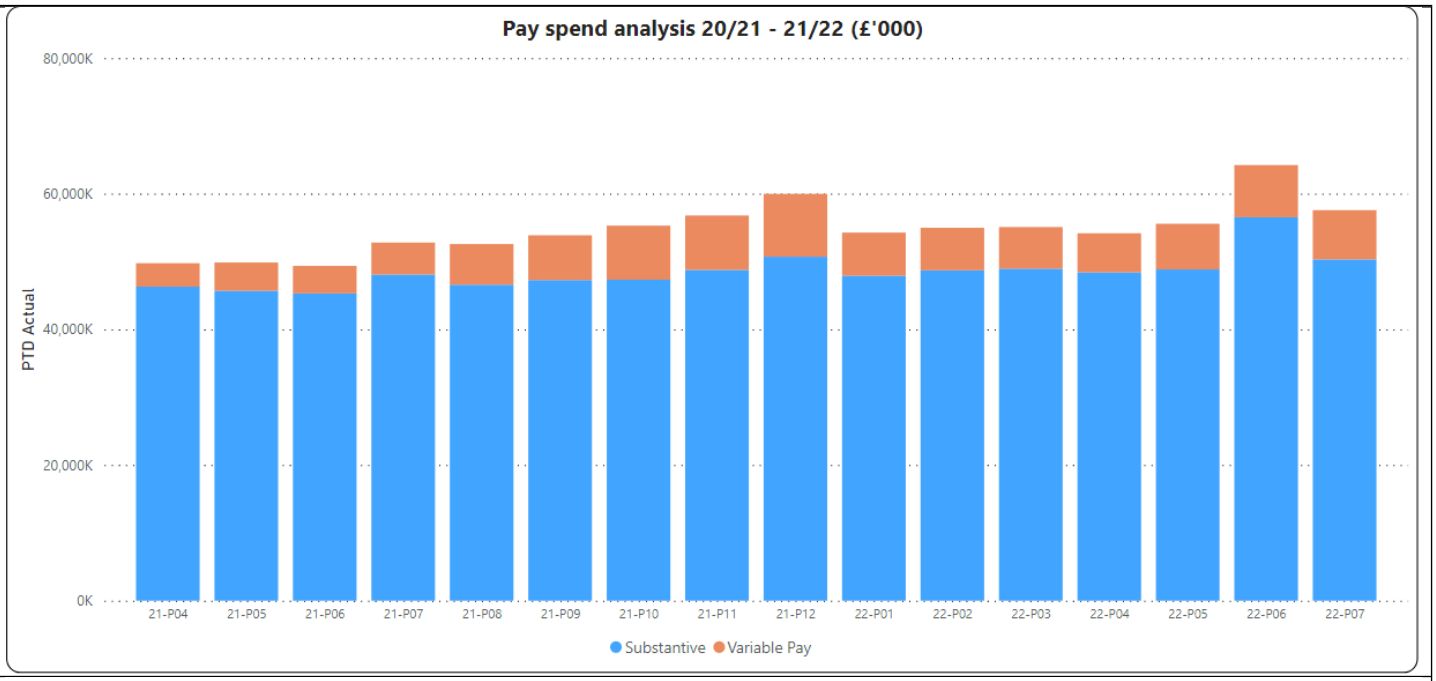
Workforce

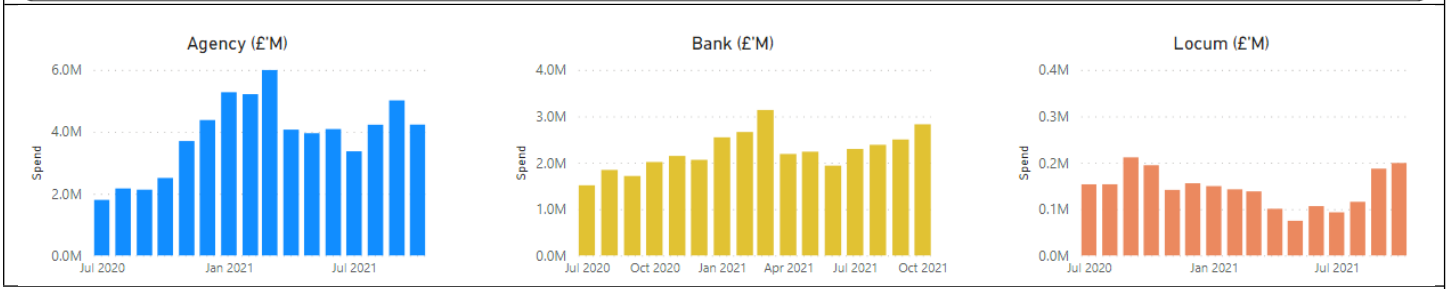
Workforce costs, with the wage award, has maintained a consistent average level of spend c.£56m for months 1-7 of 2021/22.

Substantive staffing, allowing for the wage award, has remained at a similar level. Bank costs have increased by £0.33m (13.1%) partly due to some arrears payments whereas agency costs have decreased by £0.78m (15.6%) compared to month 6 due to a review and part-removal of older (over 12 months) shift cost estimates. It is expected that the expenditure run-rates for agency staffing will return to previous levels and then potentially increase for the remainder of the financial year to achieve agreed recovery plans. There is still a continued and significant reliance on the use of agency and bank staff.

Workforce expenditure is shown below differentiating between substantive and variable pay[1]:

[1] *To enable useful comparisons and trends all references to 20/21 pay expenditure exclude the month 12 expenditure for: Covid-19 annual leave provision (£17m), Covid-19 bonus payments (£14.7m), and Additional employer pension contributions (6.3%/£25m).*





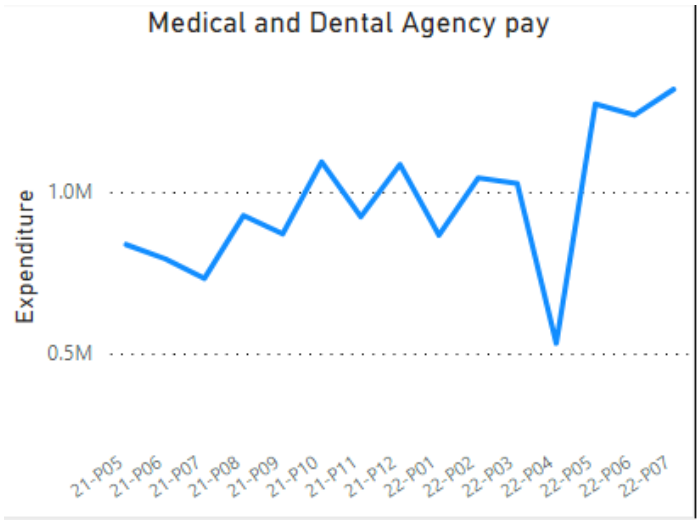
Substantive staff
Substantive pay was £50.32m in October - a decrease of £6.21m compared to September. The effect of the pay award arrears is c.£6m and therefore if removed, substantive pay is relatively stable compared to previous months.

Variable pay
Variable pay (agency, bank and locum) was £7.26m in October – a decrease of £0.44m compared to September.

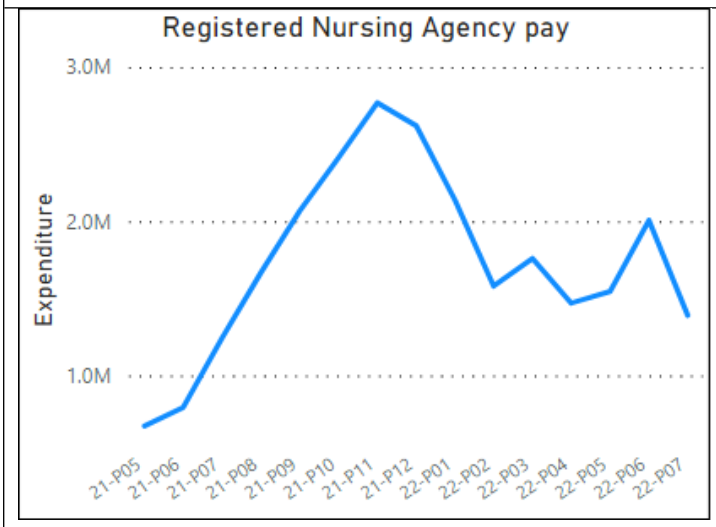
The Executive Team have agreed the block booking of registered nurse (RN) agency and over recruitment of health care support workers (HCSW) to ensure safety of service provision.

Bank staff
Total bank spend in October was £2.8m - an increase of £0.3m compared with September 2021, mainly due to wage award arrears payments made in October for the period April to October 2021.

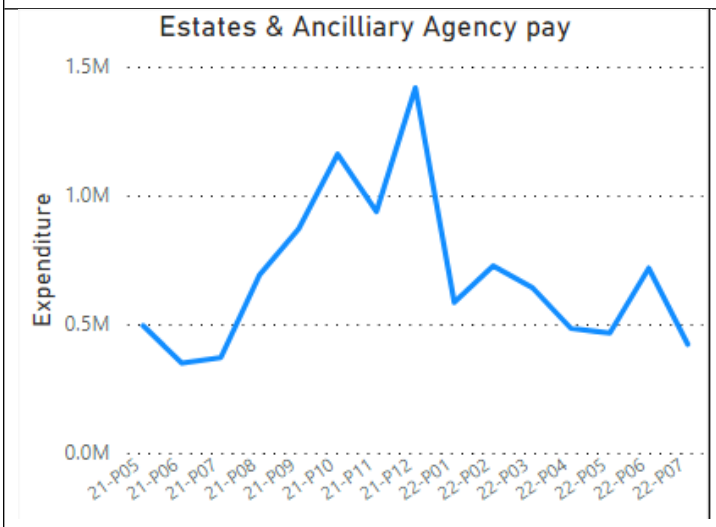
Agency
Total agency spend in October was £4.2m – a decrease of £0.8m compared to September. The review of older shifts booked but not worked as well as review of payments has resulted in the decrease. The numbers of hours worked remains at similar levels to September.



- Increase in month £0.08m due to
  - +£82k Medicine – Pressures continue in COTE and YYF medical staffing backfilling a number of staff who are now non-patient facing and numerous vacancies.
  - Continued pressures in Scheduled Care in T&O, and Ophthalmology
  - Continued expenditure in Mental Health services covering vacancies
  - Further Medicine expenditure in RGH and Gastroenterology as part of recovery plans as well as operational pressures.
- Medical agency spend is averaging c.£1.1m per month.



- In-month spend of £1.4m, a decrease of £0.6m from September. This is primarily due to a review of shifts over 12 months and therefore release of associated accruals for shifts booked but not worked.
- Reasons for use of registered nurse agency remain as previous and include:
  - Additional service demand including opening additional hospital beds,
  - Enhanced care and increased acuity of patients,
  - Increased sickness, and
  - Vacancies.
- Registered Nursing agency spend is averaging c.£1.7m per month .



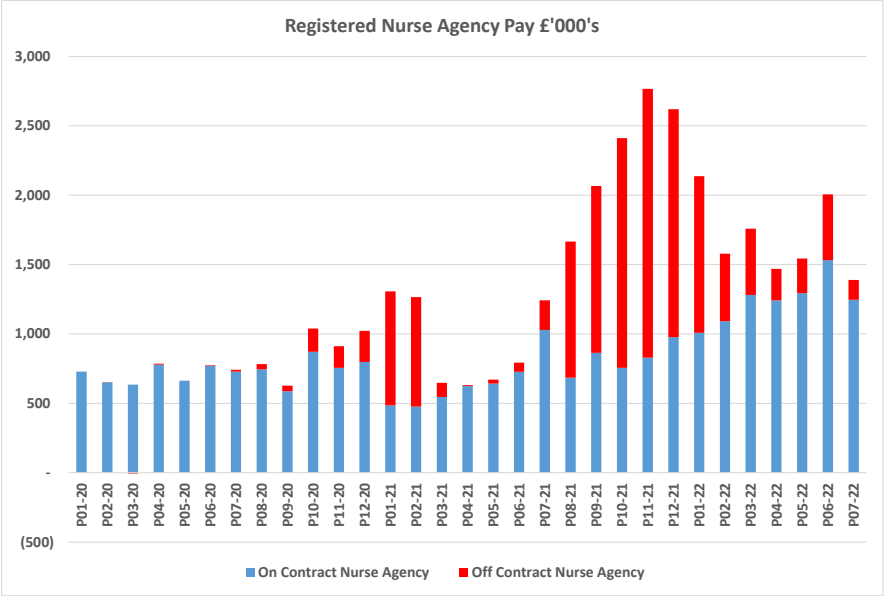
- In month spend of £0.4m on Estates & Ancillary, a decrease of £0.3m compared to month 6. This is primarily within GUH and related to Covid.
- Reasons for use of agency include:
  - Meeting enhanced cleaning standards,
  - Enhanced care and increased acuity of patients,
  - Increased sickness,
  - Vacancies,
  - Recruitment difficulties, and
  - Supporting the Mass Vaccination Programme.
- Estates and Ancillary agency spend is averaging c.£0.6m per month.

Registered Nurse Agency

Registered nurse agency spend totalled £18.1m in 2020/21 and £10.2m in 2019/20.

If spend continues at the current rate, the Health Board will spend £20.5m on nurse agency in 2021/22, a 13% increase.

A Registered Nurse Agency Reduction Plan was approved by the Executive Team in May 2021, there is considerable pressure on this plan because of the on-going service and workforce pressures.



The Health Board spent £0.14m on 'off' contract RN agency in October compared to £0.47m in September. The main reasons for its usage are:

- Enhanced care,
- Additional capacity,
- Nursing vacancies,
- Patient safety,
- Covid-19 responses, and
- Increased sickness and cover for staff in isolation.

The use of "off-contract" agency – not via a supplier on an approved procurement framework – usually incurs higher rates of pay.

Medical locum staff

Total locum spend in October was £199k, an increase compared with September 2021 of £12k, of this £101k was in Scheduled Care (Dermatology, Pathology and T&O).

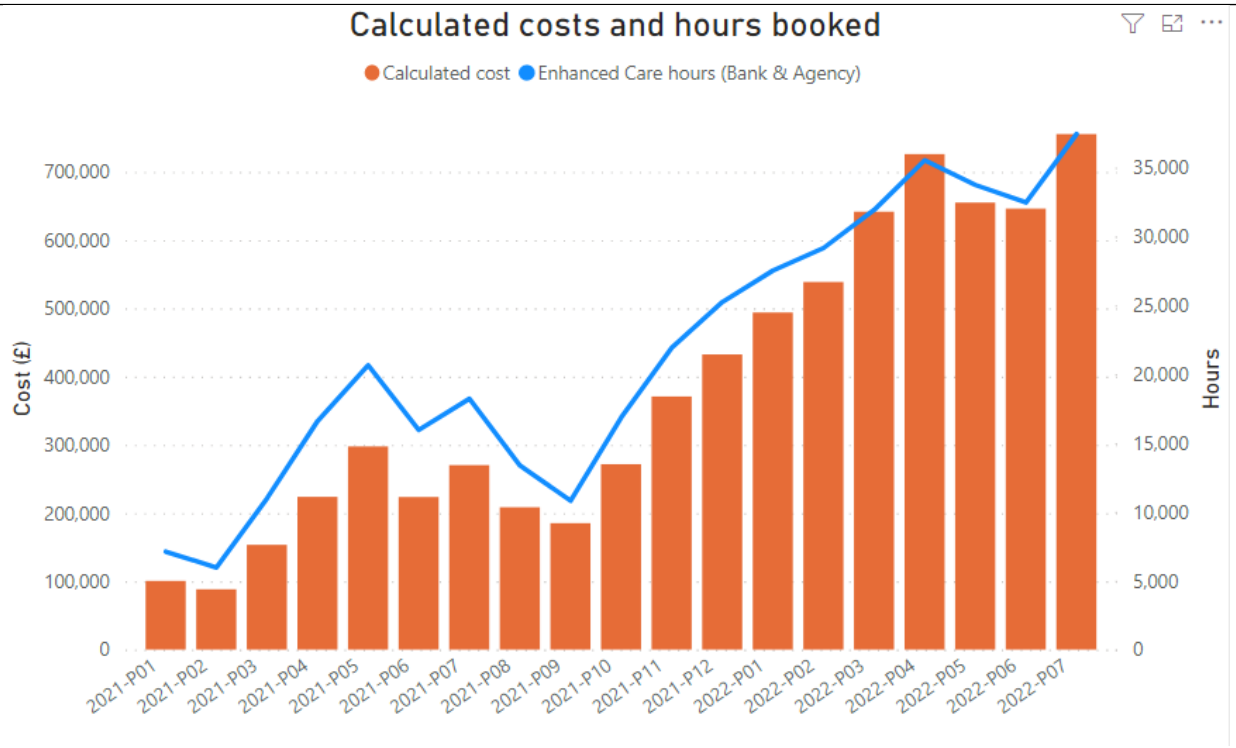
Enhanced Care

Enhanced Care, also known as 'specialling', can include a spectrum of interventions ranging from the provision of assistance to help a patient mobilise, through to one-to-one patient monitoring. Enhanced care is designed to ensure a patient centred safe approach for patients with additional care needs whilst also managing any associated impact on established staffing levels.

An initial review of the financial impact of 'enhanced care' – including the use of bank and agency staff – has identified the following use of nursing staff:

	2020/21	**2021/22**	**Increase**
Average number of hours used per month	15,305	32,546	113%
Increased in average cost per month compared to prior year			**£0.40m**
Estimated increase in the calculated annual cost based on current trend			**£4.8m**

The following graph highlights the increase in hours attributed to enhanced care for the period April 2020 (P01-2021) to October 2021 (P07-2022) using bank and agency registered nurse and health care support workers.



Non-Pay

Non-Pay spend increased by £2m in October compared to September due to additional WHSSC costs for the Cystic Fibrosis drug Vertex (funded by WG), increased costs for Ophthalmology and Haematology drugs non-cash limited expenditure (no variance impact) and partly due to the profile of ICF payments.

Other areas of increase to note are:

- CHC Mental Health – there has been a net decrease of 1 patient in MH and 2 LD patients in month with high cost packages. The newer packages increase the overall average cost per package.
- CHC Adult / Complex Care - 632 active CHC and D2A placements, with an increase coming from patients converted from FNC to CHC, which is an increase of 8 placements compared to September. For FNC - currently 850 active placements, which is an increase of 1 from September.
- Primary Care medicines - the full year forecast is an over-spend of £0.17m (after £7.30m Covid funding). Cat M drug price changes effective from July and October have reduced the forecast with the assumption these will continue.
- The 'Step Closer to Home' pathway has had 4 additional (21 total) placements in October, a cost of £0.51m is included in the forecast spend.

Service Pressures & Activity Performance

Bed Capacity

Additional hospital bed capacity – additional medical beds have been opened as part of responding to the system pressures described previously. Additional capacity beds in Medicine were 157 in October as described in the table below:

No. of Additional Beds					
Site	Ward	Aug-21	Sep-21	Oct-21	Description
RGH	B3 Winter Ward	28	28	28	28 Additional Capacity
	C5E	4	4	0	28 (flexed up from 24)
NHH	3rd Floor	4	4	10	28 (flexed up from 24)
	4th Floor	4	4	11	28 (flexed up from 24)
GUH	C4	8	12	16	8 Covid beds in 2 wings for the month of October.
	A4			2	Using Ringfenced beds
YYF	Risca	30	30	30	30 Covid Ward (funded ward)
	Bargoed		30	30	30 Covid Ward (funded ward)
	Oakdale			15	50% Covid Ward (funded ward)
RGH AMU	D1W		15	15	15 Beds 2 additional RN 24/7
	Total	78	127	157	

There was also an increase in surge beds throughout the Community hospitals. These are described as follows:-

No. of Additional Beds			
Site	Ward	Sep-21	Oct-21
STW	Ruperra	12	20
YAB	Tyleri	10	15
Total		22	35

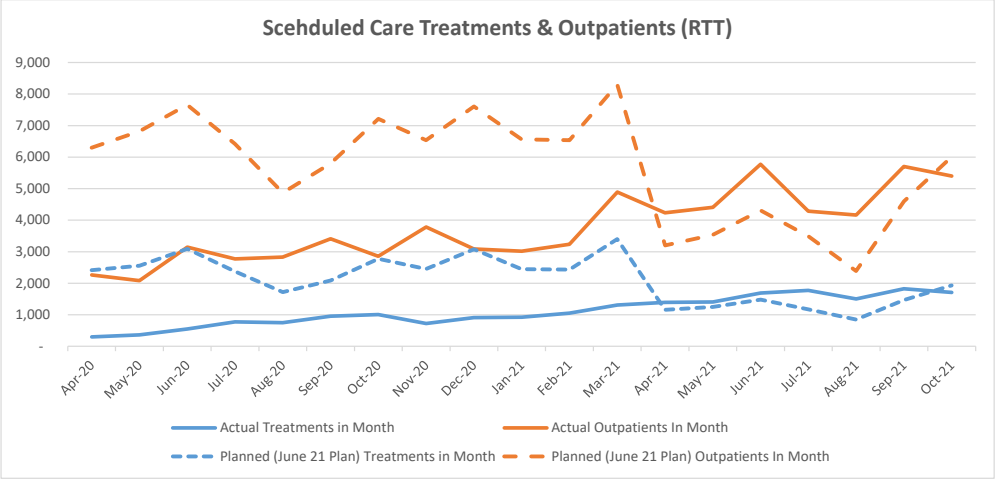
Scheduled Care treatments and outpatients

Elective activity has significantly reduced as part of the Health Board's Covid-19 planned response. Whilst some routine elective services have resumed, elective activity is still lower than pre-Covid-19 levels.

Scheduled Care elective activity for new outpatients have decreased this month. There were reductions in General Surgery (-212), Ophthalmology (-179) and Urology (-175) with offset increases in ENT (+156) and T&O (+191). There are smaller changes in the other specialties of Dermatology, Max Fax, and Rheumatology.

New outpatients were below plan by 606 new outpatient appointments in month due to ENT, Dermatology and T&O specialities.

Treatments are lower in a number of areas compared to last month. Key movements include Urology (-77), General Surgery (-63), Dermatology (-38) and Ophthalmology (+37). There was a slight increase in backfill and WLI sessions with the reduction in treatments occurring in core time.



- Elective Treatments for October '21 were 1,710 with year-to-date treatments of 11,295.
- Outpatient appointments for October '21 were 5,854 with year-to-date activity of 34,420.

Medicine Outpatient Activity

Medicine Outpatient activity for October '21 were 1,449 attendances with year-to-date activity of 9,306 this is presented by specialty below:

YTD October 21	Assumed monthly activity	Actual activity	Variance	Variance
Gastroenterology	3,570	1,729	- 1,841	52%
Cardiology	3,871	1,761	- 2,110	55%
Respiratory (inc Sleep)	4,242	1,795	- 2,447	58%
Neurology	1,813	1,590	- 223	12%
Endocrinology	1,694	1,081	- 613	36%
Geriatric Medicine	1,617	1,350	- 267	17%
Total	**16,807**	**9,306**	**- 7,501**	**45%**

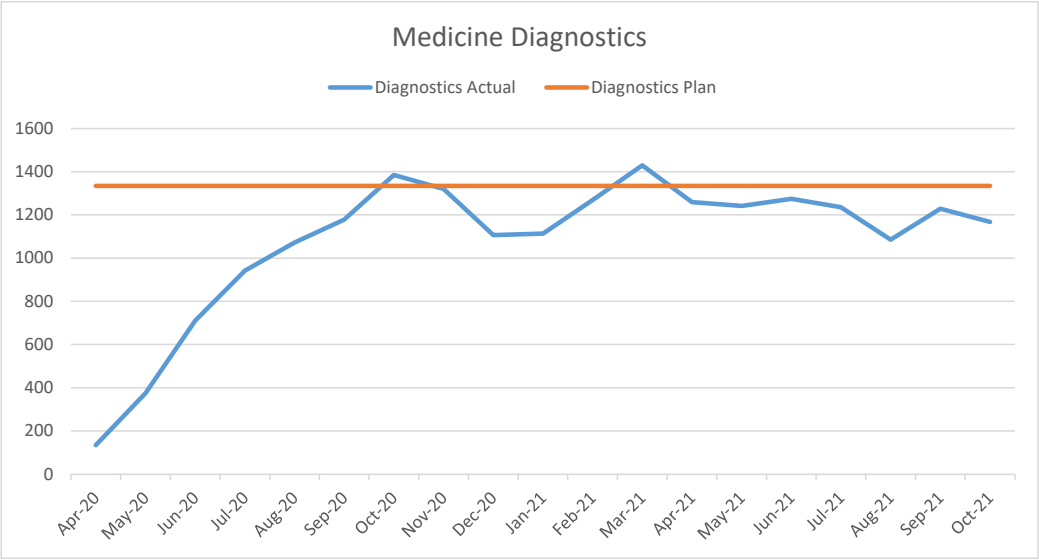
A year to date underperformance of 45% is presented.

Medicine Diagnostics (Endoscopy) Activity

Medicine endoscopy activity for October '21 was 1,168 procedures with year-to-date activity of 8,494, which is 844 cases less than planned for the year to date. This is because endoscopy insourcing plans did not start until 25th October whereas the plan was to start at the 1st October. There were also significant staffing constraints at RGH, there have been occasions where the service have only been able to run 1 Theatre. Activity is now expected to increase in future months.

The Health Board has commissioned St Joseph's Hospital to support further endoscopy delivery and committed £1.3m for an additional 14 sessions per week, via an insourcing provider, to reduce waiting times.

The activity undertaken since April '20 is shown below;



Service Recovery Plans 2021/22

The Health Board received a 'Tranche 1' funding allocation of £17m as part of recovering the backlogs in routine elective services because of the Covid-19 pandemic. The plans are achieving their goals to date but they are expected to increase substantially. Performance will need to be closely monitored.

As a result of the WG non-recurring funding announcement (£100m across Wales) for further recovery improvement, ABUHB has received £9.94m of this 'Tranche 2' funding. A number of schemes were approved by the Executive Team on the 18th October (c.£3.42m) and on the 24th October (c.£2.96m). As a result, there is approximately £3.55m to be delegated of which £0.69m has already been approved for cardiology PCI. The Divisional summary of the delegation of Tranche 2 monies is shown below:-

Division	Tranche 2 - funding delegated (£'000)
Primary Care & Community	1,949
Mental Health	988
Scheduled Care	1,103
Family & Therapies	608
Medicine	481
Urgent Care	-
Estates and facilities	25
Corporate	10
Cross-cutting bids	25
Total	**5,187**
GMS capacity	1,200
Sub-total (cohort 1 and 2)	**6,387**
Cardiology PCI overperformance	685
Sub-total	**7,072**
Total Funding	9,935
Remaining funding	**2,863**

Further recovery plan options are being considered by the Executive Team for prioritisation, implementation and delegation of funding. There may be a recurrent requirement for some of these proposals which will need to be considered alongside other IMTP priorities.

Covid-19 – Revenue Financial Assessment
Covid-19 reporting can be broken down into the following categories.

- Covid-19 costs: £172.05m
- WG Funding: £180.61m (as at Month 7)

The Health Board is assuming funding of £180.6m for Covid-19 service responses and Covid-19 recovery for the 2021/22 financial year, of this;

- £155.6m has been received, and,
- £25m is anticipated (as at month 7).

Confirmed and received funding has been a mixture of reimbursement for actual costs and forecast costs and formula shares.

Of the £25m anticipated allocation, the vast majority relates to national priorities (e.g. MVP, TTP, PPE, CHC social care packages) which is low risk as the funding for actual costs is confirmed. There is an element (c.£2.3m) which relates local covid responses (Urgent, Emergency Care and Extended Flu jabs) and represents some financial risk in delivering the Health Board's service and workforce plans within available funding.

At this stage the Health Board is including expenditure for the whole year for all areas of Covid-19. This is in line with the guidance provided by Welsh Government finance colleagues.

The table below summarises the funding assumed, delegated, and held in reserve relating to Covid-19.

Type	Covid-19 Specific Allocations - As at October 2021	£'000
HCHS	Initial Recovery Plan Covid19	17,000
HCHS	Covid19 response April-September 2021	32,023
HCHS	Testing (inc Community Testing) Qtr 1	1,634
HCHS	Tracing Qtr 1	3,472
HCHS	PPE Qtr 1	1,044
HCHS	Mass COVID-19 Vaccination QTR 1	1,975
GMS	Mass COVID-19 Vaccination QTR 1	1,581
HCHS	Tracing - Q2 (M1-6 less June funding)	3,002
HCHS	Covid 19 Mass Vaccination costs Q2	2,200
GMS	Covid 19 Mass Vaccination costs Q2	91
HCHS	Covid 19 Impact on b/f underlying position	8,569
HCHS	Covid 19 Cleaning standards Q1 + Q2	947
HCHS	Covid 19 Testing Q2	2,029
HCHS	Covid 19 Adferiad Programme	942
HCHS	Covid 19 response funding Oct 21 to Mar 22	56,576
HCHS	Covid 19 support - Tranche 2 Revenue Recovery	9,935
HCHS	Covid 19 - PPE Q2	1,495
HCHS	Covid 19 - Additional Flu programme yrs 7-11	784
HCHS	Community Infrastructure Programme (UEC-C19)	180
HCHS	C19 Support for Post Anaesthetic Critical Care Units (PACU)	528
HCHS	C19 Support for Community Health Checks	188
HCHS	Additional Covid Response funding	7,375
HCHS	C19-Adult Social Care Package	2,006
	Total Confirmed Covid-19 Allocations	**155,576**
HCHS	Testing (inc Community Testing)	4,926
HCHS	Tracing	8,264
HCHS	Mass COVID-19 Vaccination	4,253
HCHS	Cleaning Standards	1,158
HCHS	PPE	2,978
HCHS	Urgent & Emergency Care	1,982
HCHS	Extended Flu	351
HCHS	CHC NHS Commissioned Packages (qtr 3 & 4)	1,126
	Total Anticipated Covid-19 Allocations	**25,038**
	Total Covid-19 Allocations	**180,614**

Covid Funding Delegated v Held in Reserves @ Month 07	Period covered	Delegated as at Month 7
Covid Funding Delegated		
Testing	M1-09	5,761
Tracing	M1-12	14,738
Mass Vaccs	M1-09	7,869
Cleaning Standards	M1-6	1,407
PPE	M1-6	3,891
CHC Provider payments	M1-06	1,996
Recovery funding (tranche 1 & 2)	M1-12	21,457
Urgent Primary Care Centre Pathfinder	M1-12	1,982
Adferiad Programme	M1-12	942
Covid response funding	M1-12	32,640
Covid response / Stability funding M6	M1-12	69,237
Additional Flu Programme	M7-12	784
Support for PACU	M7-12	528
Other community schemes	M7-12	368
Total Covid funding delegated		**163,600**
Retained in reserves		
Testing (Anticipated)		2,828
Mass Vaccs (Anticipated)		2,231
Cleaning Standards (Anticipated)		698
PPE (Anticipated)		1,626
CHC Provider payments Q3 & Q4 (Anticipated)		1,136
Recovery funding (Received)		5,478
Covid response / Stability funding (including CHCv D2A & SCtH) (Anticipated)		2,133
Covid element of 21-22 Pay award (Anticipated)		884
Total Covid funding held in reserves		**17,015**
Total reported Covid funding		**180,615**

- **Revenue Reserves**

Health Board reserves are held by the Board, until such time as they agree their use or delegate this responsibility to the Chief Executive as Accountable Officer. Some funding allocations are held in reserves, where their use is directed by Welsh Government or funding is allocated for a specific purpose.

The following reserves, relating to WG Funding, were approved for delegation by the CEO;

£3.4m Tranche 2 recovery funding	£3.0m Tranche 2 recovery funding
£86k Bonus payments for Primary Care Contractors	(£1.44m) Recovery of balance of NHS Bonus funding
£48k Bonus payments: Health Board Commissioned Services/Hospices	£130k Shringrix Vaccine Programme
£718k Medical training posts (2017 to 2021 cohorts)	£114k Learning Disability Health Checks
£1.846m Health & Social Care Winter Plan (RPB)	

The Health Board has received the majority of Covid monies with an additional £17m anticipated mainly for National priorities held in reserves and the balance of recovery monies, which will be delegated once the Executive Team approves plans.

- **Underlying Financial Position (ULP)**

As at month 7 the underlying financial position is a **deficit of £20.9m**.

This is based on the current assessment of available recurrent funding and the recurrent financial impact of existing service and workforce commitments.

The Health Board's Annual Plan identifies a number of key priorities where the application of Value-Based Health Care principles – improving patient outcomes along with better use of resources – should result in delivering greater service, workforce and financial sustainability whilst improving the health of the population. The actions being taken to improve financial sustainability are integral to this approach.

The Health Board has received early notification of recurrent funding for Planned and Unscheduled Care Sustainability for 2022/23 onwards, £32m (out of £170m) earmarked for ABUHB. There are specific stipulations for this funding:

- Implementation of the recommendations of the National Endoscopy Programme which the Minister has now formally agreed.
- Regional Cataract services in line with advice from the Planned Care programme.
- Regional plans for aspects of Orthopaedic services based on the clinical strategy work currently underway and due to report in February 2022.
- Strengthened Diagnostic & Imaging services based on advice to be commissioned from the National Imaging Programme.
- Implementation of the Critical Care Plan developed by the Critical Care Network.

This funding provides the Health Board with some certainty in helping to address its underlying financial position and prioritising commitments as part of the 2022/23 IMTP.

It should be noted that any potential impact of the £32m funding has not been included in the Underlying assessment and will be reviewed as part of the IMTP process.

The current assessment of the revised Underlying position is as follows: -

- Current Underlying deficit £20.8m
- Recurrent savings not previously achieved from 2020/21 due to Covid £8.5m
- Net recurrent impact of decisions in 2021/22 £5.1m
- Mitigating actions to reduce the underlying position (£13.5m)
- Revised underlying deficit **£20.9m**

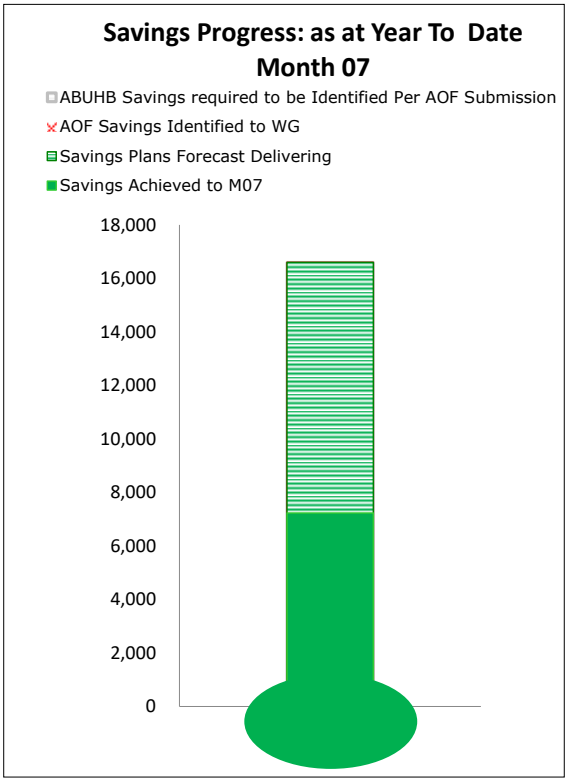
The 2022/23 financial plan will need to be aligned with the IMTP service and workforce plans, including both recurrent and non-recurrent challenges and choices that the UHB need to consider.

Further recurrent savings schemes for 2022/23 are currently being developed as part of the IMTP financial plan but are considered at this point to be required to manage future cost pressures rather than beneficially impact on the underlying position, this position will be reviewed along with further intelligence on the IMTP process and WG allocation uplifts.

Savings delivery

As part of the Annual Plan submitted by the Board to Welsh Government (June 2021), the financial plan for 2021/22 identified a savings requirement of £16.6m for 2021/22. Recurrent full year effect of savings are identified as £13.6m.

Actual savings delivered to October '21 amounted to £7.2m, which is ahead of the plan profile. The following tables present the progress against the full year target.



Month 07 Savings Plans

Green Savings schemes	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
CHC and Funded Nursing Care	3,538	500	3,038	3,360
Commissioned Services	126	4	122	122
Medicines Management (Primary and Secondary Care)	2,482	61	2,421	2,831
Pay	5,411	940	4,472	6,978
Non Pay	5,039	4,202	837	295
Total	16,596	5,707	10,889	13,586

Month 03 Savings Plans

M03 Green Savings schemes	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
CHC and Funded Nursing Care	3,500	500	3,000	3,002
Commissioned Services	122	0	122	122
Medicines Management (Primary and Secondary Care)	2,446	44	2,402	2,406
Pay	6,191	10	6,181	7,428
Non Pay	4,336	3,865	471	627
Total	16,596	4,419	12,177	13,586

Total savings plans remain in line with the AOF agreed earlier in the financial year, however, recurrent schemes have slipped and have been replaced with non-recurring schemes; this has particularly impacted Pay savings plans. At this stage, the full year recurring impact has remained unchanged, however, this movement from recurrent to non-recurrent does put the underlying savings position at risk of not being achieved.

To deliver greater levels of savings and to achieve better use of resources, which improves health outcomes – and doesn't adversely impact on safety and quality – a greater focus is required on savings and efficiency improvement related to:

- Eliminating unwarranted clinical variation - e.g. in the use of medicines where there have been some savings, medical devices and consumables,

- Transformational service change – e.g. savings and efficiency improvement resulting from changes in service models which reduce use of hospital beds (admission, timely discharge, reduce length of hospital stay), reduce the requirement for workforce (particularly agency / locum), reduce spend on clinical interventions which have no positive effect on health outcomes.

The Health Board can no longer just rely on transactional efficiency savings and future plans also need to focus on shifting resources to improve health outcomes, support reinvestment and deliver recurrent savings. This will require transformational change in the way the Health Board delivers services so that it is more effective for patients and more financially sustainable.

Opportunities exist within the Annual Plan priorities agreed by the Health Board, including the following areas:

- MSK pathway redesign,
- Eye Care integration,
- Outpatients' transformation, and
- Digital solutions as an enabler to service change and financial improvement.

Unprecedented systems pressures have affected these programmes over the last 18 months but given the likely challenging funding settlements in future years, progress in delivering some of these changes is required to improve the underlying financial position in 2022/23 and onwards.

Risks & Opportunities
There remain significant risks and opportunities to managing the financial position during 2021/22, which include:

- Responding to the ongoing impact of Covid-19 – both direct and indirect consequences of the pandemic,
- Workforce absence / self-isolation,
- Risks associated with anticipating the remaining Covid-19 funding,
- Addressing backlogs in waiting times for some services, due to the Covid-19 pandemic – restart and recovery,
- Continued and potential increasing use of additional capacity,
- Addressing any surge in Covid-19,
- Maximising the opportunity to change services resulting in improved health outcomes for the population, and,
- Addressing the underlying financial deficit, through reducing costs and increasing recurrent savings.

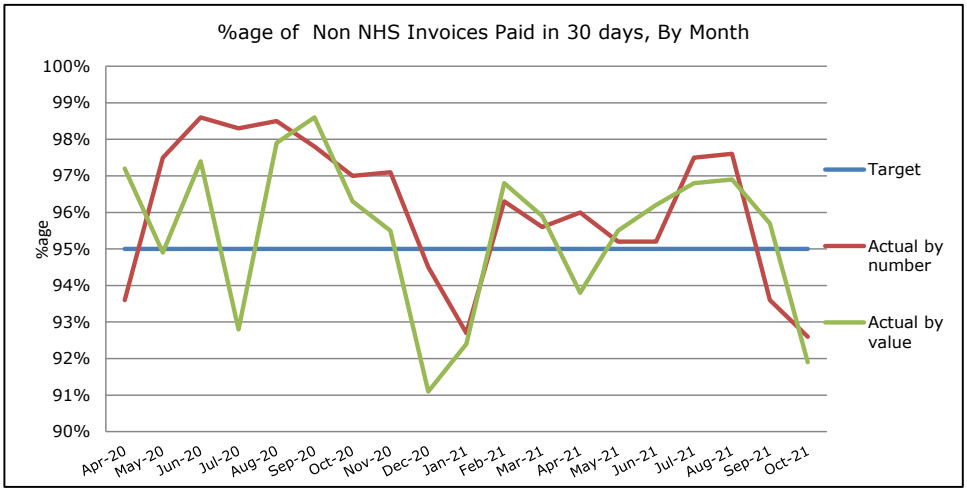
Capital
The approved Capital Resource Limit as at Month 7 totals £38.32m. In addition, the Health Board has confirmed asset disposals generating further funding of £1.3m.

The Capital Resource Limit has been agreed with Welsh Government in month and is now fixed. Funding reductions have been made in month in relation to the previously reported savings and slippage against the Tredegar H&WBC, Newport East H&WBC and YYF Breast Centralisation Unit schemes. The Health Board is now required to manage any subsequent variations from the fixed resource limits via brokerage within the Discretionary Capital Programme. The overall forecast outturn is breakeven.

All divisions submitted updated end of year priority schemes during the month. These priorities have been used to allocate the remaining discretionary funding and to respond to Welsh Government's request for a prioritised list of End of Year slippage schemes.

Cash
The cash balance on the 31st of October is £3.71m, which is below the advisory figure set by Welsh Government of £6m.

PSPP
The Health Board has achieved the target to pay 95% of the number of non-NHS creditors within 30 days of delivery of goods on a cumulative basis. In month the achievement fell below the required 95% due to an on-going backlog in processing agency invoices by the Nurse Bank Team due to staff shortages.
The staff shortage issue has been reviewed and three new posts are being appointed to the department with the provision of temporary resource to improve performance.



Recommendation

The Committee is asked to note:

- The financial performance at the end of October 2021 and forecast for 2021/22 – against the statutory revenue and capital resource limits,
- The revenue reserve position on the 31st of October 2021,
- The Health Board's underlying financial position,
- The Health Board's cash position and compliance with the public sector payment policy, and
- A financial assessment of the risks and opportunities which may impact on delivering the financial forecast for 2021/22.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Risks of achieving the Health Board's statutory financial duties and other financial targets are detailed within this paper.
Financial Assessment, including Value for Money	This paper provides details of the year to date and forecast financial position of the Health Board for the 2021/22 financial year.
Quality, Safety and Patient Experience Assessment	This paper links to AQF target 9 – to operate within available resources and maintain financial balance. This paper provides a financial assessment of the Health Board's delivery of its AOF/IMTP priorities and opportunities to improve efficiency and effectiveness.
Equality and Diversity Impact Assessment (including child impact assessment)	Not Applicable
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper provides details of the financial position that supports the Health Board's 3 year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3 year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term** **Integration** **Involvement** **Collaboration** **Prevention** The Health Board Financial Plan has been developed based on the approved AOF/IMTP, which includes an assessment of how the plan complies with the Act.
Glossary of New Terms	See Below
Public Interest	Available as a public document.

Glossary

A		
A&C – Administration & Clerical	A&E – Accident & Emergency	A4C - Agenda for Change
AME – (WG) Annually Managed Expenditure	AQF – Annual Quality Framework	AWCP – All Wales Capital Programme
AP – Accounts Payable	AOF – Annual Operating Framework	
B		
B/F – Brought Forward	BH – Bank Holiday	
C		
C&V – Cardiff and Vale	CAMHS – Child & Adolescent Mental Health Services	CCG – Clinical Commissioning Group
C/F – Carried Forward	CHC – Continuing Health Care	Commissioned Services – Services purchased external to ABUHB both within and outside Wales
COTE – Care of the Elderly	CRL – Capital Resource Limit	Category M – category of drugs
CEO – Chief Executive Officer		
D		
DHR – Digital Health Record	DNA – Did Not Attend	DOSA – Day of Surgery Admission
D2A – Discharge to Assess	DoLS - Deprivation of Liberty Safeguards	DoH – Department of Health
E		
EASC – Emergency Ambulance Services Committee	EDCIMS – Emergency Department Clinical Information Management System	eLGH – Enhanced Local general Hospital
ENT – Ear, Nose and Throat specialty	EoY – End of Year	ETTF – Enabling Through Technology Fund
F		
F&T – Family & Therapies (Division)	FBC – Full Business Case	FNC – Funded Nursing Care
G		
GMS – General Medical Services	GP – General Practitioner	GWICES – Gwent Wide Integrated Community Equipment Service

GUH – Grange University Hospital	GIRFT – Getting it Right First Time	
H		
HCHS – Health Care & Hospital Services	HCSW – Health Care Support Worker	HIV – Human Immunodeficiency Virus
HSDU – Hospital Sterilisation and Disinfection Unit	H&WBC – Health and Well-Being Centre	
I	IMTP – Integrated Medium Term Plan	INNU – Interventions not normally undertaken
IPTR – Individual Patient Treatment Referral	I&E – Income & Expenditure	ICF – Integrated Care Fund
L		
LoS – Length of Stay	LTA – Long Term Agreement	LD – Learning Disabilities
M		
MH **–** Mental Health	MSK - Musculoskeletal	Med – Medicine (Division)
MCA – Mental Capacity Act		
N		
NCN – Neighbourhood Care Network	NCSO – No Cheaper Stock Obtainable	NICE – National Institute for Clinical Excellence
NHH – Neville Hall Hospital	NWSSP – NHS Wales Shared Services Partnership	
O		
ODTC – Optometric Diagnostic and Treatment Centre		
P		
PAR – Prescribing Audit Report	PCN – Primary Care Networks (Primary Care Division)	PER – Prescribing Incentive Scheme
PICU – Psychiatric Intensive Care Unit	PrEP – Pre-exposure prophylaxis	PSNC –Pharmaceutical Services Negotiating Committee
PSPP – Public Sector Payment Policy	PCR – Patient Charges Revenue	PPE – Personal Protective Equipment
R		
RGH – Royal Gwent Hospital	RN – Registered Nursing	RRL – Revenue Resource Limit
RTT – Referral to Treatment	RPB – Regional Partnership Board	
S		

SCCC – Specialist Critical Care Centre	SCH – Scheduled Care Division	SCP – Service Change Plan (reference IMTP)
SLF – Straight Line Forecast	SpR – Specialist Registrar	
T		
TCS – Transforming Cancer Services (Velindre programme)	T&O – Trauma & Orthopaedics	
U		
UHB / HB – University Health Board / Health Board	USC – Unscheduled Care (Division)	UC – Urgent Care (Division)
ULP – Underlying Financial Position		
V		
VCCC – Velindre Cancer Care Centre		
W		
WET AMD – Wet age-related macular degeneration	WG – Welsh Government	WHC – Welsh Health Circular
WHSSC – Welsh Health Specialised Services Committee	WLI – Waiting List Initiative	WLIMS – Welsh Laboratory Information Management System
WRP – Welsh Risk Pool		
Y		
YAB – Ysbyty Aneurin Bevan	YTD – Year to date	YYF – Ysbyty Ystrad Fawr

Aneurin Bevan ULHB

Period : Oct 21

Summary Of Main Financial Performance

Revenue Performance

		Actual YTD £'000	Annual Forecast £'000
1	Under / (Over) Performance	(0)	0

Opening Plan and Movement in Year

Aneurin Bevan ULHB Period : Oct 21

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 14 should reflect the corresponding amounts included within the latest IMTP/AOP submission to WG
Lines 1 - 14 should not be adjusted after Month 1

		In Year Effect	Non Recurring	Recurring	FYE of Recurring
		£'000	£'000	£'000	£'000
1	Underlying Position b/fwd from Previous Year - must agree to M12 MMR (Deficit - Negative Value)	-20,830	0	-20,830	-20,830
2	Planned New Expenditure (Non Covid-19) (Negative Value)	-27,283	0	-27,283	-36,535
3	Planned Expenditure For Covid-19 (Negative Value)	-157,605	-157,605		
4	Planned Welsh Government Funding (Non Covid-19) (Positive Value)	22,360	0	22,360	22,360
5	Planned Welsh Government Funding for Covid-19 (Positive Value)	166,174	166,174		
6	Planned Provider Income (Positive Value)	589	0	589	589
7	RRL Profile - phasing only (In Year Effect / Column C must be nil)	0	0	0	0
8	Planned (Finalised) Savings Plan	16,596	4,419	12,177	13,586
9	Planned (Finalised) Net Income Generation	0	0	0	0
10	Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
11	Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0		
12		0	0		
13	Planning Assumptions still to be finalised at Month 1	0	0		
14	**Opening IMTP / Annual Operating Plan**	**0**	**12,988**	**-12,988**	**-20,831**
15	Reversal of Planning Assumptions still to be finalised at Month 1	0	0	0	0
16	Additional In Year & Movement from Planned Release of Previously Committed Contingencies & Reserves (Positive Value)	0	0		
17	Additional In Year & Movement from Planned Profit / (Loss) on Disposal of Assets	0	0		
18	Underachievement of Month 1 Finalised Income Generation Due to Covid-19 (Negative Value)	0	0		
19	Other Movement in Month 1 Planned & In Year Net Income Generation	0	0	0	0
20	Underachievement of Month 1 Finalised Savings Due to Covid-19 (Negative Value)	0	0	0	0
21	Other Movement in Month 1 Planned Savings - (Underachievement) / Overachievement	-1,594	97	-1,692	-460
22	Additional In Year Identified Savings - Forecast	1,595	1,190	405	460
23	Variance to Planned RRL & Other Income	0	0		
24	Additional In Year & Movement in Planned Welsh Government Funding for Covid-19 (Positive Value - additional)	14,440	14,440		
25	Additional In Year & Movement in Planned Welsh Government Funding (Non Covid) (Positive Value - additional)	0	0		
26	Additional In Year & Movement Expenditure for Covid-19 (Positive Value - additional/Negative Value - reduction)	-15,258	-15,258		
27	In Year Expenditure Cost Reduction Due To Covid-19 (Positive Value)	818	818	0	0
28	In Year Slippage on Investments/Repurposing of Developmental Initiatives Due To Covid-19 (Positive Value)	0	0		
29	In Year Accountancy Gains (Positive Value)	0	0	0	0
30	Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	0	0		
31	FYE of additional unmitigated expenditure items	-83	0	-83	-83
32	In year mitigation of core recurrent investments (non-Covid)	83	83		
33		0	0		
34		0	0		
35		0	0		
36		0	0		
37		0	0		
38		0	0		
39		0	0		
40	**Forecast Outturn (- Deficit / + Surplus)**	**0**	**14,359**	**-14,358**	**-20,914**
41	**Covid-19 - Forecast Outturn (- Deficit / + Surplus)**	**8,569**			
42	**Operational - Forecast Outturn (- Deficit / + Surplus)**	**-8,569**			

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	In Year Effect
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-1,733	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-1,736	-12,150	-20,830
2	-2,887	-2,887	-2,151	-2,151	-2,151	-2,151	-2,151	-2,151	-2,151	-2,151	-2,151	-2,151	-16,529	-27,283
3	-14,001	-12,888	-12,884	-13,008	-13,500	-13,752	-13,243	-13,168	-13,000	-12,855	-12,595	-12,711	-93,277	-157,605
4	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	13,043	22,360
5	12,991	14,677	14,247	13,722	14,214	14,467	13,957	13,882	13,714	13,569	13,309	13,425	98,275	166,174
6	49	49	49	49	49	49	49	49	49	49	49	49	344	589
7	3,425	579	-200	70	-93	-292	-323	-497	-685	-591	-630	-762	3,165	0
8	293	344	811	1,191	1,353	1,553	1,583	1,758	1,945	1,851	1,890	2,024	7,127	16,596
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10													0	0
11													0	0
12													0	0
13													0	0
14	**-1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**-1**	**0**
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16													0	0
17													0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	109	-48	-147	-324	-228	-153	-189	-196	-247	-170	-639	-1,594
22	0	0	0	109	224	291	125	240	149	154	153	150	749	1,595
23			-109	-60	-77	33	104	-87	40	42	95	19	-109	0
24	0	0	0	0	-672	-124	-261	2,753	3,033	3,166	3,261	3,283	-1,057	14,440
25													0	0
26	1	0	0	0	672	124	-365	-2,779	-3,074	-3,208	-3,302	-3,325	431	-15,258
27	0	0	0	0	0	0	627	27	41	41	41	41	627	818
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30													0	0
31												-83	0	-83
32												83	0	83
33													0	0
34													0	0
35													0	0
36													0	0
37													0	0
38													0	0
39													0	0
40	**-1**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
41	**-1,010**	**1,789**	**1,363**	**714**	**714**	**714**	**714**	**714**	**714**	**714**	**714**	**714**	**4,999**	**8,569**
42	**1,009**	**-1,788**	**-1,364**	**-714**	**-714**	**-714**	**-714**	**-714**	**-714**	**-714**	**-714**	**-714**	**-4,999**	**-8,569**

Underlying Position

	Section A - By Spend Area	IMTP	Full Year Effect of Actions			New, Recurring, Full Year Effect of Unmitigated Pressures (-ve)	IMTP
		Underlying Position b/f £'000	Recurring Savings (+ve) £'000	Recurring Allocations / Income (+ve) £'000	Subtotal £'000	£'000	Underlying Position c/f £'000
1	Pay - Administrative, Clerical & Board Members	(238)	380		142	(327)	(185)
2	Pay - Medical & Dental	(7,775)	2,327		(5,448)	(3,345)	(8,793)
3	Pay - Nursing & Midwifery Registered	(4,738)	4,373		(365)	(4,873)	(5,238)
4	Pay - Prof Scientific & Technical	(250)	267		17	(274)	(257)
5	Pay - Additional Clinical Services	(391)	759		368	(868)	(500)
6	Pay - Allied Health Professionals	(0)	753		753	(753)	(0)
7	Pay - Healthcare Scientists	(115)			(115)		(115)
8	Pay - Estates & Ancillary	(553)	40		(513)		(513)
9	Pay - Students	0			0		0
10	Non Pay - Supplies and services - clinical	(3,270)	2,776		(494)	(1,443)	(1,937)
11	Non Pay - Supplies and services - general	(1,520)	780		(740)		(740)
12	Non Pay - Consultancy Services	0			0		0
13	Non Pay - Establishment	0	20		20	(20)	0
14	Non Pay - Transport	0			0		0
15	Non Pay - Premises	(0)	220		220	(220)	(0)
16	Non Pay - External Contractors	0			0		0
17	Health Care Provided by other Orgs – Welsh LHBs	0			0	(1,400)	(1,400)
18	Health Care Provided by other Orgs – Welsh Trusts	0			0		0
19	Health Care Provided by other Orgs – WHSSC	(1,979)			(1,979)		(1,979)
20	Health Care Provided by other Orgs – English	0			0		0
21	Health Care Provided by other Orgs – Private / Other	0	890		890	(146)	744
22	**Total**	**(20,830)**	**13,585**	**0**	**(7,245)**	**(13,669)**	**(20,914)**

Monthly Positions / Profile of Income & Expenditure

A. Monthly Summarised Statement of Comprehensive Net Expenditure / Statement of Comprehensive Net Income		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Resource Limit	Actual/F'cast	108,547	123,945	126,224	126,190	125,653	132,986	123,266	134,096	142,571	135,460	136,763	141,676	866,811	1,557,377
Capital Donation / Government Grant Income (Health Board only)	Actual/F'cast	0	0	0	0	0	49	0	0	100	0	0	101	49	250
Welsh NHS Local Health Boards & Trusts Income	Actual/F'cast	1,823	1,824	1,801	1,876	2,248	2,006	1,993	1,950	1,924	1,948	1,972	1,974	13,571	23,339
WHSSC Income	Actual/F'cast	714	810	759	765	762	791	739	779	779	779	779	779	5,340	9,235
Welsh Government Income (Non RRL)	Actual/F'cast	129	598	(31)	239	786	(1,087)	(62)	129	329	129	129	329	572	1,617
Other Income	Actual/F'cast	2,764	4,388	7,347	5,229	5,273	5,532	4,467	4,436	4,373	4,547	4,551	4,550	35,000	57,457
Income Total		**113,977**	**131,565**	**136,100**	**134,299**	**134,722**	**140,277**	**130,403**	**141,390**	**150,076**	**142,863**	**144,194**	**149,409**	**921,343**	**1,649,276**
Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast	14,919	15,531	14,382	16,952	15,915	14,030	14,348	15,431	15,458	15,342	15,295	16,892	106,077	184,493
Primary Care - Drugs & Appliances	Actual/F'cast	8,998	8,948	9,227	8,776	8,824	8,877	8,663	9,161	9,192	9,159	9,154	9,288	62,313	108,267
Provided Services - Pay	Actual/F'cast	52,141	52,720	52,905	52,020	53,294	61,697	53,803	57,397	58,015	57,531	58,656	58,960	378,580	669,138
Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	9,692	9,736	11,479	11,271	10,715	10,584	10,473	11,473	11,878	11,832	11,865	12,781	73,950	133,777
Secondary Care - Drugs	Actual/F'cast	4,197	3,767	4,961	4,547	4,709	4,289	4,406	4,723	4,846	4,837	4,829	5,150	30,876	55,261
Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	24,780	23,764	25,055	24,181	22,944	24,125	24,623	24,832	25,219	25,273	25,323	25,523	169,472	295,642
Non Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Continuing Care and Funded Nursing Care	Actual/F'cast	8,363	8,746	8,289	8,309	9,075	8,884	9,102	9,131	9,269	9,420	9,438	9,816	60,768	107,842
Other Private & Voluntary Sector	Actual/F'cast	831	737	1,106	925	944	1,409	1,052	1,343	1,314	1,272	1,364	1,561	7,004	13,857
Joint Financing and Other	Actual/F'cast	1,741	3,540	5,247	3,582	4,287	2,723	4,030	3,870	4,090	4,114	4,167	4,772	25,150	46,163
Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	447	341	(208)	289	203	73	209	412	472	442	452	482	1,354	3,614
Exceptional (Income) / Costs - (Trust Only)	Actual/F'cast													0	0
Total Interest Receivable - (Trust Only)	Actual/F'cast													0	0
Total Interest Payable - (Trust Only)	Actual/F'cast													0	0
DEL Depreciation\Accelerated Depreciation\Impairments	Actual/F'cast	3,701	3,701	3,622	3,412	3,777	3,552	3,687	3,584	3,584	3,610	3,619	3,619	25,452	43,469
AME Donated Depreciation\Impairments	Actual/F'cast	(15,832)	35	35	34	34	34	(3,992)	33	6,740	33	33	565	(19,652)	(12,248)
Uncommitted Reserves & Contingencies	Actual/F'cast													0	0
Profit\Loss Disposal of Assets	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost - Total	Actual/F'cast	**113,977**	**131,565**	**136,100**	**134,298**	**134,722**	**140,278**	**130,403**	**141,390**	**150,076**	**142,863**	**144,194**	**149,409**	**921,344**	**1,649,276**
Net surplus/ (deficit)	Actual/F'cast	**(0)**	**(0)**	**(0)**	**1**	**0**	**(0)**	**(0)**	**0**	**(0)**	**(0)**	**(0)**	**0**	**(0)**	**(0)**

Savings Summary: Plan and Actual / Forecast

			1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			*YTD variance as %age of YTD*	Green	Amber	non recurring	recurring	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000	£'000
1	CHC and Funded Nursing Care	Budget/Plan	80	103	258	222	226	415	288	288	422	317	375	509	1,592	3,502		3,502	0			
2		Actual/F'cast	80	103	341	184	204	236	256	334	473	365	371	591	1,404	3,538	39.69%	3,538	0	500	3,038	3,360
3		Variance	0	0	82	(38)	(22)	(178)	(31)	46	51	48	(3)	82	(188)	36	*(11.79%)*	36	0			
4	Commissioned Services	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	122	0	122		122	0			
5		Actual/F'cast	0	0	32	14	10	10	10	10	10	10	10	10	76	126	60.25%	126	0	4	122	122
6		Variance	0	0	32	14	10	10	10	10	10	10	10	(112)	76	4		4	0			
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	177	184	188	194	197	200	203	206	209	221	223	224	1,341	2,423		2,423	0			
8		Actual/F'cast	177	184	192	180	188	385	206	188	191	198	198	195	1,511	2,482	60.90%	2,482	0	61	2,421	2,831
9		Variance	0	0	5	(14)	(9)	185	3	(18)	(18)	(22)	(24)	(29)	170	59	*12.69%*	59	0			
10	Non Pay	Budget/Plan	30	50	37	488	477	519	490	500	501	500	501	499	2,090	4,589		4,589	0			
11		Actual/F'cast	30	50	37	535	620	503	507	654	523	527	529	524	2,282	5,039	45.28%	5,039	0	4,202	837	1,029
12		Variance	0	0	0	47	144	(16)	17	154	23	27	28	26	192	450	*9.17%*	450	0			
13	Pay	Budget/Plan	6	8	327	287	454	419	603	764	814	814	792	671	2,104	5,960		5,960	0			
14		Actual/F'cast	6	8	317	339	408	385	501	659	709	709	687	684	1,963	5,411	36.28%	5,411	0	940	4,472	6,244
15		Variance	0	0	(10)	52	(46)	(34)	(102)	(105)	(105)	(105)	(105)	13	(141)	(548)	*(6.69%)*	(548)	0			
16	Primary Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
19	Total	Budget/Plan	293	344	811	1,191	1,353	1,553	1,583	1,758	1,945	1,851	1,890	2,024	7,127	16,596		16,596	0			
20		Actual/F'cast	293	344	920	1,251	1,430	1,519	1,480	1,845	1,906	1,809	1,796	2,004	7,237	16,596	43.60%	16,596	0	5,707	10,889	13,586
21		Variance	0	0	109	60	77	(33)	(104)	87	(40)	(42)	(94)	(20)	109	0	*1.53%*	0	0			

Table B2 - Pay Expenditure Analysis

A - Pay Expenditure

REF	TYPE	1 Apr £'000	2 May £'000	3 Jun £'000	4 Jul £'000	5 Aug £'000	6 Sep £'000	7 Oct £'000	8 Nov £'000	9 Dec £'000	10 Jan £'000	11 Feb £'000	12 Mar £'000	Total YTD £'000	Forecast year-end position £'000
1	Administrative, Clerical & Board Members	7,924	8,021	8,119	7,949	8,303	9,376	8,274	8,667	8,693	8,644	8,695	8,730	57,966	101,396
2	Medical & Dental	12,045	12,160	12,145	11,909	12,748	14,456	13,385	13,304	13,415	13,477	13,660	13,708	88,848	156,413
3	Nursing & Midwifery Registered	17,528	17,375	17,624	17,131	16,897	20,067	16,959	19,002	19,355	19,044	19,487	19,490	123,581	219,961
4	Prof Scientific & Technical	2,072	2,141	2,136	2,084	2,104	2,452	2,139	2,445	2,451	2,438	2,494	2,958	15,128	27,913
5	Additional Clinical Services	7,431	7,699	7,705	7,911	7,975	9,142	7,887	8,359	8,491	8,333	8,553	8,434	55,750	97,920
6	Allied Health Professionals	3,099	3,127	3,053	3,187	3,281	3,773	3,204	3,423	3,423	3,414	3,522	3,526	22,724	40,032
7	Healthcare Scientists	1,024	1,035	1,061	1,016	1,084	1,196	1,159	1,080	1,083	1,077	1,099	1,077	7,575	12,992
8	Estates & Ancillary	3,140	3,366	3,292	2,984	3,177	3,770	3,003	3,519	3,529	3,510	3,598	3,501	22,732	40,388
9	Students	9	0	5	4	2	2	114	8	11	9	10	13	136	188
10	**TOTAL PAY EXPENDITURE**	**54,272**	**54,924**	**55,140**	**54,175**	**55,571**	**64,234**	**56,124**	**59,808**	**60,451**	**59,947**	**61,119**	**61,437**	**394,440**	**697,202**
	Analysis of Pay Expenditure														
11	**LHB Provided Services - Pay**	52,141	52,720	52,905	52,020	53,294	61,697	53,803	57,397	58,015	57,531	58,656	58,960	378,580	669,138
12	**Other Services (incl. Primary Care) - Pay**	2,131	2,204	2,235	2,155	2,277	2,537	2,321	2,411	2,437	2,416	2,464	2,476	15,860	28,063
13	**Total - Pay**	**54,272**	**54,924**	**55,140**	**54,175**	**55,571**	**64,234**	**56,124**	**59,808**	**60,451**	**59,947**	**61,119**	**61,437**	**394,440**	**697,202**

B - Agency / Locum (premium) Expenditure
- Analysed by Type of Staff

REF	TYPE	1 Apr £'000	2 May £'000	3 Jun £'000	4 Jul £'000	5 Aug £'000	6 Sep £'000	7 Oct £'000	8 Nov £'000	9 Dec £'000	10 Jan £'000	11 Feb £'000	12 Mar £'000	Total YTD £'000	Forecast year-end position £'000
1	Administrative, Clerical & Board Members	183	227	222	127	208	82	182	197	197	198	197	199	1,231	2,220
2	Medical & Dental	878	1,087	1,037	542	1,283	1,253	1,333	1,400	1,401	1,404	1,400	1,409	7,413	14,427
3	Nursing & Midwifery Registered	2,138	1,579	1,759	1,469	1,544	2,006	1,390	2,002	2,003	2,007	2,001	2,015	11,885	21,913
4	Prof Scientific & Technical	11	24	11	31	(25)	(5)	13	8	8	8	8	8	60	101
5	Additional Clinical Services	166	261	359	612	589	756	729	754	755	756	754	760	3,472	7,251
6	Allied Health Professionals	45	2	(31)	76	91	124	88	35	35	36	35	36	395	573
7	Healthcare Scientists	77	91	99	39	84	96	90	95	95	95	95	96	576	1,052
8	Estates & Ancillary	584	726	643	483	465	718	422	716	717	718	716	721	4,041	7,630
9	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**TOTAL AGENCY/LOCUM (PREMIUM) EXPENDITURE**	**4,082**	**3,997**	**4,099**	**3,379**	**4,239**	**5,030**	**4,247**	**5,209**	**5,211**	**5,223**	**5,208**	**5,243**	**29,073**	**55,167**
11	**Agency/Locum (premium) % of pay**	**7.5%**	**7.3%**	**7.4%**	**6.2%**	**7.6%**	**7.8%**	**7.6%**	**8.7%**	**8.6%**	**8.7%**	**8.5%**	**8.5%**	**7.4%**	**7.9%**

C - Agency / Locum (premium) Expenditure
- Analysed by Reason for Using Agency/Locum (premium)

REF	REASON	1 Apr £'000	2 May £'000	3 Jun £'000	4 Jul £'000	5 Aug £'000	6 Sep £'000	7 Oct £'000	8 Nov £'000	9 Dec £'000	10 Jan £'000	11 Feb £'000	12 Mar £'000	Total YTD £'000	Forecast year-end position £'000
1	Vacancy	2,271	2,224	1,622	1,337	1,845	2,190	1,849	2,268	2,269	2,274	2,267	2,283	13,338	24,698
2	Maternity/Paternity/Adoption Leave	1	1	0	0	14	17	14	18	18	18	18	18	48	136
3	Special Leave (Paid) – inc. compassionate leave, interview		0	0	0	0	0	0	0	0	0	0	0	0	0
4	Special Leave (Unpaid)	7	7	0	0	0	0	0	0	0	0	0	0	14	14
5	Study Leave/Examinations		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Additional Activity (Winter Pressures/Site Pressures)	1,375	1,346	1,437	1,185	1,207	1,432	1,209	1,483	1,484	1,487	1,483	1,493	9,191	16,620
7	Annual Leave		0	51	42	12	14	12	15	15	15	15	15	131	204
8	Sickness	379	371	506	417	672	798	674	826	826	828	826	832	3,817	7,956
9	Restricted Duties		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Jury Service		0	0	0	0	0	0	0	0	0	0	0	0	0
11	WLI		0	0	0	0	0	0	0	0	0	0	0	0	0
12	Exclusion (Suspension)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	COVID-19	49	48	482	398	488	579	489	600	600	602	600	604	2,534	5,540
14	**TOTAL AGENCY/LOCUM (PREMIUM) EXPENDITURE**	**4,082**	**3,997**	**4,099**	**3,379**	**4,239**	**5,030**	**4,247**	**5,209**	**5,211**	**5,223**	**5,208**	**5,243**	**29,073**	**55,167**

Covid Detail

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	**Testing (Additional costs due to C19) enter as positive values - actual/forecast**														
2	**Provider Pay (Establishment, Temp & Agency)**														
3	Administrative, Clerical & Board Members	102	135	126	135	117	114	102	143	143	143	143	143	832	1,547
4	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Nursing & Midwifery Registered	31	33	38	39	28	28	24	30	29	29	29	29	221	369
6	Prof Scientific & Technical	34	47	23	22	56	42	51	71	71	71	71	71	275	631
7	Additional Clinical Services	18	18	26	25	30	39	40	53	58	58	58	58	196	481
8	Allied Health Professionals	101	116	119	145	148	171	148	225	225	225	225	225	947	2,072
9	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Estates & Ancillary	24	31	28	26	32	23	26	36	36	36	36	36	190	371
11	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	**Sub total Testing Provider Pay**	310	380	359	391	411	418	392	558	562	562	562	563	2,662	5,471
13	Primary Care Contractor (excluding drugs)	0	0	0	0	0	65	21	11	14	14	13	15	85	152
14	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	170	167	263	343	183	190	320	286	262	260	260	263	1,636	2,966
17	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	**Sub total Testing Non Pay**	170	167	263	343	183	255	341	297	276	274	273	277	1,721	3,118
27	**TOTAL TESTING EXPENDITURE**	480	547	622	735	594	673	733	855	839	836	835	840	4,383	8,589
28	**PLANNED TESTING EXPENDITURE (In Opening Plan)**	480	547	622	735	673	675	675	680	680	680	680	671	4,406	7,795
29	**MOVEMENT FROM OPENING PLANNED TESTING EXPENDITURE**	0	0	0	0	79	2	(59)	(176)	(159)	(157)	(156)	(169)	23	(793)
A2	***Tracing (Additional costs due to C19) enter as positive values - actual/forecast***														
30	**Provider Pay (Establishment, Temp & Agency)**														
31	Administrative, Clerical & Board Members	741	542	540	551	546	582	555	712	727	757	743	828	4,057	7,824
32	Medical & Dental	11	5	5	4	4	5	4	5	5	5	5	5	37	61
33	Nursing & Midwifery Registered	43	70	46	40	44	44	37	45	45	45	45	45	324	549
34	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Additional Clinical Services	463	315	341	384	310	439	438	601	611	626	615	632	2,689	5,776
36	Allied Health Professionals	45	4	45	31	16	24	42	42	35	35	35	35	206	390
37	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Estates & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	**Sub total Tracing Provider Pay**	1,303	936	977	1,009	919	1,094	1,075	1,405	1,424	1,469	1,443	1,545	7,314	14,600
41	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	6	3	5	20	1	2	24	36	8	8	8	18	60	138
45	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51		0	0	0	0	0	0	0	0	0	0	0	0	0	0
52		0	0	0	0	0	0	0	0	0	0	0	0	0	0
53		0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	**Sub total Tracing Non Pay**	6	3	5	20	1	2	24	36	8	8	8	18	60	138
55	**TOTAL TRACING EXPENDITURE**	1,309	939	982	1,029	920	1,096	1,099	1,441	1,432	1,477	1,451	1,563	7,375	14,738
56	**PLANNED TRACING EXPENDITURE (In Opening Plan)**	1,309	939	982	1,029	1,229	1,310	1,301	1,350	1,350	1,395	1,366	1,437	8,100	15,000
57	**MOVEMENT FROM OPENING PLANNED TRACING EXPENDITURE**	0	(0)	0	0	310	213	202	(91)	(81)	(81)	(85)	(126)	725	262

A3	*Mass COVID-19 Vaccination (Additional costs due to C19) enter as positive values - actual/forecast*														
58	**Provider Pay (Establishment, Temp & Agency)**														
59	Administrative, Clerical & Board Members	217	192	270	184	187	149	250	323	319	251	287	287	1,448	2,915
60	Medical & Dental	7	14	0	11	0	5	5	7	7	6	7	7	43	77
61	Nursing & Midwifery Registered	224	280	298	299	118	144	255	330	326	256	293	288	1,618	3,111
62	Prof Scientific & Technical	26	9	42	33	0	9	6	8	8	7	8	8	126	164
63	Additional Clinical Services	91	79	85	85	43	50	81	109	107	85	97	97	513	1,009
64	Allied Health Professionals	12	15	22	80	50	4	30	40	40	31	36	36	213	395
65	Healthcare Scientists	2	2	3	3	0	(1)	0	0	0	0	0	0	8	10
66	Estates & Ancillary	4	0	0	0	0	4	2	3	3	2	2	2	10	21
67	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
68	**Sub total Mass COVID-19 Vaccination Provider Pay**	583	591	719	694	398	365	629	820	810	639	730	725	3,979	7,702
69	Primary Care Contractor (excluding drugs)	521	534	391	15	3	7	11	14	13	55	55	55	1,481	1,672
70	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	55	86	130	55	51	(6)	28	65	65	65	65	67	399	726
73	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
76	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
77	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79		0	0	0	0	0	0	0	0	0	0	0	0	0	0
80		0	0	0	0	0	0	0	0	0	0	0	0	0	0
81		0	0	0	0	0	0	0	0	0	0	0	0	0	0
82	**Sub total Mass COVID-19 Vaccination Non Pay**	576	619	521	70	54	1	39	79	78	120	120	121	1,880	2,398
83	**TOTAL MASS COVID-19 VACC EXPENDITURE**	1,159	1,210	1,240	764	452	366	668	899	888	758	850	846	5,859	10,100
84	**PLANNED MASS COVID-19 VACC EXPENDITURE (In Opening Plan)**	1,159	1,210	1,240	764	1,238	1,106	886	886	886	886	886	887	7,603	12,035
85	**MOVEMENT FROM OPENING PLANNED MASS COVID-19 VACC EXPENDITURE**	0	(0)	0	0	786	740	218	(12)	(2)	128	36	41	1,745	1,935
A4	*Extended Flu Vaccination (Additional costs due to C19) enter as positive values - actual/forecast*														
86	**Provider Pay (Establishment, Temp & Agency)**														
87	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
88	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
89	Nursing & Midwifery Registered	0	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
91	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
92	Allied Health Professionals	0	0	0	0	0	41	41	41	41	41	41	41	81	284
93	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
94	Estates & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
95	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
96	**Sub total Extended Flu Vaccination Provider Pay**	0	0	0	0	0	41	41	41	41	41	41	41	81	284
97	Primary Care Contractor (excluding drugs)	0	0	0	0	0	71	130	130	130	130	130	130	201	851
98	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
99	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107		0	0	0	0	0	0	0	0	0	0	0	0	0	0
108		0	0	0	0	0	0	0	0	0	0	0	0	0	0
109		0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	**Sub total Extended Flu Vaccination Non Pay**	0	0	0	0	0	71	130	130	130	130	130	130	201	851
111	**TOTAL EXTENDED FLU VACC EXPENDITURE**	0	0	0	0	0	112	171	171	171	171	171	171	283	1,135
112	**PLANNED EXTENDED FLU VACC EXPENDITURE (In Opening Plan)**	0	0	0	0	0	0	59	59	59	59	59	59	59	351
113	**MOVEMENT FROM OPENING PLANNED EXTENDED FLU VACC EXPENDITURE**	0	0	0	0	0	(112)	(112)	(112)	(112)	(112)	(112)	(112)	(224)	(784)

A5	**Field Hospital / Surge (Additional costs due to C19)** ***enter as positive value - actual/forecast***														
114	**Provider Pay (Establishment, Temp & Agency)**														
115	Administrative, Clerical & Board Members	0	0	0	230	220	210	210	200	190	180	176	175	**870**	**1,791**
116	Medical & Dental	967	714	650	736	704	672	672	640	608	576	562	560	**5,115**	**8,061**
117	Nursing & Midwifery Registered	3,250	2,565	2,416	1,394	1,368	1,342	1,344	1,329	1,300	1,249	1,199	1,174	**13,678**	**19,928**
118	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
119	Additional Clinical Services	1,138	1,044	1,002	625	598	591	581	574	546	519	507	506	**5,579**	**8,231**
120	Allied Health Professionals	185	80	0	0	0	0	0	0	0	0	0	0	**265**	**265**
121	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
122	Estates & Ancillary	900	927	885	438	419	400	400	376	356	337	328	320	**4,369**	**6,087**
123	Students	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
124	**Sub total Field Hospital / Surge Provider Pay**	**6,440**	**5,330**	**4,953**	**3,423**	**3,309**	**3,215**	**3,207**	**3,119**	**3,000**	**2,861**	**2,771**	**2,735**	**29,876**	**44,362**
125	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
126	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
127	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
128	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
129	Provider - Non Pay (Decommissioning Costs)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
130	Healthcare Services Provided by Other NHS Bodies	20	20	20	20	20	20	0	0	0	0	0	0	**120**	**120**
131	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
132	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
133	Other Private & Voluntary Sector	4	4	33	19	0	0	3	4	4	4	4	4	**63**	**83**
134	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
135	Joint Financing and Other - (Compensation for Consequential Losses)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
136	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
137		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
138		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
139		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
140	**Sub total Field Hospital / Surge Non Pay**	**24**	**24**	**53**	**39**	**20**	**20**	**3**	**4**	**4**	**4**	**4**	**4**	**183**	**203**
141	**TOTAL FIELD HOSPITAL / SURGE EXPENDITURE**	**6,464**	**5,354**	**5,006**	**3,462**	**3,329**	**3,235**	**3,210**	**3,123**	**3,004**	**2,865**	**2,775**	**2,739**	**30,059**	**44,565**
142	**PLANNED FIELD HOSPITAL / SURGE EXPENDITURE (In Opening Plan)**	6,464	5,354	5,006	3,462	3,333	3,184	3,196	3,093	2,964	2,815	2,726	2,697	**29,998**	**44,293**
143	**MOVEMENT FROM OPENING PLANNED FIELD HOSPITAL / SURGE EXPENDITURE**	**0**	**(0)**	**0**	**0**	**4**	**(51)**	**(14)**	**(30)**	**(40)**	**(50)**	**(49)**	**(42)**	**(61)**	**(272)**
A6	**Cleaning Standards (Additional costs due to C19)** ***enter as positive value - actual/forecast***														
144	**Provider Pay (Establishment, Temp & Agency)**														
145	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
146	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
147	Nursing & Midwifery Registered	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
148	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
149	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
150	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
151	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
152	Estates & Ancillary	0	88	130	145	130	130	190	200	210	220	230	240	**813**	**1,913**
153	Students	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
154	**Sub total Cleaning Standards Provider Pay**	**0**	**88**	**130**	**145**	**130**	**130**	**190**	**200**	**210**	**220**	**230**	**240**	**813**	**1,913**
155	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
156	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
157	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
158	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see A7**	0	9	13	15	13	13	19	20	21	22	23	24	**82**	**192**
159	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
160	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
161	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
162	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
163	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
164	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
165		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
166		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
167		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
168	**Sub total Cleaning Standards Non Pay**	**0**	**9**	**13**	**15**	**13**	**13**	**19**	**20**	**21**	**22**	**23**	**24**	**82**	**192**
169	**TOTAL CLEANING STANDARDS EXPENDITURE**	**0**	**97**	**143**	**160**	**143**	**143**	**209**	**220**	**231**	**242**	**253**	**264**	**895**	**2,105**

A7	**Other (Additional costs due to C19)** ***enter as positive value - actual/forecast***														
172	**Provider Pay (Establishment, Temp & Agency)**														
173	Administrative, Clerical & Board Members	27	72	90	170	170	135	89	139	151	207	203	184	**752**	**1,636**
174	Medical & Dental	455	377	580	997	945	753	1,031	1,307	1,331	1,271	1,274	1,285	**5,139**	**11,607**
175	Nursing & Midwifery Registered	1,073	756	789	2,024	1,665	1,995	2,100	2,178	2,174	2,162	2,150	2,112	**10,401**	**21,177**
176	Prof Scientific & Technical	7	12	37	21	27	46	101	209	385	403	416	418	**251**	**2,082**
177	Additional Clinical Services	417	227	408	384	1,088	643	793	782	784	826	845	833	**3,961**	**8,031**
178	Allied Health Professionals	3	3	21	56	89	156	134	230	227	218	229	263	**462**	**1,628**
179	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
180	Estates & Ancillary	330	363	361	527	422	1,077	536	641	633	628	622	603	**3,616**	**6,742**
181	Students	5	2	2	2	2	1	0	0	0	0	0	0	**15**	**15**
182	Other (only use with WG Agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
183		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
184		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
185		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
186	**Sub total Other C-19 Provider Pay**	**2,316**	**1,812**	**2,288**	**4,182**	**4,408**	**4,806**	**4,785**	**5,487**	**5,684**	**5,715**	**5,738**	**5,697**	**24,597**	**52,918**
187	Primary Care Contractor (excluding drugs)	0	0	12	45	36	62	80	223	358	358	358	360	**234**	**1,892**
188	Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS Income	396	306	294	353	371	400	63	295	229	318	241	258	**2,183**	**3,524**
189	Primary Care - Drugs	0	442	221	221	0	0	0	0	0	0	0	0	**884**	**884**
190	Secondary Care - Drugs	0	459	230	230	230	282	261	230	230	230	230	230	**1,691**	**2,839**
191	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) **Exclude PPE - see separate line**	206	183	209	296	275	541	755	752	752	752	775	785	**2,464**	**6,281**
192	Provider - Non Pay - PPE	435	342	376	474	457	523	503	481	481	481	481	482	**3,110**	**5,517**
193	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	4	54	54	54	**0**	**165**
194	Healthcare Services Provided by Other NHS Bodies - Additional Costs due to Block Contracts - Wales NHS	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
195	Healthcare Services Provided by Other NHS Bodies - Additional Costs due to Block Contracts - England NHS	108	108	108	108	108	108	25	25	25	25	0	0	**675**	**750**
196	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
197	Continuing Care and Funded Nursing Care	804	766	828	467	873	(1,734)	271	240	211	174	128	104	**2,277**	**3,132**
198	Other Private & Voluntary Sector	0	0	0	0	21	2,605	623	932	963	1,032	982	1,063	**3,249**	**8,222**
199	Other Private & Voluntary Sector - Private Hospital Providers	321	321	321	482	482	408	511	567	568	568	568	572	**2,845**	**5,687**
200	Joint Financing and Other (includes Local Authority)	2	2	2	2	2	2	2	2	2	2	2	2	**14**	**24**
201	Other (only use with WG Agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
202		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
203		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
204		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
205	WHSSC - Share of All-Wales Covid-19 pressure	0	0	0	0	129	0	(360)	6	6	6	6	6	**(231)**	**(203)**
206	**Sub total Other C-19 Non Pay**	**2,273**	**2,930**	**2,602**	**2,677**	**2,983**	**3,198**	**2,733**	**3,752**	**3,827**	**3,999**	**3,824**	**3,915**	**19,396**	**38,714**
207	**TOTAL OTHER C-19 EXPENDITURE**	**4,589**	**4,741**	**4,890**	**6,859**	**7,391**	**8,004**	**7,518**	**9,239**	**9,511**	**9,714**	**9,562**	**9,612**	**43,993**	**91,631**
208	**PLANNED OTHER C-19 EXPENDITURE (In Opening Plan)**	4,589	4,742	4,890	6,859	6,655	7,106	6,754	6,728	6,690	6,648	6,507	6,590	**41,595**	**74,758**
209	**MOVEMENT FROM OPENING PLANNED OTHER C-19 EXPENDITURE**	**(0)**	**0**	**0**	**0**	**(736)**	**(898)**	**(764)**	**(2,511)**	**(2,822)**	**(3,066)**	**(3,056)**	**(3,022)**	**(2,398)**	**(16,874)**
210	**TOTAL ADDITIONAL EXPENDITURE DUE TO COVID**	**14,000**	**12,889**	**12,884**	**13,008**	**12,829**	**13,629**	**13,608**	**15,947**	**16,075**	**16,062**	**15,897**	**16,035**	**92,846**	**172,863**
211	**PLANNED ADDITIONAL EXPENDITURE DUE TO COVID (In Opening Plan)**	**14,001**	**12,888**	**12,884**	**13,008**	**13,500**	**13,752**	**13,243**	**13,168**	**13,000**	**12,855**	**12,595**	**12,711**	**93,277**	**157,605**
212	**MOVEMENT FROM OPENING PLANNED ADDITIONAL COVID EXPENDITURE**	**1**	**(0)**	**0**	**0**	**672**	**124**	**(365)**	**(2,779)**	**(3,074)**	**(3,208)**	**(3,302)**	**(3,325)**	**431**	**(15,258)**

B - In Year Non Delivery of Savings / Net Income Generation Schemes Due To C19		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**		
		Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Total YTD**	**Forecast year-end position**
	Enter as Positive values	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
213	**Non Delivery of Savings (due to C19) - Actual/Forecast**														
214	Non Delivery of Finalised (M1) Savings				0	0	0	0	0	0	0	0	0	**0**	**0**
215	Non finalisation of Planning Assumptions (savings) at M1	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
216	Non Delivery of Finalised (M1) Net Income Generation Schemes - Actual/Forecast	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
217	**TOTAL NON DELIVERY OF SAVINGS/NET INCOME GENERATION DUE TO COVID**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

C - In Year Operational Expenditure Cost Reduction Due To C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	Enter as Negative values	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
218	***Expenditure Reductions (due to C19) - Actual/Forecast***														
219	Reduction of non pay costs due to reduced elective activity													0	0
220	Reduction of outsourcing costs due to reduced planned activity													0	0
221	WHSSC C-19 Slippage (as advised by WHSSC)													0	0
222	Other (please specify):													0	0
223	Reduction in planned Dental Contract payments							(627)	(27)	(41)	(41)	(41)	(41)	(627)	(818)
224	CHC Placements discharged via D2A													0	0
225	COVID Impact- benefit of reduction in NCA expenditure													0	0
226	HSDU - trays from elective procedures													0	0
227														0	0
228	**TOTAL EXPENDITURE REDUCTION**	0	0	0	0	0	0	(627)	(27)	(41)	(41)	(41)	(41)	(627)	(818)

D - In Year Slippage on Planned Investments/Repurposing of Developmental Initiatives due to C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	Enter as Negative values	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
229	***Slippage on Planned Investments/Repurposing of Developmental Initiatives (due to C19) - Actual/Forecast***														
230		0	0	0	0	0	0	0	0	0	0	0	0	0	0
231		0	0	0	0	0	0	0	0	0	0	0	0	0	0
232		0	0	0	0	0	0	0	0	0	0	0	0	0	0
233		0	0	0	0	0	0	0	0	0	0	0	0	0	0
234		0	0	0	0	0	0	0	0	0	0	0	0	0	0
235		0	0	0	0	0	0	0	0	0	0	0	0	0	0
236		0	0	0	0	0	0	0	0	0	0	0	0	0	0
237		0	0	0	0	0	0	0	0	0	0	0	0	0	0
238		0	0	0	0	0	0	0	0	0	0	0	0	0	0
239	**TOTAL RELEASE/REPURPOSING OF PLANNED INVESTMENTS/DEVELOPMENT INITIATIVES**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
240	**ACTUAL / FORECAST - EXPENDITURE IMPACT DUE TO COVID-19**	14,000	12,889	12,884	13,008	12,829	13,629	12,982	15,921	16,033	16,021	15,856	15,994	92,220	172,045

E - Additional Welsh Government Funding for C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	Enter as Positive values	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
241	**PLANNED WG FUNDING FOR COVID-19**	12,991	14,677	14,247	13,722	14,214	14,467	13,957	13,882	13,714	13,569	13,309	13,425	98,275	166,174
242	**MOVEMENTS FROM OPENING PLANNED WG FUNDING FOR COVID-19**	0	0	0	0	(672)	(124)	(261)	2,753	3,033	3,166	3,261	3,283	(1,057)	14,440
243	**TOTAL ACTUAL / FORECAST WG FUNDING FOR COVID-19**	12,991	14,677	14,247	13,722	13,543	14,343	13,696	16,635	16,747	16,735	16,570	16,708	97,218	180,614
244	**ACTUAL / FORECAST NET IMPACT ON OVERALL FINANCIAL POSITION DUE TO COVID-19**	(1,010)	1,789	1,363	714	714	714	714	714	714	714	714	714	4,999	8,569

Cashflow

Table G - Monthly Cashflow Forecast		April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
	RECEIPTS													
1	WG Revenue Funding - Cash Limit (excluding NCL) - LHB & SHA only	128,050	115,987	124,603	134,256	109,868	129,509	113,328	118,362	139,400	123,100	135,300	156,083	1,527,846
2	WG Revenue Funding - Non Cash Limited (NCL) - LHB & SHA only	0	268	0	200	0	0	200	0	0	200	0	107	975
3	WG Revenue Funding - Other (e.g. invoices)	706	173	197	6,759	564	212	302	200	250	250	200	400	10,213
4	WG Capital Funding - Cash Limit - LHB & SHA only	6,200	3,500	3,400	1,600	2,200	2,500	2,400	3,100	5,000	4,700	3,000	715	38,315
5	Income from other Welsh NHS Organisations	5,189	4,455	4,401	4,023	5,149	3,953	3,696	3,290	3,480	3,520	3,470	5,390	50,016
6	Short Term Loans - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
7	PDC - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Interest Receivable - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Sale of Assets	0	550	86	0	0	569	0	91	0	0	0	0	1,296
10	Other - (Specify in narrative)	6,476	5,734	3,219	6,208	5,056	2,145	5,904	3,950	3,813	3,250	3,690	6,423	55,868
11	TOTAL RECEIPTS	**146,621**	**130,667**	**135,906**	**153,046**	**122,837**	**138,888**	**125,830**	**128,993**	**151,943**	**135,020**	**145,660**	**169,118**	**1,684,529**
	PAYMENTS													
12	Primary Care Services : General Medical Services	8,375	6,823	10,252	6,305	6,324	8,590	5,241	6,051	9,132	6,087	6,481	8,531	88,192
13	Primary Care Services : Pharmacy Services	5,245	10	2,707	4,656	0	2,611	2,406	2,995	5,143	400	3,152	4,135	33,460
14	Primary Care Services : Prescribed Drugs & Appliances	17,161	10	9,100	18,186	8	9,992	8,953	9,157	17,364	600	9,113	9,439	109,083
15	Primary Care Services : General Dental Services	2,515	2,513	2,592	2,635	3,291	2,626	3,188	2,563	2,918	2,891	2,747	3,160	33,639
16	Non Cash Limited Payments	(476)	1,102	(8)	(475)	560	(159)	348	6	(557)	424	(36)	(22)	707
17	Salaries and Wages	43,056	58,143	56,007	50,866	50,813	53,775	55,463	51,590	52,595	53,130	52,670	67,818	645,926
18	Non Pay Expenditure	63,441	54,313	56,451	66,087	58,254	51,752	56,898	54,356	60,420	65,799	68,250	95,959	751,980
19	Short Term Loan Repayment - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
20	PDC Repayment - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Capital Payment	6,598	3,788	2,990	2,312	2,125	3,191	2,375	3,217	5,000	4,700	3,000	3,815	43,111
22	Other items (Specify in narrative)	0	0	0	0	0	0	0	0	0	0	0	0	0
23	TOTAL PAYMENTS	**145,915**	**126,702**	**140,091**	**150,572**	**121,375**	**132,378**	**134,872**	**129,935**	**152,015**	**134,031**	**145,377**	**192,835**	**1,706,098**
24	Net cash inflow/outflow	706	3,965	(4,185)	2,474	1,462	6,510	(9,042)	(942)	(72)	989	283	(23,717)	
25	Balance b/f	1,821	2,527	6,492	2,307	4,781	6,243	12,753	3,711	2,769	2,697	3,686	3,969	
26	Balance c/f	2,527	6,492	2,307	4,781	6,243	12,753	3,711	2,769	2,697	3,686	3,969	(19,748)	

Aneurin Bevan ULHB

Period : Oct 21

This Table is currently showing 0 errors

	Table A2 - Overview Of Key Risks & Opportunities	FORECAST YEAR END £'000	Likelihood
	Opportunities to achieve IMTP/AOP (positive values)		
1	Red Pipeline schemes (inc AG & IG)		
2	Potential Cost Reduction		
3	**Total Opportunities to achieve IMTP/AOP**	0	
	Risks (negative values)		
4	Under delivery of Amber Schemes included in Outturn via Tracker		
5	Continuing Healthcare	TBC	Low
6	Prescribing	TBC	Low
7	Pharmacy Contract		
8	WHSSC Performance		
9	Other Contract Performance		
10	GMS Ring Fenced Allocation Underspend Potential Claw back		
11	Dental Ring Fenced Allocation Underspend Potential Claw back		
12	Ongoing Covid 19 and prevention		
13	Addressing backlogs		
14	Maximising opportunities for changes in services in improved helath outcomes		
15	Red Pipeline schemes (inc AG & IG)		
16	Risk of slippage in savings plans	(2,000)	Medium
17			
18	Covid funding anticipated / unconfirmed (excludes national priorities)	(351)	Low
19			
20			
21			
22			
23			
24			
25			
26	**Total Risks**	(2,351)	
	Further Opportunities (positive values)		
27	Covid recovery funding	TBC	Medium
28	Pathway / System review savings	TBC	Low
29	Pipeline plans	1,000	Medium
30	Further cost avoidance	1,000	Medium
31			
32			
33			
34	**Total Further Opportunities**	2,000	
35	**Current Reported Forecast Outturn**	0	
36	**IMTP / AOP Outturn Scenario**	0	
37	**Worst Case Outturn Scenario**	(351)	
38	**Best Case Outturn Scenario**	2,000	

GIG CYMRU NHS WALES — Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Audit Finance and Risk Committee Thursday 2nd December 2021 Agenda Item:5.1

Aneurin Bevan University Health Board

Audit Recommendations Tracker

Executive Summary

This report provides the Audit, Finance and Risk Committee with an update on the progress with the audit tracker for review.

This report provides information on the current status of the high level recommendations following review by the Executive leads. The tracker indicates those recommendations in the opinion of the Executive Team that have been completed and are proposed to be removed from the tracker, those that have made significant progress, but are still not fully complete and those where some progress has been made, but a number of factors still remain which prevents the action being fully completed.

The Executive Team has reviewed all low, medium, high, advisory and observation recommendations and agreed to review all legacy recommendations and has requested a review of the format of the Tracker. The Executive Team has agreed that the Tracker is reported to it twice per year, with recommendations being escalated to it if they are not on course for completion, or there is a significant change.

All high level recommendations have now been updated. There are currently 18 high level recommendations on the tracker. Three (3) of these have been assessed as complete/no further action required and therefore it is proposed that they are now removed from the tracker.

The Committee is asked to: (please tick as appropriate)			
Approve the Report			
Discuss and Provide Views			✓
Receive the Report for Assurance/Compliance			
Note the Report for Information Only			
Executive Sponsor: Richard Howells, Interim Board Secretary			
Report Author: Bryony Codd, Head of Corporate Governance			
Report Received consideration and supported by :			
Executive Team		**Committee of the Board**	N/A
Date of the Report: 17th November 2021			
Supplementary Papers Attached: As at November 2021 - Audit Tracker Update			

Purpose of the Report

To present the tracking database of the current agreed recommendations for Internal Audit and also Wales Audit Office recommendations to the Audit, Finance and Risk Committee.

Background and Context

The Audit, Finance and Risk Committee closely monitors progress with the programmes of internal audits and the audits undertaken by Audit Wales undertaken at the Health Board. The Committee scrutinises the subsequent organisational responses to recommendations and the progress made against these recommendations. A tracking arrangement has been established, which is managed by the Executive Team.

The Audit, Finance and Risk Committee routinely receive updates on the High level recommendations contained within the Audit Tracker. The Committee has requested further assurance on the process for monitoring the Audit Tracker, the process for signing off completed actions and the internal methodology used to assess the recommendations that have remained on the tracker for a long time where there is a possibility that they are no longer relevant. This was presented to the Executive Team and Audit, Finance and Risk Committee in October 2021 and included the re-instatement of a number of high level recommendations back in to the tracker following the 'Follow Up of High Recommendations' Internal Audit report, issued in April 2020.

In order to provide assurance to the Audit, Finance and Risk Management Committee in relation to the tracking of all recommendations, all low, medium, high, advisory and observation recommendations were added back in to the tracker. This has been reviewed by the Executive Team which agreed that further work is required to review the format of the Tracker, and also further review legacy recommendations. It has also been agreed that the Tracker is reported to the Executive Team twice per year, with recommendations being monitored at a local level and escalated to the Executive Team if they are not on course for completion, or there is a significant change.

All high level recommendations have now been updated and are provided as Attachment One.

There are currently 18 high level recommendations on the tracker. Three (3) of these have been assessed as complete/no further action required and therefore it is proposed that they are now removed from the tracker:

Clinical Audit Follow Up	The Health Board is required to participate in a certain level of clinical audit. It is necessary to have appropriate governance and reporting structures in place to support this.	September 2019	Medical Director	The Health Board participates in the National clinical audit and outcome review programme and is registered for all National Audits. Data collection arrangements are being reviewed to reflect the ABUHB model of care delivery. All National Audits are presented at the Clinical Standards and effectiveness group for discussion and consideration re performance and	Complete

				improvements and are presented on a bi annual basis to the PQSOC.	
Patient Experience (PREMS)	1.1 The review of the effectiveness of the PEC should be completed and implemented.	September 2020	Director of Nursing	The Patient Experience Committee was disbanded. Patient experience is now an integral component of PQSOC, so a review is no longer required	Action no longer required
Infection Prevention and Control: Management of Covid-19 Related Matters – Discharge of Patients to Care Home Testing (Operation) *September 2020 & March 2021*	The Health Board should: The Health Board should: • not discharge an in-patient to a care home setting later than two days after being tested for Covid-19, with discharge refused until a negative test result is returned; • issue a communication through Divisional / Senior nurses of the SOP that is in place and offer training / clarification where required; • ensure that the date of the Covid-19 test is fully visible on CWS and a key component of the discharge process; and • ensure real-time monitoring takes place to prevent patients being discharged as an in-patient without an up-to-date negative Covid-19 test result.	No further action required	Director of Nursing	No update required as "no further action required"	No further action required

A summary of the remaining recommendations is provided in the table below:

Rating	Number	Ongoing actions/monitoring	Closed following follow up audit	Complete/no further action required	Updates awaited
High	18	16	0	2	0
Medium	29	4	0	9	16
Low	12	1	0	3	8
Advisory	20	2	16	2	1
Observation	14	13	0	0	1
Total	93	36	16	16	26

Recommendation

The Audit, Finance and Risk Committee is asked to note the report.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	The coordination and reporting of organisational actions for audit activity are key elements of the Health Board's overall assurance arrangements.
Financial Assessment, including Value for Money	There may be financial consequences of individual actions however there is no direct financial impact associated with this report at this stage.
Quality, Safety and Patient Experience Assessment	Impact on quality, safety and patient experience are highlighted within the individual actions and assurance requirements contained within this report.
Equality and Diversity Impact Assessment (including child impact assessment)	There are no equality issues associated with this report at this stage, but equality impact assessment will be a feature of the work being undertaken as part of the actions.
Health and Care Standards	This report would contribute to the good governance elements of the Health and Care Standards.
Link to Integrated Medium Term Plan/Corporate Objectives	The actions will be aspects of the delivery of key priorities in the IMTP.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	WBFGA considerations are included within the consideration of individual actions.
Glossary of New Terms	None
Public Interest	Report to be published in public domain

Audit, Finance & Risk Committee Tracker - to the end of November 2021

High level Recommendations

No.	Rating	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on current progress	Status
20 (A)	**High**	Clinical Audit *May 2017*	**R3** An effective mechanism for the identification and follow-up of actions arising from a clinical audit undertaken locally and nationally, should be implemented as soon as possible, in order to provide assurance that effective action is being undertaken to mitigate clinical risk.	November 2017 revised date April 2022	**Medical Director**	**November 2021 Update:** A procurement exercise has commenced to purchase a quality management system that will support the development of local audit plans, record results of audits and support the development of action plans as well as the monitoring of progress against these plans.	**Action required to achieve - green/completed status:** An initial working group has reviewed several systems to understand capabilities and requirements and this will support the development of a tender specification and subsequent tender exercise. Anticipated completion April 2022
77 (1A)	**High**	**Structured Assessment 2017**	**R4 Internal control:** The Health Board should ensure that clinical audits provide assurance within an assurance framework, linked to the organisation's strategic objectives	End of May 2018 revised date March 2022	**Medical Director**	**November 2021 Update**: A review of all Health Board groups and committees in line with the 2020 ABUHB Quality Assurance Framework is underway. It is anticipated that this review will result in the development of a programme of corporate clincal audits that provide assurance associated with the health and care standard relevant to the specific committees where evidence has not been readily available in the past. The clincal audit policy and strategy are currently being reviewed to reflect this and will include an approach to National, Local and corporate audit approaches that provide assurance and are in line with quality and safety priorities.	**Action required to achieve - green/completed status:** The Quality Assurance Review is in progress and will be complete by September 2022. The Clincal Audit Strategy and Policy are currently under review and will be presented to the Februaury Clincal Standards and Effectiveness group for discussion before going to the Clincal Policies group for ratification in March 2022.
88 (1A)	**High**	IT Service Management	**R3** Informatics should seek to develop a SKMS in order to share knowledge across departments. This process should include developing a Knowledge Centred Service (KCS) process within the service desks and ensuring models for calls and problems are catalogued and indexed and easily available.	October 2018 - Revised Date February 2022	**Director of Planning, Digital and IT**	**November 2021 Update:** Existing knowledge artefacts have been migrated to share point online and are fully searchable and available across Informatics teams. A review of information architecture is underway which will further consolidate knowledge and categorise by service facilitating a KCS approach. For Service Desk Knowledge, this will be complete by end of Feb 2022 in readiness for our Service Desk Institute Accreditation Audit.	**Action required to achieve - green/completed status:** Implement revised information architecture Define and Implement governance around permissions, review timescales and formats for new artefacts Establish links to service catalogue Ensure criteria for SDI Audit are met
99a (AW)	**High**	**tructured Assessment 201**	**R3 - Information Governance** · The Health Board should improve its information governance arrangements by: · improving compliance with the information governance training programme to reach the national rate of 95%;	March 2020	**Director of Planning, Digital and IT**	**November 2021 Update:** IGDG meetings will now include Cyber respresentation to ensure a comprehensive coverage of Governance across the organisation. The meetings have been sporadic due to COVID and winter pressures. IG have plans in place to target specific areas of non-compliance service areas. This work will commence at the beginning of 2022 due to winter pressures. Compliance has increased to 78% and the team are working towards achieving the 85% compliance which is mandated in the Information Governance Toolkit.	**Action required to achieve - green/completed status:** Non compliance reports are being sent to senior managers within Divisions to ensure that compliance is monitored and actioned in these areas. Where non-complance persists targeted escalation routes have been established and the appropriate corrective action will be taken. Promotion of the audio learning tool for staff groups that have dificulty in leaving the workplace or access to computer systems and e-learning will be facilitated by the IG team and attendance recorded.
112 (IA)	**High**	**Job Planning**	The Health Board should: · review the escalation process to ensure that it includes appropriate action following escalation to the Medical Director and holds medical staff to account for failure to have an in date job plan; · produce action plans to address poor compliance and review these as part of the monthly divisional meetings with the COO; · complete job plans on an annual basis, as opposed to a 15-month cycle. · consider the process for reviewing job plans and look at ways of increasing compliance, such as aligning job planning dates with other activities (i.e. IMTP /Corporate Planning cycle); and; · agree the job plan and implement an escalation / disciplinary process if there is not a legitimate reason for failure to agree a job plan.	March 2020	**Medical Director**	**November 2021 Update:** • Agreement by Executive Team to develop specification and instigate procurement process for E-Systems including job planning • Job planning procedure continue to be developed. • development of a standard operating procedure for Team Job Planning • Paper presented to Audit Committee October 2021 updating on action plan and achievement • Update provided to People & Culture Committee October 2021 • The Medical Director has written to Divisional Directors emphasising the need for their CDs to undertake job plan review meetings. He has also asked that a named member of the divisional management team is given responsibility for supporting CDs in doing this and that the Deputy Medical Director is made aware of who is identified	**Action required to achieve - green/completed status:**
114 (IA)	**High**	Patient Experience (PREMS)	1.1 The review of the effectiveness of the PEC should be completed and implemented.	September 2020	**Director of Nursing**	**November 2021 Update:** The Patient Experience Committee was disbanded. Patient experience is now an integral component of PQSOC, so a review is no longer required	**Action no longer required**

No.	Rating	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on current progress	Status
115 (IA) AB2021-17	High	**Infection Prevention and Control: Management of Covid-19 Related Matters – Discharge of Patients to Care Home Testing (Operation)** ***September 2020 & March 2021***	The Health Board should: • not discharge an in-patient to a care home setting later than two days after being tested for Covid-19, with discharge refused until a negative test result is returned; • issue a communication through Divisional / Senior nurses of the SOP that is in place and offer training / clarification where required; • ensure that the date of the Covid-19 test is fully visible on CWS and a key component of the discharge process; and • ensure real-time monitoring takes place to prevent patients being discharged as an in-patient without an up-to-date negative Covid-19	No further action required	**Director of Nursing**	**November 2021 Update:** No update required as "no further action required"	
Recommendations added back into the tracker following IA Review							
	High	Health and Safety Management	Regular workplace inspections should be completed.	Dec-19	**Director of Therapies and Health Science**	**November 2021 Update:** the position has not changed since the last update in August 2021, however, a meeting is planned with colleagues in the Facilities Division this month to work collaboratively to develop a health and safety monitoring programme. The programme will include H&S management audits, thematic audits and 'walk the ward' inspections. The roll out of the new programme is planned for April 2022. In addition to this we are also planning the development of self-assessment inspection tools for wards and departments to be conducting their own health and safety monitoring. Finally, there is evidence that monitoring has been conducted on a regular basis in relation to COVID safety. The outcomes of this data is regularly fed into the	**Action required to achieve - green/completed status:**
						August 2021: Due continued demands and impact from the pandemic within the Corporate Health and Safety Department the programme of health and safety monitoring has not re-started. However, monitoring has been conducted relating to COVID Safety	
	High	Pay Incentives	Additional session payments to be restricted to standard levels, but where this is not possible an approved schedule of enhanced rates ratified by the Executive Team should be maintained.	Sep-19	**Director of Operations**	**November 2021 Update:** Rate card has been revised and drafted across all divisions and will be shared and signed off by the Divisonal Director's with a view to sign of at Execs for the end of November, with the agreement of the MD	**Action required to achieve - green/completed status:**
						August 2021: List of enhanced rates of pay for additional sessions/hours agreed by Executive Team developed. An All Wales Advisory Notice for Recovery Pay has been shared in July, application is currenlty being considered in line with recovery plans	
			For the non-automated process only, consultants should submit signed claim forms for all additional sessions they are claiming payment for.	Sep-19	**Director of Operations**	**November 2021 Update:** General Managers for Family & Therapies, Medicine and Scheduled Care have all confirmed this process is in place. Scheduled Care noted Radiology email once additional sessions are completed and is checked against activity before being signed off by the DM.	**Action required to achieve - green/completed status:**
						August 2021: Sign off processes in place within each directorate. Short notice requirements approved via General Manager and Executive Director if outside of normal rates. Further work to be undertaken to ensure a standardised process across the Division to ensure consistency and assure governance	
	High	Clinical Audit Follow Up	The Health Board should develop a Quality and Patient Safety Improvement Strategy and Assurance Framework.	November 2019 Revised date March 2022	**Medical Director**	**November 2021 Update:** The clincal audit policy and strategy are currently being reviewed to reflect a revised approach that supports the quality assurance framework and will detail an approach to National, Local and corporate audit approaches that provide assurance and are in line with quality and safety priorities.	**Action required to achieve - green/completed status:**The Clincal Audit Strategy and Policy are currently under review and will be presented to the Februaury Clincal Standards and Effectiveness group for discussion before going to the Clincal Policies group for ratification in March 2022.
						August 2021: The Health Board Clinical Audit Strategy is current but will be reviewed in the next three months and the Clinical audit policy is currently under review and is being updated to reflect increased scrutiny and governance at the Clinical Standards and Effectiveness Group and reporting to PQSOC and to be explicit with respect to Divisional	

No.	Rating	Report title and date reported to Audit Committee	Recommendation	Deadline	Responsible Officer	Management Response – Update on current progress	Status
			The Health Board is required to participate in a certain level of clinical audit. It is necessary to have appropriate governance and reporting structures in place to support this.	Sep-19	**Medical Director**	**November 2021 Update:** The Health Board participates in the National clincal audit and outcome review programme and is registered for all National Audits. Data collection arrangements are being reviewed to refect the ABUHB model of care delivery . All National Audits are presented at the Clincal Standards and effectivess group for discussion and consideration re perfromance and improvements and are presented on a bi annual basis to the PQSOC.	**Action required to achieve - green/completed status: Complete**
			Divisional Directors are responsible for maintaining the overview of local clinical audits, linked to clinical risks and a process should be implemented to ensure appropriate accountability within the divisional clinical audit process.	Nov-19	**Medical Director**	**November 2021 Update:** A procurement exercise has commenced to purchase a quality management system that will support the development of local audit plans, records results of audits and support the development of action plans as well as the monitoring of progress against these plans. This system will support Directorates and Divisions in developing a clincal audit plan that addresses their quality and safety priorities, having oversight of audit results and monitoring associated improvement plans.	**Action required to achieve - green/completed status:** An initial working group has reviewed several systems to understand capabilities and requirements and this will support the development of a tender specification and subsequent tender exercise. Anticipated completion April 2022
						August 2021: Divisional responsibility will be made explicit in the revised Clinical Audit policy to ensure appropriate resourcing, management and improvement associated with clinical audit and to provide assurance to the Division with respect to the quality of care delivery	
	High	Management of Balance Sheet Assets	The Health Board should introduce tagging / identity marking of all relevant assets.	Mar-19	**Director of Finance and Performance**	**November 2021 Update:** Training sessions held, software integration issues remain - meeting to resolve to be held on 29th October 2021. Tagging on-going and full live roll out will be implemented once integration resolved.	**Action required to achieve - green/completed status:**
						August 2021: The work to interface the new RFID system to both the Fixed Asset Register (Real Asset Management - Asset 4000) and the EBME Asset register (Medusa Softpro) is anticipated to conclude by the end of September. This work has been delayed due to issues that arose during the testing phase, these issues are in the process of being resolved with the software providers. The final training sessions for staff are booked for the end of September. Tagging of individual assets has been on-going throughout the delay to the interface work. As at the end of August, 1400 equipment assets have been tagged by either the Capital Finance or EBME teams. EBME are now tagging all new assets as they are commissioned and a programme to tag historical assets has commenced. This will be conducted on a site by site basis starting at the Grange University Hospital to capture the significant investment in new equipment purchased for	
	High	Well-being of Future Generations (Wales) Act 2015	The Programme Board should review its objectives and the progress against them as part of its agenda and should be chaired by the	Dec-19	**Director of Public Health and Strategic Partnerships**	**November 2021 Update:** the review of the Wellbeing objectives has been put on hold due to the prioritisation of the response to the Covid-19 pandemic'	**Action required to achieve - green/completed status:**
	High	Medical Equipment and Devices	Registers should be maintained identifying all key equipment and devices, with the necessary details retained to manager the items.	Dec-22	**Director of Therapies and Health Science**	**November 2021 Update:**Radio frequency ID tagging recently commenced for all medical devices and will progress over the next 12 months as devices are brought into the EBME department for servicing. This will support the management and location tracking of all devices including servicing history and management of Field safety notices and other alerts	**Action required to achieve - green/completed status:** The implementation of the RFID system and interfacing with the Medusa database will be undertaken over the next 12 months- December 2022
			Where devices require training these should be identified and training compliance monitored, with appropriate action undertaken where required.	No date provided	**Director of Therapies and Health Science**	**November 2021 Update:** Options are being explored to record training compliance on ESR to avoid variation and inconsistant training records.	**Action required to achieve - green/completed status:** Initial discussion are underway to explore options to develop trainig needs analysis and records of training and competancy. This is a longer term project but local spreadsheets and registers are in place to provide some mitigation at present
			Where local, specialist training is required (e.g. within theatres), the early opening of the Grange University Hospital has affected current progress, but work is underway to address this. Integration with the equipment database is being considered.	No date provided	**Director of Therapies and Health Science**	**November 2021 Update:** The progression towards RFID tagging all equipment and recording this on Medusa database will upport local areas to identify what equipment they have locally and ensure training is planned and delivered for all necessary devices. Theatre directorate have recently developed a local register and have started to deliver training for all local devices	**Action required to achieve - green/completed status:** The implementation of the RFID system and the Medusa database will be undertaken over the next 12 months- december 2022. This in conjunction with standardised training registers will ensure the development of local training needs analysis and records of training and competancy assessments. This is a longer term project reliant on the development of esr or an alternative training system to standardise records

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Audit, Finance and Risk Committee Thursday 2nd December 2021 Agenda Item: 5.2

Aneurin Bevan University Health Board

Audit, Finance and Risk Committee – Stratgeic Risk Report

Executive Summary

This report provides an overview of the current risk profiles to be reported to the Audit, Finance and Risk Committee (AFRC). The risks reflect the continuing challenges of the COVID-19 pandemic along with challenges to maintain compliance with statutory duties and legislation and ensure continued commitment to delivery of the Health Board's strategic objectives.

This report provides the Audit, Finance and Risk Committee with assurance of the management of the organisational risk profiles (some of which form principal risks to the Health Board). There is one proposed new risk profile, which articulates the Health Board management of risks in relation to Civil Contingencies. If agreed at the proposed risk rating of 20, it will be incorporated into the Board Assurance Framework.

The Audit, Finance and Risk Committee is asked to note this report for assurance.

The Committee is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	✓
Note the Report for Information Only	

Executive Sponsor:	Richard Howells, Interim Board Secretary
Report Author:	Danielle O'Leary, Head of Corporate Services, Risk and Assurance

Report Received consideration and supported by :

Executive Team	**N/A**	**Committee of the Board [Committee Name]**	**As outlined.**

Date of the Report: 15th November 2021

Supplementary Papers Attached: Appendix 1 – AFR Committee Risk Profile

Purpose of the Report

This report is provided for assurance purposes and seeks to demonstrate a summary of the current key risks to the Health Board in respect of Audit and Finance.

This report seeks to provide assurance to the Board that risks overseen by the AFR Committee are being managed effectively within the organisation.

Background and Context

In conjunction with the revised Board Assurance Framework (BAF) and the revised Enterprise Risk Management Approach, the Health Board is able to review and assess its principal risks against achievement of objectives as set out in the Annual Plan 2021/22.

The Health Board utilises the All Wales Risk Matrix to assess the potential impact and likelihood of occurrence of all predicted risks to form an overall risk score – the higher the score then the risk is seen to be more aggressive. Risks may then be 'terminated' or 'treated' to achieve a manageable level. Risks could also be 'tolerated' or 'transferred' dependent upon the level of benefit of undertaking a course of action. For more strategic, longer-term risks, the Health Board would endeavour to 'Take Opportunities' as appropriate and in line with relevant risk appetite levels.

Assessment & Overview of Current Status

Audit, Finance and Risk Committee Risk Overview

There are currently **7** organisational risk profiles, which receive oversight from the Audit, Finance and Risk Committee. These are outlined in detail at ***Appendix 1***. Of the 7 organisational risk profiles, which receive Committee oversight, 3 are categorised as high, which require urgent action to be undertaken within 6 months. These 3 high risk profile are:

CRR008 – (L)x(C[1])=3x5 = 15

Threat Event: Service delivery and patient experience is compromised

Threat Cause: The current Health Board estate is not fit for purpose

CRR032 – (L)x(C)=4x4 = 16

Threat Event: Non-achievement of the Health Boards long term strategy.

Threat Cause: Failure to achieve underlying recurrent financial balance.

CRR033 (New profile – Nov 2021) (L)x(C)= 4x5 = 20

Threat Event: Widespread harm to Health Board staff and patients

Threat Cause: Failure to comply with the full set of civil protection duties.

The Committee is asked to note that the risk profile in relation to Health Board Estate is marked as increasing; this has been re-framed slightly and a review of risk scoring undertaken therefore, the risk score has increased. Although it is still categorised as a high risk, mitigating actions already undertaken mean that this risk profile has now

[1] Likelihood x Consequence

reached its target score and therefore the Health Board needs maintain this current level of risk via internal controls and continuous action plans.

During the assessment of the risk profiles, all risk scoring was reviewed and it was determined that some risk profiles needed to be re-framed in respect of their description and scoring, to reflect the current position. ***The list of the risk profiles that were reframed are:***

CRR008 – Health Board Estate

CRR014 – Brexit/EU Transition

CRR004 – Well-being of Future Generations Act, to include the Socio-Economic Duty

The table below provides a high level view of the risks highlighted at ***Appendix 1***.

Risk Description	Risk Score	Risk Owner	Trend
CRR004 – WBoFG Act and Socio-Economic Duty	4	Director of Public Health and Strategic Partnerships	
CRR016 – Achievement of financial balance at year end	4	Director of Finance and Procurement	
CRR014 – BREXIT/EU Transition	8	Director of Planning, Digital and ICT	
CRR012 – Reducing Health Inequalities	12	Director of Public Health and Strategic Partnerships and Director of Primary, Community Services and Mental Health	
CRR008 – Health Board Estate not fit for purpose	15	Director of Operations	
CRR032 – Achievement of recurring underlying financial balance	16	Director of Finance and Procurement	

CRR033 – Compliance with Civil Contingency Duties	20	Director of Planning, Digital and ICT	**NEW RISK**

Continued Development and Embedding of Enterprise Risk Management Approach

An initial meeting of the Health Board Risk Managers Community of Practice took place on 9th November 2021. There was positive representation from across the organisation including enabler departments (ICT, Workforce and Emergency Planning). All committed to devising a development programme to share learning and encourage further understanding and knowledge in the following domains:

- Risk descriptors and a consistent approach and common understanding of language used.
- Prioritisation and categorisation of risks.
- Risk attitude, appetite and tolerance.
- Consistency of risk scoring.
- Risk escalation processes.

However, this list is not exhaustive and participants will be able to raise areas to discuss and review as appropriate. As the risk management approach matures across the organisation, it will become integral to all divisional plans, developments and business as usual operations alongside the strategic, horizon scanning risk mapping. It is believed that the Community of Practice will become a conduit for broad organisational understanding, help, and support, and underpin the core training and skills required for effective and consistent risk management.

Recommendation & Conclusion

The Committee is asked to receive the content of this report for assurance purposes and note the following key points:

- The further developments in relation to the Health Board continuing commitment to embedding the revised risk management approach;
- Reframed risk descriptors for some risk profiles;
- Acknowledge the risk scoring review has taken place for all profiles;
- Endorse the additional risk profile relating to 'Civil Contingencies'.

The Committee is also asked to recognise that development work is continuing with all Divisions, Departments and at an Executive level to further strengthen and embed the revised risk management approach.

Supporting Assessment & Additional Information	
Risk Assessment (including links to Risk Register)	The monitoring and reporting of organisational risks are a key element of the Health Boards assurance framework.
Financial Assessment (including value for money)	This report has no financial consequence although the mitigation of risks or impact of realised risks may do so.
Quality, Safety & Patient Experience Assessment	This report has no QPS consequence although the mitigation of risks or impact of realised risks may do so.
Equality & Diversity Impact Assessment (including child impact assessment)	This report has no Equality and Diversity impact but the assessments will form part of the objective setting and mitigation processes.
Health & Care Standards	This report contributes to the good governance elements of the H & CS.
Linked to Integrated Medium Terms Plan & Corporate Objectives	The objectives will be referenced to the IMTP
The Wellbeing of Future Generations (Wales) Act 2015 – 5 ways of working	Not applicable to the report, however, considerations will be included in considering the objectives to which the risks are aligned.
Glossary of Terms	None
Public Interest	Report to be published

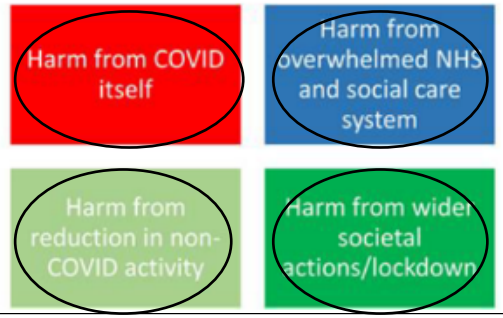
Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22	Risk Description, Appetite and Decision
• Getting it right for children and young adults • Supporting adults in Gwent to live healthy and age well • Provide high quality care and support for older adults • Staying healthy • Care closer to home • Less serious illness which require hospital care	***CRR004 (Nov 2021) – (Reframed)*** ***Threat Event: The Health Board does not meet its statutory duty under the Well-Being of Future Generations (Wales) Act 2015 or the Socio-Economic Duty.*** ***Threat Cause: Non-compliance with relevant Legislative requirements.*** **TAKE OPPORTUNITIES** **TREAT**

High Level Themes		Risk Appetite	
	• Partnership • Research, Innovation Improvement Value • Quality and Patient Safety • Patient Outcomes and Experience • Health Inequalities • Financial • Public Confidence		**LOW/MODERATE** - Risk appetite in this area is low in terms of compliance with the Legislation. However, further innovation is required to develop new approaches and ways of working therefore, risk appetite in this area is defined at a moderate level.

Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit Finance and Risk Committee	• Programme Board in place to ensure the duties in the WBFA are applied across the organisation. • Each Division has developed and agreed wellbeing objectives which have been signed off by Board and published. • Organisational wellbeing objectives and PSB(s) wellbeing objectives reflected within the IMTP and Divisional Plans.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***	**Current** ***Risk level after initial controls/mitigations have been implemented.***	**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***

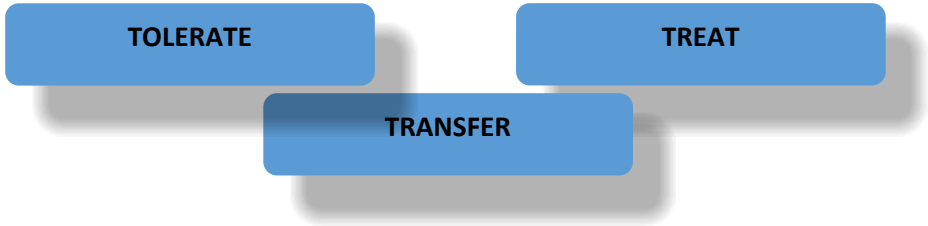
Action Plan – ***SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.***	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
		3	4	1	4	1	4
Internal Audit Report was completed in 2019 and reasonable assurance given, but a number of key recommendations are being taken forward including a refresh of the Programme Board governance arrangements. Development work is underway to incorporate the statutory obligations of the Socio-economic Duty to the corporate reporting templates of the Health Board to emphasise the importance of the Duty across the organisation.	Jan – 21 Dec-21	**12**		**4**		**4**	

Trend Since Last Reporting Period		Executive Owner: Director of Public Health and Partnerships and Board Secretary

Mapping Against 4 Harms of COVID	Update
	Nov 2021: The Health Board is cognisant of its obligation to comply with the WBoFG act and the Socio-Economic Duty. There are plans to incorporate the single point of assessment against this Legislation into the Board and Committee reporting templates. Further development work is now required to appropriately evidence the compliance. Work is also being undertaken to align organisational objectives for the revised IMTP 2022 to the WBoFG Act requirements and the Socio-Economic Duty. As this is a strategic compliance risk to the Health Board, opportunities exist to optimise compliance and create more effective ways of delivering our services and address population health inequalities through compliance with the Act and Duty.

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
This is an enabler risk and therefore applies to all Health Board priorities		***CRR016 (Dec-2020) –*** ***Threat Event: Failure to achieve financial balance at end of 2021/2022.*** ***Threat Cause: Due to the COVID-19 Pandemic and the uncertainties and potential significant cost of the organisational response above IMTP/AOF planned levels.*** **TREAT**		
High Level Themes	• Reputational • Public confidence • Financial • Patient Outcomes	**Risk Appetite**	Low level of risk appetite in relation to the Health Board's financial statutory requirements. However responding to COVID 19 implications and maintaining safe services take precedence.	
Committee Assurance	**Internal Controls – Policies/Procedures**	**Risk Score**		
Audit, Finance and Risk Committee	• Health Board Annual Plan 2021/22 • Standing Financial Instructions (SFIs) • Health Board Standing Orders • Recurrent savings plans. • Regular monitoring at Executive Team reviewing level of deliverable recurrent savings along with assessing cost avoidance and deferred investments. • Health Board financial escalation processes. • Health Board Pre-Investment Panel (PIP) process. • IMTP/AOF Delivery Framework and Divisional Assurance meetings in place which will incorporate implementation of savings plans and delivery of service and workforce plans within available resources. • Financial assessment and review (as agreed at Board, regular monthly COVID and financial reports to Board and Welsh Government) to incorporate financial impact of COVID-19.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***	**Current** ***Risk level after initial controls/mitigations have been implemented.***	**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***

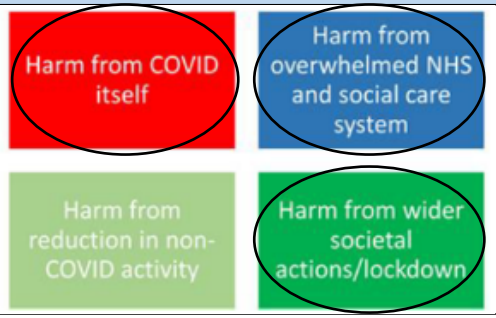
	• Quarterly financial plan approach agreed.						
Action Plan ***SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.***		**Due Date**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**
			5	4	1	4	1	4
• Plans submitted to Welsh Government include financial consequences of COVID-19 response as part of ongoing discussions to secure additional funding to meet Covid-19 spend. • Ongoing discussion with Welsh Government with regard to clarifying Covid-19 allocations and 'recovery' funding allocations for this financial year. • As new priorities emerge service, workforce and financial plans developed to identify financial risks and support funding discussions with Welsh Government (e.g. mass vaccination programme).			**20**		**4**		**4**	
Trend Since Last Reporting Period			**Executive Owner: Director of Finance and Procurement**					
Mapping Against 4 Harms of COVID			**Update**					
Harm from COVID itself Harm from overwhelmed NHS and social care system Harm from reduction in non-COVID activity Harm from wider societal actions/lockdown			November 2021: Additional Non–recurrent funding has been provided to ABUHB as part of the Sustainability funding issued by WG to support operating in a 'COVID safe environment'. Additionally there are several other COVID-19 related funding streams supporting recovery and system pressures that have provided sufficient funding to support a forecast financial balance for 2021/22. There remains a risk that responding to uncertain pandemic implications may influence the financial costs to the end of the year. This risk profile has achieved the target score.					

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22	Risk Description, Appetite and Decision
• Getting it right for children and young adults • Supporting adults in Gwent to live healthy and age well • Provide high quality care and support for older adults • Staying healthy • Care closer to home • Less serious illness which require hospital care	***CRR014 (Nov 2021) – (re-assessed)*** ***Threat Cause: The UK leaves the European Union (BREXIT)*** ***Threat Event: The provision of health and care services will be adversely affected.*** 

High Level Themes		Risk Appetite	
	• Partnership • Research, Innovation Improvement Value • Quality and Patient Safety • Patient Outcomes and Experience • Public Confidence		Risk appetite in this area is low, as compliance is required with UK Government Policy.

Committee Assurance	Internal Controls – Policies/Procedures	Risk Score		
Audit, Finance and Risk Committee	• Internal Health Board escalation routes to Executive Team and relevant governance structures utilising exception reporting principles. • The Health Board continues to liaise with Welsh Government, the NHS Confederation and other partners (via GLRF) to review the impact of the transition.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***	**Current** ***Risk level after initial controls/mitigations have been implemented.***	**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***

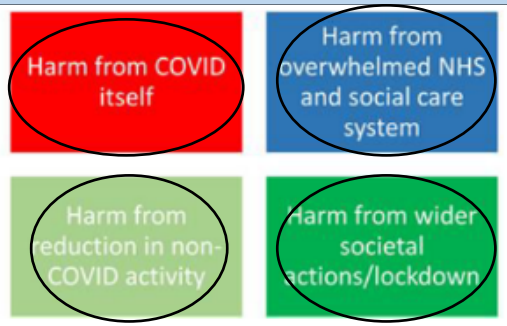
Action Plan ***SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.***	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
		4	4	2	4	3	4
Preparations continue at a national and local level on a range of areas following the UK leaving the European Union on 31 January 2020.		**16**		**8**		**12**	

Trend Since Last Reporting Period		**Executive Owner: Chief Executive and Director of Planning, Digital and ICT**
Mapping Against 4 Harms of COVID		**Update**
		Nov 2021: The impacts of the EU Transition and the Trade and Cooperation agreement are now being managed on a business as usual basis. There is light oversight and activities at a National leadership level however SRO group has now stood down. Adult Social Care and Health agencies remains a potential risk area from the end of the Transition Period due to provider failure in respect of staff shortages compounded by workforce issues already being experienced locally within the Health Board.

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
• **Getting it right for children and young adults** • **Supporting adults in Gwent to live healthy and age well** • **Provide high quality care and support for older adults** • **Staying healthy** • **Care closer to home** • **Less serious illness which require hospital care**		***CRR012 (Nov-2021) – (Reframed)*** ***Threat Cause: Inability to address health inequalities across the population including adequate access to appropriate Health Board Services*** ***Threat Event: Increased dependency on Health Board services in the longer term.*** **TRANSFER** **TREAT**		
High Level Themes	• Partnership • Research, Innovation Improvement Value • Quality and Patient Safety • Patient Outcomes and Experience • Public Confidence • Financial	**Risk Appetite**	Low risk appetite in terms of patient safety and services. Moderate risk appetite with regard to innovation and developments in primary care and public health initiatives.	
Committee Assurance	**Internal Controls – Policies/Procedures**	**Risk Score**		
Audit, Finance and Risk Committee	• Sustainability Board established to monitor and report on all Primary Care GP Service sustainability. • New MDT model in place in a number of practices. • New model implemented in managed practices. • Work continues on managed practices, supported mergers and manager redistribution continues. • Oversight at Senior Management Team Meetings within Primary Care and Community Services. • Neighbourhood Care Networks well established and plans in place and reviewed. • Continuous and regular monitoring of the implementation of 'A Healthier Gwent' at Committees, Executive Team and the Board.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***	**Current** ***Risk level after initial controls/mitigations have been implemented.***	**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***

Action Plan *SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.*	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
		4	4	3	4	1	4
Additional sessions to be secured in GMS/GDS Practices. Individual actions plans to be developed for each NCN area/Practice and reviewed monthly. Additional dental recovery monies to secure additional activities.	Jan 2022 Jan-2022 Jan-2022	**16**		**12**		**4**	

Trend Since Last Reporting Period		**Executive Owner: Director of Primary, Community and Mental Health Services and Director of Public Health and Partnerships**
Mapping Against 4 Harms of COVID		**Update**



Nov 2021:

Primary Care – access to Health Services:

Despite significant pressures within the Primary Care system, the vast majority of services have been maintained through the pandemic period, with only a small number of branch practice closures on an intermittent basis. The Primary Care team have conducted a full survey of GMS access arrangements which have been reported through the Executive and Board to inform the current position

Action plan has been developed to support those practices with difficulties in achieving the required access standards and individual practice plans are now being implemented to enable all areas to achieve the required minimum standards.

Further financial support has been made available for the remainder of the year in those practices where additional capacity is required to meet the increase in demand and support further improvements in sessional availability- this money will be non-recurrent and is aimed at supporting the practices who have achieved the minimum standards but who have seen growth in demand

Further work is underway in the NCN networks to develop the MDT model and now incorporates additional mental health foundation tier professionals who are deployed to support GP practices with high levels of mental health demand and provide additional staff to redirect patients to the most appropriate services

Demand for GP appointments continues to grow and the further development of community and social care support services for the coming period will be essential if demand for services is to be met.

Additional capacity has been secured within planned Dental services to deal with the treatment backlogs, alongside the investment in emergency dental appointments has resulted in an improvement in dental service access in many areas of the health board.

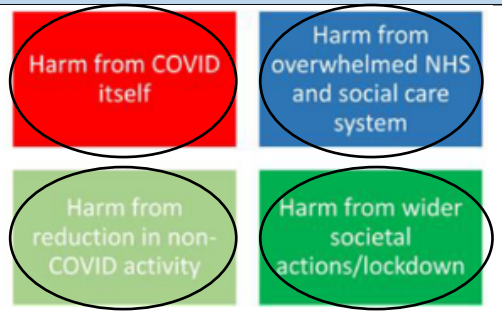
Public Health – addressing health inequalities within communities:

An initial meeting of Gwent PSB held in October when it was agreed to incorporate the Marmot Indicators of the determinants of health inequalities into the Gwent PSB Wellbeing Assessment process.

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision		
• **Getting it right for children and young adults** • **Supporting adults in Gwent to live healthy and age well** • **Provide high quality care and support for older adults** • **Staying healthy** • **Care closer to home** • **Less serious illness which require hospital care**		***CRR008 (Nov 2021) – (Reframed)*** ***Threat Cause: The current Health Board estate is not fit for purpose*** ***Threat Event: Service delivery and patient experience is compromised*** **TREAT**		
High Level Themes	• Partnership • Research, Innovation Improvement Value • Quality and Patient Safety • Patient Outcomes and Experience • Finance • Public Confidence	**Risk Appetite**	Moderate risk appetite with regard to innovation and developments across the Health Board estate. Low risk appetite in relation to adverse staff and patient experience due to poor Health Board estate.	
Committee Assurance	**Internal Controls – Policies/Procedures**	**Risk Score**		
Audit, Finance and Risk Committee	• Health and Safety Act and Regulations, Legislation. • 6 Facet survey completed in 2019 and the Division is currently updating this to reflect the present position. • The divisional risk register reviewed quarterly at SMB this is reported to QPSOG and risks escalated via this route. • Multiple policies and SOPs published and communicated to staff. • Estates strategy completed in 2019/20 to align with the Clinical Futures program. • Recently appointed an external authorising engineer for Water Management providing independent external audits. • Robust internal training program in place covering all aspects of Estates management including food hygiene. • Regular annual audits across all services conducted by NWSSP.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***	**Current** ***Risk level after initial controls/mitigations have been implemented.***	**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***

Action Plan *SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.*	Due Date	Likelihood	Consequence	Likelihood	Consequence	Likelihood	Consequence
		5	5	3	5	3	5
Estates Prioritisation takes place annually to focus available investment. Plan for replacement Nurse Call Systems which is an additional Capital Requirement. PPD submitted but due to high cost will need to be costed and set up in priority order. Capital bid has been submitted for consideration of the replacement of obsolete Nurse Call systems throughout the Health Board. Additional services arranged to mitigate risk – external company introduced to complete flushing programme on infrequently used outlets. Additional sampling undertaken. Water Risk assessment brought forward for RGH. New contract set up for Water Risk Assessments – spec is now more specific and detailed than previous contracts. Alert to all divisions RE communication/notification with Estates on closures/re-opening of wards to ensure appropriate steps can be taken such as additional flushing and sampling prior to re-opening and during closures. External AE water currently being set up including further auditing by external organisation.	Annual Capital bids reviewed monthly awaiting outcome This is carried out 3 x weekly Dec 2021	**25**		**15**		**15**	

Trend Since Last Reporting Period		Executive Owner: Director of Operations
Mapping Against 4 Harms of COVID		**Update**



November 2021:

Over the last 4 years the department has expanded the Health, Safety and Compliance Team to provide expert training and guidance on issues such as Legionella, asbestos and deliver statutory and mandatory training to all staff at all levels.

A high emphasis is placed on food safety training. We recently employed an Environmental Health Officer to ensure compliance at a very high standard.

External training has been provided for high risk engineering areas i.e. Authorised person High Voltage, Medical Gas, Water Management, Ventilation and decontamination services.

An upgrade of the liquid oxygen systems at NHH and RGH following the first wave of COVID which has effectively doubled our capacity to meet the increased demand.

During the planning stage for GUH the site has 100% back up in respect of oxygen supplies.

The current risk score reflects all cations undertaken in order to mitigate the critical risks. Difficult to see how we can reduce the risk further as the categories for likelihood fall in either possible or unlikely, even with the mitigating factors the likelihood will always be possible and the consequence will always remain the same (extreme). So the target for the Division will be to maintain this position

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision					
This is an enabler risk and therefore applies to all Health Board priorities		***CRR032 – June 2021*** ***Threat Event: Non-achievement of the Health Boards long term strategy.*** ***Threat Cause: Failure to achieve underlying recurrent financial balance.*** **TREAT**					
High Level Themes	• Reputational • Public confidence • Financial • Patient Outcomes	**Risk Appetite**	Low level of risk appetite in relation to the Health Board's financial statutory requirements.				
Committee Assurance	**Internal Controls – Policies/Procedures**	**Risk Score**					
Audit, Finance and Risk Committee	• Health Board Annual Plan 2021/22 • Standing Financial Instructions (SFIs) • Health Board Standing Orders • Recurrent savings plans. • Regular monitoring at Executive Team reviewing level of deliverable recurrent savings along with assessing cost avoidance and deferred investments. • Health Board financial escalation processes. • Health Board Pre-Investment Panel (PIP) process.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***		**Current** ***Risk level after initial controls/mitigations have been implemented.***		**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***	
Action Plan ***SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.***	**Due Date**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**
		5	4	4	4	3	4
• Using the new Health system Improvement framework for 2021/22 - to focus on the strategic priorities for sustainable system change, annual plan priorities should be delivered through this arrangement and will need to achieve service, workforce changes which improve the underlying financial position. E.g. Eye Care Pathway redesign, Outpatients redesign, MSK model redesign, Up-stream public health and Mental Health schemes and levering GUH & Digital opportunities benefits. Use the Pre-Investment Panel to test major investment proposals. Only invest recurrently where recurrent funding is	Ongoing monthly review	**20**		**16**		**12**	

confirmed. Ongoing review of deliverable savings and opportunities for 2021/22 and 22/23. • New approach established for 2021/22 with a 'Health Systems Leadership Group', a reconfigured Value/Innovation/ABCi transformation function and investment in a Project Management Office to support system change at scale to deliver recurrent sustainable improvement and improve resource utilisation through service, workforce and financial planning for the health board.	Ongoing monthly review			
Trend Since Last Reporting Period		**Executive Owner: Director of Finance and Procurement**		
Mapping Against 4 Harms of COVID		**Update**		
Harm from COVID itself Harm from overwhelmed NHS and social care system Harm from reduction in non-COVID activity Harm from wider societal actions/lockdown		November 2021: Additional funding from Welsh Government identified for 2022/23 for ABUHB of £32m recurrently to support recovery and other service pressures, subject to WG approval of proposals. As part of the agreed principles of the IMTP this funding needs to consider the unfunded service plans established to date as well as other high priorities identified by ABUHB as part of the IMTP. There should also be further recurrent savings and efficiencies developed and delivered. There should be a reasonable expectation of reducing the recurrent underlying deficit as we enter 2022/23.		

Applicable Strategic Priorities – Clinical Futures and Annual Plan 2021/22		Risk Description, Appetite and Decision					
This is an enabler risk which would impact on the Health Board's ability to delivery against all of its strategic priorities.		***CRR033 (NEW RISK) – Nov 2021*** ***Threat Event: Widespread harm to Health Board staff and patients*** ***Threat Cause: Failure to comply with the full set of civil protection duties;*** • *Assess the risk of Emergencies occurring and use this to inform contingency planning* • *Put in place Emergency plans* • *Put in place Business Continuity Management arrangements* • *Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency* • *Share information with other local responders to enhance coordination* • *Cooperate with other local responders to enhance coordination and efficiency* **TREAT**					
High Level Themes	• Reputational • Public & staff confidence • Partnership working • Patient, Quality and Outcomes	**Risk Appetite**		LOW			
Committee Assurance	**Internal Controls – Policies/Procedures**	**Risk Score**					
Audit, Finance and Risk Committee.	• Plans & Policies that cover Pandemics, Major Incidents & Business Continuity Incidents.	**Inherent** ***Risk level before any controls/mitigations implemented, in its initial state.***		**Current** ***Risk level after initial controls/mitigations have been implemented.***		**Target** ***Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.***	
Action Plan ***SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.***	**Due Date**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**
		4	5	4	5		
Further engagement with Divisions, Directorates and service areas to conduct BIA's develop plans, exercise and review to mitigate the risks and threats to service delivery.	Sept 21	**20**		**20**		**9**	

Engagement commenced in July/August 2021 with Specialities, Departments and Wards to start the BIA process to record principle service activities or functions to assess the risk of not being able to provide the activity or service. This will be scored against impact and likelihood to provide a rational for score and RAG rate. BIA Information sheet.docx When Divisions, Directorates and Departments have completed this process, we will start to develop individual Business Continuity Plans to mitigate vulnerabilities or single points of failure. The high level plans will take into account, loss of; building/department, Staff, IT, Utilities and Procurement.				
Trend Since Last Reporting Period	**NEW RISK**	**Executive Owner: Director of Planning, Digital and ICT**		
Mapping Against 4 Harms of COVID		**Update**		
Harm from COVID itself Harm from overwhelmed NHS and social care system Harm from reduction in non-COVID activity Harm from wider societal actions/lockdown		November 2021: The COVID pandemic has highlighted the need for contingency plans to address business impact analysis assessments for high level risk to buildings, staff, ICT and services resulting from pandemic. The Business Continuity Group will be revisited and refreshed to take into account the additional challenges and to plan and agree milestones and themes to mitigate the continuing risks. Divisions have been requested to provide Business Continuity Management leads. Emergency Planning will instigate a horizon scanning and situation reporting mechanism/meeting for service leads to identify any supply issues relating to Brexit or COVID 19.		

Internal Audit Progress Report

Audit, Finance and Risk Committee

December 2021

Aneurin Bevan University Health Board

NWSSP Audit and Assurance Services

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Gwasanaethau Archwilio a Sicrwydd | Shared Services Partnership Audit and Assurance Services

GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

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1. Introduction

The purpose of this report is to:

- highlight progress of the 2021/22 Internal Audit Plan for Aneurin Bevan University Health Board (the 'Health Board') to the December 2021 Audit, Finance and Risk Committee;
- provide an overview of other activity undertaken since the previous meeting;
- note the deferral of the testing of the final account within the Grange University Hospital (GUH) Financial Assurance audit until the 2022/23 audit year;
- approve the amalgamation of the Medicines Management and Controlled Drugs audits; and
- note that we have risk assessed the remaining audits to be delivered in order to provide a full Head of Internal Audit Opinion and the impact on the programme of internal audit work for the year (see section 6 below).

2. Progress against the 2021/22 Internal Audit Plan

There are 37 individual reviews in the 2021/22 Internal Audit Plan including three GUH reviews, provision for follow-up work and a further three audits which are undertaken at NWSSP.

The table below details progress against the 2021/22 Internal Audit Plan.

Number of audits in plan:	37
Number of audits reported as final	11
Number of audits reported in draft	2
Number of audits in progress	9
Number of audits at planning stage	7
Number of audits not started	5
Number of audits to be merged	2
Number of audits deferred	1

The following reports have been issued since the meeting of the Audit, Finance and Risk Committee on 7 October 2021:

AUDIT ASSIGNMENT	**ASSURANCE RATING**
Mental Capacity Act	Reasonable
Clinical Negligence Costs	Substantial
Charitable Funds	Substantial
Pathology	Reasonable
Occupational Health	Substantial
Tredegar Health and Wellbeing Centre	Reasonable
GUH: Financial Assurance (Follow-up)	Substantial
GUH: Technical Assurance	Substantial
GUH: Follow-up	Reasonable

3. Summary of Findings

Limited assurance reports are considered by the Audit, Finance and Risk Committee in detail. The following summary provides the Committee with the main messages from the substantial and reasonable assurance reports issued since the last meeting on 7 October 2021.

Mental Capacity Act (reasonable assurance)

We assessed the extent to which the Health Board complied with the principles of the Mental Capacity Act (the 'Act'), including in respect of the 'Do Not Attempt Cardiopulmonary Resuscitation' (DNACPR) process.

We found a comprehensive 'Assessment of Mental Capacity Procedure' in place to support the process, which includes decision making flowcharts and templates for assessors to document conclusions.

However, we found within our sample tested that documented capacity assessments were missing (eight from nine DNACPR forms completed where capacity was determined to be lacking). Whilst the Act permits informal day-to-day patient assessments, significant decisions require adherence to the documentation requirements. These assessments of the decision making capacity of a patient should be documented.

When capacity is deemed to be lacking a discussion with a relative is required. This should also be documented, but we found in two instances that the required documentation was not fully completed. However, in general we found that details of these discussions are documented in multiple locations, including medical notes, Treatment Escalation Plans or Advanced and Future Care Plans.

We found a range of training courses available on ESR covering the scope of the Act (e.g. conducting compliant assessments, assessing patient best interests and addressing deprivation of liberty safeguarding matters). However, when we interviewed staff at the wards visited, we were told that they had not undertaken any training regarding the Act.

Throughout the audit, we were informed that discussions in accordance with the All-Wales guidance on the DNACPR process take place, but may be documented across a range of records. Whilst we found that a good control framework is in place within the Health Board, adherence to the documentation process requires strengthening.

Clinical Negligence Costs (substantial assurance)

The overall objective of this audit was to review the process for handling clinical negligence claims, to ensure the Health Board complied with the relevant standards, whilst seeking to minimise the financial impact.

We found good processes in place for the sample of claims tested, including governance arrangements and the approval of claims paid. However, we

recommended that local policies should be reviewed and updated where applicable. In addition, we recommended improvements over the control for damage claims that require approval from the Litigation Group.

Charitable Funds (substantial assurance)

We assessed the Charitable Fund arrangements in place during the pandemic, including the receipt of donations and charitable expenditure.

We found good controls in place over charitable income and expenditure and the recording of donations in kind e.g. personal protective equipment provided by members of the public / local businesses.

Whilst the arrangements in place were robust, we recommended that the Health Board examines alternative methods of training ward staff in the processes for receiving donations and other related arrangements.

Pathology (reasonable assurance)

Within this directorate review, we sought to ensure that appropriate arrangements were in place for:

- the implementation of recommendations from external assessors / accrediting bodies;
- business continuity arrangements are suitable;
- performance monitoring arrangements are in place;
- the benefits from the Clinical Futures transformational project are being realised; and
- appropriate workforce modelling takes place.

Overall, we found appropriate arrangements in place across all audit objectives. However, we identified five areas of improvement.

We found that the process for co-ordinating and implementing recommendations from external assessors could utilise the existing QPulse software, by logging recommendations and examining trends emerging.

In addition, whilst we found appropriate business continuity arrangements in place, we recommended that these are tested on a regular basis.

There is considerable management reporting taking place. However, we suggested improvements over the data coverage currently included. For example, we found reporting is based on a sample of data and due to the automation of the process, we believe all data could be included. We also recommended a high level dashboard to be developed and used for reporting going forward, which should provide key highlights against the top risks identified.

Finally, we found that has been no exercise completed at a directorate level to determine if the benefits of Clinical Futures have been obtained or not. However,

we did confirm that this exercise is to shortly take place at a Health Board level. Alongside this, we recommended that any workforce / facility requirements for the directorate are incorporated into future plans.

Occupational Health (substantial assurance)

We sought to ensure that arrangements are in place over the management of occupational health procedures.

Overall, we found good arrangements over pre-employment screening and the referral process to Occupational Health. This was supported by management information over the referral rates and average waiting time.

There was a significant increase of referrals during the pandemic, and we raised some suggestions over how this may be approached in the future.

In addition, we raised a minor recommendation over the use of an operational database within the team and the importance of keeping it up to date.

Tredegar Health and Wellbeing Centre (reasonable assurance)

We reviewed the delivery and management arrangements in place to progress the Tredegar Health and Wellbeing Centre project and the performance to date against its key delivery objectives i.e. time, cost and quality.

Overall, we found that the Health Board is seeking to manage the current reported potential overspend of £364k incurred, as a result of the enabling and grouting works, within the approved project allocation. The associated reported delays, to date, will not adversely impact on service delivery recognising the nature of the facility (i.e. reprovision). These issues will need ongoing management scrutiny through to project completion.

To achieve this, we raised recommendations over:

- The inclusion of a summary financial position, on a cumulative basis.
- Improved scrutiny of the Key Performance Indicator returns.
- The maintenance of a costed project risk register.
- The improved management of contract documentation i.e. signing in advance of works and appropriate assessment of contract clauses.
- Compliance with the Enabling Works contract requirements of NHS Wales Investment Infrastructure Guidance.

GUH: Financial Assurance (Follow-up) (substantial assurance)

We sought to provide assurance in the area of Financial Assurance, focussing on the accuracy of the final account calculations and the adequacy of information supporting the sums claimed by the Supply Chain Partner. However, the final account was not available at the date of the audit, therefore the focus of work was on the assurance that additional costs arising from Covid 19 had been appropriately

identified, reported and managed. The audit of the final account will be deferred to the 2022/23 Internal Audit plan.

We found that the Covid-19 claim was found to be fully substantiated and that all of the previously agreed recommendations have been appropriately closed by management.

GUH: Technical Assurance (substantial assurance)

We determined whether the project delivery and handover of the GUH was in accordance with the terms of the contract and other statutory requirements.

Overall, we found that the GUH has been delivered within the terms of the contract. The statutory requirements have been addressed and the Health Board has been provided with all technical documentation, specified within the contract, by the Supply Chain Partner.

GUH: Follow-up (reasonable assurance)

We sought to determine the status of agreed audit recommendations contained within the previous GUH project audit reports.

Overall, we found that actions from the prior reviews have been largely implemented, with 18 recommendations closed and only two recommendations remaining to be addressed at this time.

We also closed a further six recommendations, noting the GUH project has now concluded and action with the project can no longer be taken. However, we recommended that the Health Board should ensure that these are implemented / considered for inclusion within future projects.

Finally, we found that two recommendations have also been superseded by new recommendations raised at subsequent reviews.

4. Other Activity

The following meetings have been held/attended during the reporting period:

- monthly meetings between the Head of Internal Audit and Board Secretary;
- monthly meetings with the Director of Finance and Performance;
- Audit Committee pre-meeting with the Audit Committee Chair;
- meetings with the Chair and Chief Executive;
- advice to Corporate Finance over agency nursing invoices;
- a review of IT stock controls and advice provided to management over control improvements;
- review and advice over Financial Control Procedures;

- audit scoping meetings; and
- liaison with senior management.

5. Amalgamation of the Medicines Management and Controlled Drugs Audits

During the planning stages of the Controlled Drugs audit we anticipated visiting multiple wards across several hospital sites. The outline scope approved within the 2021/22 Audit Plan is, 'to assess arrangements in place on wards for the administration and storage of controlled drugs.' As the Health Board progresses into a period of winter pressure, against a backdrop of a continuing pandemic it would not be appropriate to undertake this review in its proposed form.

Our initial planning discussions with the Executives / senior management regarding the Medicines Management audit have indicated that this should continue as planned.

With a revised Policy for the Management of Controlled Drugs recently launched, we are proposing reviewing appropriate elements of this policy (i.e. within the Pharmacy directorate) as part of the Medicines Management audit. Therefore, we are seeking approval to merge the two audits.

6. Proposed Changes to the Audit Plan

As we progress with the delivery of the 2021/22 Internal Audit Plan we continually assess which audits are critical to the provision of the annual Head of Internal Audit Opinion.

We have previously highlighted the difficulties in continuing to operate remotely and against the backdrop of the pressures being experienced by the Health Board. We have therefore undertaken a review of our remaining 2021/22 plan in order to ensure that we continue to utilise managements' time and utilise resources in the most appropriate way whilst still being able to provide a flow of risk based assurance that culminates in a full Head of Internal Audit Opinion.

We have identified four audits at this stage that may not be appropriate for delivery as part of this year's Internal Audit Plan. Through discussion with the lead Executive Directors, we have identified that each audit area has been impacted by the pandemic and / or the proposed timing is no longer suitable. We have grouped each of these audits towards the end of Appendix A and referenced the anticipated Audit, Finance and Risk Committee date as 'TBC'.

At such a time that the audits may be formally deferred, we will seek approval for this from the Audit, Finance and Risk Committee. At this stage we are highlighting that these audits are likely to move into the 2022/23 if the operating conditions are as we anticipate over coming months.

7. Recommendation

The Audit Committee is invited to note the above and approve the amalgamation of the Medicines Management and Controlled Drugs audits.

Appendix A: Progress against 2021/22 Internal Audit Plan

Review	Status	Rating	Summary of recommendations	Actual / Anticipated AFR Committee [1]
Corporate Governance	Planning			February
Risk Management	Planning			April
Financial Sustainability	Planning			February
Continuing Healthcare	Draft report	Limited		February
Flu Immunisation	Work in progress			February
Mental Capacity Act	Final report	Reasonable	1 High, 3 Medium, 1 Low Priority	December
Gifts, Hospitality and Declarations of Interest	Final report	Reasonable	2 Medium Priority	August
Clinical Negligence Costs	Final report	Substantial	1 Medium, 1 Low Priority	December
Putting Things Right	Final report	Reasonable	2 Medium Priority	October
Charitable Funds	Final report	Substantial	1 Medium Priority	December
Medical Equipment and Devices	Work in progress			April
Medicines Management (including Controlled Drugs)	Merged			April
Falls Management	Work in progress			February
Controlled Drugs (merged with Medicines Management)	Merged			April
Datix	Planning			February
NIS Directive	Work in progress			April
IT System Controls	Draft report	Reasonable		February
Operational Plan for Resumption of Services	Work in progress			February
Flow Centre	Planning			April

Pathology	Final report	Reasonable	4 Medium, 6 Low Priority	December
Facilities Directorate Review	Planning			April
Catering	Planning			February
Occupational Health	Final report	Substantial	2 Low Priority	December
Tredegar Health and Well Being Centre	Final report	Reasonable	4 High, 6 Medium, 2 Low Priority	December
Waste Management	Work in progress			April
Decarbonisation	Deferred			N/A
GUH: Financial Assurance (Follow-up)	Final report	Substantial	No findings	December
GUH: Technical Assurance	Final report	Substantial	1 Low Priority	December
GUH: Follow-up	Final report	Reasonable	2 Medium Priority	December
Follow-up on Previous Recommendations	Not started			April
Agile Working	Not started			TBC
Monitoring Action Plans	Not started			TBC
Clinical Futures – Care Closer to Home	Not started			TBC
Quality Framework	Not started			TBC

Reviews at other bodies (undertaken within NWSSP Plan)				
Purchase to Pay	Work in Progress			TBC
Payroll	Work in Progress			TBC
PCS Contractor Payments	Work in Progress			TBC

[1] May be subject to change

Archwilio Cymru
Audit Wales

Audit, Finance and Risk Committee Update – **Aneurin Bevan University Health Board**

Date issued: November 24, 2021

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Audit, Finance and Risk Committee Update

About this document

1 This document provides the Audit, Finance and Risk Committee with an update on current and planned Audit Wales work. Accounts and performance audit work are considered, and information is also provided on the Auditor General's wider programme of national value-for-money examinations and the work of our Good Practice Exchange (GPX).

Accounts audit update

2 **Exhibit 1** summarises the status of our key accounts audit work to be reported during 2021-22.

Exhibit 1 – Accounts audit work

Area of work	Current status
2021 Audit Plan	Completed; presented to the April Committee meeting.
Audit of Accounts Report	Completed and ISA 260 report presented to the June Committee meeting.
Charitable Funds: • 2021 Audit Plan • Audit of Charitable Funds financial statements	Both to be presented to the January 2022 Charitable Funds Committee – exact date to be confirmed
2021 Annual Audit Report	Not yet started.

3 We held a post project learning (PPL) session on 15 September 2021 between the Finance Team and the Audit Team to reflect on the 2020-21 audit, and where necessary, to put in place agreed actions to further improve next year's closedown and audit experience.

4 We issued our draft Audit of Accounts Addendum (Management Letter) to management on 20 October 2021 for comment. Whilst we have received

management responses, some completion dates remain unconfirmed. We have included a copy of the draft Audit of Accounts Addendum within the December Audit, Finance and Risk Committee papers and will issue the final document to Committee members once management responses are fully complete.

Performance audit update

5 The following tables set out the performance audit work included in our current and previous Audit Plans, summarising:

- work completed (**Exhibit 2**);
- work that is currently underway (**Exhibit 3**); and
- planned work not yet started or revised (**Exhibit 4**).

Exhibit 2 – Work completed

Area of work	Considered by Finance, Audit and Risk Audit Committee
Test, Trace and Protect	Completed and findings presented to the Committee in April 2021.
Welsh Health Specialised Services Committee Governance Arrangements	Completed and findings presented to the Committee in May 2021. WHSSC and Welsh Government Management Responses presented to the Committee in October 2021.
Radiology Services follow-up	Completed and findings to be presented to the Committee in November 2021.

Exhibit 3 – work currently underway

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
Orthopaedic Follow up review Executive Lead: Leanne Watkins	This review examined the progress made in response to our 2015 recommendations. The findings from this work will inform the recovery planning discussions that are starting to take place locally and help identify where there are opportunities to do things differently as the service looks to tackle the significant elective backlog challenges. Our findings will be summarised into a single national report with supplementary outputs setting out the local position for each health board.	Report being drafted. Planned date for consideration - February 2022
Review of arrangements for securing efficiencies Executive Lead: Glyn Jones	This work will consider whether the Health Board's arrangements for securing efficiencies are robust, including the impact of new ways of working on planned efficiencies.	Draft report to be issued for clearance. Planned date for consideration – February 2022
Quality Governance Executive Leads: Rhiannon Jones and Peter Carr	This work will examine both the operational and corporate approach to quality governance, looking at issues such as organisational culture and behaviours, strategy, structures and processes, information flows and reporting.	Fieldwork underway. Planned date for consideration - February 2022

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
Structured Assessment 2021 Executive Lead: Richard Howells	Structured assessment continues to examine the existence of proper arrangements for the efficient, effective, and economical use of resources. The work is in two phases: Phase 1 - examines the effectiveness of operational planning arrangements when NHS bodies continue to respond to the pandemic and to recover and restart services. Phase 2 - examines how well NHS bodies are embedding sound arrangements for corporate governance and financial management, as well as drawing on lessons learnt from the initial response to the pandemic.	Report being drafted. Planned date for consideration - February 2022

Exhibit 4 – Planned work not yet started or revised

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
Unscheduled care arrangements Executive Lead: TBC	This work has been carried forward from the 2020 Audit Plan and will initially look to provide a high-level whole system overview of the unscheduled care. The overview will be informed by	Data analysis currently being completed with a national commentary scheduled for publication later in the year.

Topic and relevant Executive Lead	Focus of the work	Current status and Finance, Audit and Risk Committee consideration
	the development of an interactive database covering all aspects of the unscheduled care pathway. Further work will then be undertaken on specific elements of unscheduled care pathway, with a likely focus on activities to signpost patients to the most to appropriate care setting, and to manage patient flow through the system.	More detailed work not yet started. Date for consideration to be confirmed.
Locally focused audit project	The precise focus of this work is still to be agreed.	Date for consideration to be confirmed

Good Practice events and products

6 In addition to the audit work set out above, we continue to seek opportunities for finding and sharing good practice from all-Wales audit work through our forward planning, programme design and good practice research.

7 There have been no Good Practice Exchange (GPX) events since we last reported to the Committee on 7th October. Details of future events are available on the GPX website.

8 In response to the COVID-19 pandemic, we have established a **COVID-19 Learning Project** to support public sector efforts by sharing learning through the pandemic. This is not an audit project; it is intended to prompt some thinking and support the exchange of practice. As part of the project, we held a COVID-19 Learning Week in March 2021. The material from the COVID-19 Learning Week, and other related material, is available here.

NHS-related national studies and related products

9 The Audit, Finance and Risk Committee may also be interested in the Auditor General's wider programme of national value for money studies, some of which focus on the NHS and pan-public-sector topics. These studies are typically funded through the Welsh Consolidated Fund and are presented to the Public Accounts and Public Administration Committee at the Senedd to support its scrutiny of public expenditure.

10 **Exhibit 5** provides information on the NHS-related or relevant national studies published since we last reported to the Committee on 7th October, or those scheduled for publication in the next two months.

Exhibit 5 – NHS-related or relevant national studies reports

Title	Publication Date
Picture of Public Services 2021 (A summary of the key messages is provided in **Appendix 1**)	September 2021
A Picture of Healthcare (A summary of the key messages is provided in **Appendix 1**)	October 2021
A Picture of Social Care (A summary of the key messages is provided in **Appendix 1**)	October 2021
Taking care of the carers? Supporting NHS staff wellbeing during the Covid-19 pandemic (A summary of the key messages is provided in **Appendix 1**. The Health Board's Management Response to the recommendations will be presented to the Committee at its next meeting in February 2022)	October 2021

Appendix 1 – Key messages from recent publications

A Picture of Public Services (September 2021)

11 This report provides a high-level analysis of trends across public services. It looks at some of the choices made about spending priorities between sectors within Wales, notably highlighting the increase in funding for the NHS and social care compared to cuts in other parts of the public sector. It puts the relative protection of health and social care into the wider context of cost and demand pressures and different choices made in England about spending priorities.

12 The report is underpinned by a series of sector-specific summaries setting out some key facts and analysis:

- A Picture of Healthcare;
- A Picture of Social Care;
- A Picture of Local Government;
- A Picture of Schools; and
- A Picture of Higher and Further Education.

13 The report sets out at a high level how the Welsh Government allocated the £5.1 billion for COVID-19 during 2020-21. It also summarises our own work looking at specific aspects of the COVID-19 response, including the reports on free school meals; PPE; Test, Tract, Protect; and the roll-out of COVID-19vaccines. It notes that while these reports have been broadly positive, they are focused on specific areas and not necessarily indicative of the overall response to the pandemic.

14 The overall report also highlights some of the big challenges for health and social care in future, with the immediate and ongoing demands posed by the pandemic alongside long-standing pressures such as demographic change.

15 It highlights that in recovering and resetting, public services face a range of broader challenges. These include addressing inequalities, the challenges of climate change, and additional constitutional complexities following Brexit.

16 The report emphasises that given the challenges, it remains essential that public services squeeze the most value from spending - that doesn't necessarily always mean delivering more activity or outputs, but instead maximising the outcomes and well-being from spending.

17 It sets out five key areas in public service transformation:

- Systems and culture to support new approaches to service delivery;
- Purposeful collaboration;
- Long-term financial and service planning that supports a rigorous and realistic approach to prevention;
- Harnessing digital technology to make services more accessible; and

- Using data and information to learn and improve across the whole public service system.

A Picture of Healthcare and A Picture of Social Care (October 2021)

18 These reports cover the overall strategic approach in the sectors, finances, capacity and demand, performance, and key issues going forwards.

19 A Picture of Healthcare sets out four key issues in healthcare:

- Whole system change is overdue;
- Learning from the COVID-19 response offers opportunities to overcome barriers to transformation;
- There are opportunities to better focus the health system in Wales around outcomes for patients and the wider population; and
- Transforming services at the same time as tackling backlogs and the ongoing COVID-19 response will be challenging.

20 A Picture of Social Care sets out three key issues in social care:

- There are long-standing challenges in the social care sector, including achieving financial sustainability and funding arrangements;
- Progress addressing challenges in the sector has been slow; and
- COVID-19 has made the need for change more pressing but transforming social care will be challenging.

Taking Care of the Carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic (October 2021)

21 This report describes how NHS bodies have supported the wellbeing of their staff during the COVID-19 pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19. It is the second of two publications which draw on the findings of our local structured assessment work in 2020 with the aim of highlighting key themes, identifying future opportunities, and sharing learning.

22 NHS staff at all levels have shown tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges caused by the crisis.

23 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. However, the unprecedent scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus.

24 As a result, all NHS bodies in Wales placed a strong focus on staff wellbeing throughout the COVID-19 pandemic. At the outset of the crisis, each NHS body moved quickly to enhance their existing employee assistance arrangements and to

put additional measures in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic.

25 Key actions taken by NHS bodies to protect staff and support their wellbeing included the following (more detail is provided in paragraph 25 of the report):

- enhancing infection prevention and control measures;
- reconfiguring healthcare settings;
- facilitating access to COVID-19 tests and, more recently, COVID-19 vaccinations;
- creating dedicated rest spaces;
- increasing mental health and psychological wellbeing provision;
- strengthening staff communication and engagement; and
- enabling remote working.

26 All NHS bodies put arrangements in place to roll out the All-Wales COVID-19 Workforce Risk Assessment Tool (the Risk Assessment Tool) as part of their wider efforts to safeguard members of staff at higher risk from COVID-19. Each NHS body promoted the Risk Assessment Tool in a number of ways (more detail is provided in paragraph 31 of the report).

27 Risk Assessment Tool completion rates via the Electronic Staff Record (ESR) have varied considerably between individual NHS bodies. The reasons for this variation are set out in paragraph 33 of the report. However, it should be noted that whilst low completion rates via ESR does not necessarily equate to low use of the tool, it is difficult to know how many staff across the NHS in Wales have actually completed the Risk Assessment Tool due to the variable data collection and monitoring arrangements introduced by NHS bodies when it was launched.

28 All NHS bodies utilised measures from their wider suite of wellbeing arrangements to meet the individual needs of staff at higher risk from COVID-19 as identified by the Risk Assessment Tool (more detail is provided in paragraph 35 of the report).

29 The boards and committees of most NHS bodies maintained good oversight and ensured effective scrutiny of all relevant staff wellbeing risks and issues during the pandemic. However, arrangements for reporting Risk Assessment Tool completion rates and providing assurance on the quality of completed risk assessments could have been strengthened in most NHS bodies.

30 Whilst the crisis has undoubtedly had a considerable impact on the wellbeing of staff in the short-term, the longer-term impacts cannot and should not be ignored or underestimated.

31 The report references the findings from surveys undertaken by BMA Wales and others to provide insights into staff experiences during the pandemic. These surveys highlight the increased stress, exhaustion and burnout experienced by staff, and point to the growing risk to staff of developing longer term physical and psychological problems without ongoing support.

32 Therefore, a continued focus on providing accessible wellbeing support and maintaining staff engagement, therefore, is going to be needed in the short-term to

ensure NHS bodies address the ongoing impact of the pandemic on the physical health and mental wellbeing on their staff.

33 The report contains six recommendations for health bodies and two recommendations for Welsh Government. The recommendations for health bodies focus on:

- Retaining a strong focus on staff wellbeing;
- Considering workforce issues in recovery plans;
- Evaluating the effectiveness and impact of the staff wellbeing offer;
- Enhancing collaborative approaches to supporting staff wellbeing;
- Providing continued assurance to boards and committees; and
- Building on local and national staff engagement arrangements.

34 A checklist has been prepared to accompany the report. It sets out some of the questions Board Members should be asking to obtain assurance that their respective health bodies have effective, efficient, and robust arrangements in place to support the wellbeing of their staff.

35 We expect each health body to prepare a management response to our recommendations which should also set out how they plan to use the checklist to inform debate within their organisations.

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

Archwilio Cymru
Audit Wales

Audit of Accounts Report Addendum – Aneurin Bevan University Health Board

Audit year: 2020-21

Date issued: October 2021

Document reference: 2640A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Audit of Accounts Report Addendum

Introduction

1 This report is an addendum to our Audit of Accounts Report that we presented to the Audit Risk and Finance Committee on 8 June 2021, and to the Board on 9 June 2021. The report sets out the recommendations arising from our audit of the 2020-21 accounts and an update on the progress you have made against previous years' recommendations.

2 We should like to take this opportunity to once again thank all your staff who helped us throughout the audit.

Recommendations from this year's audit

3 We summarise in **Exhibits A to E** our recommendations arising from this year's audit.

Exhibit 1: Matters Arising

Matter arising A – Recording of annual leave for Medical/Dental staff requires strengthening	
Findings	From our review of the annual leave accrual, it became apparent that there is no accurate central record of leave for medical and dental staff (resulting in the LHB having to provide a blanket estimate for outstanding leave for all such staff). Whilst we were satisfied that the estimate of the leave accrual was reasonable, the Health Board should review the arrangements in place to ensure that annual leave for all staff is accurately recorded and held centrally, which would provide a clear audit trail for the estimate of the annual leave accrual.
Priority	High
Recommendation	The Health Board should review the arrangements in place to ensure that annual leave for all staff is accurately recorded and held centrally
Benefits of implementing the recommendation	To provide the Health Board greater assurance over the accuracy of their data and provide a clear audit trail for the estimate of the annual leave accrual.
Accepted in full by management	Yes
Management response	The introduction of Medical E-Systems will ensure that all leave is recorded. The Health Board have agreed to procure a suite of Medical E-Systems with roll out in April 2022. However, departments have

	started recording leave in Electronic Staff Record (ESR). Communications will be sent to Medical Leaders in December 2021 to ensure that leave is recorded onto ESR pending the introduction of full Medical E-Systems.
Implementation date	April 2022

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Matter arising B – Audit evidence to complete payroll testing needs to be timelier	
Findings	Information from HR needed to substantively test payroll transactions was slow to arrive during final audit stage. This resulted in delays in completing the work and added additional time pressures on staff at the end of the audit process.
Priority	High
Recommendation	The Health Board should hold workshops with Audit Wales to discuss what information is required to provide assurance for the audit, and what are the best ways of obtaining this.
Benefits of implementing the recommendation	This will help ensure that the audit is completed as efficiently as possible and reduce audit queries.
Accepted in full by management	Yes
Management response	A workshop will be arranged with Audit Wales in January 2022 to ascertain the information required in order to substantively test payroll transactions. Relevant Health Board employees will be invited to attend this workshop to ensure that going forward information is provided in the format required and on a timely basis.
Implementation date	January 2022

Matter arising C – IT Controls require strengthening in a number of areas	
Findings	During our audit work. we identified a number of areas in which the IT controls could be strengthened as follows: i. Twenty three of the Heath Board's servers are still using Windows server 2008 operating system ii. W7 and W8.1 desktop devices are no longer supported. iii. The change management procedure is yet to be finalised. iv. The IT Data Recovery Plan and Backup Policy is not up to date. v. With regards to the Wellsky system, leavers and accesses changes are not formally recorded, and the Health Board have not yet developed a suite of audit and security reports to run and monitor whether user access is appropriate.
Priority	Medium
Recommendation	The Health Board should consider strengthening their IT Controls as follows: i. All of the Windows server 2008 operating system should be replaced with either or Windows 2012 or higher where possible (this is almost completed with only twenty three servers left). ii. W7 and W8.1 desktop devices should be replaced as these are now de-supported. iii. Ensure that the change management procedure is finalised. iv. The IT Data Recovery Plan and Backup Policy should be updated and clearly defined. v. With regards to the Wellsky system, leavers and accesses changes should be formally recorded, and the Health Board should develop a suite of audit and security reports to run and monitor to ensure user access is appropriate.

Benefits of implementing the recommendation	Greater assurance over the Health Board's IT security
Accepted in full by management	Yes
Management response	i. With regards to our Windows Server 2008 environment, we have an active programme of work to either upgrade or decommission these servers. It is envisaged that by the end of the current quarter only a few servers may remain, although we are currently investigating options for these. ii. ABUHB have made significant progress in removing Win7/8.1 from our estate and currently have 0.4% to complete. There is an active programme of work to remove these devices from the network or upgrade them to a supported version of Win10. iii. We have an established and robust Change Management Process in place with regularly scheduled and structured Change Advisory Board meetings to manage operational change. The process has been widely socialised with all of Informatics and other Key Stake Holders, and also engages effectively with other ITIL practices such as Incident Management and Asset/Configuration Management. Critical Success Factors and Key Performance Indicators are agreed and monitored to measure effectiveness. iv. The IT Data Recovery Plan and Backup Policy is still in the process of being reviewed and updated. A draft version has been shared within the team and the finalised version will be released within the coming weeks. v. All user accounts are processed in line with NHS Wales standards. There is a current risk that unless a service request had been raised to the ICT Service Desk, staff who leave Pharmacy but remain within the organisation may still have access to WellSky. Further

	review of the staff leavers/policy may need to be undertaken.
Implementation date	i. 31st December 2021 ii. Date to be confirmed iii. Date to be confirmed iv. Date to be confirmed v. Date to be confirmed

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Matter arising D – A quality assurance review should be undertaken on the draft Annual Report and Annual Governance Statement prior to audit	
Findings	There were a number of areas within the draft Annual Report and Annual Governance Statement where improvements were necessary in order to comply with the Manual for Accounts issued by Welsh Government.
Priority	Medium
Recommendation	The draft Annual Report and Annual Governance Statement should be subject to a Quality Assurance review to ensure compliance with the Manual for Accounts, with evidence of this review submitted for audit as part of the supporting working papers.
Benefits of implementing the recommendation	This will ensure that the Annual Report and Annual Governance Statement comply with relevant guidance.
Accepted in full by management	Yes
Management response	A checklist will be prepared to identify each area within the Manual for Accounts and link to the relevant part of the Annual Report and Annual Governance Statement. This checklist will be submitted to Audit Wales with the draft documents to facilitate review.
Implementation date	May 2022

Matter arising E – The new asset tagging system should be implemented in readiness for the audit of the 2021-22 financial statements	
Findings	During the audit of property, plant and equipment, there were a number of assets from our sample selected from the Health Board's fixed asset register which we could not easily agree to the physical assets themselves, as serial numbers were not always easily visible making locating the actual asset difficult. We understand that the new asset tagging system is currently being implemented which will enable assets to be easily located as and when required.
Priority	Low
Recommendation	The new asset tagging system should be implemented as soon as possible, and in readiness for the audit of the 2021-22 financial statements.
Benefits of implementing the recommendation	This will ensure accurate tracking and management of the Health Board's physical assets and provide a clear audit trail to give assurance over the existence of the Health Board's assets at the year end.
Accepted in full by management	Yes
Management response	The interface between the Fixed Asset Register (Asset 4000) and the new RFID system is complete. The team are working through final issues identified on the user testing of the interface between the EBME equipment register and the RFID system during November 2021, with a view to going live with the system by the end of the month. The user training sessions have taken place. The tagging of new and existing equipment assets has commenced with around 1400 assets tagged to date. The programme of tagging of existing assets will run into the 2022/23 financial year due to the volume of assets and current capacity of staff. However, the finance team are progressing a fixed term

	appointment to support the delivery of this work over the next year.
Implementation date	2022/23

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Reference: AC/284/caf
Date issued: 3 November 2021

Dear Colleague

Decarbonisation baseline review

I am writing to kindly request that your organisation completes the enclosed call for evidence to inform our baseline review on decarbonisation.

Climate change is the defining challenge of our generation and in July 2021 I published a blog setting out the role that Audit Wales will play in supporting and scrutinising climate change action in Wales. I have committed to a long-term programme of work on climate change, beginning with this baseline review.

The baseline review will focus on organisations' actions and arrangements for meeting the Welsh Government's 2030 decarbonisation targets. We will also invite organisations to give their opinions on the challenges and barriers they face, and on the approaches being taken at a national level towards decarbonisation. As such, I ask that you are as open as possible with us in your organisation's response.

The review will seek to understand how the public sector as a whole is responding, rather than to assess the progress of individual organisations. The work will lead to a single national report in early summer 2022.

I hope that the work will:

- **Provide assurance** to the Welsh Parliament, the public and public bodies, about the readiness and effectiveness of public bodies' actions on decarbonisation.
- **Provide insight** into the opportunities and challenges faced by public bodies in achieving carbon reductions.
- **Inspire** public bodies through the identification of good and interesting practice, that we will look to share through the report and/or shared learning events.

Given the pressure that public bodies currently face, I have thought long and hard about whether to issue the call for evidence at this time. However, on balance, I have deemed it necessary. Our baseline review will establish a picture of decarbonisation actions across the entire public sector. This will provide us with a comprehensive evidence base for making recommendations, help us target our future work on climate change, and will provide an important opportunity to share learning across all public bodies in Wales.

Please send your completed call for evidence to climate.change@audit.wales by 3 December 2021. Should there be any circumstances particular to your organisation that cause you difficulties in meeting this deadline, please contact us so we can discuss it further. Please also use the **climate.change@audit.wales** address if you have any questions about this work and colleagues will respond as quickly as possible.

Yours faithfully

Adrian Crompton
AUDITOR GENERAL FOR WALES

Archwilio Cymru
Audit Wales

Climate Change

Decarbonisation Baseline Review
Call for Evidence

November 2021

Decarbonisation baseline review

What we are doing

1 The Auditor General has committed to carrying out a long-term programme of work on climate change. Our first piece of work will be a baseline review, looking at the Welsh public sector's arrangements to respond to the Welsh Government's carbon reduction targets for 2030.

2 To inform our baseline review, we are asking public bodies to complete a call for evidence by **3 December 2021**. Please contact us if you are unable to meet this deadline.

Why this work is important

3 A landmark report by the United Nations Intergovernmental Panel on Climate Change published in August 2021 was described as a 'code red for humanity' by the UN Secretary General. The report finds that human activity is changing the Earth's climate in unprecedented ways and that drastic reductions in carbon emissions are necessary, so that in 20 or 30 years, global temperatures may stabilise.

4 The latest climate projections for Wales show an increased chance of milder, wetter winters and hotter, drier summers, rising sea levels and an increase in the frequency and intensity of extreme weather events. The implications are clearly stark.

5 Following advice from the Climate Change Committee[1], in March 2021 the Welsh Government committed to a net zero carbon emissions target by 2050. The Welsh Government has also committed to a collective net zero carbon emission target from the public sector in Wales by 2030 and a 63% reduction in overall carbon emissions across Wales by 2030. These targets represent significant challenges for the public sector.

6 The Welsh Government has published a Public Sector Route Map to support the Welsh public sector in reaching net zero greenhouse gas emissions by 2030. Alongside the route map the Welsh Government has published the public sector net zero reporting guide and associated spreadsheet to allow the public sector to capture and report emissions on a consistent basis.

7 It is timely to assess how the public sector is responding to this challenge. Our baseline review will focus on how the public sector is preparing to achieve the 2030 targets. It will allow us to identify good and interesting practices as well as any concerns and gaps. We aim to publish a report in early summer 2022.

[1] The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its role is to advise the UK governments on emissions targets and to report on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.

What we need from your organisation

8 We appreciate the effort that will go into completing this call for evidence. We would like two key things from your organisation please:

- To respond to the call for evidence as fully as possible. The fuller and more open your responses, the better our baseline will be.
- To send us key documents that relate to your organisation's approach to meeting the 2030 targets. Please embed these documents at **Appendix 1**, where you will also find a suggested list of documents, and cross reference to them when answering the questions below.

Completing the call for evidence

9 Please type directly in the boxes below. Those completing the call for evidence need to have the authority to provide a formal, corporate response on behalf of the whole organisation.

10 We are aware that the documents you supply may provide more detail in relation to our questions. Where that is the case, please give a high-level overview and refer to the document/s where we can find more detail. Our goal is to build our understanding while minimising the demands on your time. If you have plans to introduce new or revised arrangements then please tell us about those, as well as anything that is already in place.

11 We are aware that some carbon reduction initiatives are being taken forward in collaboration with other organisations. This includes joint working through Public Services Boards and City Deal arrangements. In your response to the call for evidence, please tell us about initiatives being pursued in collaboration with others, as well as actions being taken by your organisation alone.

12 **We may wish to use some of the information you provide to develop case studies to help public bodies learn from each other. When developing case studies relating to your organisation, we will contact you to seek further detail if necessary and/or check factual accuracy. The Privacy Notice at Appendix 2 sets out how we may use the information collected in this call for evidence.**

Call for evidence

Please provide contact details for someone who can help us with follow up queries.

Name

Job title

Email address

The questions in the call for evidence are about your organisation's arrangements to meet the target for net zero carbon emissions by 2030 and your organisation's contribution to delivering the 63% reduction target for carbon emissions by 2030 across Wales as a whole. These targets have been set in the context of an overall target of a 100% reduction in carbon emissions by 2050 across Wales.

Where a question invites you to 'Choose an item', please do this by clicking the text that reads 'Choose an item', then select from the drop down list.

1a. To what extent do you agree or disagree with the statement below:

"The Welsh Government has set a clear strategic direction for public bodies in Wales to support the achievement of their 2030 carbon reduction targets".

Choose an item.

1b. Please explain your answer in the box below. You may want to consider:

- How well the strategic direction has been explained/communicated.
- The usefulness of any guidance/support provided.
- How information in relation to progress will be monitored, analysed and used by the Welsh Government to hold public bodies to account.
- The extent to which the Welsh Government is applying the five ways of working from the Well-being of Future Generations (Wales) Act 2015 in its strategic approach to decarbonisation (long-term, prevention, integration, collaboration, and involvement).

2a. To what extent do you agree or disagree with the statement below:

"Our organisation has set a clear strategic direction to support the achievement of the 2030 carbon reduction targets".

Choose an item.

2b. Please use the box below to explain your answer and to tell us about your organisation's overall strategic approach to meeting the 2030 targets.

Please describe:

- How you are integrating your decarbonisation plans with your long-term organisational vision, well-being objectives, corporate strategy and other major project plans, aims and objectives.
- How you are collaborating with other key partners and involving the community and your staff in developing your strategic approach.
- How your strategic approach has been informed by a clear understanding of the scale of the decarbonisation challenge (both now and in the long-term).

3a. Which of the options below best describes the **status of your decarbonisation action plan** (or equivalent document) for meeting the 2030 carbon reduction targets?

Choose an item.

3b. Please use the box below to tell us about the internal operational arrangements your organisation is putting in place to meet the 2030 carbon reduction targets.

Please cover:

- senior leadership responsibilities
- staff structures and staff resources
- operational plans
- training plans
- staff engagement/public engagement
- arrangements to support ‘joined-up’ delivery across the organisation
- working groups

4a. Is your organisation using the Welsh Government's Public Sector Route Map to guide its approach to reducing carbon emissions?

Choose an item.

4b. Please explain your answer in the box below. Please consider whether the Public Sector Route Map:

- sets out a clear timetable and expectations on what needs to be done.
- provides helpful guidance for making practical changes to reduce carbon emissions.
- is helpful in highlighting priority areas for action.
- is helpful in explaining to senior officers and members/Board members what needs to be done.

If you are not using the Public Sector Route Map, please describe the methodology that you are following to guide your approach and what support would be helpful to your organisation.

5a. To what extent do you agree or disagree with the statement below:

"**Our organisation has fully assessed the financial implications of meeting the 2030 carbon reduction targets.**"

Choose an item.

5b. Please use the box below to tell us about how your organisation is managing its finances to be able to meet the 2030 carbon reduction targets.

Please cover:

- whether you are able to identify your current expenditure in relation to reducing carbon emissions.
- whether you have estimated your medium-term future levels of expenditure in relation to reducing carbon emissions.
- what short, medium and longer-term financial implications of the carbon reduction targets you have identified and how you are planning to manage them.
- your plans for monitoring and reporting expenditure in relation to reducing carbon emissions.

6. Please tell us about the main **barriers** your organisation is facing in trying to meet the 2030 carbon emission targets. Please also provide any thoughts you have on how these barriers can be overcome.

In this context we are defining **barriers** as any factors that are preventing progress and/or are making progress more difficult.

7. Please tell us what your organisation sees as the main short and longer-term **risks and opportunities** associated with achieving the 2030 carbon reduction targets. Please tell us about the arrangements you are putting in place to manage risks and take advantage of any opportunities.

In this context we are defining **risk** as an uncertain event or set of events that, should it occur, would affect an organisation's ability to achieve its objectives. And we are defining an **opportunity** as a circumstance that provides a favourable situation for achieving a particular goal.

Short-term risks
Long-term risks
Short-term opportunities
Long-term opportunities

8. Please tell us about **examples of decarbonisation actions** that other organisations could learn from. These examples could be from within your organisation or from other organisations. They could be innovations and success stories, but we are also interested in initiatives that have not worked as well as intended.

The examples could cover:

- strategy
- operational delivery
- integration of policy or service delivery
- long-term planning
- practicing or developing a preventative approach
- finance
- governance
- communication
- collaboration
- citizen and/or staff engagement
- other

9a. Which of the following options best describes your organisation's arrangements for **reporting on progress** towards net zero carbon emissions?

Choose an item.

9b. Please use the box below to expand on your response above. Please cover:

- the extent to which you are following the Welsh Government's reporting guidance.
- the extent to which you are monitoring progress against the milestones outlined in the Public Sector Route Map.
- if applicable, how you are reporting progress against other milestones set internally or externally.
- if applicable, how you are reporting wider outcomes from your decarbonisation efforts (such as air quality benefits, health benefits etc).
- if applicable, how you are reporting against short, medium and longer-term objectives.

10a. To what extent do you agree or disagree with the statement below.

"**Our organisation is effectively collaborating with other bodies to achieve the 2030 carbon reduction targets**."

Choose an item.

10b. To what extent do you agree or disagree with the statement below.

"**Our organisation is effectively engaging with and involving staff to achieve the 2030 carbon reduction targets**."

Choose an item.

10c. To what extent to you agree or disagree with the statement below.

"Our organisation is effectively engaging with the full diversity of our population to achieve the 2030 carbon reduction targets."

Choose an item.

10d. Please use the box below to explain your answers.

Please cover (where applicable):

- who you are collaborating with and how you are working with them.
- external working groups and/or networks you are involved in.
- who you are engaging with and how you are involving them.
- how you are ensuring that you are engaging with the full diversity of the population.

11. To what extent do you agree or disagree with the statement below?

"**Our organisation is confident that it will meet the 2030 target to have net zero carbon emissions.**"

Choose an item.

Please use the box below to explain your answer.

12. Please add anything else that you would like to tell us in relation to achieving the 2030 carbon emission targets.

13. We will be using this baseline review to inform our future priorities in auditing climate change action. Please use the box below to tell us your views on future priorities for auditing climate change action and how Audit Wales can help facilitate positive change.

We are interested in your views on both climate change mitigation (decarbonisation) and adaptation (adapting to the climate change that is already happening).

Thank you for completing the call for evidence.

How do I submit my completed call for evidence?

13 Please send your completed call for evidence (and associated documents – **Appendix 1**) to our dedicated climate change inbox: climate.change@audit.wales.

What will we do with the information you provide?

14 We will analyse the information submitted to help the Auditor General form his views on how the Welsh public sector is responding to the carbon emissions reduction targets for 2030. The information you provide is one of several methods we will use to assess the current position and inform our findings. We are planning some early feedback sessions in spring 2022, with formal reporting in early summer 2022. Please refer to **Appendix 2** for the full privacy notice and details on how your information will be used.

Legal basis for the work

15 The review will be carried out under powers contained within Section 145A (1) of the Government of Wales Act 1998 which enables the Auditor General to undertake or promote studies designed to enable him to make recommendations for improving economy, efficiency and effectiveness in the discharge of the functions of any relevant body or bodies, and section 41 (1)(a)(i)-(iii) of the Public Audit (Wales) Act 2004 studies designed to enable him to make recommendations, for improving economy, efficiency and effectiveness in the discharge of the functions of county councils and county borough councils in Wales, fire and rescue authorities in Wales and national park authorities.

16 The work may also help discharge our responsibilities under section 15 of the Well-being of Future Generations (Wales) Act 2015. The work may involve good practice exchange sharing under section 19 of the Public Audit (Wales) Act 2013.

17 Where we process personal data, this is in accordance with data protection legislation, including the Data Protection Act 2018 and the General Data Protection Regulation. Further information is set out in our fair processing notice attached at **Appendix 2.**

Any questions?

18 If you have any queries about this call for evidence or how to prepare your submission, please e-mail climate.change@audit.wales with your contact details and we will respond as quickly as possible.

Appendix 1. Document request

19 Please use the box below to embed any documents that support your response to the call for evidence. Below is an indicative list of documents to embed:

- Corporate strategy
- Decarbonisation strategy
- Action plans and/or other operational plans about decarbonisation
- Well-being objectives
- Board/Committee/Cabinet reports related to decarbonisation
- Reports to senior leadership teams related to decarbonisation
- Governance organograms related to decarbonisation
- Staff structures related to decarbonisation
- Key working group papers and minutes related to decarbonisation
- Monitoring documents and reports related to decarbonisation
- Training plans related to decarbonisation
- Corporate and departmental risk assessments related to decarbonisation
- Papers to audit and risk committees related to decarbonisation
- Financial spreadsheets and explanatory memoranda related to decarbonisation
- Staff and public engagement plans related to decarbonisation
- Results from citizen engagement exercises related to decarbonisation

20 If there are other relevant documents that you feel would be of use in the context of the issues covered in our call for evidence and your responses, please also embed them in the box below. We are aware that our local audit teams may already have some of this material, but we want to ensure that we have the most up to date documentation.

Appendix 2. Auditor General for Wales – Privacy Notice

This privacy notice tells you about how the Auditor General for Wales and staff of the Wales Audit Office (WAO) process personal information collected through this call for evidence in connection with our Climate Change work.

Who we are and what we do

The Auditor General for Wales' work includes examining how public bodies manage and spend public money, and the WAO provides the staff and resources to enable him to carry out his work. "Audit Wales" is a trademark of the WAO,
and is the umbrella identity of the Auditor General for Wales and the WAO.

Data Protection Officer (DPO)

Our DPO can be contacted by telephone on 029 2032 0500 or by email at infoofficer@audit.wales.

The relevant laws

We process your personal data in accordance with data protection legislation, including the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (GDPR). Our lawful bases for processing are the powers and duties set out in the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and the Well-being of Future Generations (Wales) Act 2015. Under Article 6(c) and (e) of the UK GDPR we process personal information where this is necessary for compliance with a legal obligation, or for the performance of a task carried out in the public interest or in the exercise of official authority.

Who will see the data?

The Auditor General and relevant WAO staff, such as the study team, and our local audit teams will have access to the information you provide.

Our call for evidence work involves corporate responses, and although we ask for your name and job title, these identifiers will not be included in our published report. Our published report may include some of the information you provide on behalf of your organisation, and this may be used to help inform future work. We may also wish to use some of the information you provide to develop good practice case studies, which may be published as part of our reporting and/or used during our Good Practice Exchange events. If we choose to name your organisation in such case studies, we will discuss with you in advance of any wider release and confirm factual accuracy.

We may share information with:

a) Senior management at the audited body(ies) as far as this is necessary for exercising our powers and duties;

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Clinical Negligence
Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

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Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

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Executive Summary

Purpose

The review sought to provide Aneurin Bevan University Health Board (the 'Health Board') with assurance that it complies with the relevant standards for the handling of clinical negligence claims, whilst seeking to minimise the financial impact to NHS Wales.

Limitation of scope

The review examined the learning process at a corporate level and whether the Welsh Risk Pool requirements were being adhered to, but we did not review this at a divisional level.

In addition, we did not review the appropriateness of the financial settlement values or any clinical / legal judgements.

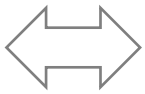
Overview

The matters requiring management attention include:

- The updating of the Procedure for Handling Legal Claims.
- A review of other related policies / documents which are overdue.
- Ensuring all clinical negligence cases are reviewed and approved at the appropriate group.

Other recommendations / advisory points are within the detail of the report.

Report Classification

		Trend
Substantial	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.	 2017/18 (Welsh Risk Pool Arrangements)

Assurance summary[1]

	Assurance objectives	Assurance
1	Process for handling clinical negligence claims	Substantial
2	Governance arrangements	Reasonable
3	Financial settlements	Substantial
4	Settling claims	Substantial

Matters arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
1	Review of procedural documents	1	Operation	Low
2	Governance structure	2	Operation	Medium

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 The review of Clinical Negligence was completed in line with the 2021/22 Internal Audit Plan. This review sought to provide Aneurin Bevan University Health Board (the 'Health Board') with assurance that it complies with the relevant standards for the handling of clinical negligence claims, whilst seeking to minimise the financial impact to NHS Wales and that, where necessary, improvements are made because of issues identified.

1.2 Clinical negligence is a breach of duty of care by staff of the Health Board, health care professionals employed by NHS bodies or by others consequent on decisions or judgments made by members of those professions acting in their professional capacity in the course of employment and, which are as admitted as negligent by the employer or are determined as such through the legal process.

1.3 The Welsh Risk Pool is a voluntary scheme enabling NHS Wales organisations to pool the costs of settlements of claims in return for an annual contribution.

1.4 The Health Board aims to manage all claims made against it as equitably and fairly as possible, dealing with each claim on its merits seeking legal and expert advice as appropriate. Where liability is admitted, a claim should be settled as promptly and economically as possible. When formal legal action is unavoidable, the Health Board will aim to conduct its defence in a fair and timely manner, ensuring that legal costs are incurred appropriately and proportionately.

1.5 The Legal Services team consists of 12 members of staff. It is a corporate team servicing the entire Health Board. The team sits within the Executive Director of Nursing's portfolio. The Health Board has seen the value of clinical negligence claims rise significantly in recent years. The clinical negligence provision in the Health Board's annual accounts has increased from £53m as at 31st March 2016 to £156m as at 31 March 2021.

1.6 The key risks considered in this review are:

a. Clinical negligence claims are not managed appropriately in line with the requirements of Section 8 of the Putting Things Right Guidance (which replaced Welsh Health Circular (97) 17); Welsh Risk Pool operational policy and the Health Board's Policy for the Management of Clinical Negligence and Personal Injury Litigation.

b. Lessons are not learnt or sufficiently embedded to prevent a re-occurrence of another claim arising and increasing the risk of patient harm.

c. Inappropriate payments are made, due to inappropriate authorisation or monitoring of claims made.

d. Increased risk of financial loss due to excessive compensation / legal costs paid.

2. Detailed Audit Findings

Audit objective 1: to ensure that there is a clearly documented process for handling clinical negligence claims, this is adhered to and there is evidence of learning from each case

2.1 The Health Board uses All Wales and organisational specific policies, and in particular the Policy, referred to within paragraph 1.6. The NHS Wales Shared Services Partnership (NWSSP) Legal and Risk Team advises the Health Board as to any relevant changes in law or legislation that may impact on the Health Board. This may be done in a variety of ways including letters of advice, and in person at the Health Board's Litigation Group (the 'Group'). Policies are also approved at that Group.

2.2 All Health Board wide policies and procedures are available on the intranet for all staff to access. We were informed by the Head of Legal Services that there are two relevant policies for staff regarding clinical negligence. However, although both of these policies were in date, due to changes to where clinical negligence operates within the Health Board (now within the portfolio of the Director of Nursing instead of the Medical Director) and due to Welsh Risk Pool (WRP) changes, we noted that these policies did not fully reflect current practice. This has been raised as **matter arising one**.

2.3 Additionally, we identified on the intranet there were two versions of Policy available, of which one was from 2010. In addition, a document (Policy on Learning from Clinical Negligence Claims) relating to Gwent Healthcare NHS Trust from 2006 was also present. This has also been raised within **matter arising one**.

2.4 Whilst the Health Board is aware of the need to update certain policies and procedures, we were informed that this has not yet taken place due to the pandemic.

2.5 The findings from our review of evidence of learning and adherence to the Policy is documented within audit objectives two and three.

Conclusion:

2.6 Overall, there are some policies that require minor updates and therefore, we have provided **substantial assurance** for this objective.

Audit objective 2: to determine if the governance arrangements are appropriate, including the Clinical Negligence Panel

2.7 The Clinical Negligence Panel is called the Litigation Group (the 'Group') and meets quarterly.

2.8 The Group is a sub-group of the Board and its purpose is to determine action in respect of damage claims against the Health Board with values in excess of £100k and to monitor information on any claim that may have an adverse effect on the

Health Board and / or its reputation. Within the sample tested there were two damage claims in excess of £100k. One claim had been reviewed and approved by the Group. The other claim was not approved by the Group.

2.9 We were informed that this was an exceptional case and time critical. However, as per the Terms of Reference of the Litigation Group, it can convene to approve settlement figures at short notice. The Health Board did follow the formal guidance from the NWSSP Legal and Risk Team, with the case settlement figure in line with their advice. This has been raised as **matter arising two**.

2.10 Legal costs below £100k are not approved by the Group, but instead are settled in accordance with the Budgetary Control Policy and Financial Control Procedure i.e. through the Authorised Signatory List. However, prior to payment all claims (including the damage and legal costs) are reviewed and approved by the Chief Executive. We confirmed that this took place for each of the sample tested.

2.11 We reviewed the Group minutes to ensure the governance arrangements are appropriate, with suitable membership, actions undertaken and scrutiny of each relevant claim. We confirmed cases are discussed individually, with a background to each presented. There is also clear discussion of costs, and representatives from the NWSSP Legal and Risk Team where options are presented to the Health Board, e.g. whether to take a case to trial or to settle.

2.12 Where action is required to approve the financial settlement figure for a claim there was evidence in the minutes of the Group approving these figures. We confirmed clinical negligence claims are being appropriately discussed.

2.13 Within the Terms of Reference for the Group, it notes that the Group also has responsibility to ensure lessons are learned from each claim. The WRP's process has recently changed and now the Health Board must complete a Learning from Events Report (LfER) for all new cases before the WRP recompensates the Health Board. The LfER includes, but is not limited to:

- a clinical case summary;
- investigation findings;
- issues and actions;
- learning assurance plans; and
- a thematic analysis.

2.14 The Group ensures all LfERs are completed before approving the settlement figure (the responsibility over the embedding of learnings resides with each division). We did not test whether the divisions have embedded and continually monitored lessons learnt. However, we did confirm that all LfERs were fully reviewed and accepted by the NWSSP Welsh Risk Pool Team.

2.15 Whilst not directly related to the scope of this audit, we raised a recommendation within the 2021/22 Putting Things Right audit report (rated reasonable assurance)

over the embedding of lessons learnt and the content of that report should be considered alongside this review.

2.16 Through a review of the Patient Quality, Safety and Outcomes Committee meeting minutes we sought to determine if clinical negligence information is provided. We confirmed that information, including a limited trend analysis is completed on a bi-annual basis.

2.17 Due to the Covid-19 pandemic the annual Clinical Negligence Report has not been completed. This report provides the Health Board with more detailed trend analysis that is lacking at other groups / committees.

2.18 The Health Board has already identified the importance of maintaining this reporting and going forward will produce a bi-annual Clinical Negligence Report. The Executive Director of Nursing has the intention of presenting this to both the Patient Quality, Safety and Outcomes Committee and the Executive Team. As a draft report is already in progress for presentation, we have not raised a matter arising.

Conclusion:

2.19 There is a governance structure in place to ensure clinical negligence claims are processed. However, the control for ensuring the correct procedures are followed requires strengthening. Therefore, we have provided **reasonable assurance** over this objective.

Audit objective 3: to confirm that financial settlements are signed off in accordance with the scheme of delegation and central approval by the Welsh Government is obtained for claims exceeding the limit of the delegated authority of £1M or for any claims which raise novel, contentious or repercussive features.

2.20 We selected a sample of 10 closed clinical negligence claims to determine if procedural requirements were adhered to. We found:

- all 10 cases had the necessary checklists competed and were signed by an appropriate staff member;
- each of the sample that required a LfER had a detailed report on file;
- all cases had the necessary reports on file, as determined by the length of time that the case had been operating for;
- all cases were appropriately authorised by an individual and / or committee within the set delegation limits;
- none of the 10 cases reviewed required further approval from the Welsh Government; and
- all cases had suitable evidence of the correct payments, including the correct WRP excess value being applied.

2.21 We identified no issues during our testing of 10 closed clinical negligence cases. There was a clear audit trail from start to finish within each case and the necessary

signatories were fully obtained for nine cases within our sample. However, we investigated one exception, where the Governance Lead's (Divisional Director) Declaration was not completed, and found that this was due to the impact of the initial stages of the pandemic. The remainder of the case was fully approved and was accepted by WRP. Therefore, we have not raised a matter arising.

Conclusion:

2.22 We did not identify any issues in the financial settlement process for the 10 cases tested. Therefore, we have provided **substantial assurance** for this objective.

Audit objective 4: to ensure actions to reduce costs / compensation payments associated with claims are undertaken and where possible, that claims are settled before court proceedings to minimise expenditure.

2.23 Every case has a preliminary investigation to identify whether the Health Board should settle the claim. Each case is assessed on its individual merits. The Health Board instructs and seeks advice from the NWSSP Shared Services Legal and Risk Team.

2.24 Clinical negligence claims are, by their nature, often complex and involving the obtaining of significant evidence, both by way of factual witness evidence from Health Board staff, but also by way of independent expert evidence. Many clinical negligence cases require the obtaining of this evidence and reports before full advice and the assessment of risk can be made. This may often entail the instruction of Counsel and the holding of a conference to fully consider and assess whether a matter should be settled or defended to trial.

2.25 Once identified that a case should settle early, the Legal and Risk Team will formally advise the Health Board, and authority to settle will be sought as per the formal processes.

2.26 The Health Board will, and as advised, also invoke Part 36 offers to try to secure acceptance of an offer as soon as possible. The Health Board also looks to invite and to attend 'Round Table Meetings' with the Claimant to attempt to negotiate and draw to an early settlement.

2.27 During our testing we confirmed that there was evidence that all of the above took place, including a preliminary investigation for each of the 10 cases reviewed. We also confirmed that none of the 10 tested within the sample proceeded to full court proceedings. Whilst within the sample there was one case that was assigned a c.55% chance of winning the case, the legal fees involved with the full process would have been far in excess of the damages payment from an early settlement.

Conclusion:

2.28 All 10 cases reviewed were appropriately settled early to limit further financial loss to the Health Board, therefore, we have provided **substantial assurance** for this objective.

Appendix A: Management Action Plan

Matter arising 1: Policies and procedures (Operation)	Impact
We identified a number of clinical negligence documents published on the intranet that were outdated and no longer in use. We were informed that the impact of the pandemic has prevented some documents from being fully reviewed. There are two relevant policies for staff regarding clinical negligence, The Policy for the Management of Clinical Negligence and Personal Injury Litigation and the Procedure for Handling Legal Claims (the 'Procedure'). Although both policies noted were in date, we identified references within them which did not reflect current practice. The process for approving the payment of legal fees is completed via the Authorisation Signatory List, in a similar manner as other Health Board payments. However, when payments for damages and legal fees exceed £100k these require approval by the Board, as per the requirements of the Financial Control Procedure – Losses and Special Payments (Section 7.2) (the 'FCP'). In practice, the Litigation Group (as a sub-committee of the Board) undertakes this role and the FCP requires updating to reflect the actual process. Furthermore, legal fees in excess of £100k are not reviewed / approved by the Litigation Group. We were informed that this is due to the set nature of the fees i.e. they are fees that have already been incurred and not subject to change. The FCP should be updated to reflect the current process.	Potential risk of: • Out-of-date policies and procedures increase the risk that staff and management may not apply the correct procedures and processes.

	Recommendations	Priority
1.1	Management should update the policies and procedures available to staff on the intranet and ensure only those that are in date and reflect current practice are maintained.	**Low**

	Management response	Target Date	Responsible Officer
1.1	Agreed. Outdated Policies will be removed & existing policies will be updated to reflect changes to WRP and portfolios.	December 2021	Head of Legal Services

Matter arising 2: Governance Structure (Operation)	Impact
The Clinical Negligence Panel is called the Litigation Group (the 'Group') and meets quarterly. The Group is a subgroup of the Board and its purpose is to determine action in respect of damage claims against the Health Board with values in excess of £100k and to monitor information on any claim that may have an adverse effect on the Health Board and / or its reputation. Within our sample tested there were two damage claims in excess of £100k. One out of the two was reviewed and approved by the Group. The other claim was not approved appropriately by the Group. Whilst we were informed that this was an exceptional case and time critical, the terms of reference of the Group provide a provision to convene at short notice to approve a settlement figure. However, we note that although there was a breach, review of the case confirmed the Health Board did follow the formal guidance from NWSSP Legal and Risk, with the case settlement figure in line with their advice.	Potential risk of: • Insufficient scrutiny of damage claims resulting in increased financial costs incurred.

	Recommendations	Priority
2.1	Before payment is processed, clinical negligence cases which have damages in excess of £100k, must provide evidence as having been approved by the Litigation Group. Where payment needs to be made before the next Group meeting and the Group is unable to reconvene before this date, the Legal Services Team should issue an email to the members of the Group informing them payment will be made before the next meeting and any objections to this payment should be identified immediately. Additionally, the BACs payment sheet should be updated to include the date the case will be brought to the Litigation Group for retrospective approval. This should serve as one of the final checks prior to payment.	**Medium**

	Management response	Target Date	Responsible Officer
2.1	Agreed	Immediate Action Completion beginning of December 2021	Director of Nursing

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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Charitable Funds
Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

NWSSP Audit and Assurance

GIG CYMRU NHS WALES | Partneriaeth Cydwasanaethau Gwasanaethau Archwilio a Sicrwydd | Shared Services Partnership Audit and Assurance Services

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Committee:	Audit, Finance and Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

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Executive Summary

Purpose

We evaluated the adequacy of the systems and controls in place for the management of charitable funds, including income and expenditure. We also reviewed progress made against implementing the recommendations from the previous internal audit of charitable funds (November 2019).

Overview of findings

We did not identify any significant issues for reporting in our review, but raised a recommendation regarding the training of ward staff around charitable fund arrangements.

Report Classification

		Trend
Substantial	**Low impact** on residual risk exposure.	2019/20 – Reasonable Assurance

Assurance summary

Assurance objectives		Assurance
1	Policies & procedures	Substantial
2	Receipt of donations	Substantial
3	Charitable funds income is accounted for correctly	Substantial
4	Classification of donations	Substantial
5	Expenditure is appropriate	Substantial
6	Previous recommendations	Reasonable

Matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
1	Staff Awareness	6	Design	Medium

1. Introduction

1.1 This review of Charitable Funds was completed in line with the 2021/22 Internal Audit Plan. The review sought to provide Aneurin Bevan University Health Board (the 'Health Board') with assurance that operational procedures are compliant with Health Board corporate policies.

1.2 Charitable Funds is the term given to money that is donated to the Health Board and which is administered through a registered charity, Aneurin Bevan University Local Health Board Charitable Fund and Other Related Charities (the 'Charity'). The Health Board is the Corporate Trustee of the Charity and has appointed the Charitable Funds Committee to oversee the management of its funds.

1.3 The Health Board has worked with CCLA (Churches, Charities and Local Authorities) Investment Management ('CCLA') since 2018. CCLA are appointed to manage investments in accordance with the Health Board's ethical, environmental and investment objectives and ensure that they are not in contravention of the aims of the Charity.

1.4 During the year ended 31 March 2021, the Charity received income of £1,198k, which comprised of donations (£657k), legacies (£57k), courses and other income (£111k), investments (£181k) and grants, including monies raised by Captain Sir Tom Moore (£192k).

1.5 For the same period, the Charity spent £1,243k on charitable expenditure, including patient education and welfare (£299k), building and refurbishment (£16k), research, where three students were supported (£9k) equipment (£455k), support costs (£127k) and staff education and welfare (£337k).

1.6 In spite of the pandemic, the Charity continued to receive charitable donations, with an increase from 2020, in large part due to the significant media attention on the NHS.

2. Detailed Audit Findings

Audit objectives 1, 2, 3 and 4: Income

2.1 We found that the Health Board has established procedures for receiving charitable fund income during the pandemic and that they provided details over how to record income, including a detailed 'User Guide for Account Managers', which sets out how to record income and expenditure.

2.2 The Charitable Funds Policy (the 'Policy') sets out how to receipt donations. We selected a sample (five grants received and ten charitable donations) since April 2020 (including monies raised by staff) and tested for adherence to the Policy. We found no issues.

2.3 During the pandemic a large volume of non-monetary donations (gifts received in kind) were received by the Charity. These donations totalled approximately £72k in value, which in turn were gifted to the Health Board. The total value of these transactions has been included within the total expenditure of the Charity's accounts. We confirmed that the related party transaction note within the Health

Board's 2020/21 financial statements agreed to the balance of the relevant cost centres within the general ledger.

2.4 We did not visit wards to review the physical receipt books that detailed donations received. However, insofar as possible through testing a sample of donations, we confirmed that they were banked promptly, appropriately recorded and accounted for correctly.

2.5 We also confirmed that donations are accepted as unrestricted designated funds wherever possible, with the unrestricted fund balance as at 31st March 2021 being £4.324m (total fund balance including restricted funds is £5.443m). Restricted donations are typically from historical legacy funds and grant income. All donations (£657k) received during 2020/21 were recognised as unrestricted. We also undertook a review of income received from five legacies and found no issues with the treatment of income.

Conclusion:

2.6 We have provided substantial assurance as we found that the sample of income tested is banked promptly, accounted for correctly and supported by documented procedures.

Audit objective 2: Expenditure

2.7 We selected a sample (15 in total) of expenditure from a range of categories including building and refurbishment, equipment, patient education, research, staff welfare and education and support costs. We tested the sample to ensure it is appropriate and authorised and in line with the charitable objectives. We found no issues.

2.8 We confirmed that where donated income is utilised to purchase items for use by the Health Board that the expenditure is accounted for correctly – i.e. recorded as a gift to the Health Board within the financial statements. This included items such as iPads, mobile phones, laptops etc.

2.9 To ensure appropriate oversight was in place, we undertook a review of the Charitable Funds Committee (the 'Committee') between August 2020 to June 2021. We found that expenditure was appropriately discussed and recorded.

Conclusion:

2.10 We have provided substantial assurance over expenditure, as we found it was appropriate and recorded correctly through the sample tested.

Audit objective 3: Previous Audit Report Recommendations

2.11 We assessed the implementation of the previous recommendations raised within the 2019/20 Charitable Funds audit. In particular:

- increasing staff awareness of the Charitable Funds Financial Control Procedure (FCP) and the process for recording donations; and
- raising awareness of the gift aid process when a donation is received.

2.12 During 2020/21 we completed an interim review over the progress of the implementation of the high priority recommendation and found that the FCP had

been updated to include a flow process for the key points. However, we found that ward visits and training with ward staff had yet to commence.

2.13 There has been some progress in cascading information from the Committee and there is some information (as before) available on the intranet. However, we found during this audit that the implementation of staff training and awareness remains largely the same. We have raised this as matter arising one.

Conclusion:

2.14 We have provided reasonable assurance for this objective, as whilst the pandemic has impeded physical visits wards, we believe that alternative arrangements can be adopted to address the remaining recommendations that were raised previously.

Appendix A: Management Action Plan

Matter arising 1: Previously Agreed Recommended Action	Impact
We tested the status of the recommendations raised from the 2019/20 Charitable Funds audit. We found that partial progress has been made, with an update of the Charitable Funds Financial Control Procedure (the 'FCP'), but the raising of staff awareness has not yet been fully completed. During the pandemic the Charitable Funds Team (the 'Team') were unable to the visit wards to deliver staff training. Therefore, the previously raised recommendations over staff awareness remain outstanding.	Potential risk of: • Donations are not properly receipted and banked in a timely manner. • Non-compliance with the Financial Control Procedure. • There is an increased risk of misappropriation of charitable funds. • The Charity receives less donations and thus has less expenditure available to spend.

	Recommendations	Priority
1.1	The Health Board should: a) Engage with ward staff via alternative mediums, e.g., Teams presentations, presentations to Divisional Management Team meetings. b) Establish a timeframe for restarting ward visits and training sessions. c) Continue to promote the Charitable Funds Financial Control Procedure.	Medium

	Management response	Target Date	Responsible Officer
1.1	a. Agreed. Presentations to be prepared by December 2021 with roll out to commence in the new year with a view to completing by March 2022, confirming suitable dates with the divisions.	March 2022	Charitable Funds Manager

	b. Agreed. Face to face meetings will be dependent on advice from Infection Prevention and Control but meetings will be arranged by Teams liaising with relevant ward staff to arrange meetings prior to March 2022. c. Agreed. There will be follow up e-mails by the Charitable Funds Team to a and b above providing this information.		

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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Pathology
Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

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University Health Board

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Committee:	Audit, Finance and Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Disclaimer notice - please note

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Executive Summary

Purpose

This review aimed to provide assurance that the Aneurin Bevan University Health Board Pathology service is managing key risks and that the Clinical Futures model is delivering the benefits expected.

Overview

Key matters arising concerned:

- Further trend analysis over recommendations raised during external assessments.
- Testing of business continuity arrangements.
- Performance metrics should be refined to be concise and to target key risks.
- The Health Board should complete a benefits realisation exercise over the output from the Clinical Futures transformation work.
- A refresh of the workforce requirements should be completed for the Pathology service.

Recommendations / advisory points are within the detail of the report.

Report Classification

		Trend
Reasonable	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved	2015/16

Assurance summary[1]

Assurance objectives	Assurance
1 External recommendations	Reasonable
2 Business continuity planning	Reasonable
3 Performance monitoring	Reasonable
4 Clinical Futures	Limited
5 Resource modelling	Reasonable

Key matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
2.1	Establish a schedule for testing all contingency planning at all locations	2	Design	Medium
3.2	The policy and process for sampling and reporting should be updated to include time limits for use and the requirement to confirm the sample is representative	3	Design	Medium
3.3	A scorecard / dashboard report should be developed	3	Design	Medium
4.1	Clinical Futures benefit realisation review	4	Design	Medium

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 This audit of Pathology was undertaken in line with the approved 2020/21 Internal Audit Plan.

1.2 This review provides Aneurin Bevan University Health Board (the 'Health Board') with assurance that the Pathology service (the 'Service') is managing key risks, whilst ensuring arrangements are in place for regulatory requirements to be met.

1.3 The Service aims to support the diagnosis, prognosis, and monitoring of disease and the efficacy of treatment via the provision of appropriate analytical tests of a high scientific quality with a timely turnaround time.

1.4 The department provides routine and emergency services across the organisation, and there are three departments within Pathology:

- Combined Blood Sciences (Haematology and Biochemistry);
- Cellular Pathology; and
- Microbiology.

1.5 The key risks considered in this review are

- Lessons learned from inspections are not applied to Pathology operations, increasing the risk of non-compliance with regulatory requirements.
- Increased risk of patient harm due to inappropriate continuity arrangements, resulting in a reduced service being provided.
- Reduced capacity and delayed results due to insufficient performance monitoring.
- Poor quality testing undertaken due to insufficient workforce.
- Future demands for pathology services are not adequately estimated and planned for. This may increase the risk of increased financial costs, decreased service level and complaints from patients.
- Predicted benefits from operating as part of the Clinical Futures service model do not materialise resulting in increased waiting times and financial costs.

2. Detailed Audit Findings

Audit objective 1: to ensure processes are embedded for implementing recommendations from external inspections / assessments

2.1 We found a documented policy detailing how to action reports from external assessors. It outlines a process which is a requirement for all departments.

2.2 External reports received are stored and managed within each department. A meeting is convened with the respective departmental leads and a mix of departmental clinical and scientific staff, as required.

2.3 Each inspection report is self-contained with the report itself used for the response. We confirmed that actions are assigned and deadlines are agreed, with evidence provided by each action owner.

2.4 We reviewed the overall approach, including the addressing of inspection findings raised (where the deadline has lapsed) and within the agreed timescale (typically 30 to 90 days). Overall, each department has retained its accreditation to operate.

2.5 The directorate undertakes internal reviews, as part of the overall quality control process. Any non-conformities are recorded centrally within Q-Pulse (quality management software). However, findings raised by the external inspectors are not added to this system, nor is there any centralised database of the inspection findings.

2.6 A trend analysis of findings raised by UKAS (the accrediting body) was commenced during March 2020. However, this analysis was not actioned due to the start of the pandemic. We have raised this as **matter arising one**.

Conclusion:

2.7 Overall, the processes in place throughout the Pathology departments are reasonable for implementing inspection report findings.

2.8 We have recommended some minor improvements to the overall process and therefore we have provided **reasonable assurance** for this objective.

Audit objective 2: to ensure appropriate departmental resilience and business continuity provisions have been reviewed and updated with lessons learned from the Covid pandemic

2.9 All departments within Pathology maintain a separate business continuity plan (BCP) to overcome continuity / emergency events that occur. We sought to ensure that each BCP was updated, consistent with the Health Board's standard documentation, incorporated business impact assessments and is tested periodically.

2.10 We found BCPs were considered at the start of the pandemic and where necessary reviewed and updated with immediate effect e.g. the Mortuary Team identified that the lack of space would lead to a significant issue and updated their contingency plans accordingly.

2.11 The BCPs and associated documentation vary in quality and detail between each team. Whilst the BCPs have assisted in recovering from continuity events (e.g. a flood at the Grange University Hospital), there are still aspects that can be improved upon. For example, when to invoke a plan, the command structure when invoked and a testing schedule to prepare and refine preparations for potential continuity events.

2.12 We found that the BCP was reviewed immediately following the flood incident, with lessons learned and further improvements identified and put in place. Another full review is scheduled for November 2021, when all improvements should be in place.

2.13 Whilst each department has reviewed their BCP arrangements since the start of the pandemic; we note that none of the plans have been tested and that BCP testing is a UKAS requirement. This has been raised as **matter arising two**.

2.14 We also sought to ensure that the BCPs produced by each department utilise the standard documentation / methodologies provided by the Health Board's Emergency Planning Team. However, whilst there has been some recent engagement between them these have not yet been adopted.

Conclusion:

2.15 Overall, Pathology has BCP and contingency arrangements in place which have successfully assisted with recent events. However, other than through actual continuity occurrences these have not been tested nor are they consistent with the Health Board's standard documentation requirements.

2.16 All plans must to be tested within a reasonable timeframe in order to satisfy UKAS licensing requirements. A recommendation was raised during the August 2021 external assessment against the ISO 15189: - Medical Laboratories – 2012 requirements (the implementation deadline is August 2022, so has not yet passed). We have provided **reasonable assurance** for this objective.

Audit objective 3: to ensure suitable operational performance monitoring is undertaken, with action completed to maximise a quality output of services

2.17 Performance monitoring is undertaken with key performance indicators (KPIs) set annually and reported throughout the year. The KPI reports seen generally contain period data and a trend comparison against previous reports.

2.18 We reviewed the KPIs to ensure there was appropriate coverage across each department. We found that there is a mix of quantitative and qualitative data, which is intended to track performance and ensure all departments maintain the defined quality and quantity standards. The information is often very detailed.

2.19 Each department within Pathology has a quality lead whose role is to monitor and report against quality indicators. Quality managers meet monthly to review and discuss performance and trends and undertake the necessary action. However, we noted that, due to the pandemic, re-location to the Grange University Hospital (GUH) and changes to some testing approaches that this process has been disrupted.

2.20 We found that quality reports are produced for the monthly meetings and for presentation at the Pathology quarterly IMTP meeting and the Annual Management Review (AMR).

2.21 We also found that KPIs are produced per test and each is reported in detail, including volumes and incident detail. There are differing processes across each service area for monitoring actions. In addition, there is a high volume of management information reported. We recommend that the Pathology Team consider the production of a dashboard to enable summary reporting against the key risks. We have raised this as **matter arising three**.

2.22 Furthermore, for some of the KPIs e.g. Blood Science turnaround times (TaT), we found sampling is undertaken to provide the results for performance measures. We were informed that this approach has been agreed with UKAS, with a supporting procedure in place. However, we recommend that the Pathology Team consider automating the process and including all data within the KPIs, where practical to do so. This has been included within **matter arising three**.

Conclusion:

2.23 Overall, the KPIs produced are sufficient to support reporting of the quality measures within Pathology. However, we have recommended that action owners are assigned for each action, the sampling methodology is reviewed and report automation considered to assist with KPI reporting. We have provided **reasonable assurance** for this objective.

Audit objective 4: to confirm that the service gains and improvements anticipated within the Clinical Future service models are in line with expectations, especially considering the early opening of The Grange University Hospital (GUH) and the pandemic.

2.24 As yet there has been no formal benefit realisation work performed since the opening of the GUH. However, we have been informed that there is a review of the whole health care system to be shortly underway at a Health Board level. The intention is to report to the Board in January 2022 on the benefits that have been achieved since the opening of the GUH, in addition to qualitative information on patient safety, staff experience and quality. However, the scope for this work has not yet been developed. Therefore, we have raised this as **matter arising four**.

2.25 We found that workforce benefits were being tracked as the Clinical Futures transformation work was underway, but this has since ceased.

2.26 The Pathology department itself has not commissioned or completed any benefits realisation work.

Conclusion:

2.27 Whilst there is an intention to determine if expected benefits have been realised, we are unable to confirm if this will be a complete review at a departmental level against the benefits identified within the original business case or indeed provide assurance that this will be completed. We have therefore provided **limited assurance** for this objective.

Audit objective 5: to ensure resource modelling is utilised to predict capacity and resource needs for the immediate, medium and long-term futures.

2.28 We sought to ensure that resource modelling is undertaken to assist with peaks in demand or as a reactive measure to short-term challenges. However, we found that the delivery of pathology services is determined by resource availability, physical laboratory space and the availability of complex equipment that requires numerous spatial requirements. In particular, Cellular Pathology could not be accommodated within the GUH, due to the layout and current constraints. To incorporate provision at the hospital for this service, a new workforce plan has been developed to request significant capital investment.

2.29 Overall, we found that there are multiple considerations and restrictions when considering increasing the resource requirements within Pathology. This was identified recently as part of the ongoing Clinical Futures project work (as referenced in the paragraph above). If increased demand results in challenges to continue to deliver a service, then at its simplest level, non-essential services may be considered for a temporary pause to help relieve service pressure e.g. routine / non-urgent blood tests.

2.30 Within our sample review of Blood Sciences we found that resource requirements were detailed within the Programme Business Case (PBC) during 2017, which is a subsequent update from the Original Business Case (OBC) in 2007. In turn the PBC was refreshed during 2019 to reflect the latest workforce requirements prior to the opening of GUH. In each case, senior managers from Pathology were actively engaged in the process.

2.31 However, in spite of the above processes, the effects of the pandemic, the opening of the GUH and the continuing implementation of Clinical Futures may have impacted upon previous workforce planning assumptions. We recommend that a refresh of the workforce model is undertaken for medium term planning purposes, taking into account any changes arising as a result of the challenges above. This has been raised as **matter arising five**.

Conclusion:

2.32 We have provided **reasonable assurance** for this objective as the Pathology Team have participated in all available modelling exercises, but further work is required to complete the medium term planning.

Appendix A: Management Action Plan

Matter arising 1: External reporting issue (Design)	Impact
Although the process for dealing with external report findings is operating effectively, we found that the trend analysis process can be strengthened through the CAPA module within QPulse and by obtaining an overview of patterns / emerging risks across all areas of non-conformity. We also found that non-conformities are not centrally monitored or recorded, but rather managed at a departmental level.	Potential risk of: • Missed opportunities to reduce overall non-conformance. • Emerging risks / trends are not identified.

Recommendations	Priority
1.1 The Pathology Team should consider updating the External inspection Policy to include one centralised repository for all external reports that incorporate timescales for a response and provides a clear overview of progress across all areas.	Low
1.2 a. All instances of non-conformance identified in the reports should be recorded centrally to support periodic trend analysis and in particular the CAPA module within QPulse.	Low
b. Periodic trend analysis / pattern identification should be completed across all instances of non-conformance and used to identify common areas of concern for corrective / preventive action.	Low

Management response	Target Date	Responsible Officer
1.1 Will ensure reports are maintained in a centralised repository and ensure the policy is updated accordingly	24th February 2022	Thomas Chinnick
1.2 a. Log UKAS inspection as one single CAPA within QPulse and update progress as per any other non-conformity	24th February 2022	Thomas Chinnick
b. Try to identify themes and trends across Pathology, though inspections are held at different times of the year for each discipline so not as straightforward.	Ongoing	Thomas Chinnick

Matter arising 2: Contingency planning / testing (Design)	Impact
We found that the business continuity plans (BCPs) in use are not consistent with the Health Board's standard documentation or fully completed to the agreed level. There has been no testing of any of the Pathology business continuity plans (expect where actual continuity events have occurred). BCP testing is a requirement within the UKAS inspection process and was raised as a recommendation in a recent assessment of compliance to ISO 15189: - Medical Laboratories – 2012, although the implementation deadline has not yet passed.	Potential risk of: • Loss of service due to a continuity event. • Increased financial cost to restore pathology services.

	Recommendations	Priority
2.1	Liaise with the ABUHB emergency planning team to go through their process for completion of all business continuity planning documentation.	Low
2.2	Establish a schedule for testing BCPs at all locations and across a range of likely continuity events.	Medium

	Management response	Target Date	Responsible Officer
2.1	Discipline Managers have been liaising with emergency planning team and will continue to do so.	24th February 2022	Thomas Chinnick/Simon Hoad
2.2	Will establish a schedule for testing across Pathology	24th December 2021	Thomas Chinnick/Simon Hoad

Matter arising 3: KPIs (Design)	Impact
Although the KPIs produced are sufficient to support pathology quality reporting, there is potential for improvement. With the volume of test results produced automatically, sampling should not be necessary. Report automation should be considered for KPI targets wherever possible. We found that, within the telephone turnaround report, the data was sampled from September 2020, but used in a report dated January 2021, which shows as being issued during July 2021. If sampling is necessary, it should be timely for any reporting and confirmed as appropriately representative. There is no consistent approach across all service areas to track and manage issues arising / performance requirements not being achieved. We found a considerable amount of performance monitoring taking place, which covered a wide variety of indicators. However, it is not easy to identify the emerging risks or current performance against the current issues that the directorate is facing.	Potential risk of: • Inaccurate KPI production and reporting • Difficulty in identifying emerging risks

Recommendations	Priority
3.1 The Pathology Team should seek to automate as much of the performance reporting as possible and include all test results within the KPIs.	Low
3.2 If sampling cannot be avoided, the policy and process for sampling and reporting should be updated to include time limits for use and the requirement to confirm that the sample size is appropriate.	Medium
3.3 A scorecard / dashboard report should be developed to provide an overview of performance against the key measures / risks within Pathology.	Medium

Management response	Target Date	Responsible Officer
3.1 Will horizon scan for new technologies to deliver automated TATs	24th February 2022	Thomas Chinnick
3.2 Check policies are adequate for TATs	24th December 2021	Thomas Chinnick
3.3 Scorecard currently in progress and being populated	24th December 2021	Thomas Chinnick

Matter arising 4: Clinical Future Benefit Realisation (Design)	Impact
There has been no benefit realisation work completed over the service changes within Pathology, since the opening of the Grange University Hospital, to determine if the Clinical Futures programme has delivered the anticipated benefits or is on track to deliver them.	Potential risk of: • Failure to realise planned benefits, which could impact significantly on the delivery of strategic objectives. • Increased financial cost, due to the non-achievement of expected benefits.

Recommendations	Priority
4.1 The Health Board should complete a benefits realisation exercise on the Clinical Futures project across all services, following the easing of current operational pressures.	Medium

Management response	Target Date	Responsible Officer
4.1 This is outside the remit of Pathology and dependent upon the Health Board. Internal Audit Response: We have liaised with the Planning Team since the completion of this audit and been informed that a Health Board wide benefits realisation review of the Clinical Futures programme is scheduled to commence in early 2022. Whilst the Health Board is also required to report to the Welsh Government on the achievement of the anticipated benefits from the Clinical Futures transformational work, we will continue to monitor this process and consider the inclusion of a specific audit assignment at an appropriate time.	N/A	N/A

Matter arising 5: Workforce Planning (Design)	Impact
The Pathology Directorate participates in workforce planning, as required, with the latest full review completed as part of the Clinical Futures transformation work during 2019. However, since the pre-pandemic review, the needs of the service may have changed. In particular, the impact of the opening of the Grange University Hospital, the effects of the pandemic and the wider ongoing implementation of the Clinical Futures work throughout the Health Board. Therefore, the workforce planning assumptions and growth estimates may no longer be representative of the demand on the services within Pathology.	Potential risk of: • Insufficient workforce to meet predicted demand. • Insufficient facilities available for future demand.

Recommendations	Priority
5.1 The Health Board should complete a refresh of the latest workforce planning exercise (including associated laboratory space and equipment), to ensure the service requirements can still be met over the next five years and beyond. Where additional resourcing / facilities are required, these should be factored into the IMTP process.	Low

Management response	Target Date	Responsible Officer
5.1 To review and update workforce plans as appropriate. Workforce is factored into the IMTP	24th February 2022	Simon Hoad/Tanya Bendon

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

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Mental Capacity Act Internal Audit Report

October 2021

Aneurin Bevan University Health Board

NWSSP Audit and Assurance

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Committee:	Audit Committee

Acknowledgement

Thank you to management and staff for the time given to us and for their cooperation while we carried out this review.

We conform to all Public Sector Internal Audit Standards.

Validated through an external quality assessment undertaken by the Institute of Internal Auditors.

Disclaimer notice

We have prepared this audit report in line with the Service Strategy and Terms of Reference approved by the Audit, Finance and Risk Committee. It is for internal use only.

We address our reports to the Independent Members or officers, including those designated as Accountable Officer, for the use of Aneurin Bevan University Health Board only. Our staff members have no responsibility to any director, officer or third party in their individual capacity.

Executive Summary

Purpose

To assess the extent to which the Health Board complies with the Principles of the Mental Capacity Act, including in respect of the 'Do Not Attempt Cardiopulmonary Resuscitation' (DNACPR) process.

Limitation of scope

The review examined certain aspects of the documentation but excluded from its scope full compliance testing of DNACPR forms against the requirements of the All Wales policy.

Overview of findings

Key matters arising concerned:

- Absence of Health Board template capacity assessments to support DNACPR form patient capacity status.
- Instances of absent best interests discussion documentation in mental capacity assessments for patients who lack capacity.
- Instances where DNACPR forms do not identify relatives with whom the decision was discussed.

Report Classification

		Trend
Reasonable	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.	Not previously audited

Assurance summary[1]

Assurance objectives		Assurance
1	Documented policies & procedures	Reasonable
2	Assessing patient mental capacity when appropriate	Limited
3	DNACPR and capacity assessments	Reasonable
4	Re-assessing capacity where there may have been changes	N/A
5	Mental Capacity Act training for staff	Reasonable

[1] We do not necessarily give equal weighting to the objectives and associated assurance ratings when formulating the overall audit opinion.

Matters arising

		Control Design or Operation	Recommendation Priority
1	Review of procedural documents	Operation	Low
2	Documenting best interests discussion for patients lacking capacity	Operation	Medium
3	Capacity assessments to support the DNACPR decision	Operation	High
4	DNACPR decision discussion with patient and/ or relative	Design	Medium
5	Mental Capacity Act capacity assessment training	Operation	Medium

1. Introduction

1.1 The review of Mental Capacity Act was completed in line with the 2021/22 Internal Audit Plan.

1.2 Mental capacity is the ability of a person to make decisions for his/ herself. The Mental Capacity Act (2005) (the 'Act') aims to protect people who do not have the mental capacity to make decisions for themselves. The presence or absence of capacity must be established for all patients being cared for, when key decisions are being made about their treatment, discharge or transfer. Aneurin Bevan University Health Board (the 'Health Board') is required to ensure that assessments are made and recorded at all times, as specified within the Act.

1.3 Where an assessment decides that a patient lacks capacity, the Act provides a framework for others to follow that will ensure decisions made are in the best interests of the individual. This is set out through five key principles, which are:

- a presumption of capacity;
- individuals being supported to make their own decisions;
- unwise decisions should not be treated as lacking capacity;
- decisions taken on behalf of people lacking capacity must be in their best interests; and
- something done for a person who lacks capacity should be the least restrictive option of their basic rights and freedoms.

1.4 The review sought to establish the effectiveness of the Health Board's processes to conduct and record patient capacity assessments when decisions are being made on their treatment, DNACPR, discharge or transfer. The audit examined the records of a sample of patients on Rowan and Oak wards of County Hospital, Pontypool and assessed the extent of compliance with the Act/ the All Wales DNACPR policy, in respect of capacity assessment and the subsequent decision making.

1.5 The audit assessed the adequacy and effectiveness of the internal controls in operation. Any weaknesses will then be brought to the attention of management and advice issued on how particular problems may be resolved and control improved to minimise future occurrence.

1.6 The overall objective was to assess the extent to which the Health Board complies with the Principles of the Mental Capacity Act, and the All Wales DNACPR policy in respect of the 'Do Not Attempt Cardiopulmonary Resuscitation' (DNACPR) process.

1.7 The specific objectives for the review were:

- to ensure the Health Board has documented policies and procedures that set out the requirements of the Act in respect of patient capacity assessments and provide tools to guide staff with their assessments and recording;
- to ensure controls are present and operating effectively to prevent key patient treatments, discharge or transfer decisions taking place without a capacity assessment being conducted and recorded;

- to confirm if DNACPR forms reviewed have been discussed with the patient or, if they lack capacity to make a decision, the patient's family/ representative have been engaged in the decision making and records are kept of the discussions that preceded the issue of the DNACPR;
- to ensure a process is in place to review / re-assess a patient's capacity status, instructions or preferences periodically or at key stages in a patient's pathway and that this is adhered to; and
- to assess the adequacy of provision and availability for staff of Mental Capacity Act training.

1.8 The risks considered in the review are as follows:

- patient harm arising from a failure to properly assess capacity when deciding treatment or care; and
- adverse consequences the Health Board may suffer because of failure to comply fully with the requirements of the Mental Capacity Act, including reputational damage, regulatory action and financial consequences.

1.9 The audit included review of certain aspects of the DNACPR decision documentation, as well as review of the process and results of a number of recent corporate audits of DNACPR decision document compliance conducted by the Health Board's Quality & Patient Safety department. However, full compliance testing of DNACPR forms against the requirements of the All Wales policy was outside of its scope.

2. Detailed Audit Findings

Audit objective 1: to ensure the Health Board has documented policies and procedures that set out the requirements of the Act in respect of patient capacity assessments and provide tools to guide staff with their assessments and recording

2.1 We noted a range of procedural documentation on the Health Board web pages relating to patient mental capacity as well as links to professional body and government documents covering the Mental Capacity Act 2005 and related statutes and codes.

2.2 The Health Board's procedure document 'Assessment of Mental Capacity Procedure' provides comprehensive cover of the patient capacity assessment procedure and provides decision making flowcharts and templates for assessors to use in documenting assessments, although we noted that this document records issue and review dates of 2013 and 2016 respectively and consequently its review is overdue (see Matter Arising 1).

Conclusion:

2.3 Policies, procedures guidance and tools for use by ward staff conducting capacity assessments were in place but the 'Assessment of Mental Capacity Procedure' is overdue review and consequently we have provided **Reasonable assurance** over this control objective.

Audit objective 2: to ensure controls are present and operating effectively to prevent key patient treatments, discharge or transfer decisions taking place without a capacity assessment being conducted and recorded

2.4 The Mental Capacity Act 2005 sets out a statutory basis for the assessment of mental capacity and defines assessment responsibilities across a broad range of workers. The subsequent Health Boards' policy provides a framework and functional tools to assist in the assessment of mental capacity in accordance with the legislation.

2.5 Any assessment of patient mental capacity is decision specific. We note the act acknowledges and permits informal day-to-day assessment of patient capacity but where decisions are more serious, assessments must follow the documentation requirements of the Act.

2.6 The assumption of capacity is the first key principle of the Act, therefore the possibility that a person may have impaired decision-making capacity should only be challenged if their responses or behaviour is suggestive of this.

2.7 We examined a sample of patient's records on Rowan and Oak wards of County Hospital, covering the pathway of their stay, from the admission into County, usually from an acute setting, through to their discharge. Patient capacity in these wards is low and as a result not all cases examined offered multiple capacity assessments for testing.

2.8 Where patients are assessed as lacking capacity, documentation should include a discussion of the patient's 'best interests' (Mental Capacity Act Code of Practice (para 5.15)), and where the decided action is restrictive for the patient, a Deprivation of Liberty Safeguards (DoLS) authorisation should be sought (policy and procedure document 'Managing Authority Policy & Procedure for Mental Capacity Act 2005 Deprivation of Liberty Safeguards', para 9.1).

2.9 We conducted sample testing of 20 patient records at County and noted the following in respect of capacity assessments that had been conducted and recorded:

Admission capacity assessments

- 7 of the 20 patients had been assessed on admission to County, but capacity assessment documentation was present in only five cases. In all of these five cases, capacity was assessed as lacking. In only one case was a fully completed 'best interest' discussion form present (see Matter Arising 2). In three cases, DoLS applications had been made, one being the case in which best interests were also documented. Out of the five cases for which we saw documentation only one was fully compliant.

Discharge capacity assessments

- 6 of the 20 patients had been assessed on discharge from County but capacity assessment documentation was present in only two cases. The remaining four assessments had been carried out by Social Care, who led the discharge plan, but the documentation in these cases is not held on the patient's file. In two cases capacity was assessed as lacking and, although DoLS applications had been made for both, 'best interest' discussion forms were not present on either patients' file. Out of the two cases for which we saw documentation neither was fully compliant.

DNACPR capacity assessments

- Of the 14 patients in the sample of 20 where there was an active DNACPR form on the patient's file, 9 of the 14 patients with an active DNACPR form were recorded as lacking capacity for the decision but in only one case was there also a mental capacity assessment present (see Matter Arising 3).

2.10 Where the 'best interests' discussion was not recorded on the template document sheet forming part of the Health Board's standard capacity assessment we were unable with certainty to identify a record of this in other notes on the patient's file. Furthermore, where that information was absent it was not possible to determine whether a DoLS application was required.

2.11 Excepting in respect of DNACPR decisions where it was clear that assessments which should accompany these were absent as outlined above, it was not possible to determine from patient files whether any other decisions had been made during their stay without an appropriate challenge of capacity and the requisite capacity assessments being conducted and documented.

Conclusion:

2.12 In a significant number of cases sampled, 'best interest' discussions documentation was not identifiable, DoLS applications were not made in all cases where they may have been required and, excepting one instance in the sample, capacity assessment documents were not present to accompany DNACPR decision forms. Therefore, we have provided **limited assurance** over this control objective.

Audit objective 3: to confirm if DNACPR forms reviewed have been discussed with the patient or, if they lack capacity to make a decision, the patient's family/ representative have been engaged in the decision making and records are kept of the discussions that preceded the issue of the DNACPR

2.13 In respect of the DNACPR review and capture process we noted that the Health Board follows the All-Wales policy - 'Sharing and Involving - a clinical policy for Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) for adults in Wales'. This provides a framework of control over the process and template documentation on which to record the resuscitation discussion.

2.14 Regards documentation of discussion of the DNACPR decision with the patient or relative/ attorney/ advocate we noted as a general principle that DNACPR forms will indicate (tick box) whether these took place and identify with whom (e.g. son / daughter). Further detail may be recorded elsewhere if necessary, e.g., in medical notes, the Treatment Escalation plan (TEP) or Advanced and Future Care Plan (AFCP).

2.15 In compliance with the All Wales policy, and prompted by the two Covid-19 infection surges in 2020, the Health Board had conducted audit reviews of full DNACPR documentation across several of its hospital sites. Although yet to be formally reported, we noted initial results show a low percentage of forms examined in the sample recorded information about decision discussions taking place with the patient or relatives.

2.16 In the sample of 20 patient records we examined there were 9 active DNACPR forms where the patient lacked capacity for the DNACPR decision. The policy requires that, where this is

the case, DNACPR forms should identify the relatives with whom the discussion of the decision took place but there were two forms where this was not recorded (see Matter Arising 4).

2.17 We observed that neither patients nor relatives sign or initial the DNACPR form to evidence that discussion of the decision took place. Although the All-Wales policy does not require it here, participant sign-off is common practice in many similar situations for the avoidance of doubt in the event of subsequent enquiry.

Conclusion:

2.18 We identified a low instance of exceptions in the documentation of relative discussion of DNACPR decisions and we have provided **reasonable assurance** for this objective.

Audit objective 4: to ensure a process is in place to review / re-assess a patient's capacity status, instructions or preferences periodically or at key stages in a patient's pathway and that this is adhered to

2.19 Capacity assessments are decision specific and consequently are not carried forward from event to event and there is therefore no requirement to review assessments that have been carried out on a patient to ascertain whether the status has changed: new decisions require new assessments.

2.20 We found no instances where the capacity assessment for one decision had been carried forward and used for another decision. That said, we reported above that in the testing we carried out on a sample of DNACPR decisions these, with one exception, were not accompanied by a documented assessment of the patient's capacity to make and communicate decisions about CPR but should have been.

2.21 With regard to the DNACPR decision form, we note that these documents do not record an expiry / forward review date and if left unaltered will remain in force indefinitely. The All-Wales policy lists circumstances under which decisions should be re-examined (e.g., if the clinical circumstances clearly change, if the patient requests a review of the decision) and provides fields in the DNACPR template form to record any review that takes place.

2.22 Excepting one case where a DNACPR form had been reviewed and cancelled, we did not encounter any other instance where DNACPR documents recorded a subsequent review had been made in the 14 active cases seen in our sample.

Conclusion:

2.23 Whilst the process design for DNACPR review outlined in the All Wales policy appears reasonable, as there were no examples we could use to test these we have not been able to provide an assurance rating for this objective.

Audit objective 5: to assess the adequacy of provision and availability for staff of Mental Capacity Act training

2.24 We noted a range of training courses are available through the ESR system covering the scope of the Mental Capacity Act (conducting compliant assessments, assessing patient best interests, addressing deprivation of liberty and safeguarding matters) although we were

unable to access them via ESR or obtain any data on who had attended and completed them.

2.25 We noted the Mental Capacity Act is included in the scope of the UK Foundation Programme Curriculum for Doctors in training but did not conduct any testing in this area.

2.26 We were told by ward staff we met that they had not taken formal Mental Capacity Act training, and we observed there was some uncertainty over exactly what the requirements are to comply with the Act when conducting and recording patient capacity assessments (see Matter Arising 5).

2.27 We were advised by County ward staff that they have linked in with the Older Adult Psychiatric Liaison (OAPL) specialist multidisciplinary mental health team for training in this area but were unable to establish the scope, formality, or status of this.

Conclusion:

2.28 Relevant training is available in this area but we were unable to confirm the level of competency of the ward staff we spoke to in applying the requirements of the Mental Capacity Act and have therefore provided **reasonable assurance** over this control objective.

Appendix A: Management Action Plan

Matter arising 1: Review of procedural documents (Operation)	Impact
We noted a capacity assessment procedure document 'Assessment of Mental Capacity Procedure' is in place providing decision making flowcharts and templates for assessors to use in documenting assessments. However, this document records issue and review dates of 2013 and 2016 respectively and consequently its review is overdue.	Potential risk of capacity assessments following outdated policy and procedure and not complying with current legislation.

Recommendations	Priority
1.1 We recommend that procedural documents that have passed their stated review date are updated where required to reflect current legislation.	**Low**

Management response	Target Date	Responsible Officer
1.1 Agreed This procedure will be reviewed and updated with pace.	November 2021	MCA Lead/Head of DOLS

Matter arising 2: Documenting best interests discussion for patients lacking capacity (Operation)	Impact
In our sample testing of capacity assessments, we noted cases where patients had been assessed as lacking capacity but where the discussion to decide the appropriate treatment or discharge plan (best interests) had not been documented in the pages of the assessment template and could not be identified with any certainty in other records that were present on the patients' file. The Mental Capacity Act Code of Practice (para 5.15) requires that a record is kept of the best interest discussion and the Health Board's template capacity assessment form includes appropriate sections for this purpose.	Potential risk of liability for actions taken for a patient who lacks capacity to make the decision themselves.

Recommendations		Priority
2.1	We recommend that the 'best interests' discussion for patients assessed as lacking capacity is documented in the designated pages of the capacity assessment document in all cases.	**Medium**

Management response		Target Date	Responsible Officer
2.1	Agreed A reminder will be issued across the organisation regarding robust completion of documentation.	November 2021	Head of MCA

Matter arising 3: Capacity assessments to support the DNACPR decision (Operation)	Impact
The All-Wales DNACPR Policy requires that the capacity of the patient to make the DNACPR decision is decided by the assessing clinician in all DNACPR decisions. Where capacity is being challenged, the Mental Capacity Act requires that this is formally assessed, and the Health Board provide template forms on which to document this. Excepting where there are no indicators prompting challenge of a patient's capacity and therefore no formal assessment is conducted, DNACPR decisions should be accompanied by a Health Board capacity assessment form. However, with the exception of one, we noted that in the sample of patients tested documented mental capacity assessments did not accompany DNACPR decision forms. The audit sample included nine active DNACPR forms recording the patient without, and five with, capacity (although with the latter, we do not know whether these follow Act compliant assessments, or whether their capacity was never in doubt and therefore not formally assessed).	Potential risk that the Health Board are not protected by the Act from liability for not attempting patient resuscitation.

Recommendations		Priority
3.1	We recommend that, excepting where there is no reason to doubt that the patient has capacity, DNACPR decisions forms are accompanied by completed Health Board patient capacity assessment forms in all cases.	**High**

Management response		Target Date	Responsible Officer
3.1	Agreed A reminder will be issued across the organisation regarding completion of DNACPR and Capacity Assessment forms.	November 2021	Head of MCA

Matter arising 4: DNACPR decision discussion with patient and/ or relative (Design)	Impact
Of the 14 active DNACPR forms found in the patient sample we examined, 9 were of patients lacking capacity to make the decision. Where this is the case, the All Wales policy requires that the decision is discussed with those close to the patient, typically a relative, but this can include an attorney or advocate, and that this is recorded on the template DNACPR form. Of these, we noted 7 of the DNACPR forms recorded the identity of the relative with whom the discussion had taken place (e.g. son / daughter) but in two cases this was not recorded.	Potential risk of being held liable for acting against the wishes of the patient or relatives/ other parties close to the patient.

Recommendations	Priority
4.2 The All Wales DNACPR policy must be complied with in full without exception. We recommend that succinct but sufficient details of patient or relatives' discussions are recorded on the All Wales DNACPR forms in all cases in order to ensure that the policy is complied with.	Medium

Management response	Target Date	Responsible Officer
4.1 Agreed Correspondence will be sent to clinicians outlining the importance of detailing discussions with relatives.	December 2021	Clinical Executives

Matter arising 5: Mental Capacity Act capacity assessment training (Operation)	Impact
We note that it is an individual professional responsibility to ensure competency to undertake capacity assessments. However, we noted that staff on the wards of County Hospital, where the audit sample testing was conducted, had not taken this training in the application of the Act, in conducting and recording patient mental capacity assessments and explained to us that they were not sure of all of its requirements. We identified several instances during our sample testing where capacity assessment documentation was not present or incomplete in the patient files we examined.	Potential risk of non-compliance with current legislation.

Recommendations	Priority
5.1 We recommend that management remind ward staff conducting capacity assessments of the need for competency in this area and that they seek competency status from each relevant member of staff and if necessary ensure that relevant training is accessed and completed.	**Medium**

Management response	Target Date	Responsible Officer
5.1 Agreed Correspondence will be issued to Divisions, for cascade, highlighting the training available.	November 2021	Head of MCA

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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Occupational Health
Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

NWSSP Audit and Assurance

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Committee:	Audit, Finance and Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement

NHS Wales Audit & Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

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Executive Summary

Purpose

To provide assurance over the arrangements and controls in place for the management of the occupational health service.

Overview of findings

We identified no significant issues for reporting in our review.

Report Classification

		Trend
Substantial	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.	N/A – first review

Assurance summary

	Assurance objectives	Assurance
1	Policy and standard operating procedures	Reasonable
2	Processes to ensure timely access for referrals	Substantial
3	Pre-employment checks	Substantial
4	Key performance indicators	Substantial

Matters arising

		Assurance Objectives	Control Design or Operation	Recommendation Priority
1	Referral Status	1	Operation	Low
2	Service Delivery	2, 3, 4	Design	Low

1. Introduction

1.1 Health and safety legislation in the UK places a statutory duty on employers to keep their employees healthy and safe whilst in work, and, in particular, to manage risks in the workplace that are likely to give rise to work-related ill health.

1.2 Occupational health specialists are placed to support and help people stay in work and live full and healthy lives. They play a key role in ensuring:

- the health and well-being of the working population by preventing work-related ill health and providing specialist rehabilitation advice; and
- providing independent, impartial advice to employers and employees on the effects of work on health and the effects of health on work.

1.3 The Aneurin Bevan University Health Board's (the 'Health Board') Occupational Health Team (the 'team') consists of clinical (8.6 WTE, excluding consultant provision) and non-clinical staff (6.46 WTE). Vacancies have not been included above, which are:

- 1.6 WTE clinical vacancies (0.6 WTE band 7 and 1 WTE band 5); and
- 0.6 WTE non-clinical band 4 on maternity leave.

1.4 The team consists of staff who have undertaken specialist training in occupational health to enable them to provide a proactive and evidence-based service. The team works with a variety of agencies both internal and external to the Health Board.

1.5 The Occupational Health Team is not involved in the employee disciplinary process within the Health Board.

1.6 The team aims to:

- Promote the highest degree of physical, mental and social well-being of all staff.
- Protect, support and maintain a healthy working environment.
- Act in an advisory capacity and provides confidential independent advice.
- Maintain records that are strictly confidential and kept separate from Health board medical records and Personal files. No information about employees is released without their written consent.

1.7 Furthermore, the team provides a range of services, including, but not limited to the following:

- pre-placement health assessments;
- fitness to work;
- blood screening advice;
- management of needlestick injuries;
- immunisation programmes;
- health promotion and wellbeing;
- fitness to work;
- ill health retirement;
- health assessments (following manager / self-referral for sickness absence); and
- work-related ill health issues.

1.8 The key risks considered in this review are:
- inappropriate and / or inconsistent processes are undertaken;
- extended and increased risk of staff absence due to a lack of timely intervention;
- low staff morale and increased risk of harm to patients;
- increased financial costs due to staff absences / recruitment delays;
- inappropriate and / or delayed staff recruitment; and
- poor service performance is not identified or addressed.

2. Detailed Audit Findings

Audit objective 1: to determine if the Health Board has a formally documented policy and standard operating procedures in place for the occupational health service, and these are appropriately applied in practice.

2.1 The Health Board has a formally documented policy (included within the Occupational Health and Safety Policy), which is supported by a suite of internal standard operating procedures (SOPs). These cover the main services offered by the Occupational Health Team (the 'Team'). We found several SOPs have been recently updated, with two still out of date. However, one is being reviewed on an all Wales basis to supersede the Health Board's SOP on health surveillance and the remaining SOP may no longer be required, which is currently being assessed. As such, we have not raised a specific recommendation for this.

2.2 We tested compliance against a sample of the SOPs as part of objectives two and three, i.e. timely access for referrals and pre-employment checks. We found that the process is the same for both, as each action is classed as a referral. As such, the process was adhered to for a sample of 10 tested. Whilst the SOPs do not prescribe timeframes for key stages to be completed by, we found that the key performance indicators (KPIs) do provide these details. This is detailed within objective four.

2.3 The team maintain appointment referrals via Sharepoint, with individuals issued time slots in chronological order of receipt. The process enables appointments not yet issued to be easily identified. This includes the initial and follow-up appointments.

2.4 The clinicians within the team update a patient's record following each appointment. During testing we identified that an administration section is maintained on the referrals database. Whilst this functionality is not used to issue referral appointments or to produce performance metrics, it does serve as a quick status check for the team when reviewing individual referrals e.g. to understand the stage of the occupational health process an individual is at. However, we identified a significant number of records that were not up-to-date within this aspect of the database. We have raised this as matter arising one.

Conclusion:

2.5 We have provided reasonable assurance for this objective, as there is a suite of procedural documentation in place. However, the status of an individual is not always updated promptly, which may increase the length of time team members require to determine at which stage of the occupational health process a referral is at. Further detail regarding KPIs is concluded within objective four.

Audit objective 2: to determine if appropriate processes are in place to ensure staff have timely access to the occupational health service for referrals (both self and line manager).

2.6 We confirmed that documented SOPs are in place to assist with ensuring timely access to the occupational health service.

2.7 All referrals are logged onto a central, controlled database to ensure completeness, which is used for the tracking of appointments. Referrals are assigned to appropriate clinical personnel and added into the workplan, with an appropriate appointment issued.

2.8 As referred to within objective one, we tested a sample of 10 referrals to ensure the SOP was adhered to. We found no exceptions to report.

2.9 We discussed the level of service resourcing available during the second peak of the pandemic and onwards with the Team. We were informed that resources were re-deployed as required during the pandemic, particularly when waiting time peaks arose (February and June 2021). We found that whilst there were occasions when waiting times exceeded their respective KPI overall, the following averages were achieved across the period detailed below.

Waiting Times Period 07/02/2021 - 05/09/2021		
Professional	**KPI All Sites**	**Averages (31 Weeks)**
OH Physician	**5 Weeks**	**5.68 Weeks**
OH Nurse Practitioner	**5 Weeks**	**3.26 Weeks**
OH Nurse	**10 Days**	**10.65 Days**

Conclusion:

2.10 We have provided substantial assurance for this objective, as whilst waiting times increased, suitable action was undertaken to address waiting times. However, we have raised a low recommendation for the Health Board to consider with future continuity planning arrangements (see matter arising two).

Audit objective 3: to ensure appropriate processes are in place for the completion of pre-employment checks for all prospective employees and within agreed timescales.

2.11 All pre-employment requests are logged promptly and categorised by employer.

2.12 Appropriate KPIs are in place for the monitoring of processing times.

2.13 As with objective two all referrals are logged onto a central and controlled database to ensure completeness.

2.14 We selected a sample of 10 individuals to ensure a sample of pre-employment checks were completed in accordance with the SOP.

2.15 We found that during the pandemic, all pre-employment checks sampled were completed, on average, in just over 13 days. Whilst there were six anomalies of completion in excess of 20 days (highest 27 days) within our sample from June 2021 of 230 individuals, 92% of pre-employment referrals were completed within 15 days or less.

2.16 The pre-employment process can involve three levels of assessment (from a questionnaire through to a nurse assessment and / or occupational physician). However, the SOP does not stipulate a time frame for each of these checks to be completed in. In view of the pandemic and increased staffing volumes, the completion timeframes within our sample are reasonable. As referenced within audit objective two, we have raised a low recommendation (matter arising two).

Conclusion:

2.17 We have provided substantial assurance for this objective.

Audit objective 4: to confirm that appropriate KPIs are in place for the occupational health service, which is effectively monitored and reported.

2.18 Weekly and monthly KPIs are produced, covering key points within the referral and pre-placement process. We reviewed a sample of these KPIs to ensure action was undertaken if targets were not met and found no issues.

2.19 We also reviewed the annual Occupational Health Service Review, which is reported into the People and Culture Committee (temporarily paused during the pandemic, but restarted during April 2021). This forum is also used to provide assurance over occupational health matters.

2.20 Overall, we found that during the pandemic KPIs were not met on a regular basis, but this was as a result of an unprecedented demand on the service due to the pressures that Health Board staff were facing, in addition to significant recruitment campaigns and ongoing support to managers and staff during the pandemic e.g. PCR testing records and Covid risk assessments.

Conclusion:

2.21 We have provided substantial assurance for this objective, as whilst KPIs were not always met as result of the pandemic, we found management undertook the necessary action to rectify this. As referenced above, we have raised a low recommendation within matter arising two.

Appendix A: Management Action Plan

Matter arising 1: Referral Status (Operation)	Impact
During testing we reviewed the database that is used to detail referral / patient details. Whilst these records are not used to issue appointments, we found that an administrative section is completed by clinicians. This information is used for internal purposes, to quickly retrieve the current position / status of a patient. However, we found that this section of the database is not regularly updated by the clinical staff. We found that a patient's status had not been updated in a significant number of cases.	• Increased time and resource required to determine referral status

Recommendations	Priority
1.1 The Health Board should: a) Remind clinical staff of the need to promptly update the administration section of a patient's file. b) Consider the value and benefit derived from using the administration section versus the effort required to maintain the latest position.	Low

Management response	Target Date	Responsible Officer
1.1 a. Issue included on the agenda (item 11a) of the Occupational Health Senior Clinical and Administration team meeting held on the 20th October 2021. b. All members of the occupational health team involved in the process have been communicated with on the 8th November 2021 to improve management of this data set. c. A monthly report query will be introduced from the 1st December 2021 to capture any outstanding issues as an additional assurance layer.	December 2021	Director of Workforce & OD

Matter arising 2: Service Delivery (Design)	Impact
Whilst the Occupational Health Team regularly assessed and adjusted the service to counteract the impact of the pandemic, KPIs for referrals to occupational health professionals were regularly exceeded. This was during a period of increased demand for the service from staff affected by the pandemic.	• Increased staff sickness absence • Increased financial costs to maintain safe staffing levels • Low staff morale

Recommendations	Priority
2.1 The Health Board should consider: a) Automating key aspects of the processes, to reduce the workload for the Occupational Health Team. For example, auto-generation of emails / letters for referrals, self-selection of referral appointments by staff or a self-directed referral to an appropriate professional. b) Updating resilience / continuity plans to assist with increased demand in the future, to include reallocation of team members, setting up amended work schedules, reduced appointment slots, allocation of clerical staff to clinical staff to maximise clinic availability, overtime options, re-focussing of service priorities and / or streamlining of processes to a bare minimum on a temporary basis etc. c) Engaging in any future All-Wales reviews of occupational health services within the NHS.	Low

Management response	Target Date	Responsible Officer
2.1 a. It is planned that the current management referral process will move from paper referral and Occupational Health response in letter format to an online referral system and subsequent report to managers in 2022. The service is currently part of an All Wales task and finish group developing this. Once implemented it should remove several administration stages of the current process. The recommendation for staff to be able to self–select would miss out the essential clinical triage process to allocate Occupational Health clinical staff resources appropriately.	March 2022 (as reliant on an All Wales Launch)	Director of Workforce & OD
b. Occupational Health consistently review its skill mix and resources to meet the demands of the service. Through periods of higher administration demand for example Covid 19 PCR results and the annual Flu programme additional administrative hours are sourced. This reduces any impact on routine Occupational	March 2022 (To be able to incorporate	Director of Workforce & OD

	Health function. A detailed service review is planned for Quarter 2 in 2022 which will incorporate the recommendation of the Occupational Therapy scoping exercise which commenced on the 1st November and is planned to conclude on March 31st 2022.	the results of the scoping exercise)	
c.	The Occupational Health manager was involved in the 2019 review of Occupational Health services in NHS Wales as both previous co-chair and member of the Wales NHS Occupational Health and Wellbeing group. She still sits as a member on the group and will be actively engaged in any future reviews.	The repeat All Wales Occupational review is being considered by Welsh Government, the Occupational Health Service is unable to influence the time scales	Director of Workforce & OD

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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Draft report issued:	3 November 2021
Management response received:	9 November 2021
Proposed final report issued:	9 November 2021
Final report issued:	11 November 2021
Auditors:	Audit & Assurance: Specialist Services unit
Executive sign-off:	Nicola Prygodzicz, Executive Director of Planning, Digital & IT
Distribution:	Robert Holcombe, Deputy Finance Director Hannah Capel, Interim Associate Capital Projects Director Kelly Jones, Head of Capital Finance Richard Howells, Interim Board Secretary
Committee:	Audit, Finance and Risk Committee

Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Institute of Internal Auditors

Acknowledgement
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Executive Summary

Purpose

The agreed audit brief sought to provide assurance in the area of Financial Assurance, focussing on the accuracy of the final account calculations and the adequacy of information supporting the sums claimed by the Supply Chain Partner.

However, the final account was not available at the date of the audit, therefore the focus of work was on the assurance that additional costs arising from Covid 19 had been appropriately identified, reported and managed.

The audit of the final account will be deferred to the 2022/23 Internal Audit plan.

It also considered the management actions taken to address audit recommendations arising from previous Financial Assurance audits.

Overview

The Covid-19 claim was found to be fully substantiated.

All of the previously agreed recommendations have been appropriately closed by management.

Substantial assurance has therefore been provided.

Report Classification

		Trend
Substantial	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.	2019/20 and 2020/21

Assurance Summary [1]

Assurance objectives	Assurance
1 Follow-up	Substantial
2 Covid-19 claim	Substantial

[1]The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 The agreed Grange University Hospital (GUH) integrated audit plan for 2021/22, sought to provide assurance across a number of areas including financial assurance.

1.2 Practical completion and handover of the entire facility was achieved on 12 November 2020. The hospital subsequently opened on 17 November 2020, with additional funding having been provided for early opening to meet the impact of Covid-19.

1.3 Accordingly, it was agreed that this audit would focus on consideration of the accuracy of the final account calculations and supporting information; to confirm that monies were expended in accordance with approved funding; and that the associated claim for Covid-19 funding has been appropriately supported.

1.4 However, post-handover, additional works associated with Doctor's rest facilities, external footpaths and additional car parking were requested by the UHB post completion of the main scheme by way of addition to the original contract. Accordingly, this has delayed availability of a final account, which would otherwise have been available within a year of handover.

1.5 Consideration of additional post-handover works was ongoing, including:

- conversion of the agile working space (located on Level 1) to a Same Day Emergency Care (SDEC) Unit; and
- conversion of Grange House (located on the Llanfrechfa site) into a Wellbeing Centre.

1.6 Follow-up of agreed recommendations raised at the following previous GUH financial assurance were also included within this review:

- GUH Financial Assurance Audit (2020/21: Reasonable Assurance);
- GUH Open Book Audit (2019/20: Reasonable Assurance); and
- GUH Financial Assurance Audit (2019/20: Reasonable Assurance).

1.7 The potential risks considered in the review were as follows:

- project expenditure was not in accordance with approved funding and / or not appropriately supported;
- Covid-19 funding has funded non-Covid-19 costs; and
- management do not have processes in place to review and action agreed audit recommendations.

1.8 Noting the ongoing impact of Covid-19, the delivery of this assignment has included an increased element of remote working.

2. Detailed Audit Findings

Follow-up: Assurance that previously agreed management actions had been implemented.

2.1 The status of agreed management actions was as follows, with full details provided at Appendix A:

Status of recommendation	High	Medium	Low	Total
Closed	1	7	-	**8**

2.2 Recognising that all agreed management actions from previous financial assurance reports have been closed, **substantial assurance** is determined.

Final account: Assurance that the final construction account had been appropriately supported and calculated.

2.3 At the date of audit fieldwork, the latest available Cost Adviser report (to 30 June 2021) summarised project costs as per the following table:

	£	£
Revised Target Cost		**236,157,731**
Anticipated Final Account (*including Gain Share)*	236,157,731	
Less Supply Chain Partner Gain Share (@ 50% of gain)	4,970,000	
Stage 4 Out-turn cost *(excluding Gain Share)*		**231,187,731**
Add pre-construction, fees and other costs	130,575,416	
Total out-turn *(excluding Gain Share)*		**361,763,147**
Full Business Case approved funding		**369,836,225**
Total project under-spend *(prior to gain-share)*		**8,073,078**

2.4 Recognising the additional works being undertaken (***paras 1.4 and 1.5***) and the design work that had been instructed with a view to assessing costs (involving a wide range of sub-contract trades), no agreement had been reached regarding final or interim settlement of their final charges.

2.5 Accordingly, the final account was not available for audit. It has been agreed with management that this review will be deferred to the 2022/23 Internal Audit plan.

Covid-19 funding:. Assurance that additional costs arising from Covid 19 have been appropriately identified, reported and managed.

2.6 The planned opening of the GUH was accelerated to increase resilience during the 2020/21 winter period and to increase Covid-19 capacity, for which additional capital and revenue funding was requested from Welsh Government.

2.7 Additional costs also arose from the requirement to maintain capacity at other UHB sites, necessitated by Covid-19. This meant that some equipment and beds originally earmarked for GUH transfer could no longer be transferred, therefore additional beds and equipment were procured.

2.8 These matters (notably revisions to programme for early opening) also resulted in additional adviser fees.

2.9 The Covid-19 capital funding return (as at 31 March 2021) was prepared by the Head of Capital Finance, in conjunction with the Project Clinician (now departed from the Health Board) to formally advise of the Covid related nature of individual expenditure elements. Accordingly, the audit was able to evidence assurance relating to the validity of the same.

2.10 The additional costs arising from Covid-19 were as follows:

	(A) Capital funding total - delivered £m	(B) Capital funding total - ordered but not delivered	(A+B) Total Capital funding requirement £m
Contractor Costs	8.034	0.069	8.103
External Fees	0.049	0.000	0.049
Equipment	1.000	0.000	1.000
Beds	0.149	0.000	0.149
TOTAL	**9.232**	**0.069**	**9.301**

2.11 Both the claim and supporting data were found to be arithmetically correct (including VAT engrossments).

2.12 A sample of expenditure from each category was verified to confirm that it had been expended, with no issues noted. The sum of £69,000 at the above claim was the estimated value of a Covid-19 related contractual change yet to be finalised as at 31 March 2021. This was subsequently substantiated in the sum claimed.

2.13 Similarly, equipment costs were confirmed as £1,005,335, representing a small under-claim. Where only a portion of a procurement was Covid-19 related, apportionments in sums claimed were observed.

2.14 Accordingly, **substantial assurance** is determined in respect of the GUH Covid-19 capital funding claim to Welsh Government.

Report: GUH - Financial Assurance (2020/21)	

Previous matter arising 1: External reporting	
Original recommendation and management response	Original priority
Dashboard returns should demonstrate internal consistency, and include reconciliation to supporting reports. **Management response:** Agreed. We will ensure a check is completed for future returns and if necessary a reconciliation added to explain any differences.	**Medium**
Current findings	**Residual risk**
The latest Project Progress Dashboard Return submitted to Welsh Government (September 2021) included embedded cost reports which reconciled appropriately. **Conclusion:** Closed	N/A

Previous matter arising 2: Reporting aggregation	
Original recommendation and management response	Original priority
Reporting should avoid netting off key figures, and reconciling analysis should similarly begin with base report figures rather than net figures derived from them. **Management response:** Agreed. Stating net funding was to avoid the Health Board utilising savings generated that were to be returned to Welsh Government. To aid comparison with the cost reports, in future reporting the funding will be included as per the approved totals and the resulting bottom-line saving will be used to identify the elements that relate to Gain share/ VAT Inflation savings, clearly stating that these savings must be retained and cannot be utilised to offset other scheme expenditure.	**Medium**
Current findings	**Residual risk**
This recommendation related to Health Board reporting. There is no longer a requirement for this level of reporting now that the main construction is complete and the dedicated GUH Project Board has been disbanded. It is recognised that the remaining GUH matters are reported, at a high level, to the eLGH Reconfiguration Board. Review of the most recent Cost Adviser report and Welsh Government return noted no netting off of figures. **Conclusion:** Closed.	N/A

Previous matter arising 3: Covid related costs	
Original recommendation and management response	Original priority
Management will confirm final Covid related costs, demonstrating amendments to pre-Covid plans, as financed both by project under-spends, or other sources of finance. **Management response:** Agreed. However, in this instance we deem the risk to be low. Existing ABUHB capital and financial governance controls allow us to be able to separately identify spend where a claim for additional funding is required. In the case of the Covid funding for GUH, compensation events have been separately identified in the cost returns and agreed with NWSSP/WG prior to any funding being released. Equipment orders have also been itemised and agreed with NWSSP/WG colleagues to allow funding to be released. The Health Board has reviewed subsequent equipment underspends against individual items e.g. x-ray machines and have subsequently reduced the Covid-19 funding requested where this can be absorbed by the original scheme budget.	**Medium**
Current findings	**Residual risk**
This matter has been the subject of the current audit with no matters arising. **Conclusion:** Closed	N/A

Previous matter arising 4: Change control	
Original recommendation and management response	Original priority
Future assurance Project changes will be approved by the client and formally approved in advance of instruction in accordance with contractual control mechanisms. **Management response:** Agreed. Management will undertake a review of the current process arrangements for delegated authority over change control approvals for future projects to ensure compliance with approval limits and contractual compliance mechanisms. This will include: • a review of how the change control process is implemented in other NHS Wales organisations; • a review of the delegated approval limits and approval process to ensure works are approved in advance and to allow time critical change requests to be progressed urgently outside of Project Board meetings; • agreeing a process to follow for urgent changes that require timely instruction in advance of detailed costing using mechanisms such as delegated Project Manager authorisation, estimated cost parameters etc. • an update to delegated approval and other relevant Financial Control Procedures where required.	**Medium**
Current findings	**Residual risk**
Client instructions for the additional works to the agile working area and Grange House were found to be in compliance with best practice and with the Project Execution Plan specification of governance arrangements operated at the project. **Conclusion:** Closed	N/A

Report: GUH - Open Book Audit (2019/20)	

Previous matter arising 1: M&E Sub-Contract Gain Share calculation	
Original recommendation and management response	Original priority
The mechanical and electrical sub-contractor should provide a gain share estimate at future valuations, reflected in the main contractor forecasts. **Management response:** Agreed. This should be consistent with the Supply Chain Partner Contract.	**Medium**
Current findings	**Residual risk**
A gain share estimate has been included at the mechanical and electrical account and reflected at the main claim. **Conclusion:** Closed	N/A

Previous matter arising 2: Disallowable expenses	
Original recommendation and management response	Original priority
a) Disallowable expenses of £2,056 should be removed from the application for payment. b) The mechanical and electrical contractor should provide assurance that off-site entertainment, celebrations and non-site related / disallowable expenditure will not be included within future applications for payment. **Management response:** Agreed.	**Medium**
Current findings	**Residual risk**
a) Disallowable expenses were removed in the sum of £2,056 from the application for payment of the Supply Chain Partner. b) Disallowable expenses were observed to be removed from the mechanical and electrical account on an ongoing basis, effectively enacting assurances relating to such removal. **Conclusion:** Closed	N/A

Previous matter arising 3: Volume Rebates	
Original recommendation and management response	Original priority
Rebates in the main mechanical and electrical sub-contract will be declared from the 19/20 financial year through to final account. **Management response:** Agreed.	**Medium**
Current findings	**Residual risk**
Rebates were seen to be appropriately deducted from the mechanical and electrical account. application. **Conclusion:** Closed	N/A

Report: GUH - Financial Assurance (2019/20)	

Previous matter arising 1: Gain Share planning	
Original recommendation and management response	Original priority
The Health Board should undertake, and report, a risk assessment of the potential impact on the project and the wider Health Board of the funding shortfall and management / mitigation arrangements to address the risks. **Management response:** Agreed. The ABUHB will develop a risk assessment analysis as part of identification of GUH capital funding risks and their potential mitigation (including potential use of wider ABUHB Discretionary capital funding). The report will be produced monthly by the GUH project team with input from Finance for presentation and consideration by the GUH Project Board and ABUHB Capital group (as mitigation may reside outside of the GUH remit).	**High**
Current findings	**Residual risk**
While additional works were still under review, as tabulated within this report, the main scheme has been delivered £8m within the approved Welsh Government funding. This audit review, therefore, provides assurance that funding risk has been appropriately mitigated. **Conclusion:** Closed	N/A

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally, issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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Grange University Hospital: Technical Assurance

Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
Shared Services Partnership
Audit and Assurance Services

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol Aneurin Bevan
University Health Board

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Final report issued:	11 November 2021
Auditors:	Audit & Assurance: Specialist Services unit
Executive sign-off:	Nicola Prygodzicz, Executive Director of Planning, Digital & IT
Distribution:	Robert Holcombe, Deputy Finance Director Hannah Capel, Interim Associate Capital Projects Director Ross Andrews, Estates Manager Richard Howells, Interim Board Secretary
Committee:	Audit Committee

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Executive Summary

Purpose

The audit sought to determine whether project delivery and handover of the Grange University Hospital has been in accordance with the terms of the contract and other statutory requirements.

Overview

The Grange University Hospital has been delivered within the terms of the contract. The statutory requirements have been addressed and the UHB has been provided with all technical documentation, specified within the contract, by the Supply Chain Partner.

One matter for management consideration has been detailed at **Appendix A**.

Accordingly, substantial assurance has been provided.

Report Classification

Substantial

Few matters require attention and are compliance or advisory in nature.

Low impact on residual risk exposure.

Assurance summary [1]

Assurance objectives		Assurance
1	Completion certifications / compliances	Substantial
2	Provision of technical documentation	Substantial
3	Post hand-over works	Substantial

[1]The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

1. Introduction

1.1 The agreed Grange University Hospital (GUH) integrated audit plan for 2021/22, sought to provide assurance across a number of areas including technical assurance.

1.2 Accordingly, this audit sought to determine whether project delivery, and handover was in accordance with the terms of the contract and other statutory requirements.

1.3 The quality assurance element of this integrated audit plan will consider the operational effectiveness and functionality of the facility.

1.4 The potential risks considered in the review were that:

- the build contract has not been complied with;
- parties performed poorly in delivering contractual obligations; and
- the facility was not fit for purpose at handover.

1.5 Noting the ongoing impact of Covid 19, the delivery of the integrated audit plan for 2021/22 included an increased element of remote working.

2. Detailed Audit Findings

Completion certification and compliances: Assurance that all building regulations and planning requirements have been addressed; that there has been timely completion of the environmental assessment; and that all contract conditions (including planning requirements) have been appropriately discharged.

2.1 Practical completion and handover of the entire facility was achieved on 12 November 2020. The hospital subsequently opened on 17 November 2020.

2.2 Certification was provided for full compliance with building regulations on 4 November 2020. Project monitoring undertaken by the external Project Manager also detailed and assured full compliance with planning requirements.

2.3 The NHS Building for Wales framework contract under which construction was commissioned requires an "*excellent*" rating under the Building Research Establishment's Environmental Assessment Method (BREEAM). This certification detailing an "*excellent*" rating was obtained on 10 November 2020.

2.4 Accordingly, **substantial assurance** is determined in relation to certifications and compliances.

Technical documentation: Assurance that there was timely provision of appropriate technical documentation by the Supply Chain Partner at handover.

2.5 The contract for the provision of the GUH included the requirement to provide technical documentation relating to the build. This was to be provided within

various manuals with supporting information, which are vital to the effective and safe operation of the build, and was evidenced appropriately for areas including:

- Floor loadings;
- Life cycle maintenance;
- Mechanical re-assembly instructions;
- Valve shut off procedures; and
- Required certifications.

2.6 The contract also required general compliance with Welsh Health Technical Memorandums (WHTMs), which specify standards for building and installations within NHS premises.

2.7 In particular, WHTM 04 requires "*as built*" drawings of water pipework to inform the control of legionella, or other bacteria within the configuration. Drawings at this level of detail were supplied, in compliance with this requirement. However, the UHB currently lacks either ownership or access to software to view these (**MA 1**).

2.8 However, noting the provision of all required documentation under the contract, a **substantial assurance** is determined in relation to provision of technical documentation.

Post hand-over works: Assurance that there has been adequate and timely rectification of snagging defects; and that there has been appropriate management and delivery of any post completion contract changes.

2.9 The building was certified *"free of defects which would have prevented the Employer from using the works and others from doing their works"* at handover by the external Project Supervisor (providing independent scrutiny of the works on behalf of the client).

2.10 The Supply Chain Partner has a year to rectify any defects (until 17 November 2021). Snagging issues present at handover were found to be resolved with the exception of three, which were resolved within a week (as logged via a control sheet).

2.11 A range of post-handover snagging issues were also identified. These ranged from technical issues, to minor issues such as a defective toilet paper dispensers. These issues were appropriately prioritised and actioned, as monitored by the Project Manager.

2.12 Snagging has therefore been appropriately monitored and addressed in a timely fashion in accordance with the requirements of the contract.

2.13 There have been a number of post completion changes, including:

- Doctor's rest facilities;

- External footpaths;
- Additional car parking; and
- Instruction given for design work for further works related to conversion for additional clinical space.

2.14 Formal instructions relating to the above works were issued by the UHB and associated cost monitoring within ongoing project (adviser) reports was identified. Major works, such as the pending conversion of clinical space were also found to be monitored by the eLGH Reconfiguration Board (which superseded the GUH Project Board).

2.15 Accordingly, **substantial assurance** is determined in this area.

Appendix A: Management Action Plan

Matter Arising 1: As fitted pipework (Operation)	**Impact**
WHTM 04-01 states the requirement for: *"accurate as-fitted drawings.. that "will assist in identifying any potential problems with poor hot water circulation and cold-water dead-legs where flow to infrequently used outlets can be low" to enable "engineering assessment of water systems".* While the system as initially installed will be fully compliant, over time, as the build is modified, dead legs, run lengths, and crossing pipework (hot in proximity to cold), can all affect temperatures and flushing requirements. Legionella can always be present at background levels within pipework, and changes to configuration can easily escalate levels. It is important therefore in a critical care setting, where patients may have compromised immunity that Estate's drawings can effectively inform ongoing risk assessment. While detailed "*as fitted*" drawings were supplied in compliance with this requirement, the UHB currently lacks the software to view these. Options may include purchase or access rights to the designer's software. In the latter case, there would be a need to make enquiry as to ongoing licence availability by the designer.	Potential risks: • legionella outbreak. • risk appraisals are not appropriately informed. • corrective actions are not appropriately informed.
Recommendation	**Priority**
1.1 Management should ensure the ability to utilise "as fitted" water configuration diagrams (e.g. via rights to utilise third party software, or procured software).	**Low**

Agreed Management Action	Target Date	Responsible Officer
1.1 Agreed. A capital bid has been submitted by the division to (a) employ full time CAD staff to keep records up to date and (b) to have access to the third-party software.	March 2022	Estates Manager

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

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Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
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Client Organisation	Aneurin Bevan University Health Board
Audit title	Tredegar Health & Wellbeing Centre
Audit reference	SSU_ABUHB_2122_01
Final Report Date	18 November 2021
Auditor(s)	Felicity Quance

I would be very grateful if you would please take a moment to complete the below questionnaire which will enable us to ensure that we provide a high quality service. Feedback will also be also reflected within our key performance information reported to the Audit Committee.

	QUERY (enter "X" alongside)	Yes	No	Partially	n/a	Any further comments
1	**Engagement & Communication** Were you satisfied with the way the audit team engaged with you and colleagues?					
2	**Professionalism** Was the audit conducted in a positive, professional manner and respectful of your work commitments?					
3	**Report** Was the work reported in a clear, constructive way?					
4	**Impact** Was the audit beneficial eg providing assurance regarding current arrangements, or supporting improvements?					

What words would you use to describe the audit service you have received? Please feel free to enter up to six words into the boxes below:		

If you have any additional comments or suggestions, please add them below:

Thank you very much for taking time to complete this questionnaire. Please return by email: huw.richards@wales.nhs.uk or post: **Huw Richards, Deputy Director (SSU), NWSSP Audit & Assurance, Floor 3, Companies House, Crown Way, Cardiff, CF14 3UB**
Alternatively, please feel free to call me on: **029 2090 5312**

Tredegar Health & Wellbeing Centre
Final Internal Audit Report

November 2021

Aneurin Bevan University Health Board

GIG CYMRU NHS WALES
Partneriaeth Cydwasanaethau
Gwasanaethau Archwilio a Sicrwydd
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Auditors:	NWSSP Audit & Assurance – Specialist Services Unit
Executive sign-off:	Nicola Prygodzicz, Director of Planning & Performance
	Nick Wood, Director of Primary, Community & Mental Health Services
Distribution:	Andrew Walker, Strategic Capital & Estates Programme Director
	Lorraine Morgan, Programme Manager, Strategic Capital & Estates
	Richard Howells, Interim Board Secretary
Committee:	Audit Committee

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Executive Summary

Purpose

The audit was undertaken to review the delivery and management arrangements in place to progress the Tredegar Health & Wellbeing Centre project; and the performance to date against its key delivery objectives i.e. time, cost and quality.

Overview

Reasonable assurance has been determined for this project.

The UHB are seeking to manage the current reported potential overspend of £364k incurred as a result of the enabling and grouting works within the approved project allocation. The associated reported delays, to date, will not adversely impact on service delivery recognising the nature of the facility (i.e. reprovision). These issues will need ongoing management scrutiny through to project completion.

The matters requiring management attention include:

- Inclusion of a summary financial position, on a cumulative basis
- Improved scrutiny of the Key Performance Indicator returns;
- Maintenance of a costed project risk register;
- Improved management of contract documentation i.e. signing in advance of works and appropriate assessment of contract clauses; and
- Compliance with the Enabling Works contract requirements of NHS Wales Investment Infrastructure Guidance.

Other recommendations are within the detail of the report.

Report Classification

Reasonable

Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

Assurance summary [1]

Assurance objectives		Assurance
1	Project Governance	Reasonable
2	Design Development	Substantial
3	Target Cost	Reasonable
4	Contract Management	Limited
5	Project Management	Reasonable
6	Enabling Works	Reasonable

[1] The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion

Key Matters Arising

		Assurance Objective	Control Design or Operation	Recommendation Priority
3.1	Cost Adviser Reporting	3	Design	Medium
5.1, 5.2	Contract Documentation	4	Operation	High
6.1	SCP Contractor Documentation – Delay Damages	4	Operation	Medium
7.1	Contract Documentation – Enabling Works Contract	4,6	Operation	High
9.1	Risk Register	5	Operation	Medium

1. Introduction

1.1 The construction of a new Health and Wellbeing Centre was included within the Welsh Government's Primary and Community Care Pipeline Programme. The UHB's preferred option for this project was on the site of the existing redundant Tredegar Hospital and will replace the existing Tredegar Health Centre and Glan-Yr-Afon surgery.

1.2 The facility will include a range of clinical services provided by the UHB, General Practitioner, Community Pharmacist and General Dental Practice services along together with social care and Third-Party provision.

1.3 Welsh Government approval of the Full Business Case (FBC) was received on 18 March 2021. A total of £19.488m was approved for this project, of which £5.481m had been provided to date.

1.4 It is recognised, that prior to the approval of the FBC, an element of enabling works had been undertaken through demolition of part of the Tredegar Hospital and removal of asbestos from the areas of the site being retained. This work was completed February 2021; with subsequent grouting works completed in August 2021.

1.5 Main construction works commenced on site on 6th September 2021.

1.6 The potential risks considered in the review were as follows:

- Failure to achieve key project objectives (e.g. delivery to time, cost and quality.
- The target cost does not provide sufficient value for money.
- Appropriate approvals were not in place to progress through key junctures.
- The interests of the UHB are not protected under the contract.
- Adequate monitoring and reporting were not demonstrated.

2. Detailed Audit Findings

Project Governance: To ensure that appropriate governance arrangements were in place for the current project phase, including operation of effective reporting and accountability lines; and appropriate approvals were in place.

2.1 The project operated within a well-defined governance structure as set out in the Full Business Case submitted to Welsh Government; and the Project Execution Plan.

2.2 The Project Execution Plan was published in February 2020. This is a 'live' document which requires revision / updates throughout the duration of the project **(MA1)**.

2.3 The key project roles of Senior Responsible Officer (Executive Director of Primary, Community and Mental Health Services) and Project Director (Strategic Capital and Estates Programme Director) had been appropriately assigned.

2.4 Regular Project Board and Project Team meetings were held during the period under review. However, the terms of reference in place for both lacked coverage regarding quoracy, attendance by delegated officers and current stage of the project. Further, the defined membership did not reconcile to those attending the meetings **(MA2)**.

2.5 Welsh Government provided funding approval for the Tredegar Health & Wellbeing Centre on 18 March 2021 in the sum of sum of £14.007m (recognising earlier approvals totalling £5.481m (including £1.468 for enabling works and £2.18m for grouting works)).

2.6 Whilst recognising the enhancements recommended, the governance structure was operating effectively, therefore **reasonable assurance** has been determined.

Design Development: Assurance that the design was sufficiently progressed and signed off by users in accordance with the development programme; and that the users were adequately supported with professional advice.

2.7 The design for the project, presented to support the target cost and submitted FBC, was reflective of the service requirements, and endorsed by users, to address the development of Health and Wellbeing Services and the ongoing development of Primary, Community, Social and out-of-hospital care.

2.8 As cited within the FBC, the service provided through shared accommodation "*will provide an opportunity to embed and develop innovation amongst partners, supporting Tredegar citizens throughout their health and social care pathways*".

2.9 At the date of reporting, noting the delays that have been experienced through the enabling and grouting works (**see *Enabling Works* section**), procurement exercises for equipment had not commenced. Discussions with management acknowledged that as the main construction works have commenced, equipment group meetings will be arranged to progress purchases (where applicable), ownership of purchases and transfer exercises of existing equipment.

2.10 In the context of the stage of the project at the point of our review, **substantial assurance** has been determined.

Target Cost: An assessment of the processes established to evaluate the initial tender packages prior to approval and the extent of benchmarking undertaken; consideration of the risk assumptions built into the target cost and confirmation that appropriate approvals were in place to accept the target cost.

2.11 The total target cost (as approved by the UHB Board at the submission of the FBC) applied to the project is £10,297,515. The UHB's cost advisers assessed the market testing of the packages to ensure value for money in reaching the sum.

2.12 A review of ten market tested packages (combined value: £5,555,896 / 54% of the total target cost) was undertaken as part of the current audit. For all packages, review of the supporting documentation confirmed that value for money had been adequately demonstrated.

2.13 The interim valuation assessment arrangements were reviewed, confirming the value of the work completed prior to passing for approval for payment by the UHB. A sample of payments [SCP and appointed advisers] were reviewed to confirm completeness and timeliness:

	Number of valuations sampled	Total sampled £
SCP *Includes payments for enabling, grouting and main works*	7	1,085,915
Project Manager	2	7,560
Cost Adviser	3	29,700

2.14 All had been paid in a timely manner and in accordance with the contractual requirements.

2.15 A reconciliation was undertaken of the cash flow / budget position to the dashboard returns to Welsh Government [which report into the All-Wales Capital Programme meetings – previously monthly, now bi-monthly]. Whilst the overall reported position is the same [forecast overall project overspend circa £364k], the content of the Cost Adviser reports primarily focussed on annual reporting (i.e. 2021/22) rather than provide an income / expenditure summary on a cumulative basis **(MA3)**.

2.16 It was also noted that the completed dashboard had not been presented to an appropriate internal forum to enable appropriate scrutiny and challenge.**(MA4)**.

2.17 Appropriate arrangements had been applied in respect of the market testing and target cost production exercise. However, noting the recommendations for improvements to summary financial reporting and scrutiny of the Welsh Government dashboard returns, **reasonable assurance** has been determined.

Contract Management: To ensure that appropriate contractual documentation was in place for the main contractor and the UHB's advisers.

2.18 The procurement strategy was defined in section 4.8 of the FBC i.e. utilising the All Wales Designed for Life 4: Building for Wales Framework (DfL). The main contractor / supply chain partner (SCP) and advisers have been appointed accordingly.

2.19 For the stage of the project, at the point of review, the contractual documentation expected to be in place included:

	SCP	Cost Adviser	Project Manager
Call off contract *To cover the period of Strategic Outline Case (SOC) to Outline Business Case (OBC)*	✓	✓	✓
Confirmation Notice 1 *To cover the period of approval of OBC to FBC*	✓	✓	✓
Confirmation Notice 2 *To cover the period of design completion, construction, commissioning, handover (Stage 4), operational commissioning (Stage 5) and Project Closure (stage 6)*	X	X	X
	At the date of the review, main construction works had yet to commence		

2.20 Whilst Confirmation Notice 1 had been actioned for all parties, the respective documents had only been signed for the SCP. Action is also required to ensure Confirmation Notice 2 is in place, and accepted by all, prior to commencement of the main construction works **(MA5)**.

2.21 At the date of fieldwork, review of Confirmation Notice 2, to be used, noted inclusion of 'Option X7: Delay Damages' and inclusion of the nominal fee of £1 (as per the proforma contract issued by NWSSP: Specialist Estates Services). There is an expectation that the UHB reviews and updates / discusses with the SCP a more appropriate figure for inclusion, based on a risk assessment undertaken by the UHB. Evidence was subsequently provided detailing a proposed delay damages figure for inclusion; however, the revised Confirmation Notice 2 did not include the proposed figure. The proposed figure should be reviewed for accuracy, agreed by all parties and updated in the contract documentation prior to signing by the UHB. **(MA6)**.

2.22 Further to the above contractual documentation, there have been other elements of work that the SCP have undertaken in relation to the project, namely enabling works and grouting works. The review of the documentation in place notes that such work has been instructed under a compensation event, which contravenes the NHS Wales Infrastructure Investment Guidance **(MA7)**.

2.23 Noting the absence of signed contract documentation, the need to address delay damages and no separate project contracts held for enabling works, **limited assurance** has been determined.

Project Management: To ensure that appropriate project management controls were applied including in the management of contractor and adviser performance, project risks and change control.

2.24 Key Performance Indicator (KPI) data collation is managed for all DfL projects by NWSSP: Specialist Estates Services; with returns from all parties expected on a

biannual basis (noting a 6-month suspension in 2020 due to the Covid-19 pandemic).

2.25 The submissions for October 2019, October 2020 and April 2021 were reviewed for this project. Whilst overall the KPI scores are reasonable, there is a noticeable downward trend in the average scores being awarded to the SCP by the Cost Adviser [movement from 6.8 to 6.5]. However, there is no evidence of discussions / remedial actions being taken to manage identified performance issues **(MA8)**.

2.26 The FBC states that a contingency allowance of £0.492m [excluding VAT] has been included based on a quantified risk register. A copy of the latest risk register was obtained [dated August 2021]. The risks are subject to regular discussion but it was noted that there had been minimal movement over the past 6 months due to only grouting works progressing; but management recognise the requirement for new risks (and associated actions) to be included relating to the financial position of the project.

2.27 For each risk recorded [91 for the main construction works; 15 for the grouting works] there are mitigations /countermeasures identified. However, there are no costs attributed to the identified risks **(MA9)**.

2.28 Section 9 of the Project Execution Plan details the change management process noting that "*one of the underlying principles of the NEC/ECC is to avoid and reduce the amount of change that occurs on construction projects. However, the contract recognises that change is inevitable even when the project has been well planned and prepared, and sets out the mechanism to deal with the effects and consequences in an improved way*".

2.29 The external Project Manager provided the latest change control register [from January 2019 to end July 2021]. A total of 166 changes had been applied with a total value of £1.138m.

2.30 A sample of 12 changes were reviewed (total value £822k: 72%] and confirmed to have been progressed in accordance with the formal contractual arrangements and defined delegated limits.

2.31 It is recognised that the underlying requirements for project management controls are in operation for the Tredegar Health and Wellbeing Centre, yet some improvements have been recommended. Therefore, **reasonable assurance** has been determined.

Enabling Works: Recognising the early progression of the enabling works, to obtain assurance that appropriate contractual arrangements were in place and that the works were delivered within agreed time, cost and quality.

2.32 Welsh Government funding approval of £1.468m was provided April 2020, on an exceptional basis for advanced enabling works to allow the UHB to secure the site in advance of demolition and to allow bat migration measures to be completed after hibernation – both critical planning conditions.

2.33 Whilst the arrangements for this work were raised in a timely manner, it was in the form of a compensation event rather than a separate contract **(see MA7)**.

2.34 As per the original project programme, it was expected that the enabling works would be completed in September 2020. However, a number of issues were faced and the completion date significantly delayed – certified as complete 19 February 2021.

2.35 The issues impacting the enabling works included:

- Asbestos: further identification, including buried pipework, as work progressed therefore investigative work required prior to removal.
- 'Heart' building (retention of some of the Tredegar Hospital): propping works required to make the structure sound and cope with the surrounding ongoing works.

2.36 The impact of these delays, and associated works, is a forecast overspend against the overall project budget of circa £364k; the management of which is subject to scrutiny through Project Board and discussions with Welsh Government.

2.37 Whilst the delivery of the enabling works incurred additional time and costs, they were progressed in accordance with the contract – the additional works associated were associated with unforeseen site issues and therefore allowable under the contract. Further, the UHB and Welsh Government have been appropriately informed of progress / issues. Taking into account these factors, **reasonable assurance** has been determined in this area..

3. Overall Assurance Opinion

3.1 The assurance in respect of the key objective areas is covered in the detail above, and the performance against time, cost and quality are summarised as:

- Time: due to the issues encountered through the enabling works (and their impact on the commencement of the grouting works) there has been a four-month delay to the planned commencement (as per the FBC) of main construction works (now September 2021); with an expected overall project completion delay of the same time period (now August 2023).

  The associated reported delays, to date, will not adversely impact on service delivery recognising the nature of the facility (i.e. reprovision).

- Cost: at the current stage of the project, recognising the delays that have been incurred and the cost implications these have had on the project, the UHB is reporting a slippage in the 2021/22 resource allocation and a forecast overspend against the overall project scheme budget of circa £364k; the funding [within existing approval / contingency; discretionary capital programme etc] for which has yet to be determined bur scheduled for discussion at Project Board. It is also recognised that the overspend position

may be further impacted by market forces affecting the availability of materials.

- Quality: the project remains set to deliver the objectives of the business case – the development of a new facility to provide high quality and effective primary, community, social care and well-being services for local residents; a new facility which retains some of the existing Tredegar Hospital due to the historical importance of the site and its association with the birthplace of the NHS.

  The successful progression of the programme to complete the new facility will be attributed to the performance of the SCP and advisers; the management of which needs to be enhanced to address any areas of concern in a timely manner.

3.2 The UHB recognises, and has reported appropriately both internally and to Welsh Government, that it is commencing the main construction phase of the project in a deficit position - the funding for which has yet to be determined. It is also recognised that there remains over 18 months to the agreed revised project completion date for management to continue to scrutinise and manage the project programme and cost through to project completion. Therefore, the level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with the project, at its current stage, is **reasonable assurance**.

Appendix A: Management Action Plan

Matter Arising 1: Project Execution Plan (Operation)		**Impact**
At the date of the review, the latest available Project Execution Plan was dated February 2020. Whilst reference, within Project Manager progress reports, is given to it being a 'live' document with updates that can be processed, there was no indication that this has been done. Reference remains to the OBC stage, yet FBC approval has been received and both enabling works and grouting works were completed / nearing completion. There is an expectation that a revised document is published whilst confirming the programme for the next stage of the project.		Potential risk of: • Insufficient clarity of project control arrangements.
Recommendations		**Priority**
1.1 The Project Execution Plan should be updated to reflect the current stage of the project / programme.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
1.1 Agreed. Will liaise with the external Project Manager to issue an updated version.	December 2021	Strategic Capital & Estates Director, in consultation with external Project Manager.

Matter Arising 2: Project Team / Project Board (Operation)	**Impact**
The terms of reference for both the Project Team and Project Board were reviewed for reasonableness: • Project Team: the document sets of the role coverage and stipulates the membership [names rather than job titles]. However, there was no stipulation as to the expected frequency of meeting or the expectation of attendance by a delegated officer during periods of absence. • Project Board: as above, the document set out the role coverage and membership but did not include frequency or expectation for attendance during periods of absence. There was no reference to quoracy. Further, the document referenced project completion as December 2021. It was noted, through review of Project Board meetings (November 2020 to June 2021), the named chair (as per the terms of reference) had not been in attendance at any meeting reviewed. However, the Senior Responsible Officer (Executive Director of Primary, Community and Mental Health Services) had been in attendance, as expected, yet was not named in the membership.	Potential risk of: • Defined governance arrangements lack clarity.
Recommendations	**Priority**
2.1 To enhance current arrangements, the terms of reference for the Project Team and Project Board should be reviewed and updated accordingly to include: • Coverage of frequency of meetings; • Quoracy for decision making; • Requirement for delegated deputies to be in attendance when there are periods of absence; and • The correct membership (named as generic roles / departments) reflective of both the project named management and current stage of the project.	**Low**

Agreed Management Action	Target Date	Responsible Officer
2.1 Agreed. The terms of reference are currently being reviewed and updated for the recommended points including reference to the current stage of the project and the expectations of ownership by the members of the Project Team / Project Board.	November 2021	Strategic Capital & Estates Director

Matter Arising 3: Cost adviser reporting(Design)		**Impact**
Review of the Cost Adviser reports prepared for the project, to date, noted that whilst detailed information was provided regarding planned / actual expenditure this was only reflective of the position in the current financial year. There was no summary cumulative position reported for the project as a whole; which would be helpful to support the analysis reported to the Welsh Government. It was further confirmed that this level of detail was not included in the external Project Manager reports either – only a replication of the data included at the Cost Adviser report.		Potential risk of: • Insufficient information received with which to facilitate appropriate cost management, or monitor the performance of the cost adviser.
Recommendations		**Priority**
3.1 The Cost Adviser reports should be updated to incorporate a summary cumulative position to better visualise the current financial position of the project.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
3.1 Agreed. Whilst there is additional information available to the project team to understand the current financial position, it would be helpful to have the 'snapshot' in the Cost Adviser report. Will liaise with the Cost Adviser to include within the reports.	December 2021	Strategic Capital & Estates Director, in consultation with the Cost Adviser.

Matter Arising 4: Welsh Government dashboards(Operation)		**Impact**
There is a requirement for Welsh Government capital funded projects to submit dashboard returns on a bi-monthly basis (previously monthly) for review / consideration at the All-Wales Capital Programme meetings. Regularity of submission has been acknowledged for the Tredegar Health and Wellbeing project; however, it was noted that the completed dashboard had not been presented to an appropriate internal forum to enable appropriate scrutiny and challenge prior to its submission to Welsh Government.		Potential risk of: • The Project Team not adequately informed on project financial information.
Recommendations		**Priority**
4.1 Welsh Government dashboard returns should be shared with an appropriate forum.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
4.1 Agreed. The latest dashboard was shared with Project Board on 19 October 2021.	Actioned since fieldwork	Strategic Capital & Estates Director

Matter Arising 5: Contract documentation (Operation)		**Impact**
For all appointed external parties at the project (SCP, Cost Adviser and Project Manager) the call-off contracts [dated 2018] had been executed in an appropriate manner. Confirmation Notice 1 covers the period of OBC approval to FBC. The project is currently beyond this stage. Whilst the documentation had been compiled for all parties there was only evidence of signed acceptance for the SCP (signed 4 August 2021; which was post the commencement date of works). Confirmation Notice 2 covers the period of design completion, construction, commissioning, handover (Stage 4), operational commissioning (Stage 5) and Project Closure (Stage 6). Noting the stage of the project at the date of the review (commencement of main construction works imminent), steps should have been put in place to ensure the required contract documentation was accepted, signed and in place prior to the commencement of the next stage of the project.		Potential risk of: • The project progressing at risk without appropriate contractual cover in place.
Recommendations		**Priority**
5.1 Confirmation notice 1 should be finalised as soon as possible for both the Cost Adviser and Project Manager..		**High**
5.2 Recognising that main construction works have commenced on site, Confirmation Notice 2 should be executed as soon as possible.		**High**
Agreed Management Action	**Target Date**	**Responsible Officer**
5.1 Agreed. Both recommendations are being addressed as a matter of urgency.	November 2021	Strategic Capital & Estates Director

5.2 As above.	December 2021	Strategic Capital & Estates Director

Matter Arising 6: SCP Contract – Delay Damages (Operation)	**Impact**
Confirmation Notice 2 for the SCP [yet to be signed – **see MA5**], applies the use of Option X7 (delay damages). This is currently stated at a value of £1/day. Noting the issues that have been identified at recently audited major capital projects, at other UHB's, it is recognised that this is the nominal fee entered into the proforma contract documentation by NWSSP: Specialist Estates Services. There is an expectation that the UHB reviews and update / discusses this contract option with the SCP for a more appropriate figure for inclusion, based on a risk assessment undertaken by the UHB. Delay damages are paid by a contractor if they fail to complete the works by a specified completion date. They may also be applied to sectional completion if key dates are specified. It is recognised that NWSSP: Specialist Estates Services are currently developing guidance in respect of the NHS Building for Wales Framework / NEC contracts. In the interim, they advise that NHS England guidance should be applied i.e. the inclusion of delay damages within all contracts. Post completion of fieldwork, evidence was provided of correspondence between the Cost Adviser and the SCP of a figure (£2,150 per day) to be included at Option X7. However, review of the updated Confirmation Notice 2 (issued to the UHB for signing) didn't include the proposed figure, rather a figure of £135 per day (as per another project related contract). Discussions with the SCP noted that the basis of calculation, and proposed figure, had yet to be formally agreed.	Potential risk of: • The UHB not compensated appropriately for contractor failure to meet contractual obligations.
Recommendations	**Priority**
6.1 The proposed delay damages (Option X7) should be reviewed for accuracy, agreed by all parties and updated in the contract documentation prior to signing by the UHB.	**Medium**

Agreed Management Action	Target Date	Responsible Officer
6.1 Agreed. Discussions will be held with all relevant parties to confirm the delay damages calculation, and agreed amount, to be included in Confirmation Notice 2.	end November 2021	Strategic Capital & Estates Director

Matter Arising 7: Contract documentation – Enabling Works (Operation)	**Impact**
As cited in the NHS Wales Investment Infrastructure Guidance - Annex 9: *"In principle, there should be no enabling or advanced works commenced or committed on site before FBC approval. This is because there is no commitment to fund the total project cost until that approval has been given. 2. In exceptional circumstances enabling or advanced works may be commenced before FBC approval but the case for such works must be included within the OBC and explicit written approval given by Welsh Government.* *Enabling works or advanced works should not be let as Compensation Events. They need to be fully designed and market tested with complete Works Information. They should be let as a separate project contract based on the NEC3 ECC form of contract and associated Designed for Life: Building for Wales conditions. Liability for design and construction elements should be clearly identified and comprehensive insurance arrangements put in place for the construction works."* Welsh Government funding approval was awarded for the Tredegar Health and Wellbeing project in April 2020 for £1.468m for specific works to allow the site to be secured in advance of demolition and allow bat mitigation measures to be completed after hibernation. The scope of works included: • Emergency water works; • Site hoarding and security; • Service disconnections and modifications ; • Demolitions / asbestos removal; • Façade retention; and • Permanent bat mitigation measures due to identification of rare species. Based on the above listing, the project has met the criteria of the first paragraph from the NHS Wales Investment Infrastructure Guidance. However, contrary to the requirements of the second paragraph, the work has been let under a compensation event to the original call off contract rather than a separate project contract.	Potential risk of: • Non-compliance with Welsh Government requirements. • The project progressing at risk without appropriate contractual cover in place

Recommendations		Priority
7.1 Noting that no action can be taken at this project, management should ensure that the requirements of the NHS Wales Investment Infrastructure Guidance are applied at all future projects with regard to Enabling Works and Advanced Works.		**High**
7.2 The Project Director should advise the UHB Board of the actions taken to award the Enabling Works element of the contract and the non-compliance with the NHS Wales Investment Infrastructure Guidance.		**High**
Agreed Management Action	**Target Date**	**Responsible Officer**
7.1 Agreed. NHS Wales Investment Infrastructure Guidance will be followed on all future projects.	At future projects	Strategic Capital & Estates Director
7.2 Agreed. The issue was raised at Project Board and will be raised / discussed further in the first instance at the Strategic Capital and Estates Workstream. It should be noted that the demolition process was conducted via a separate contract and the provision of compensation event for the subsequent grouting was, and is considered, to be the correct approach. It is accepted that the Advance Works should have had a separate contract.	November 2021	Strategic Capital & Estates Director

Matter Arising 8: Key Performance Indicators (Design)		**Impact**
Key Performance Indicator (KPI) data collation is managed for all DfL projects by NWSSP: Specialist Estates Services; with returns from all parties expected on a biannual basis (noting a 6-month suspension in 2020 due to the Covid-19 pandemic). Review of the KPI submissions related to this project noted that the Cost Adviser had routinely score the SCP at an average score; and the scores given have progressively lowered (average of 6.8 to 6.5). There is no evidence of discussions held to address the scores received; or agreed actions to address the trends It is recognised the returns to NWSSP: Specialist Estates Services are undertaken in silos to maintain the independence of the returns; and there is no suggestion of change to this process. Rather, the UHB should obtain the returns and collectively consider the results to ensure appropriate action is taken regarding performance.		Potential risk of: • Proactive performance management not taking place. • Poor performance going unaddressed.
Recommendations		**Priority**
8.1 Post submission of KPIs, the Project Board should discuss the collective output [and trend of previous submissions] to ensure issues with performance are reviewed and addressed in an appropriate and timely manner.		**Medium**
Agreed Management Action	**Target Date**	**Responsible Officer**
8.1. Agreed. Collective discussions are now being held for the returns on all current projects. It would be preferred if these discussions were held prior to submission of returns to NWSSP:SES, but it is acknowledged this is not the expectation for collation of DfL data	December 2021	Strategic Capital & Estates Director

Matter Arising 9: Project Risk Register (Operation)		**Impact**
A copy of the latest risk register was obtained [dated August 2021] where: • 91 risks were recorded for the main construction works; and • 15 risks were recorded for the grouting works. Whilst it is recognised that a project risk register was submitted as part of the FBC and informed the contingency pot included (£0.492m excluding VAT), the costs per individual risk have not been maintained and reviewed for reasonableness as the project is faced with increasing challenges. Appropriate mitigations / countermeasures were, however, identified. Noting the current project position and the current reported overall deficit (circa £364k), this has yet to be reflected within the risk register.		Potential risk of: • Project objectives at risk if appropriate risks have not been adequately considered and reported.
Recommendations		**Priority**
9.1 The risk register should be reviewed to incorporate applicable costs; with the costs regularly reviewed to facilitate monitoring of the project.		**Medium**
9.2 The risk register should be updated to reflect the current risk regarding the financial position of the project, and the proposed mitigating actions / countermeasures.		**Low**
Agreed Management Action	**Target Date**	**Responsible Officer**
9.1 Agreed. The initial project risk register informed the FBC contingency pot [September 2020]. Work is underway to complete a reconciliation for the current financial position to review how much of the contingency sum will be consumed with the correct projected overspend for the project. This will then be further analysed to cost the risks, as applicable, on a line-by-line basis.	December 2021, and ongoing	Strategic Capital & Estates Director

9.2 Agreed. This risk, and any other new ones identified, will be included in the next risk register review scheduled with the external Project Manager.	November 2021	Strategic Capital & Estates Director

Appendix B: Assurance opinion and action plan risk rating

Audit Assurance Ratings

We define the following levels of assurance that the project achieves its key delivery objectives and that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	Substantial assurance	Few matters require attention and are compliance or advisory in nature. **Low impact** on residual risk exposure.
	Reasonable assurance	Some matters require management attention in control design or compliance. **Low to moderate impact** on residual risk exposure until resolved.
	Limited assurance	More significant matters require management attention. **Moderate impact** on residual risk exposure until resolved.
	No assurance	Action is required to address the whole control framework in this area. **High impact** on residual risk exposure until resolved.
	Assurance not applicable	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

* Unless a more appropriate timescale is identified/agreed at the assignment.

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This document has been prepared for the internal use of Aneurin Bevan University Health Board as part of work performed in accordance with statutory functions.

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Contents

The Health Board has significantly improved the way it plans and delivers radiology services through strong leadership and using demand and capacity modelling to identify and implement solutions to respond to increasing demand and changes to service delivery and patient pathways. As wider services now start to recover from the pandemic, suppressed demand as a result of delayed access to treatment, however, has the potential to create challenges for radiology services.

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Summary report

Introduction

1 Our 2017 report on radiology services found that the Health Board faced risks in meeting current and future demand for radiology services. We found that the Health Board's ability to manage increasing demand on the service was exacerbated by staffing challenges, while waiting times and reporting turnaround times needed improvement. In addition, there were weaknesses in strategic and financial planning.

2 The Auditor General's 2018 national report on Radiology Services in Wales also highlighted several issues threatening the sustainability of radiology services across Wales. These issues include staffing challenges; ageing and underutilised equipment; weaknesses in IT systems; long waits for examination results; and opportunities to improve scrutiny and strategic planning.

3 Both reports set out recommendations or action that the Health Board should address to improve workforce planning, equipment replacement programmes, modelling demand, maximising capacity, performance information and monitoring arrangements. The 2018 national report also identified additional challenges that required a co-ordinated approach by NHS Wales.

4 In 2019, the Welsh Government published an Imaging Statement of Intent, setting out a commitment to adopt a new co-ordinated strategic approach to developing high quality, effective and sustainable imaging services. The National Imaging Programme Strategy Board (NIPSB) was established in 2019 to oversee the implementation of the Imaging Statement of Intent and promote innovation and new ways of working in imaging services in Wales. The NIPSB has been undertaking work to assess the progress made by NHS Wales.

5 Since we published our local and national reports on radiology services, the COVID-19 pandemic has changed the landscape in which the Health Board operates posing new challenges and opportunities for service delivery. In addition, the Health Board opened the Grange University Hospital in November 2020, resulting in changed service delivery models and patient pathways.

6 We undertook a high-level assessment of the progress made by the Health Board to address our recommendations. In undertaking this work, we:

- asked the Health Board to complete a self-assessment of progress;
- reviewed documentary evidence to support the self-assessment, as well as board and committee papers; and
- interviewed several officers to discuss progress, current issues, and future challenges.

7 A summary of our findings is set out in the following section with more detailed information provided in **Appendix 1**.

Our findings

8 Our overall conclusion is that the Health Board **has significantly improved the way it plans and delivers radiology services through strong leadership and using demand and capacity modelling to identify and implement solutions to respond to increasing demand and changes to service delivery and patient pathways. As wider services now start to recover from the pandemic, suppressed demand as a result of delayed access to treatment, however, has the potential to create challenges for radiology services.**

9 In summary, the status of progress against each of the previous recommendations is set out in **Exhibit 1**.

Exhibit 1: status of 2017 recommendations

Total number of recommendations	Implemented	Ongoing action	No action	Superseded
9	7	1	0	1

Source: Audit Wales

10 We found that the Health Board has made good progress to address our recommendations because:

- The new Grange University Hospital has resulted in increased radiology equipment, and hence imaging capacity. Prior to the opening of the hospital, the Health Board reduced waiting times by making use of additional capacity provided by outsourced services and continues to make use of these services in response to increased waiting times caused by COVID-19.
- The service has developed supporting plans to implement the changes to service delivery and patient pathways resulting from the opening of the Grange University Hospital.
- There is a strong leadership team within the radiology directorate with a clear vision to drive forward innovative solutions and improvements.
- The radiology directorate has been successful in recruiting to radiographer posts, and changes to staff working patterns and increased radiology operating hours has improved the sustainability of imaging services.
- Where challenges remain in recruiting radiologists, the Health Board has sought to close part of the gap with advanced radiographer practitioner roles.
- The radiology directorate has good relationships and regular communication with other directorates to inform demand and capacity, and to ensure appropriate prioritisation of patient referrals for diagnostic imaging.

- There are appropriate arrangements to ensure operational monitoring of performance.

11 In undertaking this assessment of progress update, we identified one new risk in relation to radiology services which is set out in **Exhibit 2**. The Health Board will need to make sure that it maintains oversight of this risk.

Exhibit 2: new risk identified during our work

New risks	
Area	**Description**
Increased demand resulting from COVID-19 supressing demand during the first peak	There is an unknown level of 'pent up' demand as a result of patients having treatment delayed or not visiting their GP during the pandemic which could significantly affect the radiology service's ability to respond to referrals and report images in a timely manner.

Source: Audit Wales

Recommendations

12 In undertaking this work, we have made no new recommendations. However, the Health Board needs to continue to make progress in addressing our previous recommendation which has yet to be fully implemented. This is set out in **Exhibit 3**.

Exhibit 3: previous recommendations not yet fully implemented

2017 recommendation not yet fully implemented	
R4	The Health Board should look to further develop its collection of patient experience information across its sites and seek to identify any common trends that can be actioned to improve the service.

Appendix 1

Progress to address our 2017 recommendations

Exhibit 4: assessment of progress

Recommendations to be addressed	Status[1]	Summary of progress
R1 Develop an action plan detailing how waiting times targets will be achieved in the short term, and how the radiology service will sustain a reduction in waiting times going forwards, setting out: a. an approach for the use of locums.	Green	Our 2017 report highlighted that a significant number[2] of patients waited more than eight weeks for diagnostic scans and waiting time performance for patients receiving magnetic resonance imaging (MRI) and non-obstetric ultrasounds (US) had deteriorated during 2016. Our high-level review of pre-pandemic waiting time performance identified that the number of patients waiting more than eight weeks for MRI, computerised tomography (CT) and non-obstetric US imaging reduced over the months since our previous report, and in January 2020, no patients waited over eight weeks[3]. The Health Board achieved this by: • Successfully recruiting a range of staff, but in particular radiographers and sonographers by pursuing innovative options, such as international

[1] Green indicates that the recommendation has been achieved; Amber indicates ongoing action to address the recommendation; Red indicates that insufficient or no progress has been made; and Blue indicates that the recommendation was superseded.

[2] At the time of our previous report, in August 2016, 594 patients were waiting over eight weeks for an MRI scan, 30 patients waited over eight weeks for a CT scan, and 1,276 patients waited over eight weeks for a non-obstetric ultrasound scan,

[3] StatsWales, Diagnostic and Therapy Services Waiting Times

Recommendations to be addressed	Status[1]	Summary of progress
b. an approach for the use of outsourcing of examinations. c. how it can ensure consistency in the prioritisation applied by referrers to forms; and d. any other actions that will help the Health Board achieve targets.		recruitment campaigns. The focus has now moved to appointing to the remaining consultant radiologist vacancies. • Reducing long-term reliance on locums. The radiology service continues to make effective and efficient use of locums to cover short-term absences. • Making continued use of outsourced CT and MRI to increase imaging capacity provided by mobile services, a private hospital, and a diagnostic centre. These services are managed and monitored through service level agreements. • Seeking an appropriate solution to increase non-obstetric US capacity. In 2017, the Health Board engaged with external partners for an outsourced ultrasound examination service but encountered significant clinical governance and patient safety concerns with the service provider. The Health Board decided instead to employ a locum to provide additional cover and will continue with this arrangement in the medium-term. However, the directorates are working on plans to train and employ more sonographers. • Working closely with referrers to ensure there is consistency in prioritising patients. The radiology service actively vets request forms submitted by referrers to ensure the most urgent cases are prioritised, whilst still maintaining throughput of less urgent referrals. • Prioritising urgent suspected cancers, aided by the appointment of two cancer pathway 'navigators' to manage and prioritise urgent suspected cancer requests.

Recommendations to be addressed	Status[1]	Summary of progress
		The Health Board developed a Radiology Sustainability Plan in 2017-18. We did not review the Radiology Sustainability Plan as it was superseded by the Clinical Futures Radiology Service Model 2019, which set out how the radiology service would support the delivery of the Clinical Futures Strategy for changing delivery of care across the Health Board. The Clinical Futures Strategy set out significant changes to deliver more care closer to home, create a network of local hospitals to provide routine diagnostic and treatment services, and centralise specialist and critical care services in the new Grange University Hospital. The Clinical Futures Radiology Service Model included demand and capacity modelling. The modelling identified the consequences of changed patient pathways and the anticipated growth in demand for imaging services. The modelling also identified the increased capacity from additional scanning equipment (resulting from the opening of the Grange University Hospital) and from increasing radiology operating hours across the Health Board hospital sites. The Model set out the implications for the radiology service, including the additional staffing and skill mix needed. The Grange University Hospital was due to open in March 2021 but opened four months earlier than scheduled to help the Health Board respond to winter pressures and the COVID-19 pandemic. The pandemic has had a significant impact on waiting times for imaging services, resulting from the standing down of non-urgent diagnostics and treatment. Whilst significant numbers of patients waited more than eight weeks during the period March 2020 and May 2021 (latest data available at

Recommendations to be addressed	Status[1]	Summary of progress
		time of reporting), the trend shows that the number of patients waiting over eight weeks is reducing. However, there is now an unknown level of 'pent up' demand as a result of patients having treatment delayed or not visiting their GP during the pandemic which could significantly affect the radiology service's ability to respond to referrals and report images in a timely manner over the coming months and potentially years.
R2 Develop an action plan detailing how reporting backlogs will be managed sustainably, for example, by making short-term use of outsourcing whilst developing a medium to long-term strategy to address the delays.	Green	Our 2017 report identified that whilst average turnaround times for reporting images was good, some patients waited many months. Since our previous report, in 2018 the Health Board introduced a home reporting option for radiologists which enabled them to meet their reporting targets and during the pandemic helped them be able to support out of hours acute work. The reporting radiographer role has expanded to increase the types of reporting they can undertake, thus helping to reduce some of the demand on radiologists. The reporting radiographer role has a job plan based on 70 per cent reporting, 20 per cent clinical modality sessions, and 10 per cent continuing professional development/supporting professional activities sessions. Reporting radiographers are able to work flexibly and also provide an out of hours service. The Health Board told us that reporting radiologists turn inpatient reports around very quickly and usually within 24 hours. There can be variance in reporting times from day to day, but the Health Board monitors reporting

Recommendations to be addressed	Status[1]	Summary of progress
		times at weekly performance meetings to ensure that reporting backlogs are managed. The Health Board also uses an external service and monitors the quality of the service provided. Whilst the Health Board has been successful in recruiting to vacant posts there are still a number of consultant radiologist posts that remain unfilled as there is a UK-wide shortage of radiologists. Consequently, the Health Board is exploring artificial intelligence systems to help report more routine scans, with the potential to free up radiologist time to report on more complex images.
R3 Communicate and liaise with referring clinicians both: a. when developing and reviewing referral guidance. Ensure all radiology staff and referring clinicians can easily access an up-to-date version of guidance; and b. on an ongoing basis, strengthen ongoing communication between radiology and referring	Green	Our 2017 report identified that there was a need to strengthen the communication and liaison with referring clinicians. As outlined in **recommendation 1**, the radiology team has worked alongside referral services to develop imaging referral guidelines. In 2019, they met with the GP leads for primary care to discuss prioritisation, reporting, and referral guidelines. The guidelines were developed and agreed with secondary and primary care colleagues. The guidelines have subsequently enabled the reduction of inappropriate scans that would have previously been processed. All referrers and radiology staff have access to referral guidelines via the 'i-refer' webservice and there are separate referral guidelines for musculoskeletal and ultrasound diagnostic imaging.

Recommendations to be addressed	Status[1]	Summary of progress
clinicians, in particular GPs, by setting out an engagement plan by 2018. This plan should ensure there is adequate forum for regular discussion of service changes that may affect the service and referral feedback to support demand management.		The radiology team has set up and maintains an email account for GPs to raise questions and obtain guidance directly. The email account is monitored by radiology senior management who seek guidance from senior colleagues and clinicians before providing a response to the referring GP. The service has proved popular, particularly with GPs, and the Health Board told us that it has led to a reduction in the number of unnecessary scans undertaken. The radiology service told us they provide feedback where they feel there is a pattern of inappropriate prioritisation. There remains frustration however, with the Radiology Information System (RADIS) and even though the referrals come through electronically, there remains a need to print and scan referrals into RADIS before being vetted.
R4 The Health Board should look to further develop its collection of patient experience information across its sites and seek to identify any common trends that can be actioned to improve the service.	Amber	The radiology directorate has developed its own Patient Reported Experience Measure (PREM) survey which is distributed on an annual basis and reported back to its Clinical Governance meeting and the Radiology Operational Group. The most recent PREM was adapted to include three COVID-19 related questions. 281 surveys were completed across the sites during a two-week period in September 2020. Whilst the feedback was largely positive feedback, some learning points relating to communications with patients were identified.

Recommendations to be addressed	Status[1]	Summary of progress
		Learning from patient experience is shared through team meetings, noticeboards, and a staff newsletter. The Health Board acknowledged that there are more limited opportunities to collect patient experience data specifically on radiology services from the Grange University Hospital as most patients are acutely ill. The Health Board told us that, in addition to the directorate wide PREM, it plans for each hospital site to design an additional site-specific PREM, which focuses on particular issues identified at that site. All sites will also re-introduce a comments box for service users. Whilst the Health Board has made positive progress against this recommendation, we feel unable to close this recommendation until the Health Board has implemented the site-specific PREM and reintroduced the comments box. In terms of learning, it would be helpful for the Health Board to identify how learning from patient feedback has made a difference and led to improvements.
R5 Over the next 12 months develop, in consultation with radiology staff and services that impact on radiology, a radiology strategy which sets out:	Green	In our 2017 report we recommended the Health Board set out a radiology strategy in consultation with staff. As outlined in the 'summary of progress' section of **recommendation 1** the Health Board introduced a Clinical Futures Radiology Service Model in 2019 which includes changes to radiology services resulting from the Clinical Futures Strategy and the opening of the Grange University Hospital.

Recommendations to be addressed	Status[1]	Summary of progress
a. where the service is now in terms of its demand, capacity and available resources; b. where the service needs to be; and c. how the service will achieve its aims.		In 2019-20 the radiology directorate undertook a consultation process of radiology services in August 2020. The purpose of the consultation was to provide staff and key stakeholders with information and options aimed at improving the sustainability of around the clock imaging services across all Health Board sites. The radiology service held a number of radiology staff engagement events to brief them on the options in the consultation and held individual meetings where required. No formal objections to the proposals were received. The changes implemented as a result of the consultation have enabled easier rotation of staff across all hospital sites due to the alignment of shift patterns. As discussed in the 'summary of progress' section of **recommendation 1**, there was a need for additional radiographers, and a recruitment exercise was accelerated due to the earlier than anticipated opening of the Grange University Hospital. The radiology service acknowledges that there remains a degree of uncertainty over the level of suppressed demand for imaging services resulting from COVID-19, and thus maintains regular dialogue with other directorates to help determine their future demand.
R6 By mid-2017, review the groups that routinely discuss radiology issues relating to radiology to	Green	In 2017 we recommended that the Health Board reviews the groups that regularly discuss radiology issues and develop a terms of reference (TOR) for each.

Recommendations to be addressed	Status[1]	Summary of progress
consider how each contributes to the service including: a. Weekly performance group; b. Radiology Operational Group; c. Radiology Protection Committee; d. Consultants Meeting groups; e. Directorate of Radiology; and f. Radiology Management team. The service should establish a Terms of Reference for each group that clearly sets out the membership, regularity and scope and governance of each group.		All radiology groups have been reviewed and a governance structure is in place. All groups have a TOR which states frequency of meeting, the purpose, objectives, membership of each group, and accountability and reporting arrangements. Each TOR is reviewed every two years. The management structure within the radiology directorate ensures all senior managers have an awareness of what is happening across all sites to enable them to respond appropriately and quickly to any issues that arise. We were told that at least one senior manager always attends key meetings within the directorate governance structure. Some radiology directorate meetings were stood down during the peak of COVID-19, but this was offset by the radiology management team holding twice daily meetings. Directorate meetings have subsequently been reinstated.
R7 Review radiology performance reports to ensure that they provide sufficient information to	Green	In our 2017 report we identified that radiology performance reporting could be strengthened to ensure group and committee members were fully sighted of the key issues.

Recommendations to be addressed	Status[1]	Summary of progress
the groups and committees that receive them to ensure that group and committee members are fully sighted of key issues relevant to the service. The service should consider the inclusion of: a. demand and capacity data; b. explanation for variation in performance since previous position; and c. benchmarking data.		The radiology service holds a weekly Referral to Treatment (RTT) meeting where all performance data is reviewed. Any variations in performance are considered at this meeting - actions are identified to improve performance and an action log is maintained to ensure progress in delivering actions is monitored. As outlined in the 'summary of progress' section of **recommendation 6**, the weekly directorate RTT team meetings were stood down at the height of the pandemic, but RTT issues were considered by the twice daily COVID-19 response meetings. The radiology directorate have monthly learning and discrepancy meetings to review any reporting issues and monitor reporting quality. Previously, there was a National NHS Benchmarking data collection exercise covering radiology services, but this ceased in 2018. The Health Board had intended to collect the same data for internal use, such as trend analysis, in 2019-20. but this has to be deferred to 2021-22. Performance information from RADIS needs to be downloaded manually by the Clinical Information Services Manager. Service managers cannot easily extract the data themselves from RADIS. This is something the Health Board has raised with Digital Health and Care Wales, but as yet a solution has not been provided. The Health Board submitted backlog/activity information to the national Imaging Essential Services Group (IESG) which was formed by the Welsh Government during COVID-19 to review the impact of the pandemic on radiology services across Wales.

Recommendations to be addressed	Status[1]	Summary of progress
R8 Further develop its equipment replacement programme to ensure that it complies with IR(ME)R requirements to include an equipment list, which details the manufacturer, serial number, year of manufacture and year of installation.	Green	The radiology directorate has an equipment list which meets IR(ME)R[4] requirements and is closely monitored and updated as appropriate by the service manager responsible for assets. There is a Radiology Capital Replacement Group which meets monthly to manage all capital projects from planning to implementation, this group was suspended during the height of COVID-19 but has now recommenced meeting. The equipment replacement programme in place has ensured the funding of several projects in 2021-22, including replacing the CT scanner in Ysbyty Ystrad Fawr, and general rooms in both the Royal Gwent Hospital and St Woolos Hospital. There was a lot of movement of equipment during COVID-19, so a robust and up-to-date asset register was crucial. The radiology service is working with procurement staff to roll out electronic asset tagging which will allow equipment audits to be done remotely without the need to disrupt equipment use.
R9 The Health Board should review the G2 speech system in use by radiologists to identify ways to improve its reliability and to	Superseded	Radiology no longer use the G2 speech system and are now using the clinical workflow voice recognition service provided by Fujifilm. The Fujifilm service has improved reliability, but there remain some speed issues due to server network capacity of the central server, used by NHS Wales.

[4] Ionising Radiation (Medical Exposure) Regulations

Recommendations to be addressed	Status[1]	Summary of progress
manage the risks that arise when the system does not work as intended.		The Radiology Clinical IT Manager works with the Health Board IT service and Fujifilm on a regular basis to help continual improvement.

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Archwilio Cymru
Audit Wales

Picture of Public Services 2021

Report of the Auditor General
for Wales

September 2021

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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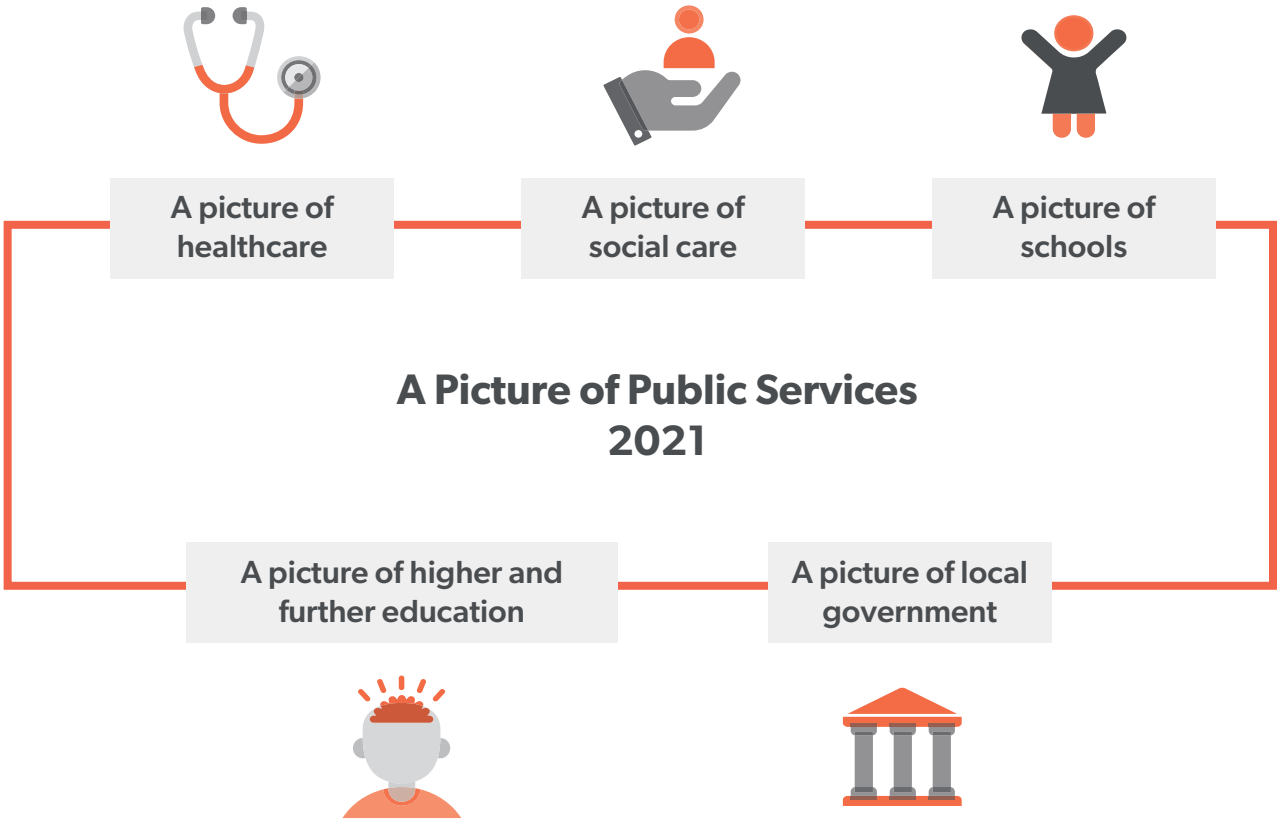
About this report

This report is part of a series of Picture of Public Services 2021 outputs (**Exhibit 1**). It summarises some key trends in public finances and sets out our independent perspective on some of the key issues for future service delivery. Our aim in producing this report is to support scrutiny of public services in the Senedd, within individual public bodies and in wider society. It also provides insight than can help with collective planning of public service delivery.

The report draws on our published work and research by other organisations (**Appendix 1**). Underpinning this report is a series of sector-specific summaries setting out some key facts and analysis, which we will publish during September and October 2021.

Exhibit 1: Picture of Public Services outputs



Auditor General's foreword

1 The COVID-19 pandemic has had a devastating impact on many families and communities, yet it has also brought out much of the best in our public services. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants across Wales through this tumultuous period.

2 As we emerge from the pandemic, public services in Wales face many challenges. They are grappling with three over-arching crises of global proportion: the public health crisis of COVID; the environmental crisis of climate change; and an economic crisis.

3 After a long period of austerity and the economic hit from the pandemic, the coming years will offer little respite for the public finances. For services already stretched before COVID-19 hit, the pandemic has created new challenges like its longer-term health impacts, backlogs of patients on waiting lists and lost learning in schools, colleges and universities. As they respond, there is expectation that public services will also address some of the big issues of inequality in our society. And they must do so at a time when an emerging set of constitutional issues post-Brexit may complicate the response, especially to the economic challenges in Wales.

4 Yet this daunting agenda is not without opportunity. The pandemic has demonstrated great strengths in the public service in Wales. The opportunity now is to build on the progress made in rapidly transforming the way services are provided during the pandemic to tackle the long-standing challenges that have pre-occupied Welsh public services for some time.

5 In these circumstances, it is essential that public services get the most value out of the available resources. Value is not just about delivering more outputs more efficiently. Value for money is also about outcomes: making progress in improving the wellbeing of individuals and communities. As Auditor General, I will report on the performance of the public services in delivering that value from the public money they use.

6 This report is by no means the full story of what has happened over the past decade, or of what is to come. But it sets out some of the most important areas for public service delivery where I will be expecting to see progress in the coming years (**Exhibit 2**).

Exhibit 2: key areas of public service transformation

	Systems and culture to support new approaches to service delivery
	Purposeful collaboration
	Long-term financial and service planning that supports a rigorous and realistic approach to prevention
	Harnessing digital technology to make services more accessible
	Using data and information to learn and improve across the whole public service system

Adrian Crompton
Auditor General for Wales

Key facts

£17.6 billion

total funding available to Wales through the block grant in 2019-20 (before the impact of the COVID-19 response)

+16%

increase in funding for healthcare, 2010-11 to 2019-20

-3%

reduction in the revenue funding available to the Welsh Government, 2010-11 to 2019-20

-17%

reduction in core Welsh Government funding for local government, 2010-11 to 2019-20

-3%

reduction in schools revenue spending, 2010-11 to 2019-20

ZERO

net carbon emissions the Welsh Government wants to achieve in Wales by 2050 at the latest

52%

proportion of the Welsh Government's 2019-20 revenue budget allocated to health

- 26,000 (8%)

fall in size of the public service workforce in Wales, 2010 to 2020

£1.20

amount Wales gets for devolved public services for every £1 spent on equivalent services in England

£5.1 billion

amount the Welsh Government allocated to the COVID-19 response in 2020-21

£152 million to £292 million

amount Wales Fiscal Analysis estimates the NHS will need each year for four years to address the waiting list backlog

£600 million to £900 million

amount the Education Policy Institute estimates could be needed to support education recovery over three years

+ 126,000 (74%)

forecast growth in people aged 80 and over living in Wales, 2018 to 2043

This report is split into three parts

1 Read about what happened with public services in 2010-11 to 2019-20

2 Read about the response to COVID-19 in 2020-21

3 Read about some of the key challenges and opportunities for public services in the coming years

After a decade of squeezed budgets and rising demands, many services were already stretched before the pandemic hit

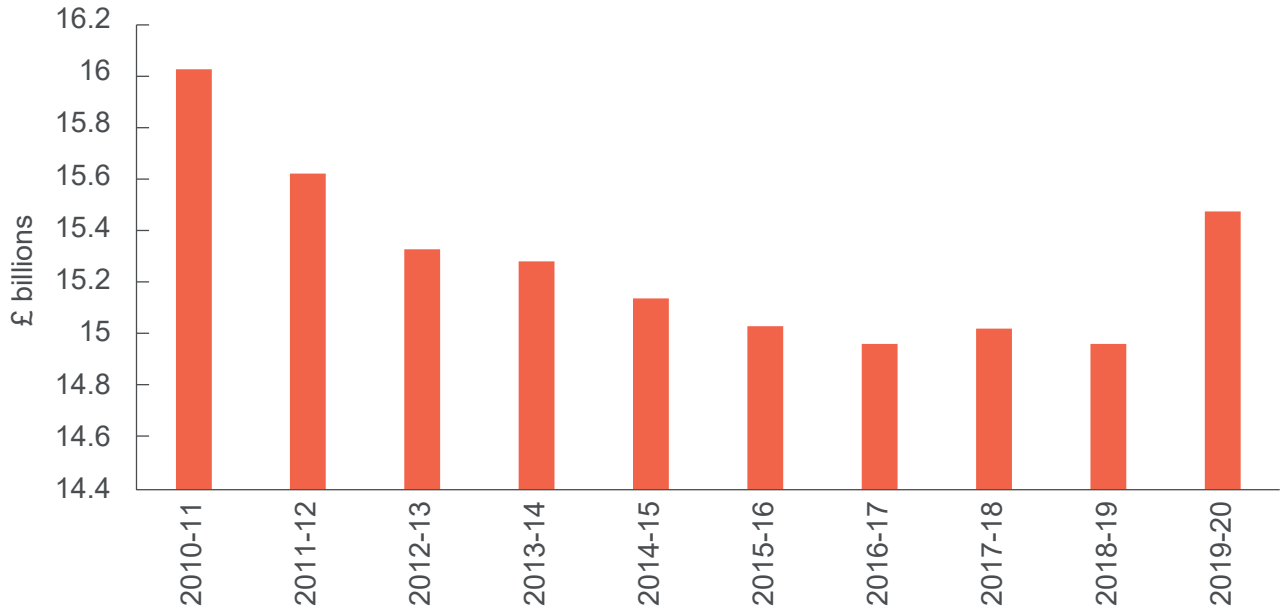
01

1.1 This part of the report looks at the position of public services in the period 2010-11 to 2019-20: before the COVID-19 pandemic started. It provides important context around trends in public finances, priorities, demand pressures and capacity constraints. These trends help to explain why some public services were already stretched before the pandemic hit.

Austerity defined the previous decade for public services, although cuts were less severe than expected

1.2 Austerity was a defining feature of the previous decade for public services. Funding was tight, although not as challenging as expected when we reported in 2015[1]. At that time, UK government spending plans showed the Welsh Government's budget falling by 4% in real terms between 2015-16 and 2019-20. Actually, the Welsh Government's day-to-day revenue funding rose slightly: it was 3% higher in 2019-20 than 2015-16, reflecting a significant uplift in 2019-20 (Exhibit 3). Even so, the 2019-20 revenue budget was 3% below 2010-11 in real terms.

Exhibit 3: Welsh Government revenue budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)

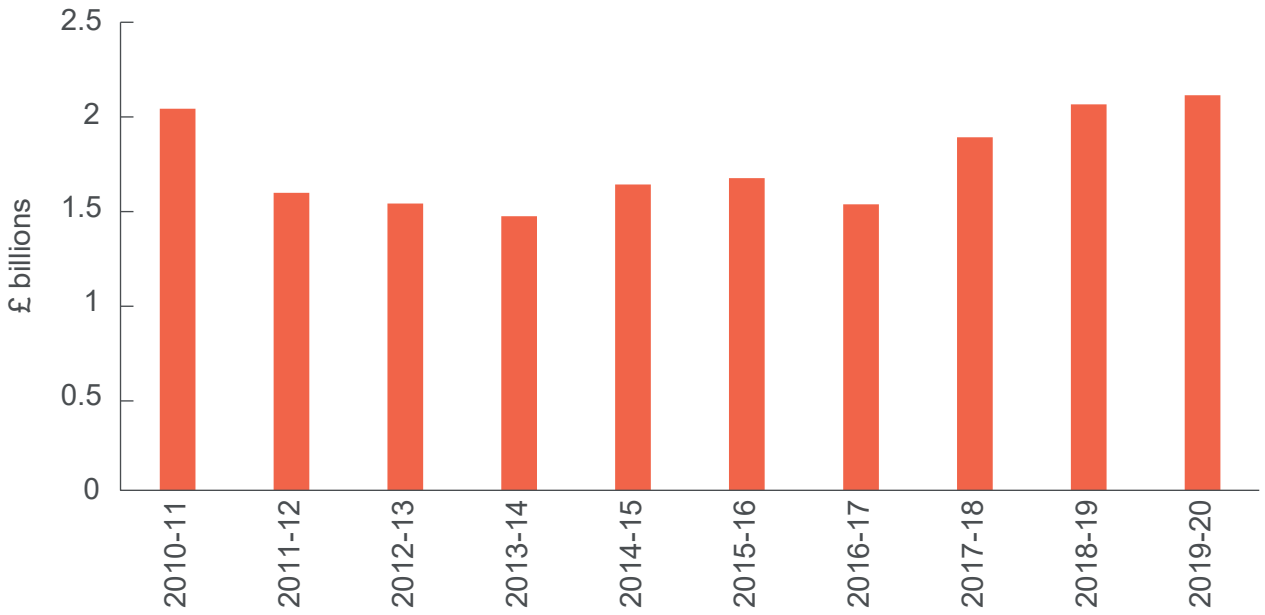


Source: HM Treasury Public Expenditure Statistical Analyses, StatsWales and the Welsh Government's budget

1 Auditor General for Wales, A Picture of Public Services 2015, December 2015

1.3 For capital spending to pay for investments in infrastructure, the picture is different. The Welsh Government's 2019-20 capital budget had increased by 27% compared to 2015-16 (**Exhibit 4**). By 2018-19, the capital budget was higher than 2010-11.

Exhibit 4: Welsh Government capital budget, 2010-11 to 2019-20 (real terms, 2019-20 prices)

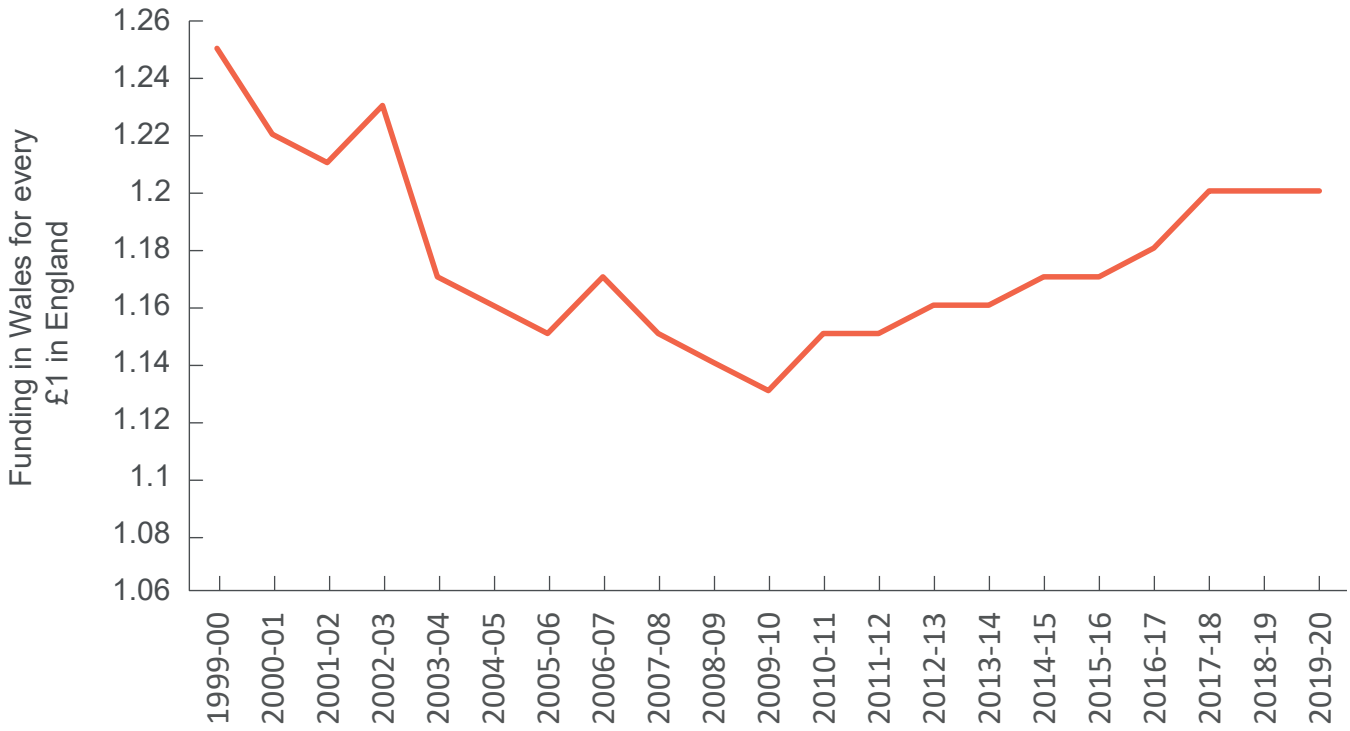


Source: HM Treasury Public Expenditure Statistical Analyses

1.4 Funding for Wales and the other devolved nations is determined by the Barnett formula[2]. Prior to 2010-11, the way in which the formula worked meant that levels of funding per person for devolved services in Wales and England were gradually getting closer together. Since 2010-11, the picture has reversed: in 2019-20, Wales had around £1.20 per head for every £1 for equivalent services in England (**Exhibit 5**).

2 The Barnett formula allocates funding to the devolved administrations. It is based on a combination of changes in spending in England, the relative size of the population and, in Wales, a 'needs-factor' that aims to ensure Wales always gets at least 115% of funding for equivalent services in England.

Exhibit 5: devolved funding per head of population relative to England, 1999-00 to 2019-20



Note: this chart shows the amount of funding per head of population that the Welsh Government gets to spend for every £1 for equivalent services in England.

Source: the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

Funding for the NHS and social care has increased while most other areas have seen reductions

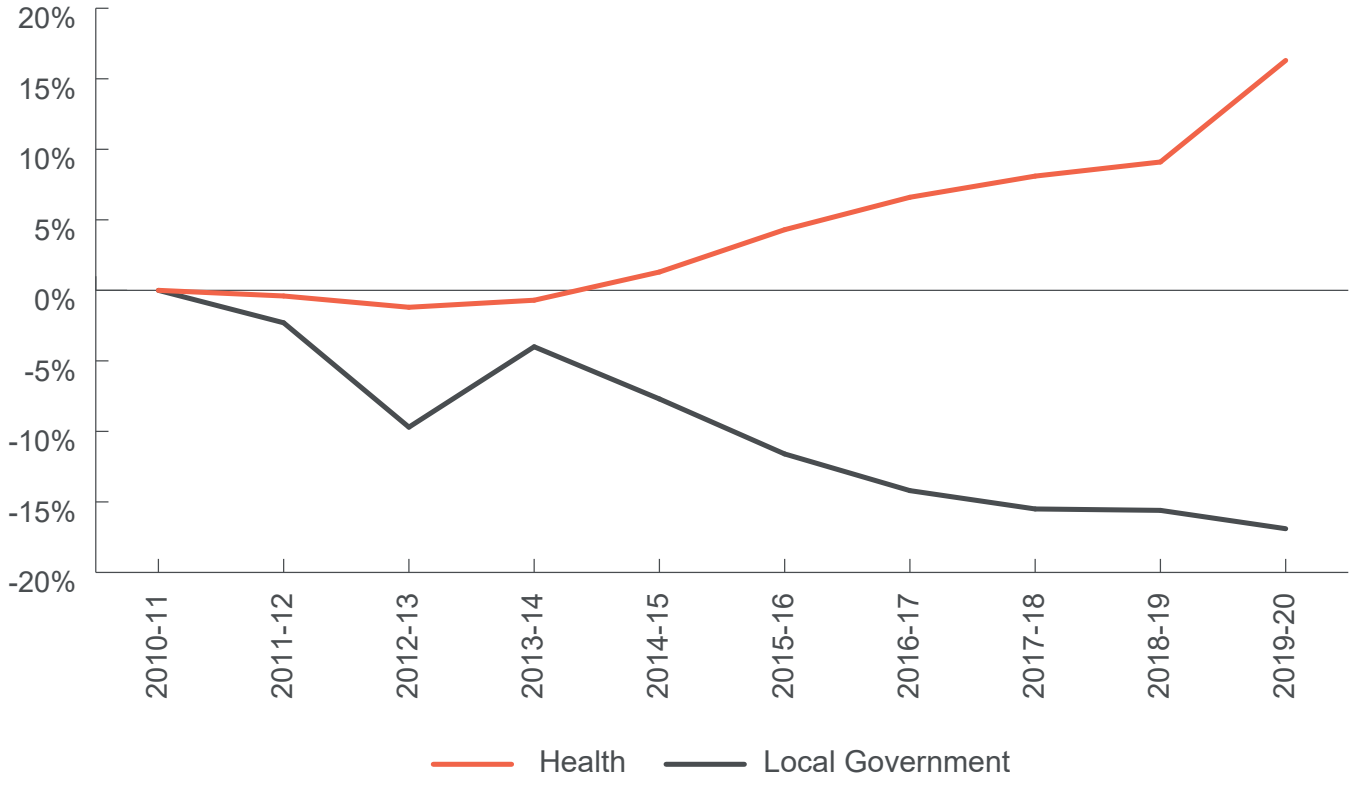
1.5 The Welsh Government chooses how to allocate the overall budget between its various spending departments and then to individual programmes. In 2019-20, health and social care took up just over half (52%) of the total revenue budget.

1.6 Between 2010-11 and 2019-20, Welsh Government revenue funding for NHS Wales has increased 16% in real terms while revenue funding to local government[3] fell by 17%. Over the same period, many of the Welsh Government sponsored bodies have also had reductions in their funding from the Welsh Government. We looked at four of the larger sponsored bodies that have been in place for that period[4] and found that they saw an average cut in grant in aid of 18%.

3 Welsh Government revenue funding for local government includes the core revenue support grant, the distribution of non-domestic rates and other non-specific grants. These fund the core services offered by local government, such as schools and social care. The figure does not include grants for specific programmes and projects which go to local government.

4 These were National Museum of Wales, the Arts Council of Wales, the National Library of Wales and Sport Wales. The largest sponsored body is Natural Resources Wales, which was set up in 2013, and is not included in our overall calculation. Its accounts show grant in aid from the Welsh Government fell by 29% in real terms between 2015-16 and 2019-20, but with part of the context being an expectation that merging multiple bodies to form Natural Resources Wales would lead to cost savings.

Exhibit 6: change in core Welsh Government revenue funding for health and local government, 2010-11 to 2019-20 (real terms, 2019-20 prices)



Note: the local government funding is adjusted for 2010-11 to 2013-14 to reflect changes to the council tax support scheme. The local government funding has not been adjusted to reflect 'de-hypothecation' where previously stand-alone grants have been included into the core funding.

Source: Audit Wales analysis of Welsh Government budgets and StatsWales

1.7 To lessen the impacts of reduced Welsh Government funding, councils have significantly increased the income they raise through council tax. The total amount raised by council tax increased by 35% on top of inflation between 2010-11 and 2019-20.

1.8 Nonetheless, total revenue expenditure across local government fell by 8% over the period. These cuts have not fallen equally across local services. Real terms spending[5] on social care for families has increased by 43% and for older people by 14%. Spending on schools fell by 3%. The deepest cuts have come in leisure and culture and library services which have seen cuts of over 40% and regulatory services, such as development control, building control, trading standards and consumer protection which have seen cuts of over 30% over that period.

1.9 Choices made by the governments in Wales and England are reflected in the cuts experienced by different parts of the public services in the decade prior to the pandemic. Our analysis of HM Treasury spending data[6] shows that spending per person by local government in England fell by 24% between 2010-11 and 2019-20 compared to 10% in Wales. Spending per person on health in Wales increased by 7% over the same period but went up by 10% in England.

With demand, cost and other pressures, many public services were already stretched when the COVID-19 pandemic hit

Across many service areas, funding has lagged behind demand and cost pressures over the past decade

1.10 All public services face cost pressures each year. These arise from a combination of factors, such as inflation on the price of goods and services they buy, wage rises and rising demand. Independent reviews in 2014 and 2016[7] showed that the NHS faces cost pressures of around 3-4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

5 In this report, our analysis of local government spending on services uses the 'gross' expenditure figure. This is the total amount spent without deducting income from fees, charges and other sources.

6 We have used the HM Treasury Country and Regional Analysis dataset. These figures are on a per head of population basis, cover revenue and capital and are calculated on a different basis from our analysis of Welsh Government revenue funding to health and local government in paragraph 1.6.

7 Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

1.11 Local government faces cost pressures across a range of areas. For example, the social care sector faces rising demands in care for older people and children and families and pressure to increase the sometimes very low wages of social care staff[8]. The Health Foundation estimated pressures of 4.1% a year in adult social care. Since 2010-11, social care spending has gone up by an average of 2% a year in real terms. There is variation within that overall figure: spending on services for children and families went up by an average of 4.1% a year compared to an average increase of 1.5% for services for older people and a 0.9% rise for services for adults under 65.

1.12 Other sectors and service areas have also faced cost pressures. The fact that most have seen real terms cuts strongly suggests that, right across public services, funding has not matched cost pressures over the period of austerity.

Comparison to England in terms of need and spend shows some interesting and perhaps unexpected patterns

1.13 The assessments of annual cost pressures referenced above consider how much funding is required to sustain existing levels of service but do not ask whether standing still is sufficient to meet needs. Experts tend to calculate need relative to England, in part because England, through the Barnett formula, is the benchmark for levels of funding. Wales has higher levels of need for public services than many other parts of the UK.

1.14 In 2010, the Holtham Commission estimated Wales' level of need compared to England to be around 115%[9]. In other words, for every £1 spent on services in England, per head of population, £1.15 would be needed for Wales. In our 2019 report on public spending trends, we estimated Wales' relative needs for healthcare compared to England were around 118%[10].

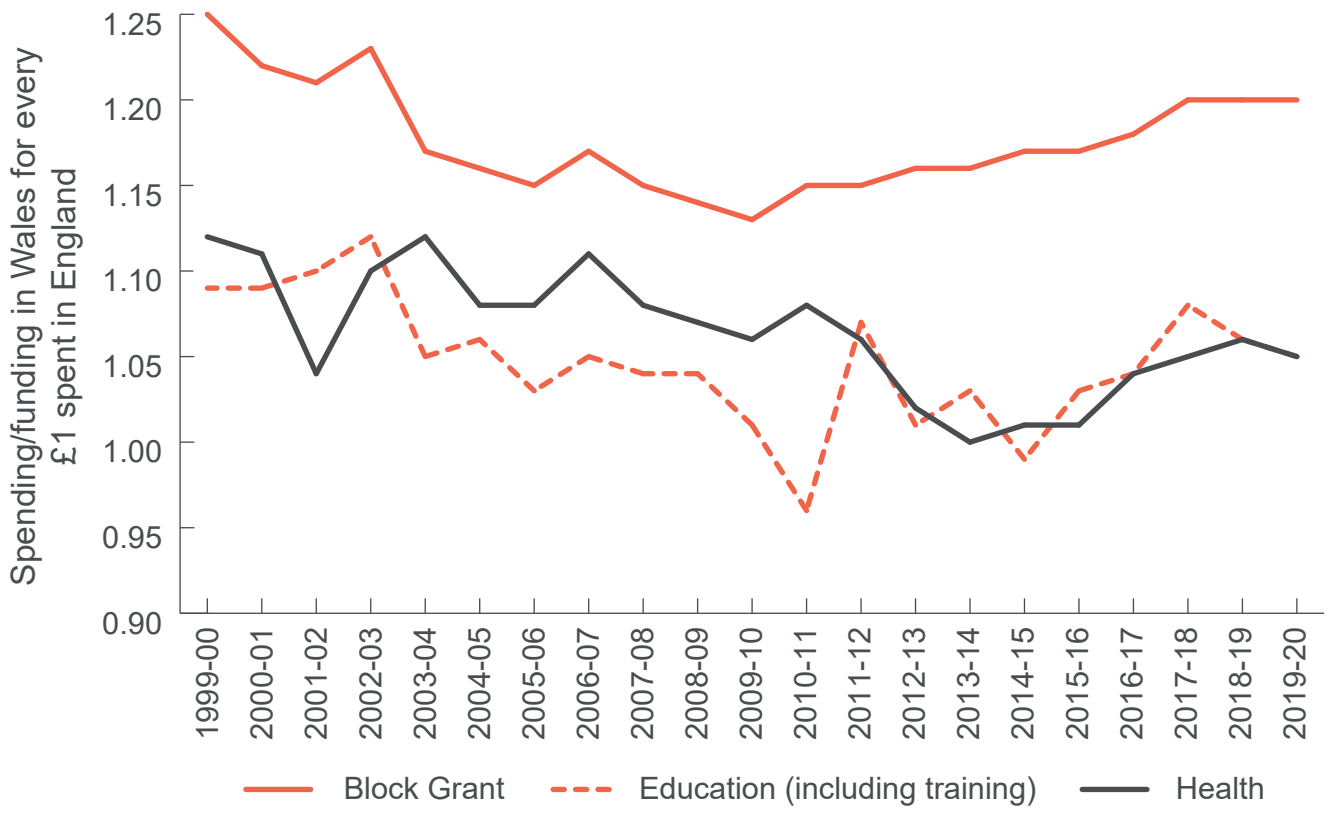
1.15 Since the start of devolution, the Welsh Government has received at least 115% of funding per head in England, with the exception of 2008-09 and 2009-10 when funding dropped to 114% and 113% respectively. In 2019-20, Wales received around 120% of funding per head of levels in England (**Exhibit 7**).

8 London Economic Wales, Short to medium term operational and cost pressures affecting social care in Wales: Final report to the Welsh Government, March 2020 Table 2

9 Independent Commission on Funding and Finance for Wales, Fairness and accountability: a new funding settlement for Wales, July 2010

10 Auditor General for Wales, Public Spending Trends in Wales 1999-00 to 2017-18, October 2019

Exhibit 7: spending on health and education per head of population in Wales and overall devolved funding relative to England, 1999-00 to 2019-20



Source: Audit Wales analysis of HM Treasury Country and Regional Analysis data and the agreement between the Welsh Government and the United Kingdom Government on the Welsh Government's fiscal framework (also known as the Fiscal Framework)

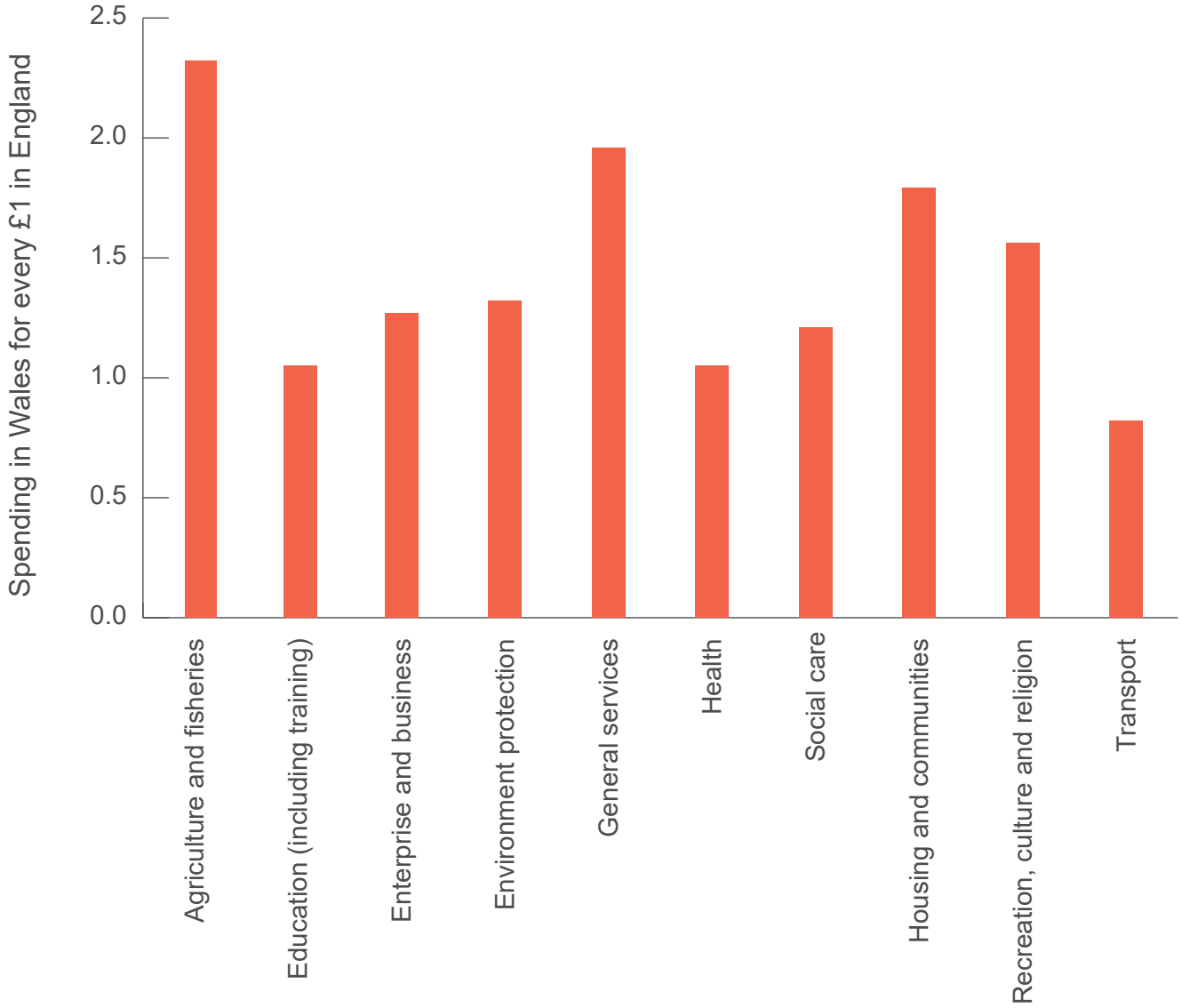
1.16 The relative level of funding has not translated through to equivalent levels of spending on the two largest service areas: health and education. In 2019-20, Wales spent £1.05 for every £1 spent on health and education[11] in England (**Exhibit 7**).

1.17 The wider international context is OECD data showing that spending on health in the UK is the second lowest of all the G7 countries[12].The flip side of different spending priorities on health and education is that spending in Wales on other areas of service is much higher than in England. **Exhibit 8** shows significantly higher spend, per head, in Wales on social care, agriculture, general services, economic affairs, housing and community and culture, recreation and religion.

11 Comparative analysis by the Institute for Fiscal Studies shows that spending per school pupil in Wales is lower than spend per pupil in England.

12 Organisation for Economic Co-operation and Development, Health at a Glance 2019, November 2019

Exhibit 8: comparative spending per head of population in policy areas which are mostly devolved, Wales and England, 2019-20



Note: these figures cover mostly devolved spending but may include some direct UK government expenditure, for example on transport where there is a mixture of devolved and non-devolved spending. More detail on the categories can be found in our Public Spending Trends data tool.

Source: Audit Wales analysis of HM Treasury, Country and regional analysis, November 2020

Capacity in many services was stretched before the pandemic hit

1.18 Many public services had stretched capacity before the pandemic hit. Office for National Statistics data shows that the total public sector headcount in Wales, including non-devolved services, fell by 26,000 (8%) from 324,000 to 298,000 between 2010 and 2020[13]. As we highlight below, within that overall picture there are specific workforce challenges facing different sectors. There have also been challenges with other aspects of capacity such as hospital beds, school places, and care home infrastructure in social care.

1.19 The NHS has seen a rise in overall staffing levels but has recruitment challenges and has been reliant on agency and temporary staff. For many years, bed occupancy has been above the recommended level of around 82% to 85%. Before the pandemic, Wales had amongst the lowest levels of critical care beds per head of population in international comparisons[14].

1.20 When the pandemic hit, the NHS created extra bed capacity by stopping non-urgent activity and repurposing existing capacity, such as operating theatres and recovery rooms, as critical care units. As our September 2020 report on planned care noted, stopping all non-urgent planned care was not entirely novel. Health boards have done it in a planned way to manage winter pressures in emergency care and in an unplanned way by cancelling operations at short notice.

1.21 There is a widespread and long-standing recognition of the need for social care reform. The challenges of rising demand, particularly from older people and children's services, are compounded by low financial margins in care homes for older people and difficulty finding placements for children and young people who are taken into care. The sector faces multiple staffing issues including low pay, high turnover rates, and falling staff numbers in some areas. Equally, there is widespread recognition that the pandemic has revealed the limitations of the social care system.

1.22 Schools have struggled with mismatched capacity; surplus places in some schools while others are over-subscribed. However, the number of surplus spaces has reduced since 2009. There are shortages in staff in some subjects and particularly for the Welsh-medium sector. The system for initial teacher training has been overhauled but the number of trainee teachers has been lower than required in each of the last six years to 2019-20. Over the last ten years, staffing levels and full-time student numbers in further education have remained broadly stable, but part-time provision has fallen dramatically due to funding constraints. However, in higher education, student numbers have increased at a greater rate than staffing levels.

13 Office for National Statistics, Public Sector Employment dataset, July 2021

14 In 2019-20, there were 154 critical care beds – the lowest per head of the population in the UK and amongst the lowest in Europe: Faculty of Intensive Care Medicine and Intensive Care Society, Guidelines for the Provision of Intensive Care Services, Edition 2, June 2019

1.23 Over the last ten years, staffing numbers in local authorities have fallen and skills deficits have emerged. Office for National Statistics data shows that the headcount in local government in Wales reduced by 19% from March 2010 to March 2020[15]. Our work has identified that staffing reductions mean councils do not have adequate numbers of staff with expertise in cross cutting policy and planning areas, and planning authorities lack staff with specialist skills, such as in design and infrastructure.

1.24 There is a similar picture in the Welsh Government. Between 2010 and 2020, the average number of full time equivalent Welsh Government staff decreased by 8%. Our work has identified that staff shortages have impacted on the Welsh Government's policy delivery in some key areas in recent years, and we have highlighted that gaps were created when staff were redeployed to deal with the challenges of Brexit. There have also been reductions in staff at the larger Welsh Government sponsored bodies (**paragraph 1.6**), ranging from 3% to 19%.

15 Office for National Statistics, Employment in local government in Wales, March 2008 to December 2020, May 2021

Public services had to adapt rapidly to the pandemic and the Welsh Government allocated over £5 billion in 2020-21 in response

02

2.1 This part of the report covers 2020-21, with a particular focus on the response to the COVID-19 pandemic. It describes some of the ways in which public services have adapted to the pandemic. It sets out the funding allocated to the response by the Welsh Government, breaking that down by different areas of spending. It also summarises the overall picture of aspects of the response set out in some of our recent audit work.

The COVID-19 pandemic severely disrupted public services and the wider social, economic and cultural life of Wales

2.2 COVID-19 has had a tragic impact on individuals and communities. As at mid-June 2021, more than 5,500 people had died with COVID. More than two-thirds of those deaths happened during the second wave in the autumn and winter of 2020-21. Almost half (45%) of those who died lived in the area covered by Aneurin Bevan and Cwm Taf Morgannwg University Health Boards. As at mid-June 2021, Wales had the highest number of deaths with COVID-19 on the death certificate, per 100,000 population, in the UK.

2.3 As set out in **paragraph 1.20**, the NHS stopped all but the most urgent non-COVID activity. Operating theatres and wards were repurposed to create extra critical care space for the most ill patients. GPs and other primary care services moved to online or telephone where possible. In social care and in the NHS, visits to patients and residents were severely curtailed.

2.4 The education system changed drastically. The Welsh Government lifted the requirement on schools to deliver the full national curriculum in March 2020. Students and pupils have had periods of online learning. Some have also had periods in the classroom and lecture halls with measures in place to mitigate against the spread of the virus, restricting some learning opportunities such as extra-curricular activities, trips and laboratory experiments. Schools have been transformed with classrooms re-arranged to encourage distancing, start times, end times, playtimes and lunchtimes all re-arranged to reduce mixing of pupils and parents.

2.5 Other local services, from leisure to waste and recycling facilities, have also experienced periods of stopping and re-opening with protective measures in place. Some staff from closed services have been re-deployed to other aspects of the COVID-19 response, such as preparing and delivering food parcels for vulnerable and isolating households. Inside the civil service, staff have been redeployed to support the response in various ways.

The Welsh Government allocated £5.1 billion on the COVID-19 response in 2020-21

2.6 In 2020-21, the Welsh Government created a £6 billion funding pot specifically for COVID-19-related activity. Over the year, it received an extra £5.7 billion in revenue through the Barnett formula due to COVID-19 spending in England. The Welsh Government added to UK government funding by re-prioritising £256 million from existing departmental budgets[16]. Some of the key movements in funding into the COVID-19 pot were:

- £50 million which was intended to improve NHS waiting times;
- £30 million previously set aside for the Childcare Offer for Wales;
- £16 million for higher education funding; and
- £12 million apprenticeship funding.

2.7 The Welsh Government allocated[17] around £5.1 billion of this extra money in 2020-21 on services to respond to the public health crisis, to support businesses and communities, to replace lost income for some public services and to prepare the ground for the recovery (**Exhibit 9**). Of the remaining funding in the COVID-19 pot, the Welsh Government converted £305 million into capital[18] and carried forwards £485 million into 2021-22[19].

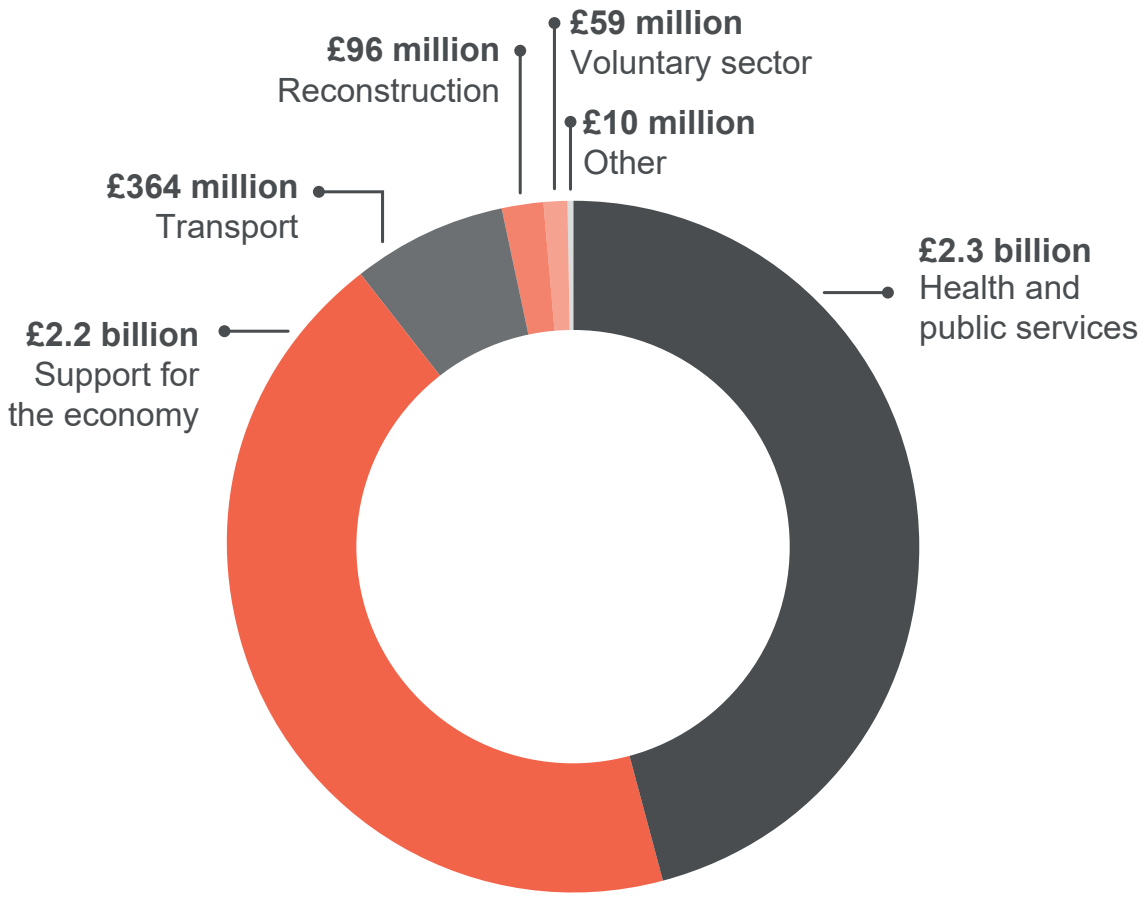
16 In the first supplementary budget the Welsh Government had re-prioritised £245 million of EU Structural Funds to support the response but once the full funding from the UK government came through, it decided it no longer needed this funding for the COVID-19 response in 2020-21.

17 Here we set out the funding 'allocated' by the Welsh Government, by which we mean the sum set aside for specific areas of spending. In some cases, the actual spend, or outturn, may be different by the end of the year.

18 The £305 million capital was included as part of a wider £772 million allocation of capital funding in the third Supplementary Budget. The allocation included £188 million capital to support the COVID response and 'reconstruction' and a £270 million allocation to the Development Bank for Wales.

19 The UK government announced additional funding through the Barnett formula late in 2020-21 and agreed that the devolved administrations could carry this money into the following financial year.

Exhibit 9: split of the Welsh Government's £5.1 billion COVID-19 allocation to services for 2020-21



Note: 'Reconstruction' covers several funding pots the largest components of which relate to education (**paragraph 2.10**).

Source: Audit Wales analysis of Welsh Government data

2.8 The Welsh Government has allocated £2.3 billion to supporting the NHS and other public services in dealing with the pandemic. This figure includes an £800 million stabilisation fund for the NHS alongside specific funding for programmes such as vaccinations, Test, Trace and Protect and PPE. The funding also includes a £660 million[20] Crisis Fund for local government, which covers a range of general costs as well as specific items such as free school meals, additional costs in social care, and supplementing the loss of income from fees with services closed.

20 Although the Welsh Government allocated £660 million, by the end of the financial year it reports having spent £587 million.

2.9 The Welsh Government allocated £2.7 billion to support the economy, the transport sector and the voluntary sector. This funding includes around £1 billion for the Economic Resilience Fund, around £730 million in grants related to non-domestic rates for small and medium businesses, £350 million in rates relief for retail, hospitality and leisure businesses and £130 million to support the higher education and further education sectors. The Welsh Government also allocated £170 million to support rail services and £95 million for bus services. The Welsh Government has allocated £59 million to support voluntary services. This includes £29 million for Third Sector Support, £15 million for the Discretionary Assistance Fund and £13 million towards provision of food for people who were shielding.

2.10 The Welsh Government allocated £96 million in 2020-21 to support what it is calling 'reconstruction'. This is made up of a range of smaller pots of funding, the largest being £11 million to cover free school meals during the holidays, and £10 million for three education programmes: to support children during exam years; to support the further education sector; and for mental health, student support and a hardship fund for the higher education sector.

2.11 Compared to the UK government's equivalent spending in England, Wales Fiscal Analysis notes that the Welsh Government has spent less of its COVID-19 funding on the NHS while spending more supporting businesses and communities[21]. In part, these differences may be down to the Welsh Government being able to secure better value for money. For example, on Personal Protective Equipment and Test, Trace, Protect, the Welsh Government appears to have got similar or better results compared to England while spending proportionately less.

21 This comparison does not include the furlough scheme which is run and funded by the UK Government.

Our COVID-related work paints a broadly positive picture of aspects of the way Welsh public services responded but this is not necessarily indicative of the overall management of the pandemic

2.12 In response to the pandemic[22], our key initial piece of work was a COVID-19 Learning Project. This involved gathering emerging intelligence on good practice from public services' response and sharing learning in real time through a combination of blogs and updates to our audited bodies. Examples included public bodies working together and with communities to deliver food parcels, provide information to the public on how and where they could get tested and a range of other practical responses. As the pandemic progressed and the first wave came to an end, we identified examples and lessons for public services as they started to re-open services to the public. In November 2020, we produced a short report on the work to provide free school meals to pupils while at home[23].

2.13 Since early 2021, we have published more detailed reports on areas of the response: the Test, Trace and Protect programme, the supply and procurement of PPE, NHS governance arrangements during the pandemic, and the rollout of the vaccinations programme[24]. All these reports paint a broadly positive picture of aspects of the response, although all highlight lessons to learn as well. They show public bodies rapidly putting in place collaborative systems and flexible governance arrangements.

2.14 These reports reflect only aspects of the response to COVID-19 in Wales. While our reports paint a positive picture of aspects of the management and governance of individual programmes, they should not be taken as a positive view on the response in the round. Our report on the supply and procurement of PPE, for example, highlighted some of the weaknesses with the pre-pandemic preparations and that we cannot ignore the views expressed by some of those on the frontline about their own experience.

2.15 The UK government intends to set up a public inquiry in due course, which is likely to take a much broader and more in depth look at the overall pandemic response. The Welsh Government has stated its view that the Welsh response should be reviewed as part of that inquiry.

22 At the start of the pandemic, we significantly adjusted our work programmes, recognising the impact on our own capacity and to ensure we could contribute to public services' response while not adding to the pressures public services were facing.

23 Auditor General for Wales, Providing Free School Meals During Lockdown, November 2020

24 Auditor General for Wales: Doing it Differently, Doing it Right?, January 2021; Test, Trace, Protect in Wales, March 2021; Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021; Rollout of the COVID-19 vaccination programme in Wales, June 2021

Public services need to manage the ongoing response to the pandemic and start to recover while adapting to new demands

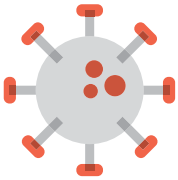
03

3.1 The previous decade threw up many challenges for public services and there will be little respite in the near future. This part of the report looks at some of the key issues for public services in the coming years and important aspects of service transformation where we will be focusing our attention (**Exhibit 10**). This section is not intended to be comprehensive in setting out all the areas public services need to address, and other review bodies will have their own perspective on the key issues.

Exhibit 10: some key opportunities and challenges for public services

A changing world

- Climate change: achieving a fair and just transition
- Equalities: responding to demands for a fairer and more equal society
- Constitution: managing the opportunities and risks of new relationships within the UK



The ongoing pandemic

- Direct costs of response
- Economic hit knocks-on to public finances
- Legacy costs of long-term impacts

Transforming service delivery

- Systems and culture to support new approaches to service delivery
- Purposeful collaboration
- Long-term planning and prevention
- Harnessing technology where appropriate
- Using data to learn across the whole system

3.2 Several of these areas, particularly in relation to a changing world, are reflected in the Welsh Government's Programme for Government for 2021 to 2026[25]. Our commentary builds on some of the messages in our 2020 report on implementation of the Well-being of Future Generations (Wales) Act 2015[26].

25 Welsh Government, Programme for Government, June 2021

26 Auditor General for Wales, So What's Different? Lessons from the Auditor General's Sustainable Development Examinations, May 2020

The Welsh Government has at least an additional £2.6 billion to support the ongoing pandemic response in 2021-22

3.3 The pandemic is not over, and further public spending will be needed in 2021-22. As at July 2021, the Welsh Government had received a total of £2.1 billion additional funding related to COVID-19 for 2021-22. In addition, it has the £485 million carried forward (**paragraph 2.7**), taking the extra funding in 2021-22 to £2.6 billion on top of an increase in the core non-COVID budget.

3.4 As of July 2021, the Welsh Government's internal plans show it had allocated £1.5 billion, with £884 million to health and public services, £470 million to support the economy, £107 million for transport and £14 million for the third sector and communities. The situation remains fluid and, depending on the path of the pandemic and the UK government response, further funding may be announced in the coming months.

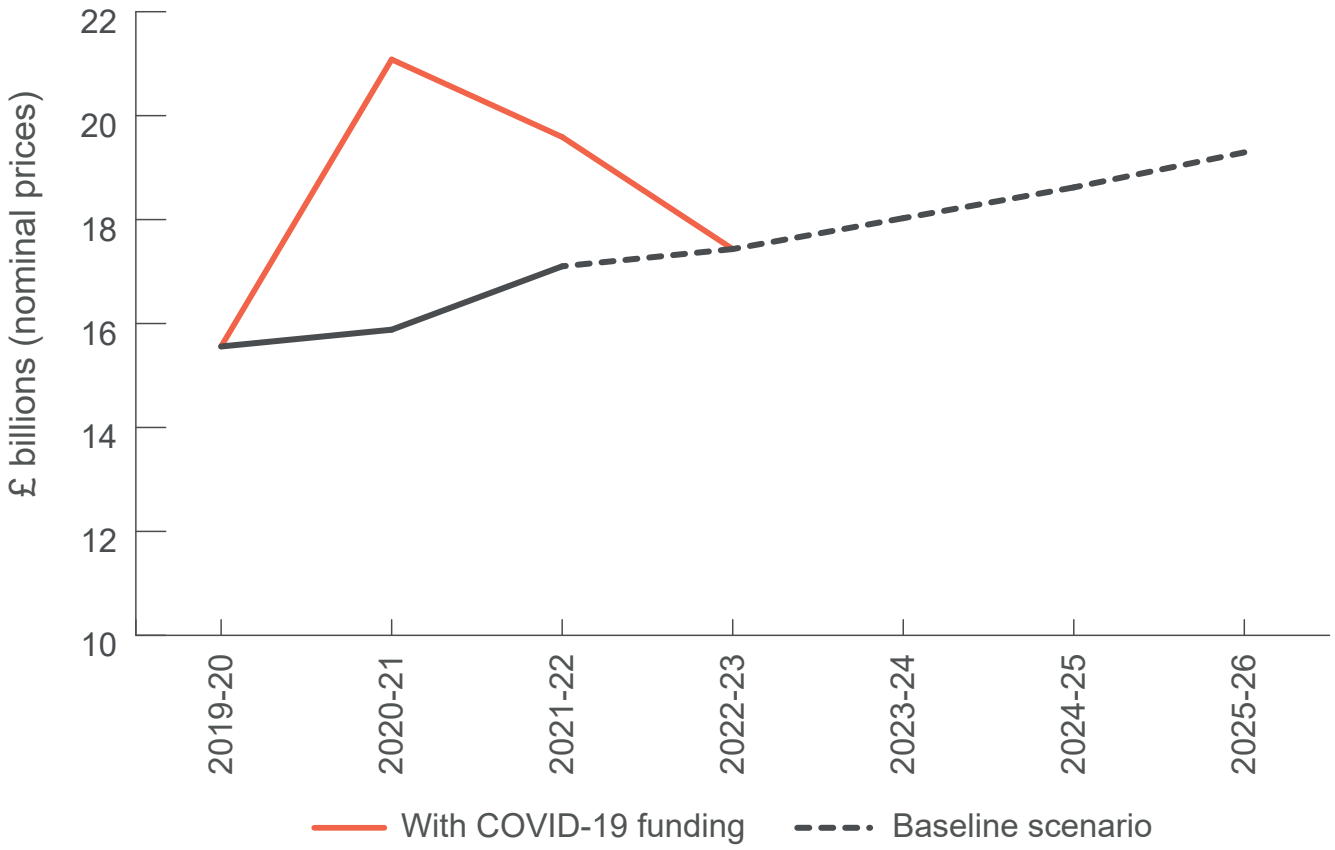
The UK government has promised no return to austerity, but funding is still likely to be tight given the cost pressures facing public services

The economic hit from the pandemic means public finances are likely to be tight for some time

3.5 The funding position beyond 2021-22 is unclear but UK public finances are in a challenging position. Economic activity fell during the pandemic, with companies and individuals paying less tax. Coupled with higher spending, the UK's overall debt and the annual deficit – the gap between income and expenditure – have grown significantly.

3.6 The UK government has said there will not be a return to austerity as it seeks to reduce the level of debt. It revised its spending plans downwards in March 2021 but still intends for overall public spending to grow in real terms. Wales Fiscal Analysis projected the Welsh Government's revenue budget to 2025-26 based on the UK government's March 2021 plans (**Exhibit 11**). It shows a 1.5% a year real terms budget increase between 2021-22 and 2025-26, excluding COVID-specific funding. It is possible these projections will change when the UK government produces a fuller spending review later in 2021.

Exhibit 11: projected funding for Welsh Government day-to-day spending, 2019-20 to 2025-26



Note: The Wales Fiscal Analysis projections in this chart are on a nominal basis, which means they are not adjusted for the impact of inflation. Figures for 2020-21 reflect a fall in non-domestic rate revenues associated with the rates relief, a budget switch to capital spending and the transfer of farm subsidies to the Welsh budget. The 2021-22 figure does not include additional funding, mostly for the COVID-19 response, set out in the Welsh Government's June 2021 Supplementary Budget.

Source: Wales Fiscal Analysis, Welsh Election 2021: Fiscal outlook and challenges for the next Welsh Government, April 2021

Cost pressures from the pandemic and demographic change will mean difficult choices for public funding

3.7 Life for public services remains far from normal and that is likely to remain the case for some time. Once the pandemic is fully over, public services face a huge job of recovery. They will need to catch up on activity that was paused and deal with new problems created by the pandemic. The most obvious challenges are in the NHS where there are backlogs of patients on waiting lists and, unquantified pent-up demand from people who have put off seeking help.

3.8 There are other backlogs, for example the challenge of making up lost learning for pupils and students across the education system. These backlogs all have a significant cost attached: Wales Fiscal Analysis calculated that addressing the backlog in planned care would cost between £152 million and £292 million a year over four years[27]. Applying the Barnett formula to its estimates for England, the Education Policy Institute has estimated that an extra £600 million to 900 million could be needed over three years to support education recovery in Wales[28].

3.9 Some, or even all, of the requirements around social distancing, wearing PPE, ensuring adequate ventilation in indoor spaces may be with us for some time, depending on policy choices and public health advice. These restrictions affect the productivity of public services. The shift to online and telephone-based services may offset some of the effect of these restrictions on productivity. But many services, notably surgery and other personal interventions, cannot take place online. As a result, public services need either more capacity or to find ways to reduce demand and activity just to stand still, let alone address backlogs.

3.10 There are potential longer-term implications. The long-term direct health implications of COVID-19 are still being studied. The extent to which these will create new demand and cost pressures on the NHS is unclear. There is evidence of an impact on the mental wellbeing of households, which may increase the need for ongoing health and social care support. There are also other as yet unknown impacts on the public service workforce: there is speculation that some staff may not wish to continue as before or may accelerate retirement plans after the pandemic[29], creating potential capacity and/or pay pressures, for example if gaps need to be filled by expensive agency or locum staff. There may also be costs involved in helping parts of the public service workforce recover from what has been a traumatic experience.

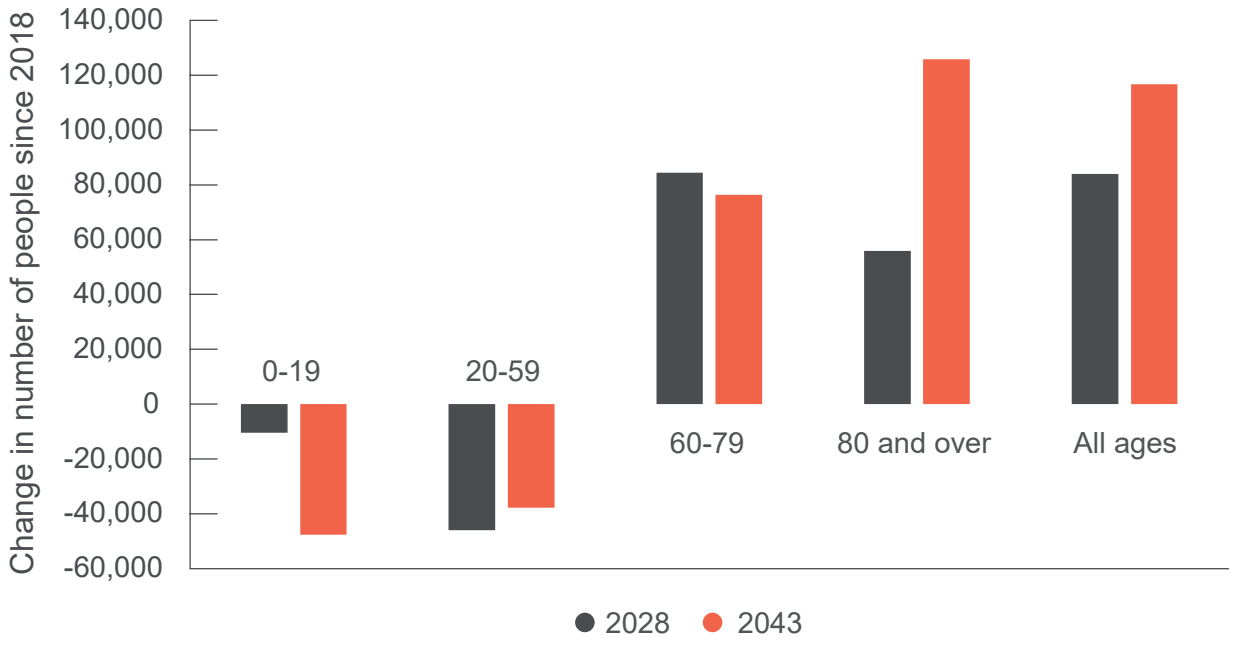
27 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

28 Education Policy Institute, Analysis Paper: Preliminary Research Findings on Education Recovery, April 2021

29 For example, evidence from a British Medical Association survey, which is based on a self-selecting sample, suggests more than a doubling of doctors considering early retirement and many considering reduced hours or a career break. British Medical Association, COVID-19 tracker survey snapshot, April 2021.

3.11 Cost pressures also arise from changes in the population. Currently, Wales' population is expected to increase by around 117,000 by 2043 (**Exhibit 12**). We do not know yet if changes such as increased remote working will be long lasting and potentially affect population trends. For public services, the bigger challenge will be from the change in the age profile because of birth-rates and migration within the UK and beyond. The proportion and number of children and young people is now expected to fall while the number of older people (60-79) and very old people (80 and over) increases. By 2043, it is estimated that 9.1% of the population will be aged 80 and over, compared to 5.4% in 2018. The overall number aged 80 and over is expected to increase by around 126,000 (74%).

Exhibit 12: population projections – change in age groups from 2018 to 2028 and 2043



Source: Office for National Statistics, Principal projection – Wales population in age groups, October 2019

3.12 The aging population is likely to increase demands for health and social care. While fewer children and young people may lead to less demand for some services; there are less obvious cost pressures. For example, in education, the cost of schooling per pupil tends to increase as the number children and young people falls because of the higher costs per head associated with providing small schools.

3.13 Given a likely tight funding settlement and ongoing cost pressures, the Welsh Government faces some difficult immediate choices on funding priorities. Wales Fiscal Analysis reports looking at the NHS (**paragraph 3.8**) and local government[30] suggest that the funding set to come to the government to 2025-26 seems unlikely to cover all the cost and demand pressures faced by these two large sectors. There are also demand and cost pressures in other areas of public service. The Welsh Government and other public services therefore face continued difficult choices about prioritisation.

Other factors including the climate emergency and the push for greater equality will affect public services in the short and long term

Public services face the challenge of achieving a just and fair transition to net zero

3.14 Since our last Picture of Public Services report, the Welsh Government and the majority of local authorities have declared a climate emergency. In March 2019, the Welsh Government's low carbon action plan[31] drew together 100 ongoing and planned actions across government. In March 2021, the Senedd approved a net zero target by 2050 with an ambition to achieve the target earlier[32]. It also approved interim targets for 2030 and 2040 and carbon budgets.

3.15 The Independent Climate Change Committee's 2020 report[33] highlighted the scale of the challenge ahead for the Welsh Government and, by extension, other public bodies. The report showed that, in 2019, Wales' emissions have fallen 31% since 1990. This is less than the fall in the UK as a whole (41%). Achieving the Welsh Government's target of a 63% cut in emissions compared with 1990 by 2030 will require the same fall in the next nine years as has been achieved in the last 30 years.

30 Wales Fiscal Analysis, Local Government and the Welsh Budget: Outlook and challenges for the next Welsh Government, April 2021

31 Welsh Government, Prosperity for All: A Low-Carbon Wales, March 2019. Work to update and revise the plan is currently underway.

32 Under the 2008 Climate Change Act, Wales is required to contribute to the UK 2050 net zero target and the UK's carbon budgets. The Act committed the UK to an 80% reduction in carbon emissions relative to the levels in 1990, to be achieved by 2050. In June 2019, secondary legislation was passed that extended that target to 'at least 100%'. In April 2021, the UK government announced its intention to legislate for a target to reduce emissions by 78% by 2035.

33 The Independent Climate Change Committee is a statutory body established under the Climate Change Act 2008. Its remit covers the UK. It advises the Welsh Government on its targets and strategy. It reports progress against targets annually to the UK and Parliaments of the devolved nations. Climate Change Committee, Progress Report: Reducing emissions in Wales, December 2020.

3.16 As the Committee's report states, achieving net zero will require an integrated approach that puts climate mitigation and adaptation at the heart of public services in every sector. Some public bodies have produced plans for achieving net-zero by 2030. The Welsh Government is producing guidance for public bodies including a Public Sector Route Map to Net Zero and a common methodology for reporting emissions. We will be undertaking an ongoing programme of audit commentary on public sector action to address climate change. This will include a baseline review of action across the public sector during 2021-22.

3.17 Achieving these goals is also dependent on close working and coordination with the UK government: within the Committee's recommended pathway, around 60% of all the abatement in Wales in 2050 is in areas where key policies are mostly reserved to the UK government. Emissions in Wales fell by 20% in just two years (2016-2018) when the last coal-fired power station closed. However, this kind of major energy policy change is reserved to the UK government[34]. The report concluded that public bodies need to make progress in devolved areas such as agriculture, land-use, forestry, buildings and surface transport.

3.18 The most vulnerable are more likely to be directly affected by climate change. However, as both our 2019 report on fuel poverty[35] and the Decarbonisation of Homes in Wales Advisory Group[36] found, there are some difficult trade-offs between social justice and carbon reduction goals. In our 2020 report on the Well-being of Future Generations Act, we drew attention to the challenge facing the Welsh Government and other public bodies to ensure a fair transition to a low carbon economy and protecting the most disadvantaged from the effects of climate change and biodiversity loss.

34 Large scale energy generation policy (over 350 megawatts) is reserved to the UK government.

35 Auditor General for Wales, Fuel Poverty, October 2019

36 Decarbonising Homes in Wales Advisory Group, Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales, July 2019

Reducing inequality will require long-term action and investment

3.19 In 2018, the Equality and Human Rights Commission highlighted ways in which equality had improved in Wales, including a falling number of young people not in education, employment or training, increased employment and improved mental health services[37]. It also documented more evident divisions in society and rising poverty particularly affecting disabled people, and some ethnic minority groups, in Wales compared to others. It called for a 'spotlight on race inequality' in Wales.

3.20 The COVID-19 pandemic has highlighted and deepened these existing inequalities. Young people, women and Bangladeshi workers are more likely to work in sectors shut-down. Disabled people have had the highest death rates from COVID and many experienced prolonged isolation. Progress towards equality in some areas has been reversed: for example, the gap in attainment of the highest grades between pupils eligible for free school meals and others and between those with additional learning needs and others has been stable or reducing in recent years but generally widened in 2019/20 at GCSE, AS and A level.

3.21 Black, Asian and Minority Ethnic people have been particularly affected by the pandemic with higher death rates. As concern increased, the First Minister commissioned work to look at the impact of the pandemic on Black, Asian and Minority Ethnic people. Professor Emmanuel Ogbonna's report[38] made 37 recommendations to tackle race inequality, focusing on the impact of long-standing racism and disadvantage and a lack of representation. The 'Black Lives Matter' movement has increased pressure for action. The Welsh Government has recently committed in its Programme for Government to funding and implementing the commitments in its draft race equality plan[39].

3.22 The Welsh Government commenced the 'Socio-economic Duty' in March 2021 requiring relevant public bodies to give due regard to the need to reduce inequalities that exist as a result of socio-economic disadvantage when taking strategic decisions. The Duty sits alongside other requirements in the Equality Act 2010 and the Well-being of Future Generations (Wales) Act 2015 to consider the impact of their decision-making on equality and community cohesion.

37 Equality and Human Rights Commission, Is Wales Fairer?, October 2018

38 Welsh Government, First Minister's BAME COVID-19 advisory group report of the socioeconomic subgroup, June 2020

39 Welsh Government, An Anti-Racist Wales: The Race Equality Action Plan for Wales, March 2021

3.23 At the start of the pandemic, the speed of decision-making meant that the Welsh Government did not conduct some equality impact assessments on key decisions[40]. Others were not published for scrutiny. In some cases, these omissions have been rectified but, as a first step to addressing the unequal impact of the pandemic, public bodies will need to collect better, disaggregated data to understand the impact of previous as well as future decisions on disadvantaged people and communities.

A new post-Brexit constitutional relationship poses a range of challenges as well as opportunities

3.24 Since 1999, the Welsh Government has taken on more powers, including over taxation, for the first time in over 800 years, in 2016. Following Brexit, the Welsh Government has taken on over 4,000 new functions from the EU while the UK government has taken on powers in areas such as immigration and border control. In the coming years, negotiations over the boundaries of these responsibilities will affect the Welsh Government and public bodies.

3.25 In the past, Wales benefitted from substantial EU funding – around £375 million per year during the 2014-2020 structural and investment funding period. The Conservative Party's 2019 UK government manifesto said that future funding would at least match the size of EU funds for each nation. This could lead to parts of Wales receiving more than comparable areas in England[41].

3.26 At present, the Welsh Government manages EU funds within parameters set by the EU. In October 2020, the House of Commons Welsh Affairs Committee acknowledged that the Shared Prosperity Fund – which replaces EU funding – could be an opportunity to develop a funding system that better reflects Wales' needs than previous EU funding streams. However, the Welsh Government's role in decision-making was unclear at the time[42].

3.27 Since the Committee reported, the UK government has announced that the Shared Prosperity Fund will be managed by the UK Treasury using powers under the Internal Market Act 2020 to spend directly on devolved areas of policy. The UK government is using the same powers for the Levelling Up Fund. It invited bids for the first round from local councils and other public bodies in January 2021: at least 5% of the fund is set aside for Wales.

40 Welsh Parliament, Equality, Local Government and Communities Committee, Into sharp relief: inequality and the pandemic, August 2020

41 Alex Davenport Samuel North David Phillips – Institute for Fiscal Studies, Sharing prosperity? Options and issues for the UK Shared Prosperity Fund, July 2020

42 House of Commons Welsh Affairs Committee, Wales and the Shared Prosperity Fund: Priorities for the replacement of EU structural funding, 20 October 2020

3.28 There is already a complex crowded partnership landscape in Wales (**paragraph 3.33**). Getting value for money from this new way of working, in which UK government works directly with Welsh public bodies, will need care to align with existing local provision and Welsh Government policies. The UK government said it will seek advice from the devolved governments in shortlisting bids for the Levelling Up Fund. The role of devolved governments in the Shared Prosperity Fund's governance is not yet clear.

The recovery from COVID-19 provides an opportunity to learn lessons and progress long-standing ambitions for transforming public services

3.29 The Welsh Government has long-standing ambitions to transform the way public services provide services to the people of Wales. As set out in various strategies and legislation, notably the Well-being of Future Generations (Wales) Act 2015, public services should be citizen-centred, using the principles of co-production to involve service users and communities in the design and delivery of services. They should be collaborative and seek to prevent problems before they escalate. As part of this, public services should be shifting their focus from outputs and activity – how much are they doing and how quickly – to outcomes and the things that matter to communities and individuals.

3.30 Our work suggests public services are moving towards these new ways of working but that there are some long-standing barriers still to overcome. Below are some of the key aspects of service transformation we will be focusing our attention on in the coming years.

Systems and culture to support new approaches to service delivery

3.31 Changing the way public services operate involves changing some of the thinking, management processes and governance arrangements that underpin the status quo. Underlying systems of governance and accountability can help or hinder progress towards new ways of working. They incentivise behaviours by setting out what people and organisations will be held to account for. In the past, governance and accountability have often been focussed on targets for delivery of timely outputs and activity. Different arrangements will be required to encourage a stronger focus on outcomes and wellbeing and to encourage greater experimentation with new approaches.

3.32 In response to the pandemic, many performance management and accountability arrangements have been suspended or modified. There is an opportunity to learn lessons from what happened when these arrangements were relaxed. In future, we will expect to see greater thought being given to how the approach taken to governance and accountability will support the ambitions for service delivery, including the sorts of behaviours and relationships these arrangements incentivise.

Purposeful collaboration

3.33 Collaboration between public services is essential to delivering resilient services that improve the wellbeing of the people of Wales. We have on several occasions raised concerns that the partnership landscape is overly complex and incoherent, with varying geographical coverage, and unclear and overlapping remits. Servicing partnerships occupies a significant amount of the time and energy of senior public servants. Similar concerns have also been expressed by the Future Generations Commissioner[43] and the Public Accounts Committee[44].

3.34 One of the key lessons from the pandemic has been how collaboration has involved getting the right people together working across organisational and professional boundaries towards a common purpose. With a sense of urgency and strong, common goals, public services have demonstrated how pragmatic and flexible partnership arrangements can work to great effect.

3.35 Looking ahead, we will be expecting public services to demonstrate that their partnership working and collaboration are purposeful and leading to tangible benefits for the significant investment of time and effort involved.

Long-term financial and service planning that supports a rigorous and realistic approach to prevention

3.36 Delivering the ambitions of the Well-being of Future Generations Act requires a shift in focus and resources from short-term needs to prevention. There is an inherent tension between the desire for long-term prevention programmes and short and medium-term financial planning cycles. It can be difficult to shift resources needed to manage short-term problems in the anticipation of uncertain benefits at some distant point in the future. This is particularly the case where there are immediate pressures such as gaps between demand and supply with people experiencing delays to services and harm as a result.

43 Future Generations Commissioner for Wales, Future Generations Report 2020, May 2020
44 Public Accounts Committee, Delivering for Future Generations: the story so far, March 2021

3.37 Our report on the findings from our sustainable development examinations (**paragraph 3.2**) highlighted that short-term budget setting remained a barrier to progress. We will be looking for all public services to demonstrate progress towards longer-term financial planning. However, there is a particular responsibility on the Welsh Government to provide longer-term clarity about its priorities and plans for funding.

Harnessing digital technology to make services more accessible

3.38 Our work has highlighted the potential benefits but slow roll out of digital services in the NHS and social care[45]. However, the response to the pandemic has shown that public services can move swiftly to roll out and adopt new digital technology. From the outset, the public sector has used digital technology in new ways, including supporting staff working from home; online teaching for pupils and students; online committee and board meetings; digital needs assessments and virtual clinics and consultations (including telephone consultations).

3.39 The Welsh Government's vision for 'digital change' across Wales includes designing services around user needs to deliver simple, secure and convenient services[46]. We will be expecting public services to demonstrate that they are pursuing opportunities to make services more effective and efficient by using new technologies, where it makes sense to do so. In particular, we will expect public services to be able to demonstrate that digital services are accessible, of a high quality and meet the needs and expectations of users in line with aspirations for holistic citizen-centred services. We will also expect public bodies to learn lessons from the use of digital services introduced during the pandemic, including lessons around their effectiveness and user experiences.

Using data and information to learn and improve across the whole public service system

3.40 Before the pandemic, public services had been grappling with how best to use data to understand how well they were doing. In particular, public services were trying to focus more on measuring outcomes and the wellbeing of the population. Measuring outcomes is hard in and of itself. Understanding what has caused those outcomes when there has been a complex mix of interventions from different bodies in different environments is even harder.

45 Auditor General for Wales: Informatics systems in NHS Wales, January 2018; Welsh Community Care Information System, October 2021

46 Welsh Government, Digital Strategy for Wales, March 2021

3.41 In our 2018 report on local government's use of data[47], we highlighted the challenge of local government sharing information with partners. With collaboration key to delivering better services and better outcomes, public bodies need to get better at sharing information with partners.

3.42 In the coming years, we will expect public bodies to strengthen their ability to understand and demonstrate how they are using their resources to impact on individual and population wellbeing. In particular, we will be looking for them to do more to understand how whole systems are working to achieve outcomes, including the role of the Welsh Government and other funders in setting the rules, and how services can collectively work better for service users and communities.

47 Auditor General for Wales, The maturity of local government in use of data, December 2018

Appendices

1 Audit approach and methods

1 Audit approach and methods

1 The report is based on a synthesis of our published work as well as research by other organisations. Our work includes:

- the annual audit of accounts of the main devolved public bodies in Wales;
- local work looking at governance, management and delivery of services by NHS bodies and local government bodies;
- national reviews, looking at specific services and programmes as well as efforts to improve the wellbeing of particular groups of the population;
- reviews of public bodies' application of the sustainable development principle in line with the requirements of the Well-being of Future Generations (Wales) Act 2015; and
- data tools, which pull together information on particular sectors or areas of interest.

2 Underpinning this report is a series of sector-specific summaries, setting out some key facts and analysis, which we will publish during September and October 2021. We have not done a separate summary for the Welsh Government, as much of the analysis and key issues are covered in this report. We have also not sought to summarise the position across the many Welsh Government sponsored bodies and subsidiary companies. Where relevant, we refer in this report to some of the common issues and pressures they face.

3 Below are some of the key sources of data presented in this report.

- **Welsh Government funding:** for data to 2015-16, we have used the figures we used in our 2015 Picture of Public Services Report. The basis of data for 2015-16 to 2019-20 is the annual HM Treasury Public Expenditure Statistical Analyses dataset to which we have added data on revenues raised (or expected) from devolved taxation.
- **Health revenue:** This data is set out in our NHS Wales Finances Data Tool. It is based on the Welsh Government's final supplementary budget in each year and covers all health-related revenue budget lines from within the Department of Health and Social Services.
- **'Core' local government funding:** this comes from the Local Government Revenue Settlement dataset on StatsWales.
- **Local government spending on services:** this comes from the Local Government Outturn dataset on StatsWales and is based on 'gross revenue' expenditure on services.
- **Comparative UK spending analysis:** this primarily comes from the data that underpins our Public Spending data tool. We have carried out some further analysis using the underlying HM Treasury Country and Regional Analysis dataset, for example to look at social care expenditure.

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A Picture of Healthcare

Report of the Auditor General for Wales

October 2021

This report has been prepared for presentation to the Senedd under the Government of Wales Act 1998

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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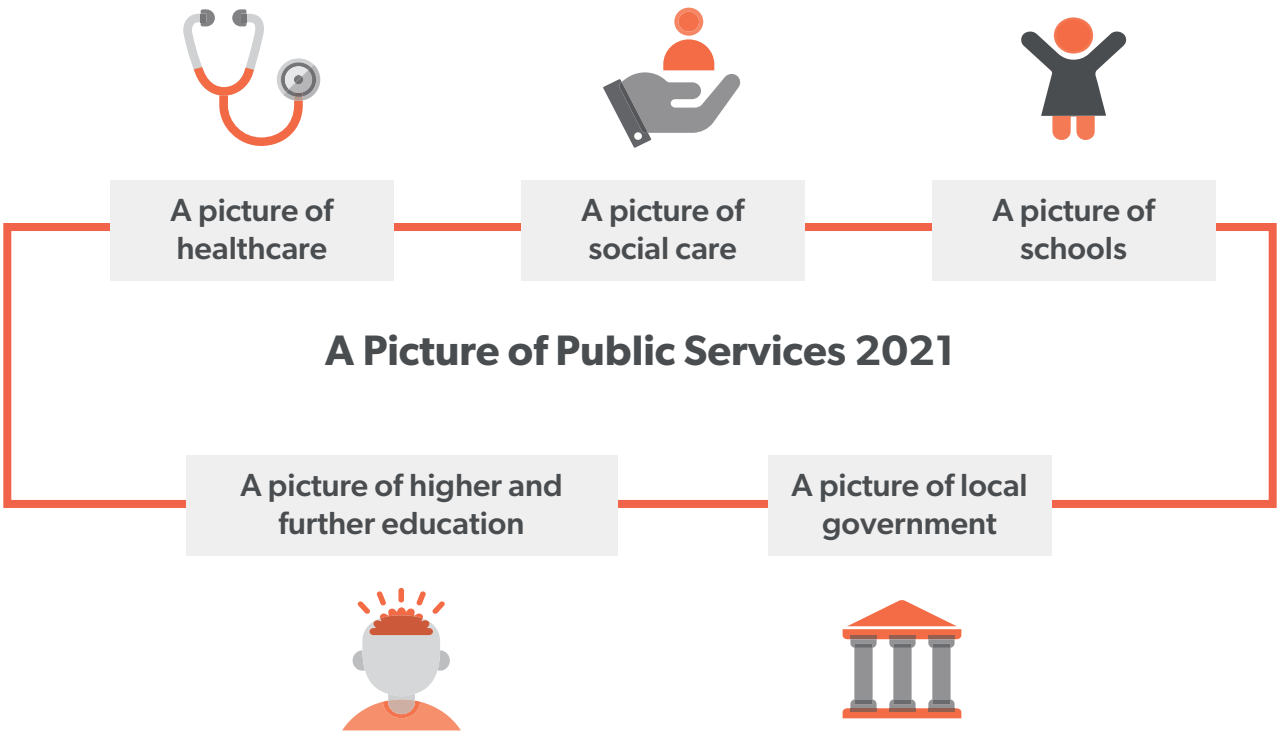
About this report

This report is part of a series of Picture of Public Services 2021 outputs. Our main Picture of Public Services 2021 report summarises some of the key trends in public finances and sets out our perspective on some of the key issues for future service delivery.

This report: A picture of healthcare summarises key information about healthcare in Wales including the strategic operating context, funding, performance and capacity. Healthcare is a hugely complex sector with specific issues affecting different parts of the system. This report is not intended to be comprehensive. It sets out what we consider to be some of the key issues for healthcare, recognising that other review bodies and commentators will have their own perspective on the key issues.

The report is based on a synthesis of our published work as well as research by other organisations.

Exhibit 1: Picture of Public Services outputs



Main report

Healthcare context

Delivering healthcare in challenging times

1 The COVID-19 pandemic has presented enormous challenges to public services and the people who deliver them. Some services were delivered differently, and others were paused. Staff had to adapt to new ways of working and many were redeployed to support the COVID-19 response. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of public servants during this difficult period.

2 At the time this report was written, the direct impacts of COVID-19 were still being felt. COVID-19 patients were still being admitted to hospitals and health bodies were trying to restart and recover their services. Work to understand the indirect impacts of COVID-19 had begun, but it was too early to gauge the scale and extent of these impacts.

3 The challenge of recovering services and addressing the indirect impact of COVID-19 will likely continue for years into the future. The problem is compounded by the fact that some healthcare services were already stretched before the pandemic. More immediately, health bodies continue to respond to the direct impact of COVID-19, operating within infection prevention control measures which limit physical capacity.

4 Despite the significant challenges ahead, there are opportunities to rebuild and deliver services differently, putting people at the centre of services, and learning from the collective response to COVID-19.

Structures and responsibilities

5 The Welsh Government sets the overall policy and strategic direction for NHS Wales. Healthcare services are delivered through seven local health boards, three NHS trusts[1] and two special health authorities[2]. Health boards are responsible for the health and well-being of their local population which includes primary, community and secondary care services. The trusts are responsible for the ambulance service, public health, blood and non-surgical cancer services for parts of Wales.

6 In Wales, health boards are both providers and commissioners of services. They have contracts with dental and GP practices, optometry providers and pharmacies to deliver local services. Health bodies and the Welsh Government have worked together to establish collaborative commissioning arrangements, including via the Emergency Ambulance Services Committee, Welsh Health Specialised Services Committee and NHS Wales Shared Services Partnership. The Welsh Government's website explains the responsibilities of each organisation including other bodies that make up NHS Wales.

1 Public Health Wales, Velindre University, and Welsh Ambulance Service NHS Trusts.
2 Digital Health and Care Wales, and Health and Education Improvement Wales.

Healthcare strategy

Overall approach

7 The Welsh Government's strategic approach has evolved to focus on joining up health and social care and the vision of prudent healthcare. For the Welsh Government, prudent healthcare[3] is about patients co-producing services with professionals based on what matters to them; prioritising people with the greatest health need first; avoiding unnecessary medical procedures; and reducing inappropriate variation by using evidence-based practices consistently.

8 The Welsh Government built on the prudent healthcare principles in its ten-year plan for health and social care: A Healthier Wales (2018). The plan aimed to create a 'whole system' approach to health and social care based on shared values and shift that system towards preventing illness, and promoting health and well-being. It intended digital technology to support transformation including sharing information between health and social care via the Welsh Community Care Information System. A Healthier Wales recognised the need to transform services by scaling up local innovation at pace. The Welsh Government set up a national Transformation Programme responsible for delivering the commitments in the plan.

9 Following the election, the Welsh Government published its new programme for government[4] in June 2021. It included a specific well-being objective to create effective, high quality and sustainable healthcare. The programme for government provides more detail on how the Welsh Government intends to achieve its ambition including providing treatments which were delayed by the pandemic, improving patients' access to health professionals, and prioritising investment in mental health. Among other things, it also intends to reform primary care by bringing together GP services with pharmacy, therapy, housing, social care, mental health, community and the third sector.

3 The Welsh Government issued guidance on using prudent healthcare to improve services to health bodies in 2016.

4 Welsh Government, Programme for Government 2021 to 2026, June 2021

NHS planning requirements

10 The NHS Finance (Wales) Act 2014 requires health bodies in Wales to break even over a rolling three-year period. Health bodies must also have a three-year Integrated Medium Term Plan (IMTP) setting out how they will deliver services with the funding available.

11 The NHS Planning Framework sets out the Welsh Government's requirements and guidance for health bodies. The Welsh Government published a National IMTP for 2019-22 which brings together health bodies' IMTPs and explains how they are responding to national priorities. The Welsh Government sets out targets for health bodies in its NHS Delivery Framework and issues guidance for reporting against the Framework.

12 The Well-being of Future Generations (Wales) Act 2015 places a well-being duty on health boards and two of the three NHS trusts to set and publish well-being objectives. The duty requires the relevant bodies to carry out sustainable development by considering five ways of working: long-term; prevention; integration; collaboration, and involvement.

13 The Act established statutory Public Services Boards, of which local health boards are a member. NHS trusts are not statutory members of the Boards but work with them and other partners to plan and deliver services. Public Services Boards must undertake a local well-being assessment every five years, using local and national data to understand local need. The assessment informs a local well-being plan setting out the Public Services Boards' well-being objectives and the steps it will take to meet them.

14 The Social Services and Well-being (Wales) Act 2014 also requires health boards to work with councils in Regional Partnership Boards to assess the care and support needs in their area and identify what services are needed.

COVID-19 and beyond

15 In March 2020, the Welsh Government worked with NHS Wales to prepare for COVID-19. It relaxed targets and monitoring arrangements, provided emergency funding, and agreed with health bodies essential services to be maintained, and non-urgent activity to be paused[5]. The Welsh Government also told health bodies to work on a quarterly, six monthly, and then annual plans rather than three-year planning cycle. It also paused the requirement for health bodies to have a three-year IMTP. Since summer 2020, health bodies have been re-starting non-urgent activity where possible. Some stopped non-urgent activity again in the autumn of 2020 as infection rates rose.

16 Since 2020, the Welsh Government has worked with health boards, principal councils[6], Public Health Wales and other partners to provide Test, Trace, Protect[7] services. More recently, it has worked with Digital Health and Care Wales, health boards, Public Health Wales, NHS Shared Services, the Welsh Blood Service and other public and voluntary sector partners to deliver the COVID-19 vaccination programme[8].

17 In 2021, the Welsh Government expects NHS Wales to address the direct and indirect harms associated with COVID-19. Its Annual Planning Framework 2021-22[9] instructs health bodies to deliver services to prevent the 'four harms' (**Exhibit 2**). The Framework requires health bodies to balance their COVID-19 response with recovery planning.

5 Based on guidance in the World Health Organisation Essential Services Framework.

6 Principal councils are local government authorities in Wales which carry out statutory duties in their area. The term does not include town or community councils. All references to councils in this report refer to principal councils.

7 Auditor General for Wales, Test, Trace, Protect in Wales: An Overview of Progress to Date, March 2021

8 Auditor General for Wales, Rollout of the COVID-19 Vaccination Programme in Wales, June 2021

9 The Welsh Government's quarterly planning guidance for quarters 2, 3 and 4 for 2020-21 also required health bodies to set out how they would prevent the four harms.

Exhibit 2: the four harms

Source: NHS Wales Annual Planning Framework

18 The Welsh Government published an over-arching vision[10] for recovering health and social care in March 2021. The document sets out the Welsh Government's priorities for health and social care as it looks towards recovery including:

- continued delivery of Test, Trace, Protect and the vaccination programme;
- addressing the impact of COVID-19 on the health and social care workforce and wider population;
- developing responsive primary and community care;
- developing supportive mental health services;
- delivering efficient and effective hospital services;
- developing a resilient workforce; and
- delivering a digital transformation programme in 2021.

19 The visioning document for health and social care includes specific priorities for planned care, cancer care, diagnostics, and social care. It also identifies opportunities to deliver services differently, particularly building on stronger use of technology and collaboration to respond to COVID-19. In May 2021, the Welsh Government committed to spend £1 billion to support its recovery plan. The Welsh Government has allocated £100 million of initial funding to fund immediate actions in its plan. Health boards have submitted plans to the Welsh Government setting out how they intend to use their share of the initial funding.

10 The Welsh Government, Health and Social Care in Wales – COVID-19: Looking Forward, March 2021

20 In March 2021, the Welsh Government published its National Clinical Framework. The Framework sets out planning and delivery arrangements for clinical services but also provides more detail on the Welsh Government's plans to set up an NHS Executive. It describes the future NHS Executive as a 'central guiding hand' over clinical services. In time, the Executive will incorporate existing national networks, programmes and support units.

Healthcare finances

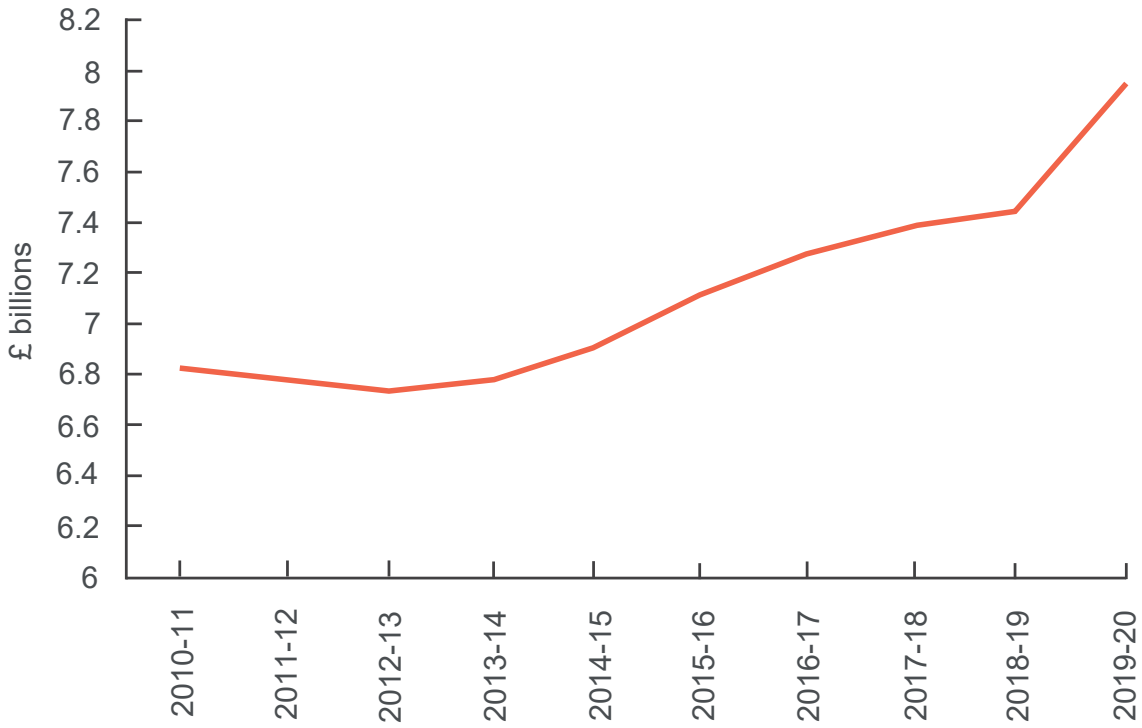
21 The Welsh Government sets the budget for health bodies in Wales. Our Guide to Welsh Public Finances[11] explains how the Welsh Government allocates funding and key issues for public bodies in setting their budgets.

22 The Welsh Government's budget for the day to day running of NHS services rose to almost £8 billion in 2019-20 – a real terms[12] increase of 16% since 2010-11 (**Exhibit 3**). In 2020-21, the health revenue budget increased by around £1.6 billion (a 13% increase in real terms), mostly due to extra funding to support the response to COVID-19. In early September, the UK Government announced additional funding for health and social care, which is expected to result in around £700 million extra annual funding for Wales by 2024-25, comprising UK-wide spending as well as funding through the Barnett formula.

11 Auditor General for Wales, Guide to Welsh Public Finances, July 2018

12 Real terms figures are adjusted to take account of inflation.

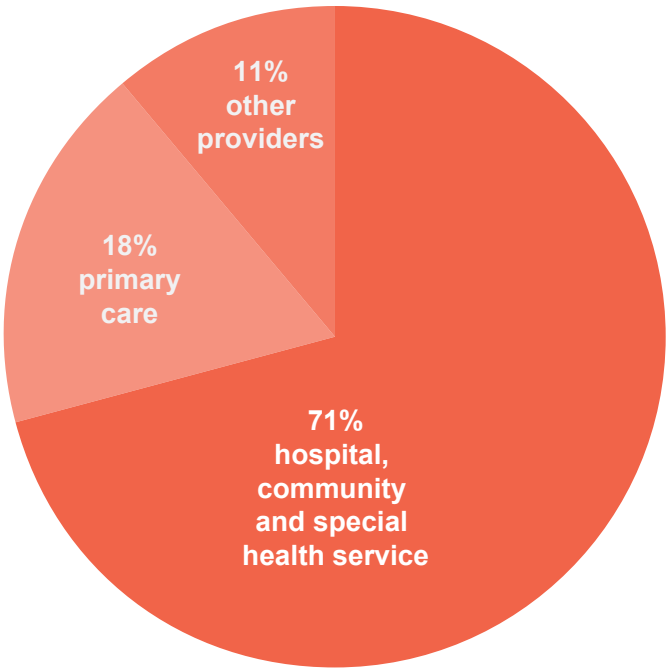
Exhibit 3: health revenue funding in real terms 2010-11 to 2019-20 (2019-20 prices)



Source: Audit Wales NHS Finances Data Tool

23 In 2019-20, almost three quarters of health revenue spending went on hospital, community and special health services (**Exhibit 4**).

Exhibit 4: health revenue spending by category 2019-20



Note: Hospital, Community and Special Health Services relates to spending on healthcare services that are provided in hospital, and a wide range of community services such as district nursing. Primary Care relates to spending on services provided by dentists, GPs, optometrists, pharmacists and other health professionals. Healthcare from other providers relates to spending on healthcare services provided by other organisations, not NHS Wales.

Source: NHS (Wales) Summarised Accounts Local Health Boards, NHS Trusts and Special Health Authority in Wales 2019-20

24 Despite increasing budgets, some health bodies have consistently failed to meet their financial duty to break even. Prior to the pandemic some were carrying large deficits. Our interactive data tool includes detailed information on NHS finances including spending on COVID-19. In July 2020, the Minister for Health and Social Services announced that to support COVID-19 recovery, the Welsh Government would write off £470 million of debt some health boards had amassed after failing to operate within their budgets.

25 Independent reviews in 2014 and 2016[13] showed that the NHS faces cost pressures of around 3 to 4% each year on top of inflation. Between 2010-11 and 2019-20, funding for the NHS increased by an average of 1.7% a year, in real terms. These demand and cost pressures are part of the story that explains why, despite increased funding, the NHS has had to improve productivity and deliver cost savings each year and some health boards have struggled to live within their means.

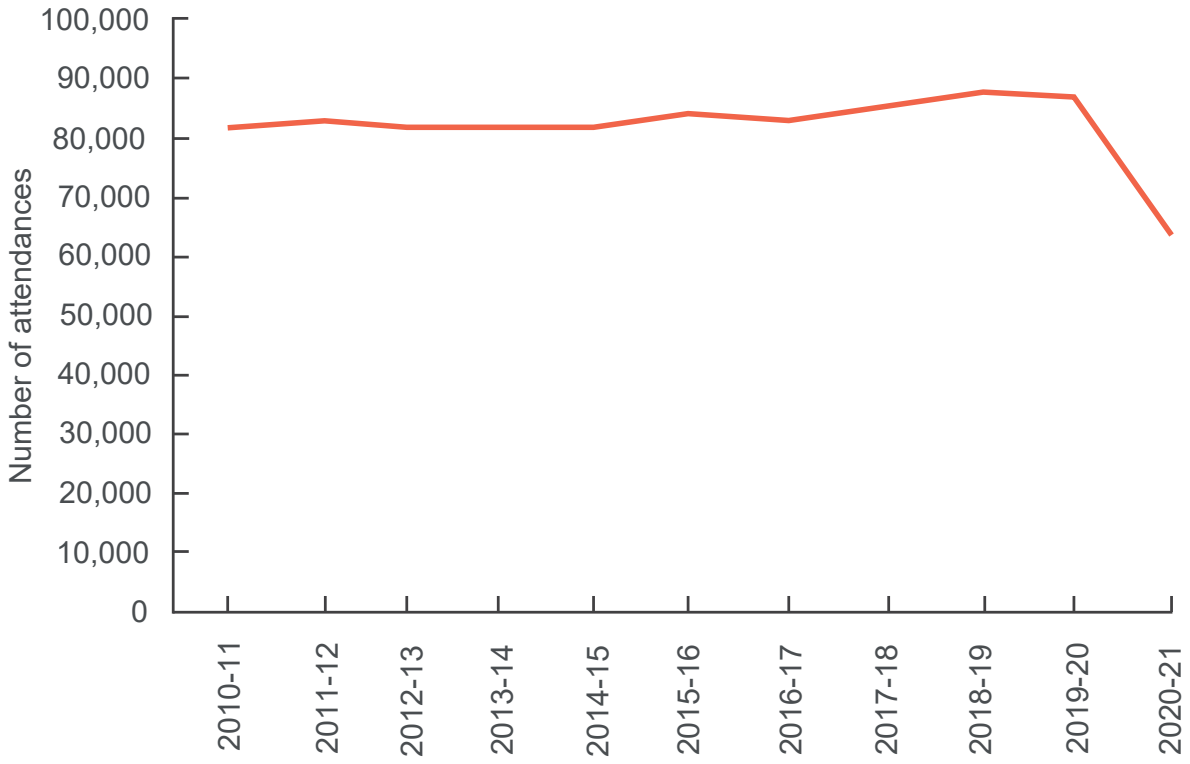
13 Nuffield Trust, A decade of Austerity in Wales? The funding pressures facing the NHS in Wales to 2025/26, June 2014; and Health Foundation, The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31, October 2016

Healthcare: demand and capacity

Demand for some health services has steadily increased

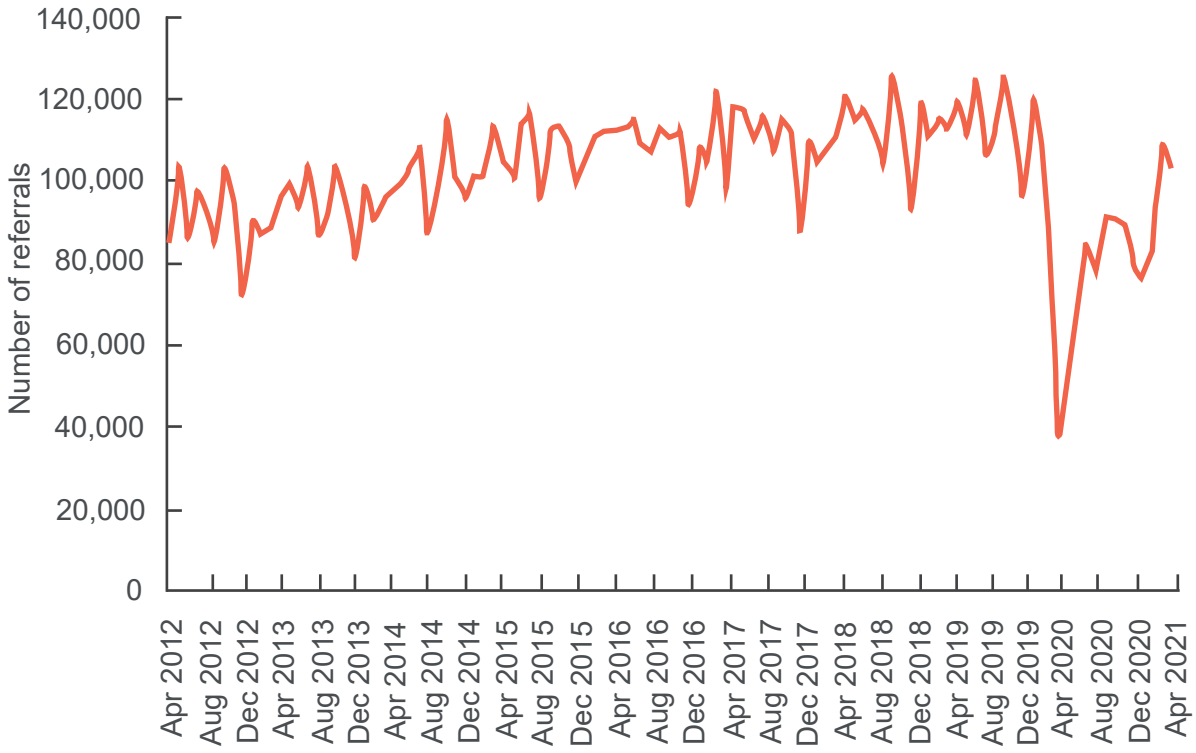
26 Welsh Government data shows that in the years before the pandemic, demand for key NHS services has been steadily increasing. Before the pandemic, the number of people attending emergency departments was increasing (**Exhibit 5**), and more people were being referred for a first outpatient appointment (**Exhibit 6**). As well as rising numbers, the NHS had also been seeing a shift in the age of patients, with the proportion of older people attending emergency departments steadily rising. COVID-19 had a dramatic impact on many parts of NHS Wales in March 2020, but activity has started to increase since then.

Exhibit 5: average annual emergency department attendances 2010/11 to 2020/21



Source: Audit Wales analysis of StatsWales: Accident and Emergency – Performance Against 4 Hour Waiting Times target

Exhibit 6: first outpatient referrals April 2012 to April 2021



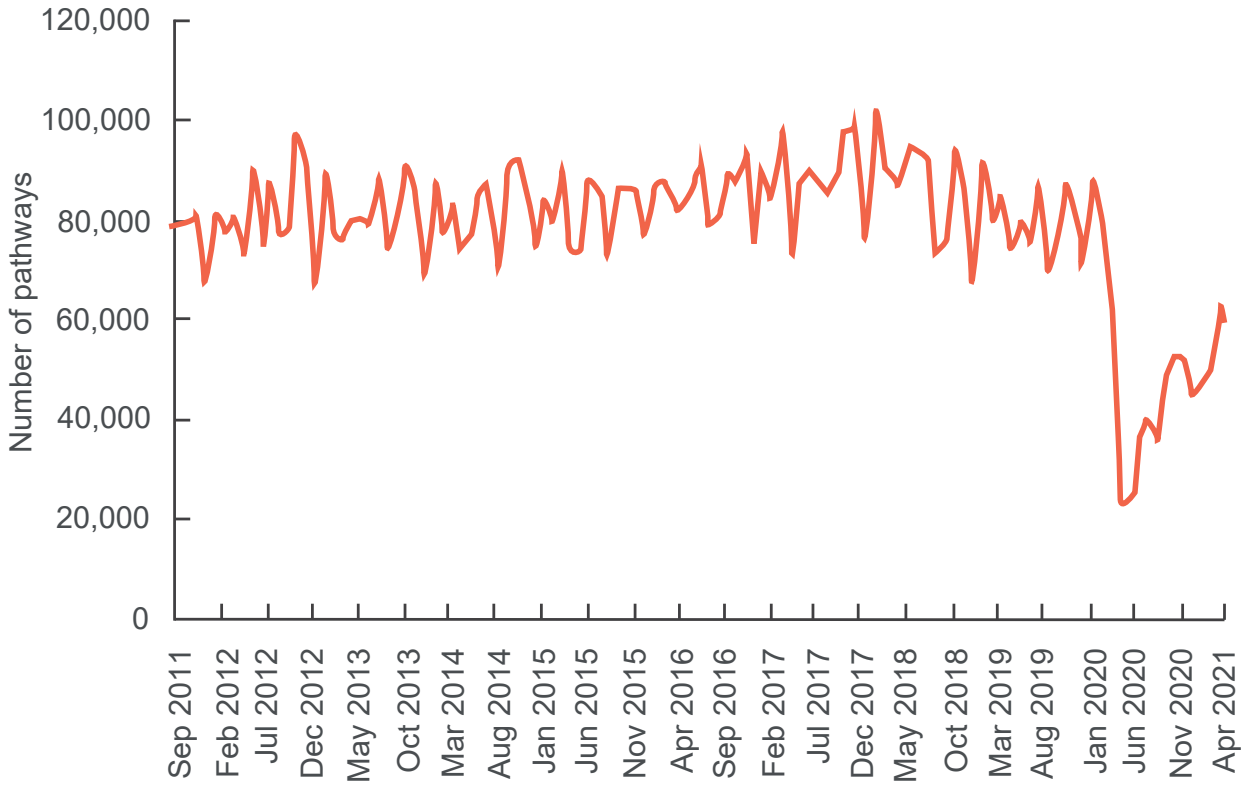
Source: StatsWales: Referrals by Local Health Board (area of residence)

27 Despite increased demand for planned care, the number of patient pathways closed[14] each month started to fall in 2019 (**Exhibit 7**). In particular, rules[15] on pension tax introduced by the UK government in 2019-20 had an impact on planned care in the months leading to the pandemic. In the past, the NHS relied on paying clinicians a premium rate to carry out work in their own time to improve waiting times. However, the new rules deterred many from taking on extra work because of the potential large tax bill it could incur.

14 A pathway is closed when a patient is admitted for their first definitive treatment, or a decision not to treat is made. Pathways are sometimes closed for other reasons such as if patients do not attend appointments.

15 In December 2019, the Welsh Government mirrored a temporary solution to the issue, implemented in England, whereby the NHS would pay for the tax liabilities. The Welsh Government's concerns are set out in a letter from the First Minister to the Permanent Secretary, directing her to implement the same approach as England.

Exhibit 7: patient pathways closed[16] during the months September 2011 to April 2021



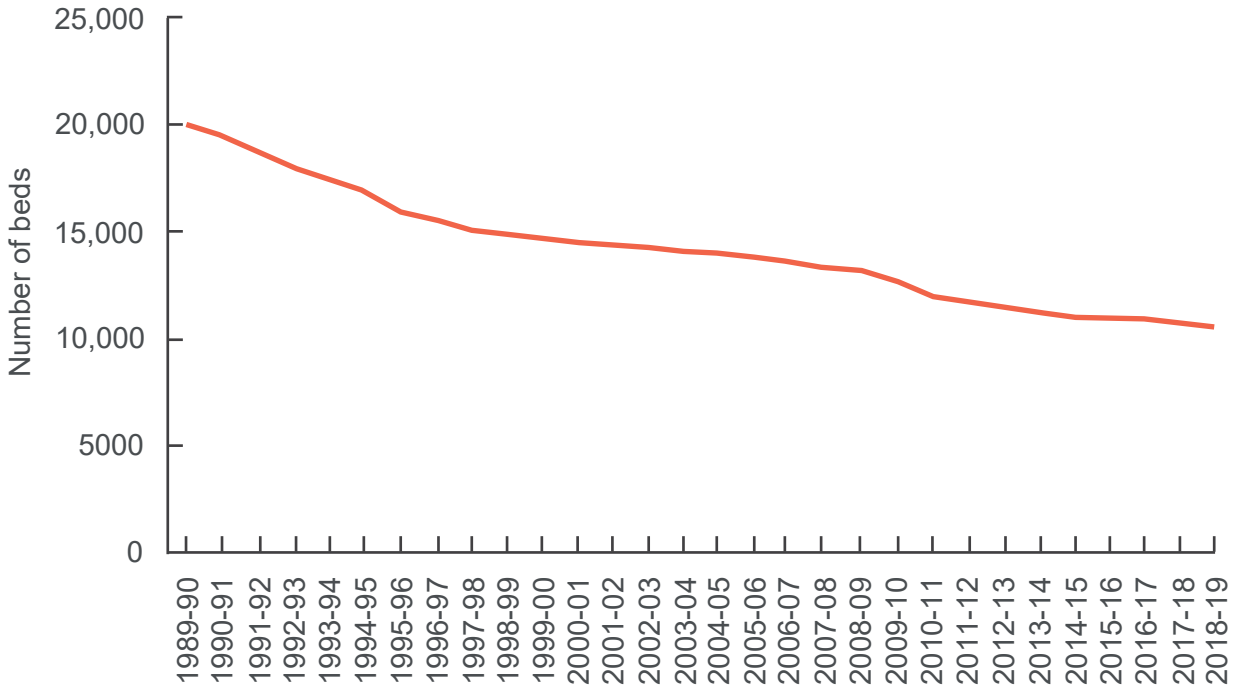
Source: StatsWales: Referral to Treatment – Closed Patient Pathways by Month

The number of NHS beds in Wales has been falling steadily for decades

28 COVID-19 put tremendous pressure on NHS services, but in many ways exacerbated problems that were already there. The number of daily available NHS beds in Wales almost halved from 1989-90 to 2018-19 (**Exhibit 8**). During this period, data on the length of time patients stayed in hospital suggests that NHS Wales made more efficient use of its beds which may account for some of the reduction in bed numbers. The Welsh Government stopped publishing bed numbers in 2019 but resumed during the pandemic. **Exhibit 9** shows bed numbers from April 2020 including temporary beds in field hospitals and other facilities. Bed data from 2020 onwards cannot be directly compared with previous years due to changes in the way health boards report bed numbers.

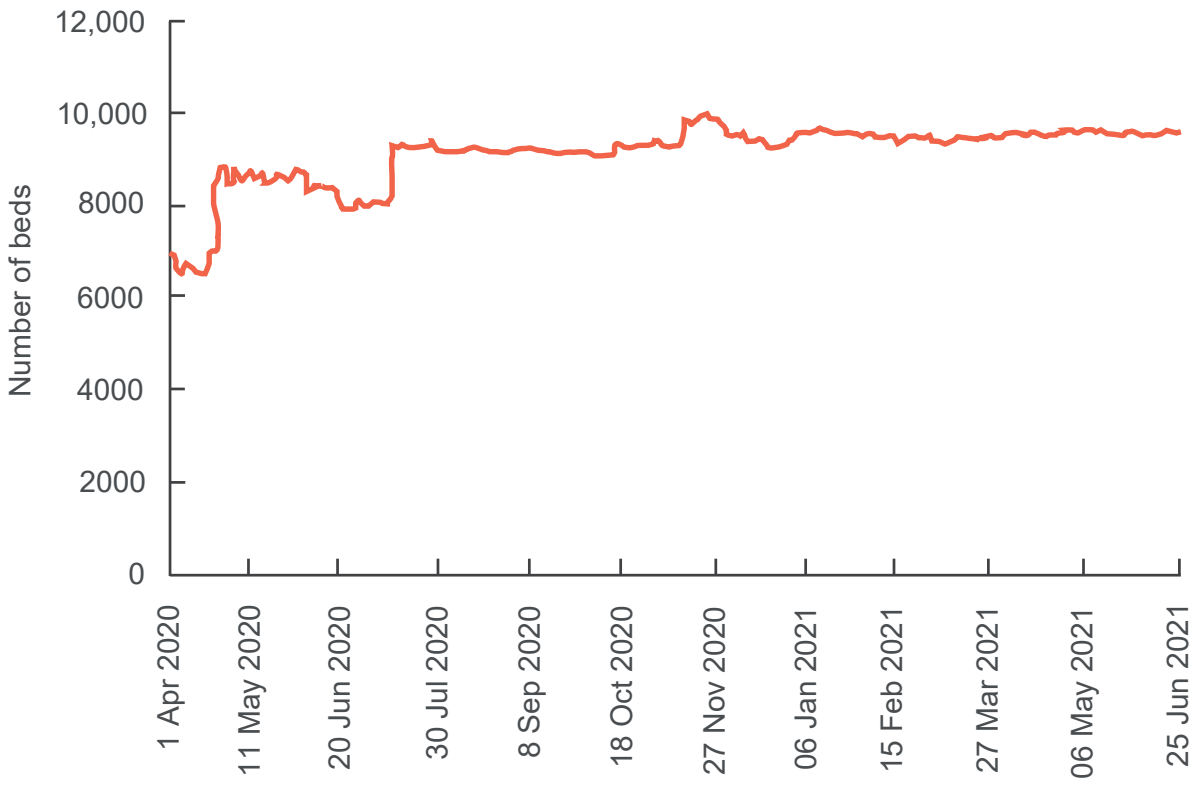
16 Patients with more than one condition can have more than one pathway.

Exhibit 8: daily available NHS beds 1989-90 to 2018-19



Source: StatsWales: NHS Beds Summary Data by Year

Exhibit 9: daily available NHS beds from 1 April 2020 to 25 June 2021



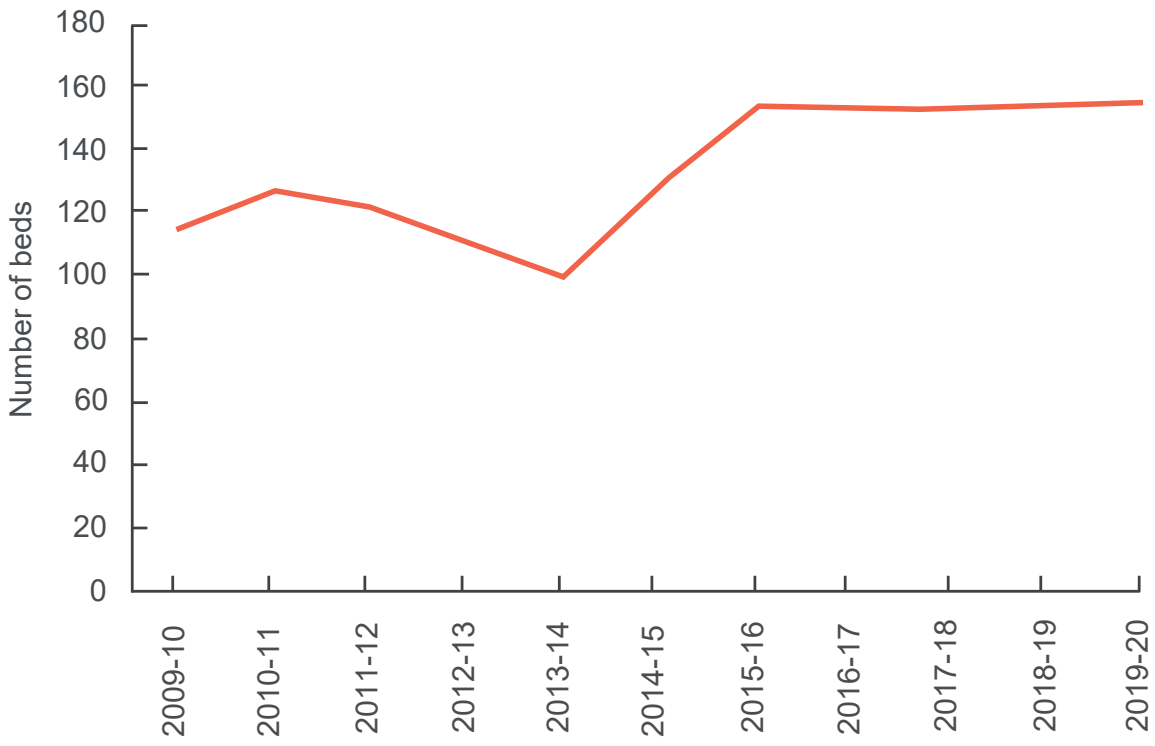
Note: StatsWales bed numbers include field hospitals from 20 April 2020 onwards, community hospitals from 23 April 2020 onwards, and mental health units from 10 July 2020 onwards.

Source: StatsWales: NHS Activity and Capacity During the Coronavirus – NHS Beds by Date and Use

29 The pandemic highlighted the low critical care bed capacity in Wales. The Welsh Government reviewed critical care capacity in 2018 and gave health boards £15 million recurring funding to increase beds and staffing. Despite investment, by 2019-20 there were 154 critical care beds (**Exhibit 10**) – the lowest per head of the population in the UK and amongst the lowest in Europe[17]. In response to COVID-19, health boards increased critical care capacity by repurposing capacity from elsewhere and cutting back on other services.

17 Faculty of Intensive Care Medicine and Intensive Care Society, Guidelines for the Provision of Intensive Care Services, June 2019

Exhibit 10: critical care beds 2009-10 to 2019-20



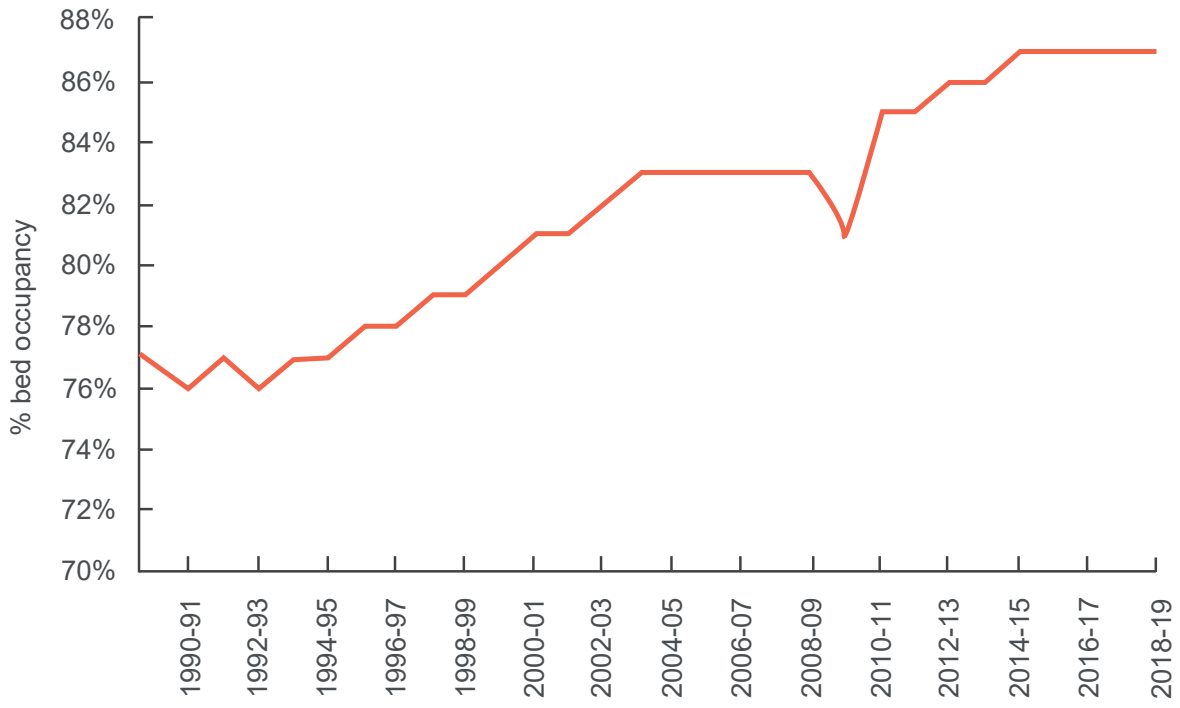
Source: StatsWales: NHS Beds by Specialty

Bed occupancy rates in Wales have been above recommended safe and efficient levels since 2012

30 The National Institute for Health and Care Excellence recommends[18] bed occupancy rates should not exceed 85% because high occupancy rates are linked to poorer patient outcomes and periodic bed crises. Bed occupancy rates in Wales have been over 85% since 2012-13 (**Exhibit 11**). The Welsh Government stopped publishing data on bed occupancy in 2018-19 and resumed in April 2020. Occupancy rates fell dramatically in the first months of 2020-21 but have been over 85% in June 2021 (**Exhibit 12**).

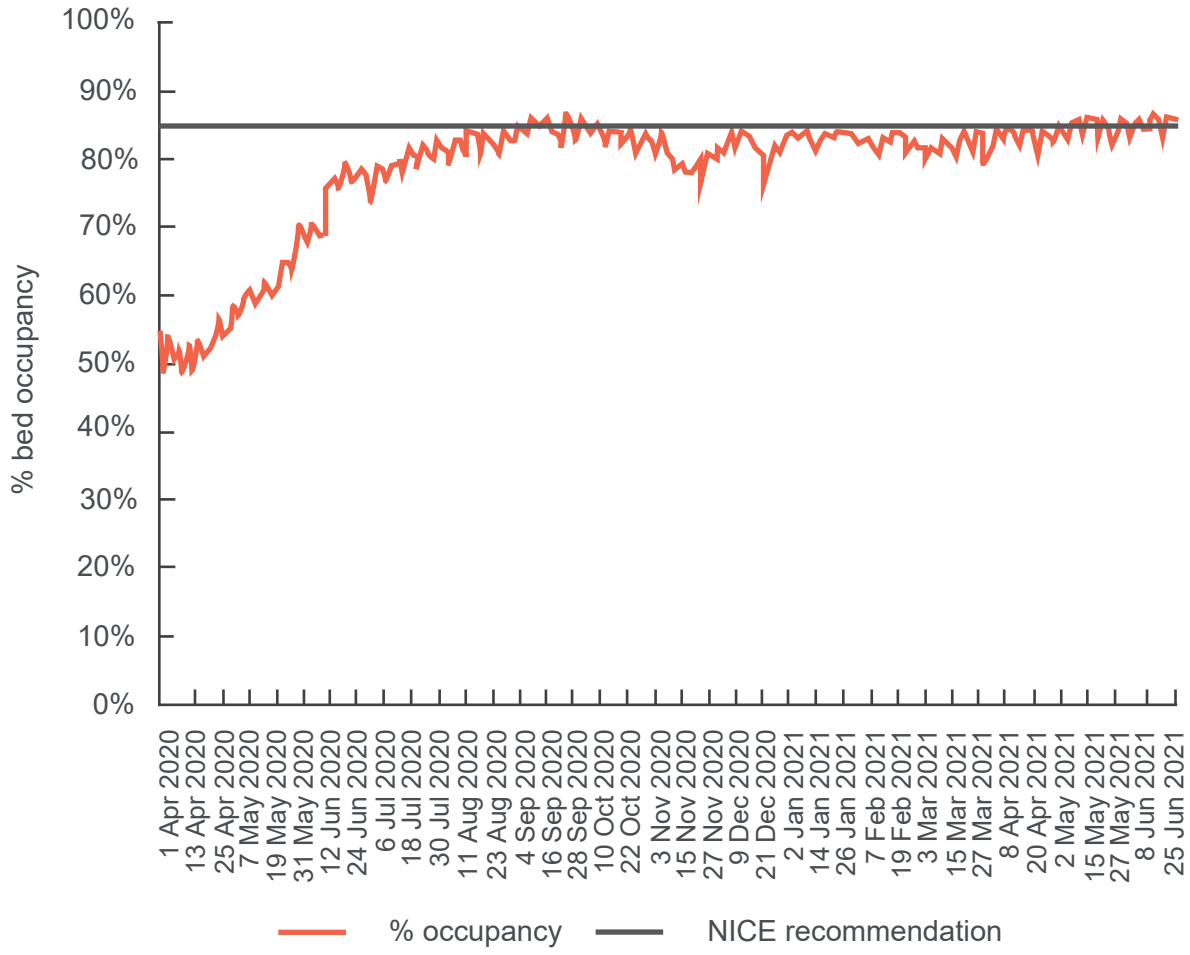
18 National Institute for Health and Care Excellence, Bed Occupancy. Emergency and Acute Medical Care in over 16s: Service Delivery and Organisation. NICE Guideline 94, March 2018

Exhibit 11: percentage bed occupancy 1989-90 to 2018-19



Source: StatsWales: NHS Beds Summary data by Year

Exhibit 12: percentage bed occupancy from 1 April 2020 to 25 June 2021



Note: The Welsh Government changed the way it reports bed occupancy several times during 2020 and 2021. It has not validated data from April 2020 onwards. One key change was to only count beds as available if there were enough staff to support them.

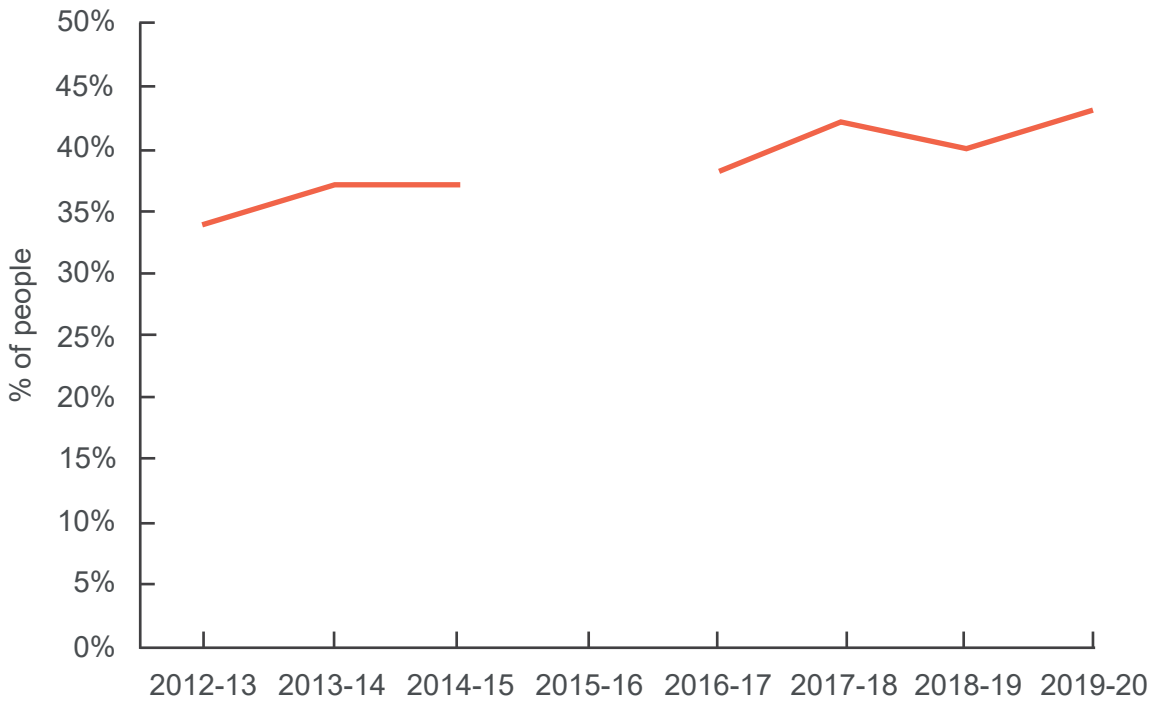
Source: StatsWales: NHS Activity and Capacity During the Coronavirus – NHS Beds by Date and Use

Prior to the pandemic, there is evidence that people struggled to get convenient GP appointments

31 For many years, primary and community care services have been a key part of the Welsh Government's focus on preventing health issues getting worse and reducing pressure on general hospitals as a result. In particular, people who cannot access a GP or dentist may go to emergency hospital departments instead.

32 The number of GP practices in Wales has fallen from 476 in 2011 to 407 in 2019. The reduction may be due in part to different working arrangements including practices merging. The Welsh Government's National Survey for Wales[19] shows that in 2019-20, 43% of respondents found it very or fairly difficult to make a convenient GP appointment (**Exhibit 13**). In 2019, the Welsh Government introduced Access to In-hours General Medical Services Standards which set eight targets for GP practices to improve accessibility to GP practices by March 2021. GP practices achieving all eight would receive a share of £5.7 million funding. The Welsh Government decided not to monitor performance against the standard as a result of the pressure on GP telephone systems during COVID-19. It allocated £3.7 million in June 2020 for practices to improve digital telephone systems.

Exhibit 13: the percentage of respondents to the National Survey for Wales who found it fairly, or very difficult to get a convenient GP appointment



Note: Data for 2015-16 is not available.

Source: StatsWales – National Survey for Wales

19 National Survey for Wales data is available on the Welsh Government's StatsWales website.

The NHS Wales workforce has increased but there are shortages in specific areas

33 The overall number of NHS Wales staff increased by 13% from 2010 to March 2020 (**Exhibit 14**). Numbers increased by another 5% from March to December 2020 as part of the response to the pandemic. Some of the additional staff are temporary. Medical and dental staffing has increased by 25% from 2010. However, representative bodies have highlighted specific gaps in the workforce including: the Royal Colleges of Anaesthetists[20], General Practitioners[21], Nursing[22], Ophthalmologists[23], Paediatricians[24], Physicians[25] and Radiology[26].

34 In the past, the Welsh Government published data on the number of GPs per 100,000 population and the number of whole term equivalents. It stopped publishing the data in 2018. The data shows that the number of GPs fell slightly (by 3%) from 2013 to 2018. Since March 2020 the Welsh Government has published quarterly data on the number of GPs employed in general practices but the data is not comparable to previous years. What the recent data does show, is that in September 2020 GP locums[27] made up a quarter of GP staff employed in GP practices contracted by health boards. Our 2019 report on primary care[28] described issues affecting the GP workforce in Wales including training, morale, pay and costs.

35 More recently, some health boards are concerned that staff are leaving or retiring early due to the pandemic. In April 2021, the British Medical Association published results from its COVID-19 tracker survey of UK doctors[29]. Almost a third of respondents said they are now more likely to take early retirement, a quarter are more likely to take a career break, and 21% are more likely to leave the NHS for another career. The Welsh Government has not yet published staff numbers since December 2020, so it is difficult to understand the impact of the pandemic on the permanent workforce.

20 The Royal College of Anaesthetists, Medical Workforce Census Report, 2020

21 The Royal College of General Practitioners Wales, Transforming General Practice, Building a Profession Fit for the Future, December 2018

22 The Royal College of Nursing, Staffing for Safe and Effective Care in the UK, 2020

23 The Royal College of Ophthalmologists, Workforce Census, 2018

24 The Royal College of Paediatricians and Child Health, 2017 Workforce Census: Focus on Wales, 2017

25 The Royal College of Physicians, The Medical Workforce BC (Before COVID-19): the 2019 UK Consultant Census, 2019

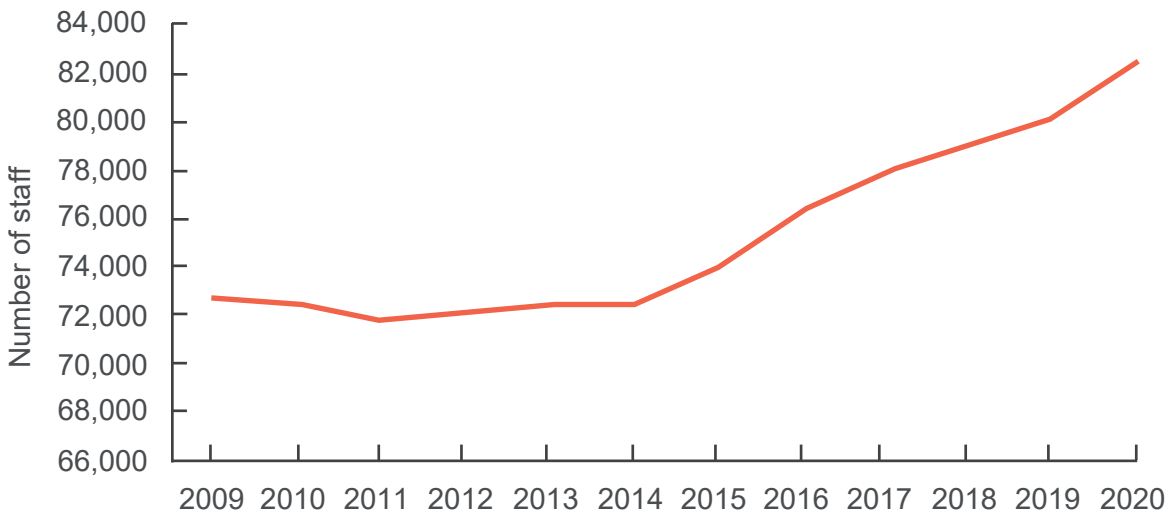
26 The Royal College of Radiologists, Clinical Radiology UK Workforce Census 2020 Report, 2020

27 GP locums are self-employed contractors who typically cost GP practices more money.

28 Auditor General for Wales, Primary Care Services in Wales, October 2019

29 The survey is based on a self-selecting sample of doctors working in the UK.

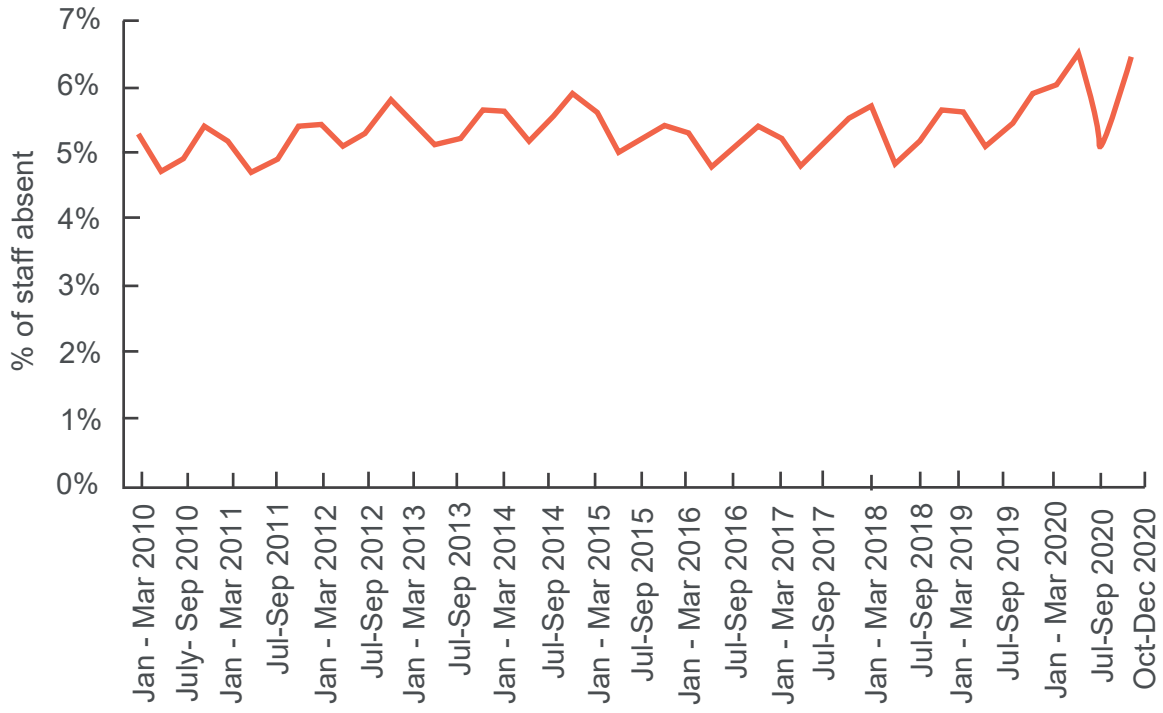
Exhibit 14: number of NHS staff 2009 to 2020



Source: StatsWales: NHS Staff Summary

36 **Exhibit 15** shows sickness absence rates (for any reason) amongst NHS staff increased during 2020. In evidence to the Public Accounts Committee in March 2021, the Chief Executive of NHS Wales described the considerable pressure the pandemic has put on health and social care staff. He warned of long-term impacts on the mental and physical health of staff including Post Traumatic Stress Disorder. Despite support mechanisms and a 5% increase in the NHS workforce, he recognised more investment is needed to ensure a resilient NHS workforce.

Exhibit 15: sickness absence rates in NHS staff from January 2010 to December 2020



Source: StatsWales: Sickness Absence – Percentage Absent by Staff Group

There are direct and indirect impacts of COVID-19 on the health and well-being of the population

37 We do not know the full impact of the pandemic on the population. Grief, trauma, isolation and loss have taken their toll, but it is too soon to understand the scale of the health issues the pandemic has caused. The NHS is still treating COVID-19 patients, rehabilitating people who experienced severe symptoms, and learning how to treat patients with long COVID.

38 Throughout the pandemic, Public Health Wales has been looking at the broader impact of COVID-19 on the population through its national engagement survey, health impact assessments, and international research. In March 2021, it published a health equity report[30] mapping the social, economic and environmental impact of COVID-19. Public Health Wales also plans to develop a dashboard of data on health and well-being trends.

30 Public Health Wales, Placing Health Equity at the Heart of COVID-19 Sustainable Response and Recovery: Building Prosperous Lives for all in Wales, March 2021

39 Stopping and reducing non-urgent activity also means that some patients on the waiting list will have developed more severe symptoms while they wait, and now need urgent treatment. Pauses to some screening programmes increase the risk of undetected cancers, or cancers not identified early enough for successful treatment. Other health conditions may have gone undetected because people were worried about going to their GP or emergency departments[31].

40 Public Health Wales' health equity report estimated between 361 and 1,231 additional lives had been lost due to delayed cancer screening, referral backlogs and restricted diagnostic capacity. The report also described spiralling demand for mental health services. **Exhibit 6** (in previous section) shows that overall referrals fell dramatically in the first months of the pandemic and have not fully returned to pre-COVID levels. We do not know why referrals have not returned to previous levels. It is possible that pent up demand will become apparent as infection levels fall and people become more confident visiting health professionals.

Healthcare performance

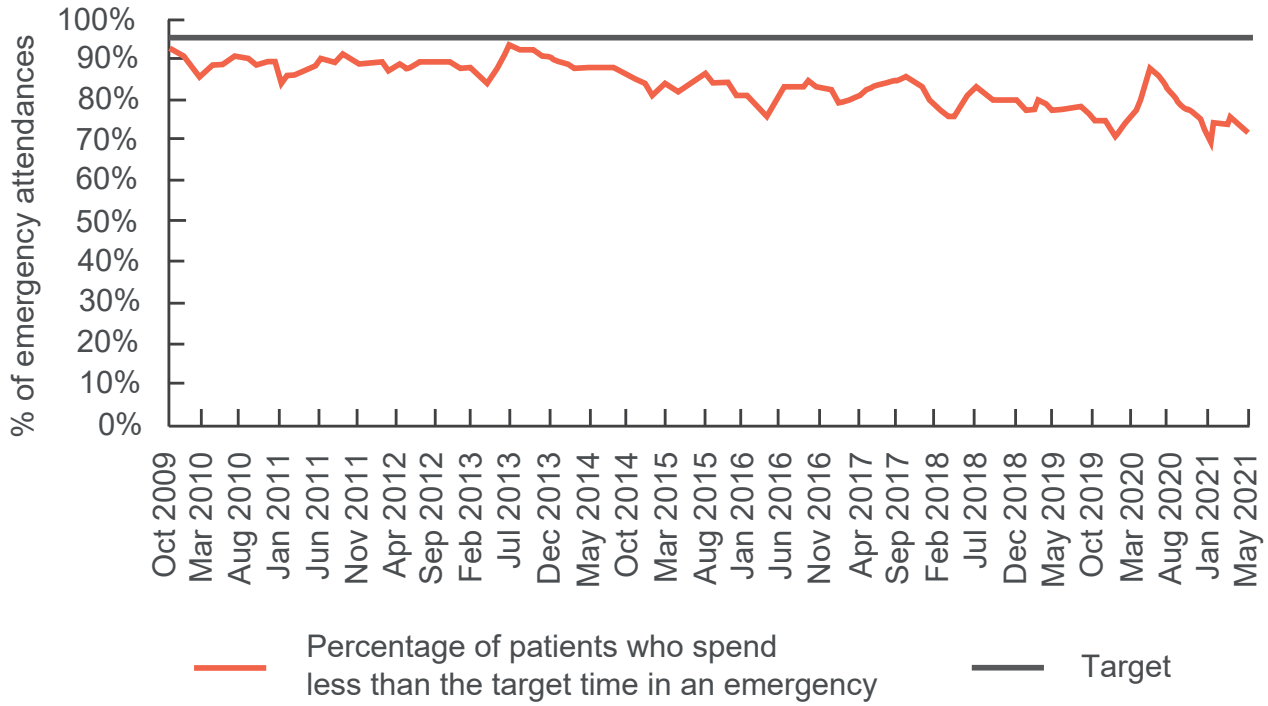
41 The Welsh Government publishes health board level data on NHS activity and performance monthly on an NHS Wales dashboard.

NHS Wales has not met some key targets for almost a decade

42 Despite increasing activity, NHS Wales has not met key targets on the timeliness of emergency and planned care, and cancer services for several years (**Exhibits 16 to 18**). Performance against targets varies considerably between health boards.

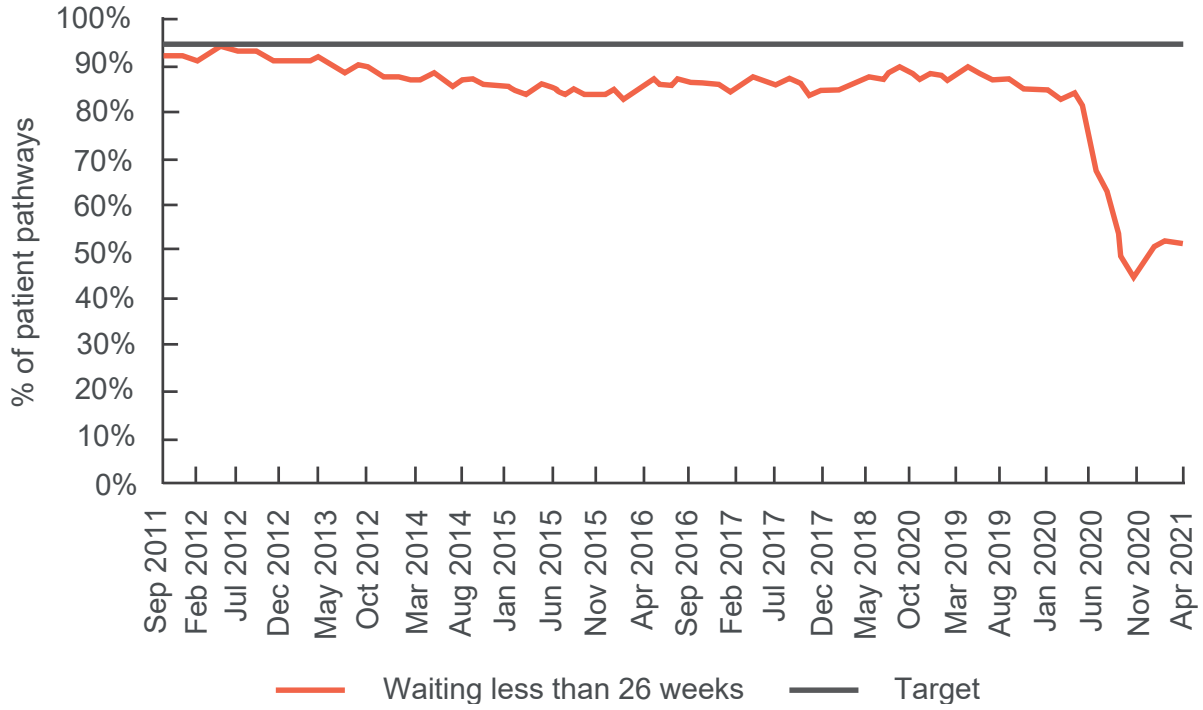
31 Although attendances at emergency departments may have reduced due to 'phone first' triage systems introduced by hospitals during COVID-19.

Exhibit 16: percentage of attendances spending less than four hours in an emergency department October 2009 to May 2021



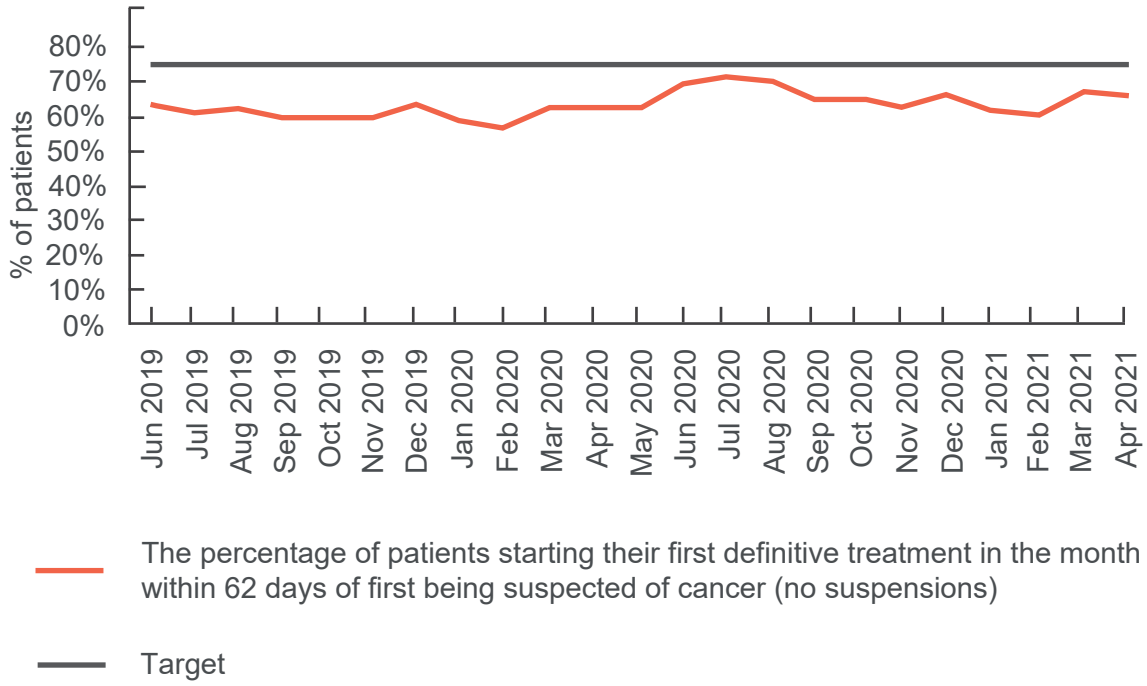
Source: StatsWales: Accident and Emergency – Performance Against 4 Hour Waiting Times target

Exhibit 17: percentage of patient pathways waiting less than 26 weeks to start treatment September 2011 to April 2021



Source: StatsWales: Patient Pathways Waiting to Start Treatment

Exhibit 18: percentage of cancer patients starting treatment in the month within 62 days of first being suspected of cancer July 2019 to April 2021

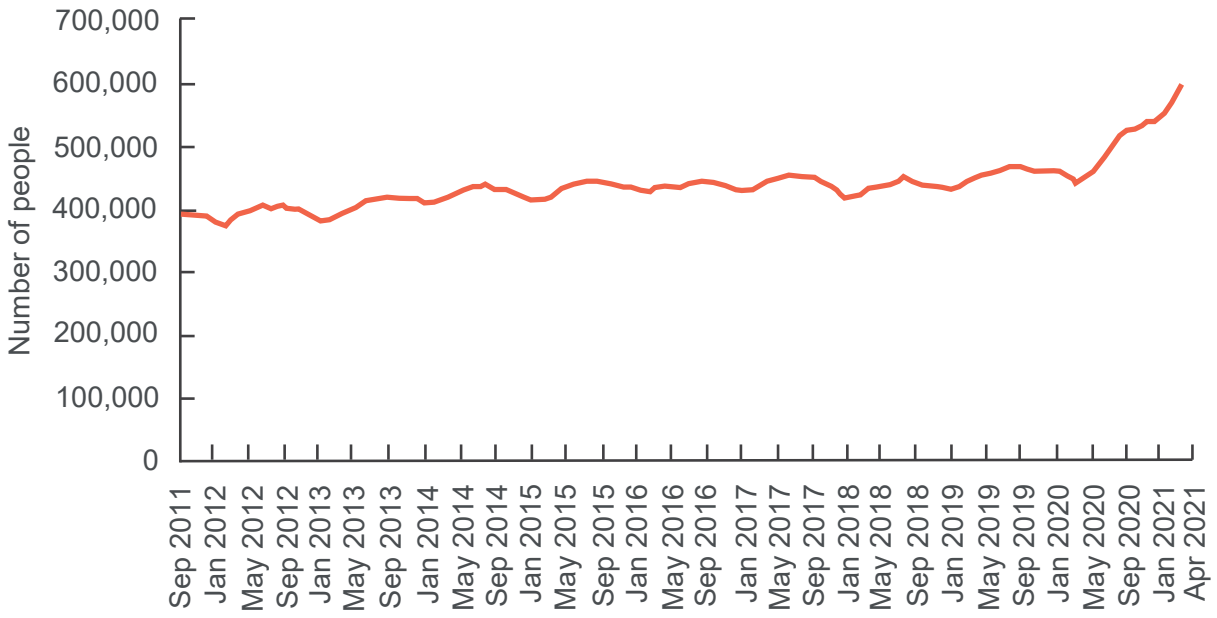


Source: StatsWales: Suspected Cancer Pathway – Closed Pathways

There are significant backlogs of patients waiting for treatment

43 As in the other UK nations and other parts of the world, pauses and reductions in non-urgent activity during the pandemic increased the backlog of patients waiting for treatment dramatically. By February 2021, there were almost 550,000 open patient pathways (**Exhibit 19**) representing huge numbers of people on the waiting list for treatment and a 19% increase from February 2020; over half had been waiting more than 26 weeks. Wales Fiscal Analysis' review[32] of the NHS and the Welsh Budget estimates that restoring NHS waiting lists to pre-COVID levels could cost between £152 million and £292 million a year over a four-year period from 2022-23.

Exhibit 19: number of people waiting for planned treatment September 2011 to April 2021

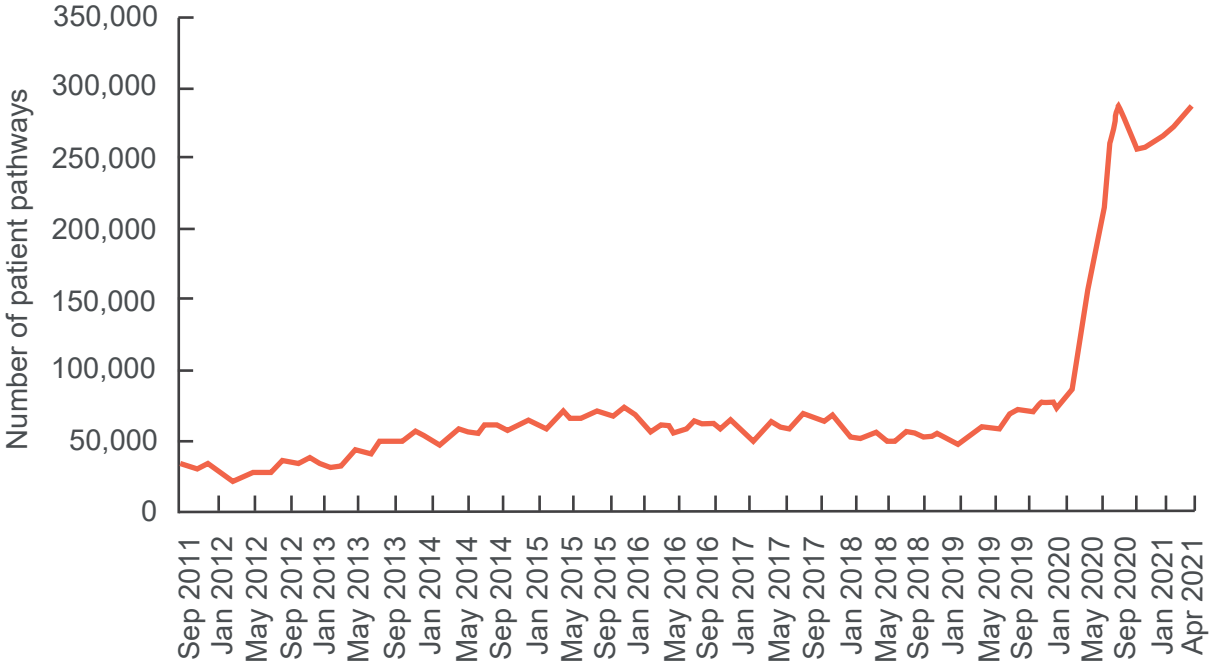


Source: StatsWales: Patients Waiting to Start Treatment by Month

44 However, pre-COVID waiting lists were already under considerable pressure. Some health boards had made progress reducing the number of patients waiting more than 26 weeks for treatment but the target across Wales had not been met and the position had been deteriorating through 2019-20. **Exhibit 20** shows that pre COVID-19 (February 2020) there were over 72,000 patient pathways waiting more than 26 weeks for treatment.

32 Wales Fiscal Analysis, The NHS and the Welsh Budget: Outlook and Challenges for the Next Welsh Government, April 2021

Exhibit 20: numbers of patient pathways waiting over 26 weeks for treatment September 2011 to April 2021



Source: StatsWales: Closed Patient Pathways by Month

Healthcare: key issues

Whole system change is overdue

45 Before the pandemic, parts of the health system, and health and social care as a 'whole system' were under great pressure. In 2016, the [then] Minister for Health and Social Services announced a parliamentary review by an independent panel of experts on the future of health and social care. The review[33] found that service delivery was not consistently good and a risk averse culture was hindering change. A Healthier Wales set out plans to address the issues in the parliamentary review and said services had to transform quickly.

46 The Welsh Government and health bodies have long recognised the need to change. Over the last decade, our reports have found positive examples of innovation and improvement across NHS Wales. So far, change has been limited to a few small areas and Welsh Government initiatives including the Planned Care Programme, and new models of care funded by the Transformation Fund and Integrated Care Fund[34], have been slow to affect system wide transformation.

47 In 2019-20, we followed up our review of NHS waiting times for elective care. Despite some progress, we found that the whole system change needed to create sustainable planned care services had not happened. Our report set out ten opportunities for resetting and restarting the planned care system[35]. Since then, the Welsh Government told us it is making progress against those opportunities, including exploring new ways of managing waiting for elective care to better focus on patient outcomes and prioritise those in greatest need.

33 Parliamentary Review of Health and Social Care in Wales, Interim Report, July 2017, and Final Report, January 2018

34 Auditor General for Wales, Integrated Care Fund in July 2019

35 Auditor General for Wales, 10 Opportunities to Reset and Restart the Planned Care System, September 2020

Learning from the COVID-19 response offers opportunities to overcome barriers to transformation

48 Positively, health bodies, principal councils and their partners moved a step closer to operating as a whole system in their collective response to COVID-19. Our reports on Test, Trace, Protect, Personal Protective Equipment[36], and the vaccination programme all describe strong collaboration between different organisations and delivery at pace. With Test, Trace, Protect, public bodies worked together to design and deliver a new service from scratch in a few months. The NHS Confederation's COVID-19 Transformation and Innovation Study[37] describes examples of innovation during the pandemic. In the COVID-19 crisis, public bodies overcame some of the barriers to successful collaboration and service delivery they have struggled with for years.

49 The pandemic accelerated digital transformation projects that could offer learning to address weaknesses in the delivery of other projects. Our reports on NHS Informatics Systems[38] and the Welsh Community Care Information System[39] described slow progress implementing digital programmes. However, during the pandemic, public bodies quickly put in place digital solutions to organise and deliver services, communicate with patients and colleagues and for collaboration. For Test, Trace, Protect, Digital Health and Care Wales worked with the private sector to develop and implement a digital platform for contact tracing at pace. Similarly, it quickly developed the Welsh Immunisation System for the vaccination programme.

There are opportunities to better focus the health system in Wales around outcomes for patients and the wider population

50 Our 2020 waiting times work (paragraph 47) said that sometimes the focus on meeting targets can distort clinical decision making and prioritising patients by need. For decades, large parts of NHS Wales have been driven by the need to meet timeliness targets rather than the outcomes for patients. There are opportunities to reflect on accountability arrangements as the Welsh Government develops its NHS Executive. In bringing national delivery, oversight and improvement functions together, NHS Wales could reflect on getting the right balance between quality, delivery and patient outcomes.

36 Auditor General for Wales, Procuring and Supplying PPE for the COVID-19 Pandemic, April 2021

37 NHS Confederation, NHS Wales COVID-19 Innovation and Transformation Study Report, June 2021

38 Auditor General for Wales, Informatics Systems in NHS Wales, January 2018

39 Auditor General for Wales, Welsh Community Care Information System, October 2020

51 Going forward, there may be opportunities to better connect health and social services with broader public services to form a whole system response to the direct and indirect harms of COVID and improving population health. The pandemic highlighted significant health inequalities across the UK, particularly around ethnicity and deprivation, that require new energy and resource to tackle. Public Health Wales' health equity report said the pandemic revealed the chronic under-resourcing of public health, disease prevention and health promotion.

52 The Welsh Government's Recovery Plan for Health and Social Care recognised the need to tackle the wider determinants of health such as housing, employment and education to prevent problems occurring or getting worse. In his evidence to the Public Accounts Committee (paragraph 36), the Chief Executive of NHS Wales said the pandemic has elevated expectations of a 'wellness' service.

Transforming services at the same time as tackling backlogs and the ongoing COVID-19 response will be challenging

53 In May 2021, the Welsh Government allocated £100 million between health boards to tackle the backlog of patients waiting for treatment. Some of the extra activity will be done by paying existing staff to work overtime. Staff are tired and many have worked long hours during the pandemic. Health boards can pay private providers to see NHS patients but private capacity in Wales is not huge and some is already being used to deliver essential services during the pandemic. In addition, private providers often use NHS staff outside their contracted hours to do the work. Recruiting additional staff relies on the right staff being available.

54 Now, with huge backlogs of patients wating to be seen, the need for transformation is greater than ever. But the challenge of achieving it is considerable. Large scale transformation takes leadership, energy and staff resources. Health bodies need breathing space to plan and do things differently. Existing workforce shortages have been compounded by COVID-19 sickness and self-isolation due to exposure to COVID-19, and by the redeployment of NHS staff into the ongoing COVID-19 response. In addition, many staff carried forward annual leave during the pandemic.

55 COVID-19 is still active across the UK and transformation must be balanced with treating and reducing the spread of the virus. Test, Trace and Protect services and the vaccination programme will continue, with plans to give booster vaccinations in the near future. Health bodies will also have to deliver the seasonal flu vaccination programme as usual. In addition, social distancing and other measures to prevent transmission limit productivity because they restrict the number of staff and patients who can safely use buildings. Even with significant investment, the NHS needs staff and safe premises to treat the backlog which will be challenging while the COVID response continues.

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A Picture of Social Care

Report of the Auditor General for Wales

October 2021

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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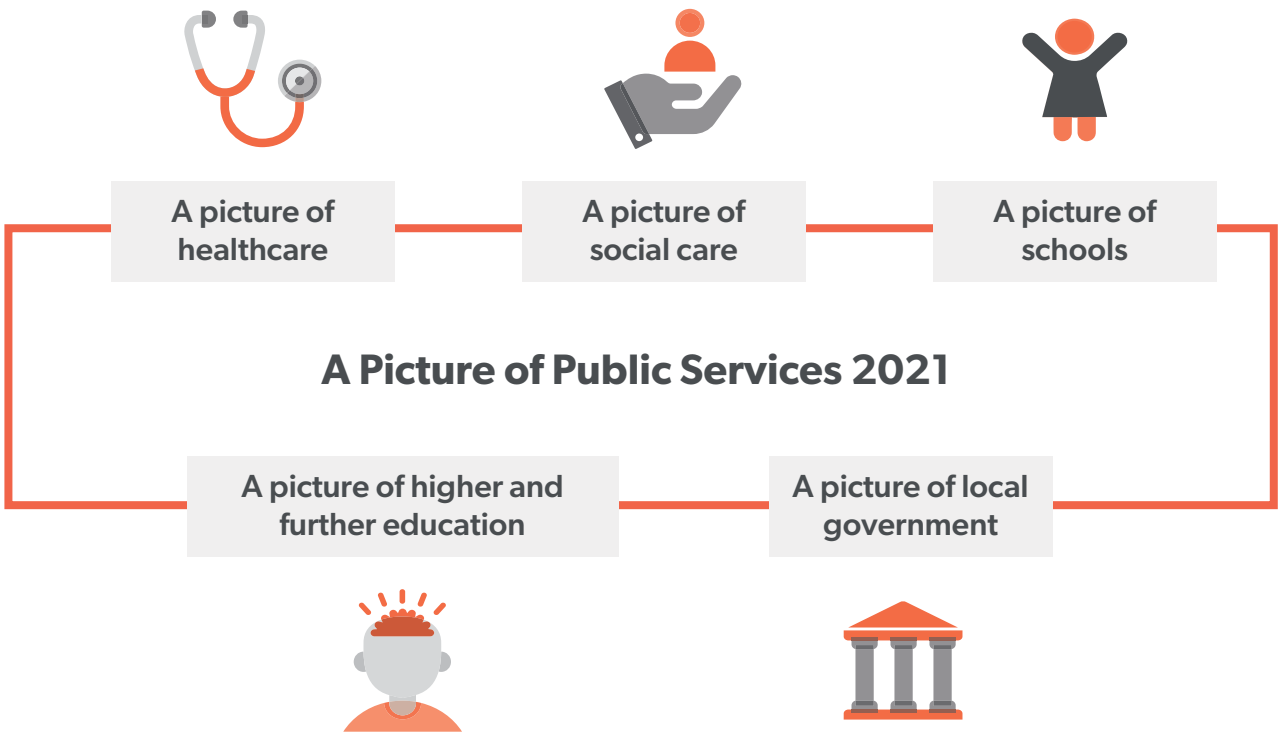
About this report

This report is part of a series of Picture of Public Services 2021 outputs. Our main **Picture of Public Services 2021** report summarises some of the key trends in public finances and sets out our perspective on some of the key issues for future service delivery.

This report: **A Picture of Social Care** summarises key information about social care in Wales including the strategic operating context, funding, performance and capacity. This report is not intended to be comprehensive. It sets out what we consider to be some of the key issues for the sector, recognising that other review bodies and commentators will have their own perspective on the key issues.

The report is based on a synthesis of our published work as well as research by other organisations.

Exhibit 1: Picture of Public Services outputs



Main report

Social care context

Delivering social care in challenging times

1 The COVID-19 pandemic has presented enormous challenges to public services and the people who deliver them. Some services were delivered remotely, whilst face to face services were carried out with infection prevention control measures such as social distancing and PPE. Adult care homes in particular came under huge pressure from COVID-19 outbreaks and the deaths of residents. All of us at Audit Wales pay tribute to the dedication and extraordinary efforts of all staff working in the social care sector during this difficult period.

2 At the time this report was written, the direct impacts of COVID-19 were still being felt. Work to understand the indirect impacts of COVID-19 had begun, but it was too early to gauge the scale and extent of these impacts or to estimate how they may affect future demand for social services.

3 The challenge of addressing the indirect impact of COVID-19 will likely continue for years into the future. The problem is compounded by the fact that there are significant, long-standing issues in the social care sector which pre-date the pandemic.

4 Despite the significant challenges ahead, there are opportunities to rebuild and deliver services differently, putting the user at the centre of services, and learning from the collective response to COVID-19.

Structures and responsibilities

5 In broad terms, social care is about providing protection, care and support for children and adults in need or at risk. People may need help because of illness, disability, age, abuse, neglect or because they are caring for someone else. The Welsh Government sets the policy and overall strategic direction for social care in Wales.

6 Publicly funded social services are delivered through principal councils[1] who decide how they will deliver services through different combinations of council, private and voluntary sector organisations. Social services include: domiciliary[2] or day care; equipment to help people maintain independence in the home, residential care; child protection; support through and for carers; and re-settlement support for people leaving hospital.

7 Approaches to social care differ across the UK. All four nations currently use a means test to work out how much (if at all) each person should pay towards either part or all of their own care. The amount people pay for their care varies across the nations. Wales, Northern Ireland and Scotland offer people eligible for social care some services that are not means tested. England currently means tests all services.

Social care strategy

Overall approach

8 In recent years, the Welsh Government has focused on joining up health and social care and preventing problems occurring or getting worse. It also aims to involve people in decisions about their own care and encourage public bodies to work with people to 'co-produce' services that meet their needs.

9 The Welsh Government set out a framework for transforming social services in its Social Services and Well-being (Wales) Act 2014. The Act came into force in April 2016 and puts duties on councils, health boards and Welsh Ministers for improving the wellbeing of people who need care and support. It strengthened safeguarding powers; introduced a single, consistent framework of financial assessment and charging arrangements; and requires health bodies and councils to work together in Regional Partnership Boards to assess the care and support needs in their area and identify what services are needed. Under the Act, people who need care or support and carers are entitled to a needs assessment based on 'what matters' to the individual.

10 The Welsh Government's vision for a joined-up health and social care system is set out in its ten-year plan: A Healthier Wales (2018). The plan continues to focus on prevention, co-production and whole system change and explains that Regional Partnership Boards are responsible for developing local models of health and social care. It intended digital technology to support transformation including sharing information between health and social care via the Welsh Community Care Information System.

1 Principal councils are local government authorities in Wales who carry out statutory duties in their area. The term does not include town or community councils. All references to councils in this report refer to principal councils.

2 Domiciliary care is given in someone's home.

11 Following the election, the Welsh Government published its new programme for government[3] in June 2021. It included a specific well-being objective to protect, re-build and develop services for vulnerable people. The programme for government includes actions to better integrate social care with health care and other services. It includes support for carers and families where children are at risk of coming into care. It also explains that the Welsh Government will explore radical reform of current services for looked after children[4]. Among other things, the Welsh Government has appointed a Chief Social Care Officer for Wales and plans to launch a National Social Care Framework for commissioning services.

COVID-19 and beyond

12 From April 2020 to March 2021, the Welsh Government enabled principal councils to suspend statutory requirements to carry out some assessments and prepare some plans under the Social Services and Well-being (Wales) Act 2014[5]. Between April 2020 and April 2021, Care Inspectorate Wales[6] paused its routine inspections and instead carried out 'check in calls' with service providers to maintain contact, understand the issues they faced and provide support. It undertook physical inspections where it deemed these necessary to address safety and wellbeing concerns.

13 In June 2020, the Welsh Government introduced a one-off special payment scheme of £500 to reward staff who worked in registered care homes and domiciliary care services, and to personal assistants between 15 March to 31 May 2020. Councils were responsible for giving out payments. In April 2021, the Welsh Government announced a second payment of £735[7] for a wider group of eligible social care staff who worked between 1 June 2020 and 28 February 2021.

14 The Welsh Government published its Social Care Recovery Framework in July 2021[8] to provide an overarching structure to support recovery planning in the sector. The Framework sets recovery priorities for people who need care and support, unpaid carers, the social care workforce, and service providers. More broadly, the Welsh Government committed to spend £1 billion to support its recovery in health and social care in May 2021. So far, it has not set out how much funding will be available for social care.

3 Welsh Government, Programme for Government 2021 to 2026, June 2021

4 Looked after children are children who are placed in foster care, residential homes or with other relatives when their parents are unable to care for them – either temporarily or permanently.

5 No council exercised powers to suspend these statutory requirements.

6 Care Inspectorate Wales inspects and regulates council, private and voluntary sector social services under the Regulation and Inspection of Social Care (Wales) Act 2016. It also reviews the performance of council social services.

7 Both payments are before tax.

8 Welsh Government, Improving Health and Social Care (COVID-19 Looking Forward). Social Care Recovery Framework, July 2021

15 In January 2021, the Welsh Government issued a White Paper[9] setting out the challenges facing the sector and its proposals to improve social care arrangements. Aspects of the White Paper are discussed below.

Social care finances

16 Our summary report: **A Picture of Local Government**[10] explains how the Welsh Government allocates funding for councils. Councils set their own spending priorities based on their assessment of population needs. In 2019-20, 25% of councils' gross revenue spending on services went on social services compared to 19% in 2010-11 (**Exhibit 2**).

Exhibit 2: council spending on social services as a proportion of total spending 2010-11 to 2019-20

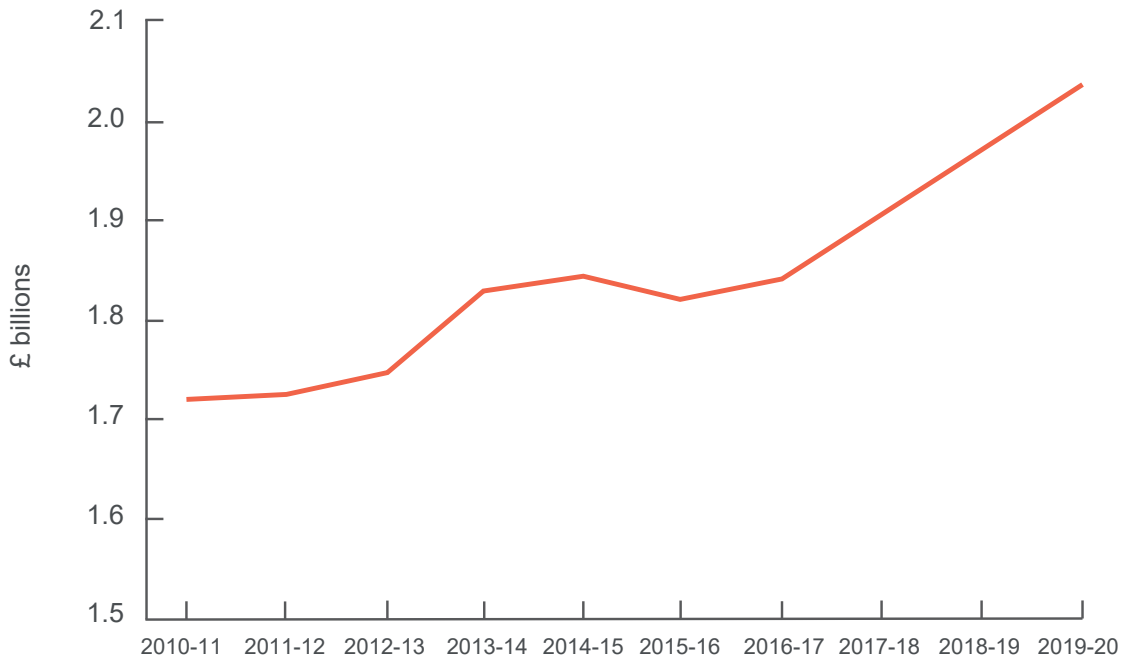
Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

17 Councils spent over £2 billion in 2019-20 on social services – which is £645 per head of the population in Wales. Council spending on social services increased by 18% between 2010-11 and 2019-20 in real terms (**Exhibit 3**).

9 Welsh Government, White Paper. Rebalancing Care and Support. A Consultation on Improving Social Care Arrangements and Strengthening Partnership Working to Better Support People's Well-being, January 2021

10 Auditor General for Wales, A Picture of Local Government, September 2021

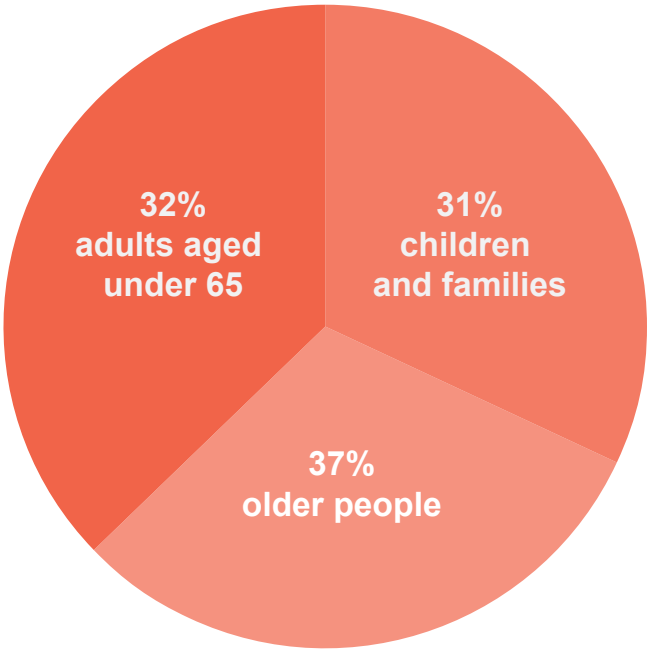
Exhibit 3: real terms council spending on social services 2010-11 to 2019-20



Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

18 Council spending on social services is broadly split into thirds (**Exhibit 4**) although the proportion spent on social services for children and families has gradually increased from 26% in 2010-11 to 31% in 2019-20.

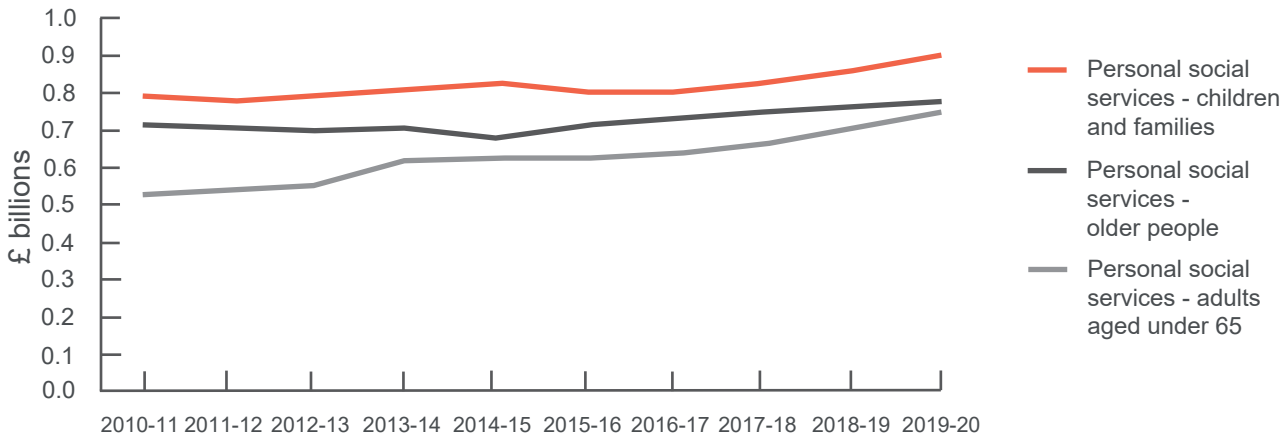
Exhibit 4: real terms council spending on social services by type 2019-20



Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

19 Since 2016-17 council spending on services for children and families and for older people has increased at a faster rate than its spending on adults aged under 65 (**Exhibit 5**).

Exhibit 5: real terms council spending on social services by type 2019-20



Source: Audit Wales analysis of StatsWales Local Government Revenue Outturn Data

Social care demand and capacity

Demand for social services will continue to increase

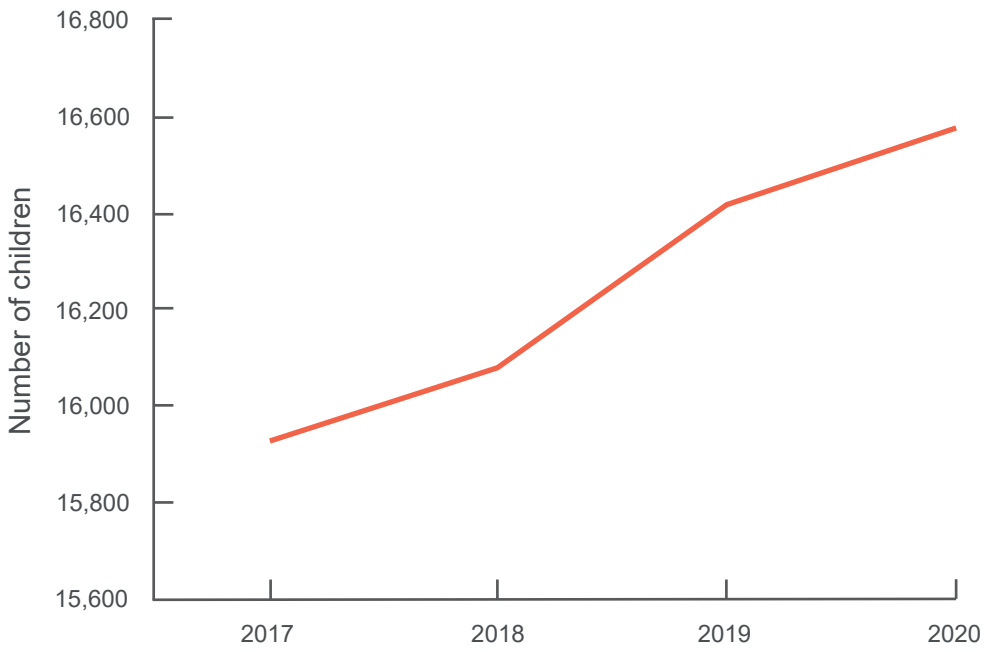
20 Demand for adult social care is likely to increase significantly. Social Care Wales's Population Projections Platform projects likely future demand by age group and need based on broader population projections. It shows that, by 2040, the number of people over 65 who struggle with the activities of daily living is projected to increase by 34% (from 2020)[11].

21 The Welsh Government's White Paper (**paragraph 15**) on social care examines areas of future demand. It explains that the pattern of fast rising need for children's services is likely to continue. In particular, the Welsh Government anticipates increasing needs from Black Asian and Minority Ethnic families.

11 Figures include adults who need help with the activities of daily living such as eating, bathing and dressing and those who need help to live independently with things like money management, cooking and shopping.

22 In the past, the Welsh Government published data on the number of children in need of support from social services. It stopped publishing the data in 2016 because the Social Services and Well-being (Wales) Act changed the way needs were assessed and recorded. Instead, the Welsh Government now publishes data on the number of children receiving care and support (or children under 18 who have a care and support plan). Numbers have increased since 2017 (**Exhibit 6**). The data does not show whether there are children with unmet needs to indicate the scale of demand.

Exhibit 6: the number of children receiving care and support 2017 to 2020



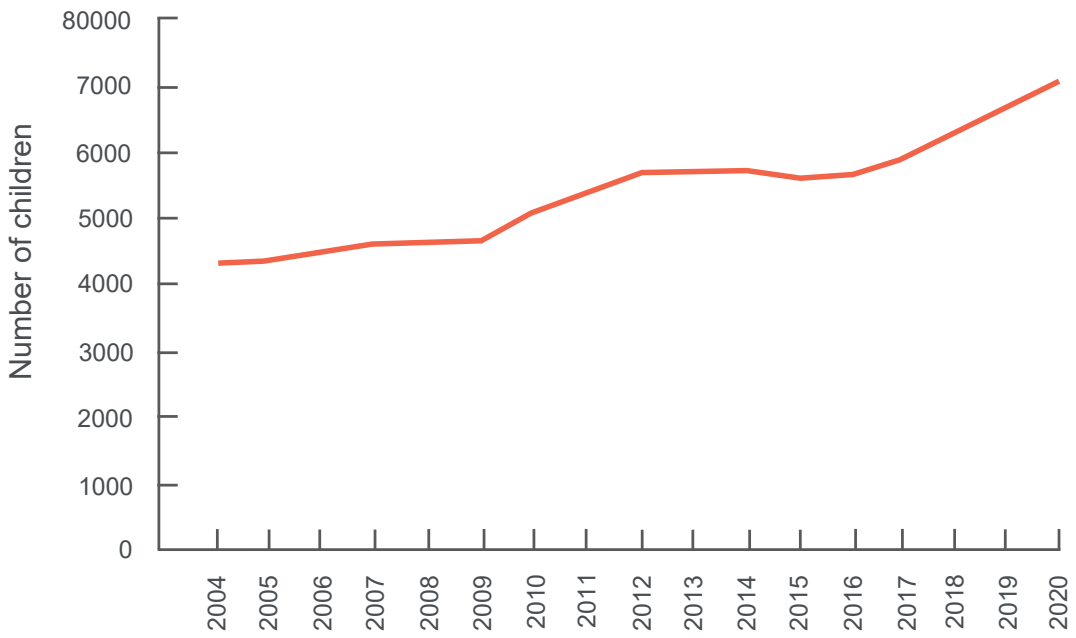
Source: StatsWales: Social services – the number of children receiving care and support

23 The number of looked after children in Wales has increased by 66% since 2004 (**Exhibit 7**). The Wales Centre for Public Policy found that Wales has consistently had a higher number of looked after children than the rest of the UK and the gap is continuing to widen[12]. It also found that there is local variation in the number of looked after children, with numbers in some council areas remaining steady or falling[13]. Differing levels of deprivation were the main reason for the variation. However, some of the remaining variation was because of differing social work practices and policies across councils. The Centre also found that Welsh judges are more likely than their UK counterparts to make orders allowing councils to take children into care.

12 Wales Centre for Public Policy, Looked After Children in Wales, March 2021

13 Wales Centre for Public Policy, Analysis of the Factors Contributing to the High Rates of Care in Wales, July 2019

Exhibit 7: the number of looked after children in Wales



Source: StatsWales: Social services – the number of looked after children

24 There were just under 3,000 children on the child protection register in 2018-19 (**Exhibit 8**). The Welsh Government has not yet published recent figures to show whether numbers have changed because of the pandemic.

Exhibit 8: the number of children on the child protection register 2016-17 to 2018-19

Source: StatsWales: Social services – children on the child protection register

25 As yet, there is little information about the impact of the pandemic on long-term demand for social services. However, the direct and indirect harms associated with COVID-19 will likely create extra demand. People with severe reactions to the virus or long COVID need rehabilitation or ongoing support. Mental health issues, alcohol dependency and other lifestyle factors could increase the number of people needing help, but also limit the ability of unpaid carers to provide support.

26 The indirect impact of the pandemic on families could further increase demand on social services. In March 2021, Public Health Wales published a health equity report[14] mapping the social, economic, and environmental impact of COVID-19. The report says the pandemic is likely to have increased the risk of child neglect and violence and abuse at home, particularly for women and children. Isolation, remote schooling, reduced finances, unemployment, and less access to formal and informal support for parents and carers have put pressure on some families.

27 Vulnerable children unable to attend school due to school closures or self-isolation are at increased risk of abuse. The Children's Commissioner for Wales said[15] it is likely that some incidents of abuse or neglect were missed because children and young people were not being seen by universal services such as nurseries, schools, and youth services. In our regular discussions with councils, officials have told us that referrals to children's social services fell dramatically when the schools closed in the pandemic. As schools reopened, referrals increased which could be due to pent up demand.

Workforce shortages, low pay, high turnover, and narrow financial margins mean the social care sector is under pressure

28 In March 2020, there were over 1,900 adult and children's social care settings[16] regulated by Care Inspectorate Wales – an increase of 5% from March 2015[17]. Care Inspectorate Wales' interactive data tool shows that in 2019-20 there were over 25,000 places[18] in adult care homes and 878 in children's care homes.

14 Public Health Wales, Placing Health Equity at the Heart of Covid-19 Sustainable Response and Recovery: Building Prosperous Lives for all in Wales, March 2021

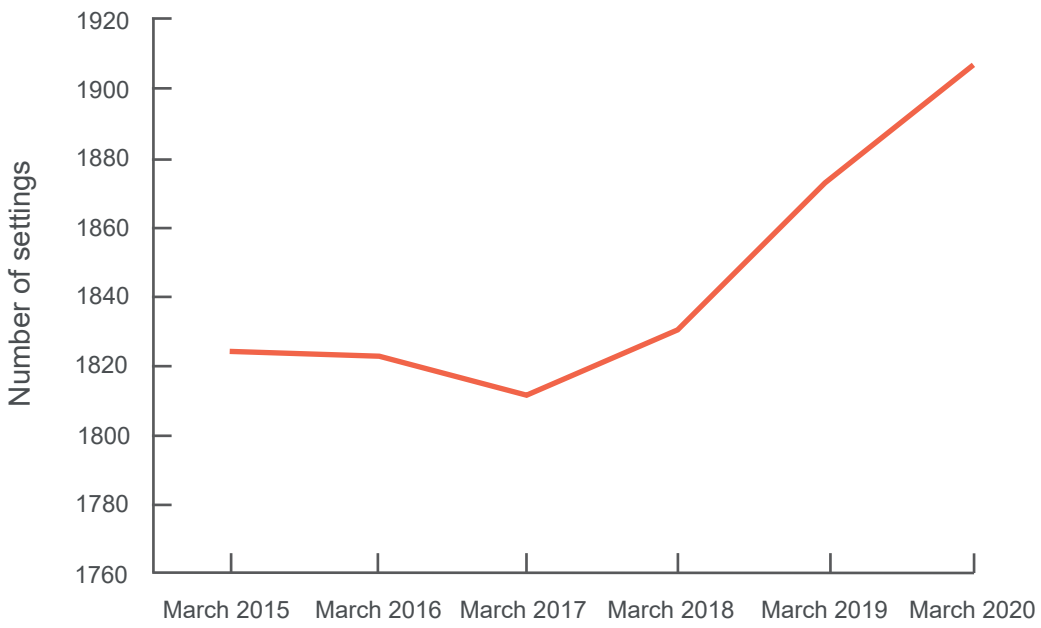
15 Children's Commissioner for Wales, Coronavirus and Us, September 2020

16 Figures exclude children's day care settings such as nursery and child minders.

17 Figures for March 2021 were not available at the time of writing this report.

18 Including vacant and occupied places.

Exhibit 9: total adult and children's care settings regulated by Care Inspectorate Wales March 2015 to March 2020



Source: StatsWales: care services and places regulated by Care Inspectorate Wales

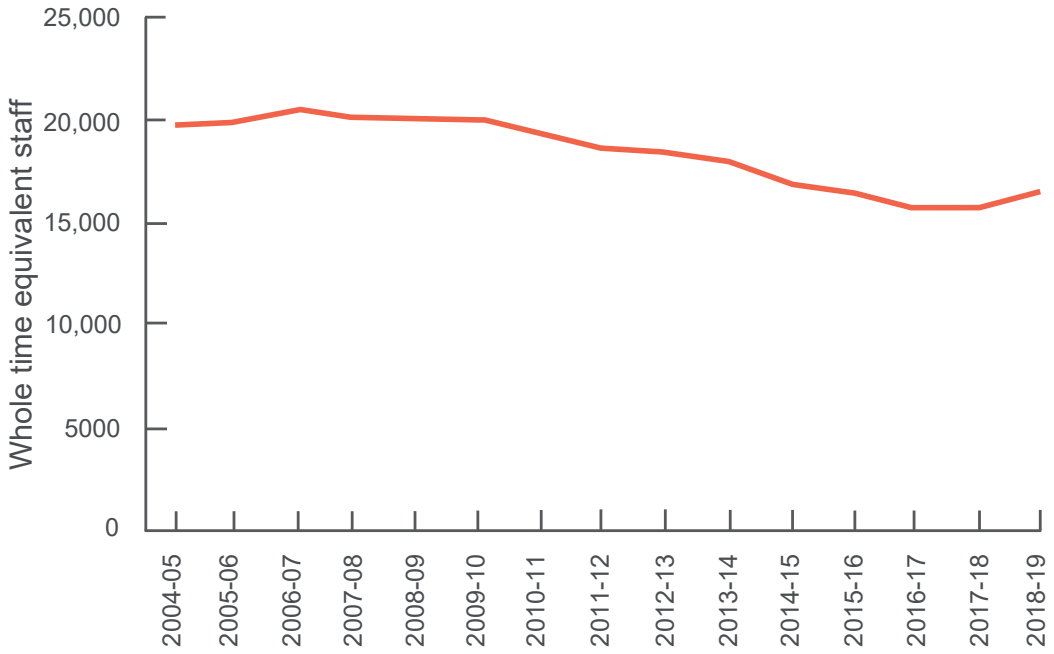
29 In 2020, a Welsh Government commissioned rapid review of care homes[19] described a sector mainly comprising small providers with narrow financial margins. It explained that care homes typically function between 85 and 90% occupancy to remain financially viable, but that lower occupancy levels prior to the pandemic were already challenging the sustainability of the sector. In September 2020, Care Inspectorate Wales reported[20] that where providers reported financial concerns, these appeared to be because of a 'mix of increased staffing costs, increased costs for resources, vacancies reducing revenues and all of these combined'.

30 The overall social care workforce has reduced, particularly central management and support staff and adult domiciliary care staff. The number of whole time equivalent social care staff fell by 17% from 2004-05 to 2018-19 (**Exhibit 10**). In 2018-19, central management and support, social work and domiciliary services staff comprised over 70% of the workforce. Within this group, the number of central management and support staff and adult domiciliary services staff fell significantly while the number of social workers increased (**Exhibit 11**).

19 Bolton, Prof J, Rapid Review for Care Homes in Relation to Covid-19 in Wales, 2020

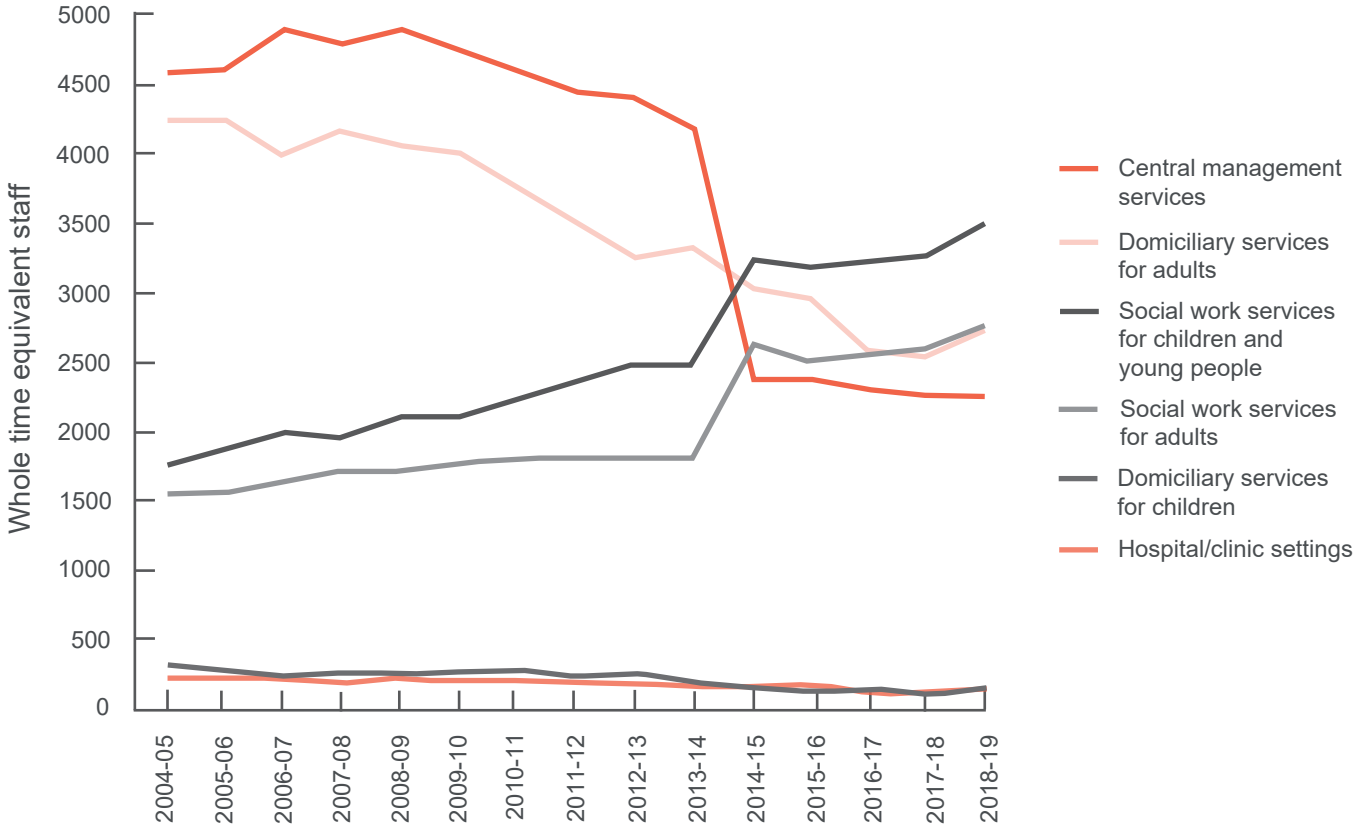
20 Care Inspectorate Wales, Overview of Feedback From the Social Care Sector. CIW Check-in Calls With Providers of Registered Services for Adults and Children, September 2020

Exhibit 10: whole time equivalent social services staff across Wales 2004-05 to 2018-19



Source: StatsWales: Whole time equivalent staff of local authority social services departments

Exhibit 11: whole time equivalent central management and support, social work, and domiciliary services workforce 2004-05 to 2018-19



Source: StatsWales: Whole time equivalent staff of local authority social services departments

31 The Welsh Government's White Paper (**paragraph 15**) shows that the majority of the staff of commissioned social care providers are female and over 40. They are more likely to be Black African than other ethnic groups, and the majority are paid national minimum wage. There are high turnover and vacancy rates in the sector and a growing use of costly agency staff. The Welsh Government commissioned research[21] on the impact of Brexit on the social care and childcare workforce in Wales in 2019. The research found that recruitment is the biggest challenge facing the sector, although services reported little change in retaining non-UK EU staff during 2018-19.

32 There is also evidence that some social care staff are filling gaps caused by shortages in healthcare staff. For instance, the Royal College of Nursing[22] found that the majority of nursing care in Welsh care homes is delivered by care assistants due to a shortage of registered nurses.

33 In evidence to the Public Accounts Committee in March 2021, the Chief Executive of NHS Wales described the considerable pressure the pandemic has put on health and social care staff. He warned of long-term impacts on the mental and physical health of staff including Post Traumatic Stress Disorder.

34 The Welsh Government's new programme for government sets out its intention to increase apprenticeships in social care and ensure that care workers are paid the real living wage. Improving pay for care workers may help fill gaps in the social care workforce, but increased staff costs will add to financial pressure on providers. The Welsh Government also intends to eliminate private profit from the care of looked after children.

Social care performance

Changes in performance frameworks mean there is little public information to understand recent social care performance

35 The Social Services and Well-being (Wales) Act 2014 introduced a new performance framework for council social services to show whether services are meeting the requirements of the Act and quality standards. The Welsh Government started publishing performance against its framework in 2016-17. Between 2016-17 and 2018-19, the Welsh Government published statistical releases on the quantitative measures in the performance framework. Reporting for 2019-20 was suspended due to COVID-19.

21 Government Social Research, Research on Implications of Brexit on Social Care and Childcare Workforce in Wales, March 2019

22 Royal College of Nursing, Staffing for Safe and Effective Care in the UK, 2020

36 After consulting the sector, the Welsh Government introduced a new Performance and Improvement Framework for Social Services in 2020-21. It measures the performance of social services departments in making a difference to service users' lives. The Welsh Government intends to publish the data showing performance against the Framework in the future.

37 Alongside the new Framework, the Welsh Government uses its National Outcomes Framework[23]. It measures the collective contribution made by the Welsh public sector to the lives of those in need of care and support. However, the most recent available data covers the period from April 2017 to March 2018.

38 In 2019, our report on adult social care[24] said that several councils had begun to widen performance management systems to monitor performance and the impact of services on the user. More broadly, councils recognise that measuring the outcomes of their preventative work remains challenging. In 2019 we found that performance management arrangements focused mostly on social services performance rather that the wider network of preventative services.

39 The Welsh Government has commissioned an evaluation of the implementation of the Social Services and Well-being (Wales) Act 2014. The three reports issued to date have considered the processes through which the Act's requirements will support change[25], reviewed the evidence relating to the principles of the Act[26] and evaluated the implementation the Act[27]. The evaluation has not yet assessed the outcomes of the Act for those in need of receiving care and support, but will publish an interim evaluation report in January 2022.

23 Welsh Government, Social Services: The National Outcomes Framework for People Who Need Care and Support and Carers Who Need Support, February 2019

24 Auditor General for Wales, The Front Door to Adult Social Care, September 2019

25 Government Social Research, Evaluation of the Social Services and Well-being (Wales) Act 2014 Framework for change report, 2019

26 Government Social Research, Evaluation of the Social Services and Well-being (Wales) Act 2014: literature review, 2020

27 Government Social Research, Evaluation of the Implementation of the Social Services and Well-being (Wales) Act: Process Evaluation – Report, 2021

Inspectors and Commissioners have raised serious concerns about the quality of some services before and during the pandemic

40 In 2019-20, Care Inspectorate Wales carried out[28] 1,186 inspections of adults and children's services, the majority being care homes. It found that 109 services did not meet legal requirements, and it issued 300 non-compliance notices – mostly to care homes. The Inspectorate identified common themes amongst the weaknesses:

- weaknesses in monitoring systems;
- insufficient staff;
- lack of training;
- slow or incomplete recruitment checks.

41 The Older People's Commissioner and Equality and Human Rights Commission in Wales have expressed concerns[29] that the rights of older people living in care homes may have been breached during the pandemic, and restrictions on providing healthcare in care homes may have contributed to care home deaths. Public Health Wales's health equity report (**paragraph 26**) said that care home residents may experience increased feelings of isolation due to lack of visitors, and increased anxiety because of COVID-19 incidents.

42 There is some evidence that lockdown may have had certain benefits for some groups of children in care. Between 8 June 2020 and 2 August 2020, providers of children's care homes and fostering services reported to Care Inspectorate Wales that relationships between children and care providers had strengthened during the pandemic and placements were more stable[30].

Social care key issues

There are long-standing challenges in the social care sector, including achieving financial sustainability and funding arrangements

43 In 2016, the [then] Minister for Health and Social Services announced a parliamentary review by an independent panel of experts on the future of health and social care. The review[31] identified problems with the quality of adult social services and gaps in some aspects of care provision, particularly, adult care homes, domiciliary care, and foster carers. It recommended new models of care, with services organised around the individual and their family as close to home as possible.

28 Care Inspectorate Wales, Chief Inspectors Annual Report 2019-20, November 2020

29 Equality and Human Rights Commission in Wales, Equality and Human Rights in Residential Care in Wales During Coronavirus, October 2020

30 Care Inspectorate Wales, Overview of feedback from the social care sector, CIW check-in calls with providers of registered services for adults and children, September 2020

31 Parliamentary Review of Health and Social Care in Wales, Interim Report, July 2017, and Final Report, January 2018

44 The Welsh Government gave councils a £50 million grant to address pressures on social care in 2021-22 and provided £124 million through the Integrated Care Fund in 2020-21. The Welsh Government will provide £129 million Integrated Care Funding in 2021-22. However, the Welsh Government's White Paper (**paragraph 15**) says that future funding will be challenging. It says that even if annual spending increases by 5.7%, as it did between 2017-18 to 2018-19 (without adjusting for inflation), it is unlikely to meet the cost of increasing demand.

45 For decades, successive governments across the UK have grappled with how to pay for social care, particularly for older people. The need for a solution is now greater than ever. Demand continues to increase whilst financial and workforce pressures have been exacerbated by the pandemic. The previous Welsh Government's inter-Ministerial Group on paying for social care explored ways of raising additional funding for adult social care[32] and published its analysis in March 2021[33]. Welsh Ministers have prioritised agreeing a UK-wide approach to social care funding. The programme for government says that the Welsh Government will consider consulting on a 'Wales-only' solution if a UK approach is not possible. The UK government has not yet set out its detailed plans for social care reform. However, in early September, the UK government announced additional funding for health and social care, which is expected to result in around £700 million extra annual funding for Wales by 2024-25, comprising UK-wide spending as well as funding through the Barnett formula.

46 There are also issues of equity in the current social care system. Currently social care costs are funded by a mixture of state and private funding. Research for Cardiff University found that there is some cross-subsidy between care home fees paid by private residents and the cost of council funded places[34] which may not be sustainable. In addition, people who can afford to top up state provision can pay for more expensive care homes, giving them more choice about where and what kind of support they receive.

Progress addressing challenges in the sector has been slow

47 The Parliamentary Review called for accessible, high quality, joined up services with a focus on prevention and the citizen. A Healthier Wales set out plans to address the issues in the parliamentary review and said services had to transform quickly. Since then, several reviews have highlighted slow progress.

32 Based on the work by Professor Holtham: Paying for social care – An independent report commissioned by the Welsh Government, 2018

33 Welsh Government Inter-Ministerial Group on Paying for Social Care, Analysis of Options for the Use of Additional Social Care Funding, March 2021

34 Cardiff University, The Future of Care in Wales: Resourcing Social Care for Older Adults, August 2020

48 In 2019, our review[35] of the Welsh Government's Integrated Care Fund[36] found that the fund had helped to bring organisations together to plan and provide services. However, aspects of the way the funding is allocated by the Welsh Government and used by regional partners had limited the Fund's potential. In addition, there was little evidence that public bodies were moving successful projects from the Fund and into their core budgets.

49 In 2019, the Senedd's Health, Social Care and Sports Committee reported[37] on the impact of the Social Services and Well-being (Wales) Act 2014 on carers. It found that implementation of the Act had not been resourced properly and called on the Welsh Government to provide stronger leadership to ensure the rights and support promised for carers are delivered. Our 2019 report on Young Adult Carers[38] found that some assessments to understand young adult carers' needs were not taking place, and some young people were not getting the support they needed.

50 Our 2019 report on adult social care (**paragraph 38**) found that some councils had increased their preventative services, and started shifting provision from social care into preventative and community based provision. However, we found wide variation across Wales, particularly as making the shift requires councils to have enough preventative services in place. We also found some councils lacked information about local gap s in provision resulting in inconsistent distribution and provision of services. The evaluation of the Social Services and Well-being (Wales) Act 2014 (**paragraph 39**) found some organisations lacked sufficient funding for preventative approaches.

51 The Parliamentary Review recognised the need for innovation and to accelerate technology and infrastructure developments. However, our 2020 report on the Welsh Community Care Information System[39] found that implementation had been slower than expected and the prospects for full take up of the system and benefits realisation were uncertain. We also found that some important issues around the functionality of the system, data standards and benefits reporting were yet to be resolved.

35 Auditor General for Wales, Integrated Care Fund, July 2019

36 The fund is aimed at driving integrated working between social services, health, housing, third sector and independent providers to develop sustainable services. Crucially, the ICF provides funding for joint projects, better enabling organisations to work together.

37 Senedd Health, Social Care and Sport Committee, Impact of the Social Services and Well-being (Wales) Act 2014 in Relation to Carers, November 2019

38 Auditor General for Wales, Young Adult Carers, September 2019

39 Auditor General for Wales, Welsh Community Care Information System, October 2020

52 More recently, our review of care home commissioning for older people in North Wales[40] concluded that the lack of a strategic approach for care-home commissioning together with overly complex processes, causes division amongst partners, and a greater focus on costs than on service-user needs. The report says that the issues in North Wales are likely to be replicated to some degree in other parts of Wales. Our work indicated that the Welsh Government may need to consider whether its proposals to reform social care are sufficient to address long-standing issues in social care.

COVID-19 has made the need for change more pressing, but transforming social care will be challenging

53 The Welsh Government's White Paper (**paragraph 15**) sets out its vision to address long-standing challenges in social care. The Welsh Government intends to rebalance the care market away from price towards quality and social value. It wants to develop a common framework to reduce complexity in commissioning services, focus arrangements on outcomes rather than tasks, and encourage not-for-profit providers to grow. Finally, the Welsh Government wants to encourage joint working between health and social care by strengthening the function of Regional Partnership Boards.

54 COVID-19 has exacerbated some of the issues facing the sector, making the need for transformation more pressing. Lower care home occupancy rates resulting from the virus are likely to contribute to financial pressures. The sustained pressure on the workforce may have significant impacts on their health and wellbeing making the sector more vulnerable to staff shortages. It could also make the sector less motivated and receptive to implementing changes if resources are limited.

55 The White Paper describes uncertainty over future budget settlements from the UK government. Despite the additional funding (**paragraph 45**), the Welsh Government may still face some difficult choices around prioritising funding, particularly between health and social care.

56 The Welsh Government published the responses to its White Paper in April 2021 and is committed to legislate for better integrated health and social care in its Programme for Government. Our work on care home commissioning (**paragraph 52**) said that practical issues and cultural reluctance to share resources in the sector raise questions about whether the proposals in the White Paper go far enough to address long-standing issues in the sector

40 Auditor General for Wales, Care Home Commissioning for Older People: Issues of National Significance Arising from Our Review in North Wales, July 2021

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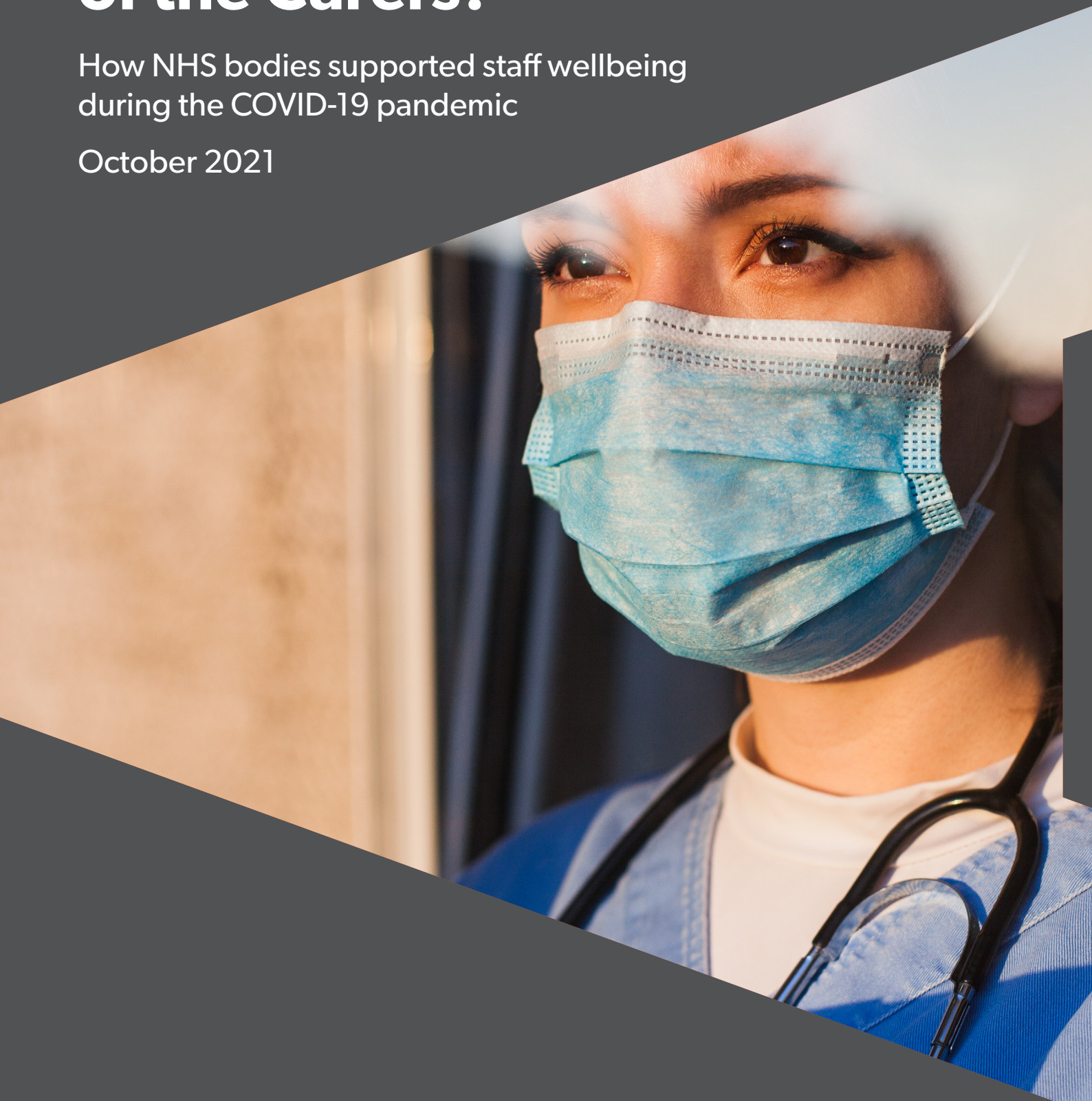
Taking Care of the Carers?

How NHS bodies supported staff wellbeing during the COVID-19 pandemic

October 2021



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Background

1 This report describes how NHS bodies have supported the wellbeing of their staff during the COVID-19 pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19.

2 It is the second of two publications which draw on the findings of our local structured assessment work with the aim of highlighting key themes, identifying future opportunities, and sharing learning. The first report Doing it differently, doing it right? - describes how NHS bodies revised their arrangements to enable them to govern in a lean, agile, and rigorous manner during the pandemic.

Key messages

3 NHS staff at all levels have shown tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges caused by the crisis.

4 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. However, the unprecedent scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus.

5 As a result, all NHS bodies in Wales placed a strong focus on staff wellbeing throughout the COVID-19 pandemic. At the outset of the crisis, each NHS body moved quickly to enhance their existing employee assistance arrangements and to put additional measures in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic. Key actions taken by NHS bodies to protect staff and support their wellbeing included:

- enhancing infection prevention and control measures;
- reconfiguring healthcare settings;
- facilitating access to COVID-19 tests and, more recently, COVID-19 vaccinations;
- creating dedicated rest spaces;
- increasing mental health and psychological wellbeing provision;
- strengthening staff communication and engagement; and
- enabling remote working.

6 All NHS bodies put arrangements in place to roll out the All-Wales COVID-19 Workforce Risk Assessment Tool (the Risk Assessment Tool) as part of their wider efforts to safeguard members of staff at higher risk from COVID-19. Each NHS body promoted the Risk Assessment Tool in a number of ways. However, Risk Assessment Tool completion rates via the Electronic Staff Record (ESR) have varied considerably between individual NHS bodies. All NHS bodies utilised measures from their wider suite of wellbeing arrangements to meet the individual needs of staff at higher risk from COVID-19 as identified by the Risk Assessment Tool.

7 The boards and committees of most NHS bodies maintained good oversight and ensured effective scrutiny of all relevant staff wellbeing risks and issues during the pandemic. However, arrangements for reporting Risk Assessment Tool completion rates and providing assurance on the quality of completed risk assessments could have been strengthened in most NHS bodies.

8 Whilst the crisis has undoubtedly had a considerable impact on the wellbeing of staff in the short-term, the longer-term impacts cannot and should not be ignored or underestimated. Surveys and work undertaken by a range of professional bodies highlight the increased stress, exhaustion and burnout experienced by staff, and point to the growing risk to staff of developing longer term physical and psychological problems without ongoing support.

9 A continued focus on providing accessible wellbeing support and maintaining staff engagement, therefore, is going to be needed in the short-term to ensure NHS bodies address the ongoing impact of the pandemic on the physical health and mental wellbeing on their staff.

10 However, the COVID-19 pandemic has also created an opportunity to rethink and transform staff wellbeing for the medium to longer term. Whilst supporting the wellbeing of the NHS workforce is more necessary than ever when the service needs to respond to a crisis, investing appropriately in staff wellbeing on an ongoing basis is equally as important as a healthy, engaged, and motivated workforce is essential to the delivery of safe, high-quality, effective, and efficient health and care services.

The resilience and dedication shown by NHS staff at all levels in the face of the unprecedented challenges and pressures presented by the pandemic has been truly remarkable. It is inevitable, however, that this will have taken a considerable toll on the wellbeing of NHS staff, who now also face the challenges of dealing with the pent-up demand in the system caused by COVID-19. It is assuring to see that NHS bodies have maintained a clear focus on staff wellbeing throughout the pandemic and have implemented a wide range of measures to support the physical health and mental wellbeing of their staff during the crisis. It is vital that these activities are built upon and that staff wellbeing remains a central priority for NHS bodies as they deal with the combined challenges of recovering services, continuing to respond to the COVID-19 pandemic, and also managing seasonal pressures which are expected to be greater this winter than they were last year. Taking care of those who care for others is probably more important now than it has ever been before.

Adrian Crompton
Auditor General for Wales

Recommendations

11 Recommendations arising from this work are detailed in **Exhibits 1** and **2**.

Exhibit 1: recommendations for NHS bodies

Recommendations

Retaining a strong focus on staff wellbeing

R1 NHS bodies should continue to maintain a strong focus on staff wellbeing as they begin to emerge from the pandemic and start to focus on recovering their services. This includes maintaining a strong focus on staff at higher risk from COVID-19. Despite the success of the vaccination programme in Wales, the virus (and variations thereof) continues to circulate in the general population. All NHS bodies, therefore, should continue to roll-out the Risk Assessment Tool to ensure all staff have been risk assessed, and appropriate action is taken to safeguard and support staff identified as being at higher risk from COVID-19.

Considering workforce issues in recovery plans

R2 NHS bodies should ensure their recovery plans are based on a full and thorough consideration of all relevant workforce implications to ensure there is adequate capacity and capability in place to address the challenges and opportunities associated with recovering services. NHS bodies should also ensure they consider the wider legacy issues around staff wellbeing associated with the pandemic response to ensure they have sufficient capacity and capability to maintain safe, effective, and high-quality healthcare in the medium to long term.

Recommendations

Evaluating the effectiveness and impact of the staff wellbeing offer

R3 NHS bodies should seek to reflect on their experiences of supporting staff wellbeing during the pandemic by evaluating fully the effectiveness and impact of their local packages of support in order to: (a) consider what worked well and what did not work so well; (b) understand its impact on staff wellbeing; (c) identify what they would do differently during another crisis; and, (d) establish which services, programmes, initiatives, and approaches introduced during the pandemic should be retained or reshaped to ensure staff continue to be supported throughout the recovery period and beyond. NHS bodies should ensure that staff are fully engaged and involved in the evaluation process.

Enhancing collaborative approaches to supporting staff wellbeing

R4 NHS bodies should, through the National Health and Wellbeing Network and/or other relevant national groups and fora, continue to collaborate to ensure there is adequate capacity and expertise to support specific staff wellbeing requirements in specialist areas, such as psychotherapy, as well as to maximise opportunities to share learning and resources in respect of more general approaches to staff wellbeing.

Recommendations

Providing continued assurance to boards and committees

R5 NHS bodies should continue to provide regular and ongoing assurance to their Boards and relevant committees on all applicable matters relating to staff wellbeing. In doing so, NHS bodies should avoid only providing a general description of the programmes, services, initiatives, and approaches they have in place to support staff wellbeing. They should also provide assurance that these programmes, services, initiatives, and approaches are having the desired effect on staff wellbeing and deliver value for money. Furthermore, all NHS bodies should ensure their Boards maintain effective oversight of key workforce performance indicators – this does not happen in all organisations at present.

Building on local and national staff engagement arrangements

R6 NHS bodies should seek to build on existing local and national workforce engagement arrangements to ensure staff have continued opportunities to highlight their needs and share their views, particularly on issues relating to recovering, restarting, and resetting services. NHS bodies should ensure these arrangements support meaningful engagement with underrepresented staff groups, such as ethnic minority staff.

Exhibit 2: recommendations for the Welsh Government

Recommendations

Evaluating the national staff wellbeing offer

R7 The Welsh Government should undertake an evaluation of the national staff wellbeing services and programmes it commissioned during the pandemic in order to assess their impact and cost-effectiveness. In doing so, the Welsh Government should consider which other national services and programmes should be commissioned (either separately or jointly with NHS bodies) to ensure staff continue to be supported throughout the recovery period and beyond.

Evaluating the All-Wales COVID-19 Workforce Risk Assessment Tool

R8 The Welsh Government should undertake a full evaluation of the All-Wales COVID-19 Workforce Risk Assessment Tool to identify the key lessons that can be learnt in terms of its development, roll-out, and effectiveness. In doing so, the Welsh Government should engage with staff at higher risk from COVID-19 to understand their experiences of using the Risk Assessment Tool, particularly in terms of the extent to which it helped them understand their level of risk and to facilitate a conversation with their managers about the steps that should be taken to support and safeguard them during the pandemic.

Introduction

12 NHS bodies in Wales have faced unprecedented challenges and considerable pressures during the COVID-19 pandemic. Throughout this crisis, NHS bodies have had to balance several different, yet important, needs – the need to ensure sufficient capacity to care for people affected by the virus; the need to maintain essential services safely; the need to safeguard the health and wellbeing of their staff; and the need to maintain good governance. In order to respond to these needs effectively, NHS bodies have been required to plan differently, operate differently, manage their resources differently, and govern differently.

13 Our structured assessment work[1] in 2020 was designed and undertaken in the context of the ongoing pandemic. As a result, we were given a unique opportunity to see how NHS bodies have been adapting and responding to the numerous challenges and pressures presented by the COVID-19 crisis.

14 This report is the second of two publications which draw on the findings of our structured assessment work, and more recent evidence gathering to highlight key themes, identify future opportunities, and share learning both within the NHS and across the public sector in Wales more widely.

15 In our first report – Doing it differently, doing it right? – we discussed the importance of maintaining good governance during a crisis and describe how revised arrangements enabled NHS bodies to govern in a lean, agile, and rigorous manner during the pandemic. We also highlighted the key opportunities for embedding learning and new ways of working in a post-pandemic world.

16 In this report, we discuss the importance of supporting staff wellbeing and describe how NHS bodies have supported the wellbeing of their staff during the pandemic, with a particular focus on their arrangements for safeguarding staff at higher risk from COVID-19. We consider the key lessons that can be drawn from the experiences of NHS bodies of supporting staff wellbeing during the COVID-19 crisis and conclude by highlighting the key challenges and opportunities for the future.

17 Whilst this report draws on the findings of our structured assessment work, it has also been informed by additional evidence gathered from each NHS body as well as information received from the Welsh Government, the British Medical Association (BMA), and the Royal College of Nursing (RCN) in Wales. Furthermore, as this report draws largely on the findings of our structured assessment work, we haven't engaged directly with NHS staff. Instead, we have referenced the findings from surveys undertaken by BMA Wales and others to provide insights into staff experiences during the pandemic.

1 A structured assessment is undertaken in each NHS body to help discharge the Auditor General's statutory requirement, under section 61 of the Public Audit (Wales) Act 2004, to be satisfied they have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources. Individual reports are produced for each NHS body, which are available on our website.

Importance of supporting staff wellbeing

18 The workforce is an essential component of the Welsh healthcare system. The NHS in Wales employs around 88,000 full-time equivalent staff (**Exhibit 3**) and staff costs accounted for 50% of total NHS spending in 2020-21[2].

Exhibit 3: NHS staff by staff group (March 2021)[3]

Staff Group	FTE
Medical and dental staff	7,294
Nursing, midwifery, and health visiting staff	36,027
Administration and estates staff	21,380
Scientific, therapeutic, and technical staff	14,947
Health care assistants and other support staff	5,806
Ambulance staff	2,709
Other non-medical staff	96

Source: StatsWales

2 Total NHS spending in 2020-21 was £9.6 billion, of which £4.8 billion was spent on staff costs. (Source: Audit Wales)

3 General Medical and Dental Practitioners are excluded as they are independent NHS contractors.

19 All NHS bodies in Wales have a statutory duty of care to protect the health and safety of their staff and provide a safe and supportive environment in which to work. However, supporting staff wellbeing is also important for several other reasons:

- **patient outcomes** – there is a strong link between negative staff wellbeing and poor patient outcomes. Research shows that negative staff wellbeing and moderate to high levels of burnout are associated with poor patient safety outcomes[4]. The Francis Inquiry Report into the Mid Staffordshire NHS Foundation Trust also highlighted the association between poor staff wellbeing and lower quality of care[5]. Supporting positive wellbeing at work, therefore, enables NHS bodies to maintain higher levels of patient safety, provide better quality of care, and ensure higher patient satisfaction.
- **organisational outcomes** – there are considerable financial costs associated with poor staff wellbeing. According to Health Education England, the cost of poor mental health in the NHS workforce equates to £1,794 - £2,174 per employee per year[6]. Furthermore, the costs associated with staff absenteeism are significant. The Boorman Review calculated the direct cost of reported absence in the NHS across the UK was around £1.7 billion a year and the indirect cost of employing temporary staff to provide cover was estimated to be £1.45 billion a year[7]. Supporting positive wellbeing at work, therefore, enables NHS bodies to reduce the number of working days lost as a result of poor staff wellbeing and achieve greater cost savings.
- **employee outcomes** – a poor experience at work is associated with negative wellbeing which, in turn, leads to lower staff engagement and motivation, greater workplace stress, higher staff turnover, and poorer patient outcomes. Research shows that staff wellbeing is impacted negatively by a workforce that is overstretched due to absences and vacancies and supplemented by temporary staff[8,9]. Wellbeing is also negatively affected when staff feel undervalued and unsupported in their roles, feel overwhelmed by their workloads, and feel as though they have little control over their work lives[10]. Supporting positive wellbeing at work, therefore, enables NHS bodies to enhance staff engagement and motivation, minimise workplace stress, and retain more of their employees.

4 Hall et al (2016) Healthcare Staff Wellbeing, Burnout, and Patient Safety: A Systematic Review
5 Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (2013)
6 Health Education England (2019) NHS Staff and Learners' Mental Wellbeing Commission
7 NHS Health and Wellbeing Review (2009) Interim Report
8 Rafferty et al (2007) Outcomes of variation in hospital nurse staffing in English hospitals: cross-sectional analysis of survey data and discharge records
9 Picker (2018) The risks to care quality and staff wellbeing of an NHS system under pressure
10 West and Coia (2018) Caring for doctors, Caring for patients

How health bodies supported staff wellbeing during the pandemic

20 The NHS in Wales was already facing a number of challenges relating to staff wellbeing prior to the pandemic. The results of the 2018 NHS Staff Survey show that 64% of respondents stated they had come to work despite not feeling well enough to perform their duties (compared to 57% in 2016), and 34% stated they had been injured or felt unwell as a result of work-related stress (compared to 28% in 2016). Furthermore, the sickness absence 12-month moving average for the 12 months ending March 2020 was the highest since data started to be collected in 2008.

21 However, the unprecedented scale and impact of the COVID-19 pandemic brought the importance of supporting staff wellbeing into even sharper focus at both a national and local level in order to:

- protect the health of staff by reducing the prevalence of COVID-19 in healthcare settings and minimising their exposure to the virus;
- reduce the risk of staff transmitting the virus to colleagues, patients, family members, and other members of the wider community;
- safeguard vulnerable groups of staff at higher risk from the virus, such as older people, people with underlying health conditions, pregnant women, and people from certain ethnic minority groups;
- support staff to adapt to new ways of working and adjust to different work settings;
- help staff to cope with the challenges, pressures, uncertainties, and stresses associated with the pandemic;
- ensure NHS bodies maintain sufficient staffing levels to sustain essential services and care safely for patients affected by the virus; and
- enable NHS bodies to restart, recover and rebuild services safely, effectively, and efficiently.

22 As a result, all NHS bodies in Wales placed a strong focus on staff wellbeing throughout the crisis in line with their operational plans and Welsh Government guidance[11].

11 WHC/2020/019: Expectations for NHS Health Boards and Trusts to ensure the health and wellbeing of the workforce during the Covid-19 pandemic

23 At the outset of the pandemic, each NHS body moved quickly to plan and deliver local packages of support as part of a wider multi-layered wellbeing offer to staff. The multi-layered offer, which grew and evolved over time, gave staff free access to a range of pan-Wales services and resources, including:

- **SilverCloud** – a digital mental health platform designed to help NHS staff manage feelings of stress, anxiety, and depression.
- **Health for Health Professionals Wales** – a free, confidential service that provides NHS staff, students, and volunteers in Wales with access to various levels of mental health support including self-help, guided self-help, peer support, and virtual face-to-face therapies with accredited specialists.
- **Samaritans Support Line** – a confidential bilingual wellbeing support line for health and social care workers and volunteers in Wales.
- **online wellbeing resources for NHS staff** – Health Education and Improvement Wales (HEIW) worked with key colleagues on the Health and Wellbeing Sub-Group of the national COVID-19 Workforce Cell to curate and make resources and access to specific specialist services available through its Covid-19 Playlist – NHS Wales Staff Wellbeing Covid-19 Resource. The Playlist also signposted staff to the wellbeing resources of their respective Health Boards and Trusts. The Health and Wellbeing Sub-Group has now transitioned into the National Health and Wellbeing Network which receives leadership and programme management support from HEIW.

24 In this section, we briefly describe the measures put in place by NHS bodies in Wales to support staff wellbeing at a local level, including their arrangements for safeguarding staff at higher risk from COVID-19.

Supporting physical and mental wellbeing

25 We found that all NHS bodies enhanced their existing employee assistance programmes and services (such as Occupational Health) and put additional arrangements in place to support the physical health and mental wellbeing of their staff, as much as possible, during the pandemic. For example:

- **enhancing infection prevention and control measures** – all NHS bodies, particularly the Health Boards and relevant Trusts, introduced enhanced infection prevention and control measures such as providing more hand hygiene facilities, supplying personal protective equipment (PPE) in line with national guidance[12], and increasing the frequency of cleaning and decontaminating surfaces, areas, and equipment.

12 The Auditor General for Wales has reported on the provision of PPE in a separate report titled Procuring and Supplying PPE for the COVID-19 Pandemic (April 2021).

- **reconfiguring healthcare settings** – all of the Health Boards and relevant Trusts reconfigured as much of their healthcare settings as possible to segregate COVID-19 and non-COVID-19 care pathways and minimise patient, staff, and visitor movements between areas. However, the design of older buildings made this more challenging in some NHS bodies.
- **facilitating access to COVID-19 tests and COVID-19 vaccinations** – all of the Health Boards and relevant Trusts put arrangements in place to enable frontline staff to access tests for COVID-19 and, more recently, COVID-19 vaccinations in line with JCVI (Joint Committee on Vaccination and Immunisation) guidance[13]. Although some NHS bodies encountered a few challenges facilitating access to COVID-19 testing at the outset of the pandemic due to limited lab capacity, the situation improved gradually over time as lab capacity increased and new rapid-testing technology became more widely available. In terms of vaccinations, overall uptake amongst healthcare workers is extremely high. As of 17 July 2021, 96.3% had received their first dose and 93.2% had received their second dose[14].
- **creating dedicated rest spaces** – most of the Health Boards and relevant Trusts established designated spaces for front-line staff to rest, recuperate, and focus on their welfare. These spaces, which were predominantly based on acute sites, were referred to as 'wellbeing rooms' or 'recharge rooms' in most areas.
- **increasing mental health and psychological wellbeing provision** – all NHS bodies increased the range, availability, and accessibility of their mental health and psychological wellbeing offer to staff. Examples include:
  - providing information and resources to promote self-care, enhance personal resilience, and support staff to adjust to new ways of working;
  - delivering therapeutic programmes, such as mindfulness and arts in health;
  - facilitating access to counselling and talking services to provide support for staff with mental health concerns such as anxiety, stress, and low mood; and
  - investing in specialised provision for members of staff experiencing the adverse effects of trauma and bereavement.

13 The Auditor General for Wales has reported on the provision of COVID-19 testing and the roll-out of COVID-19 vaccinations in two separate reports titled Test, Trace, Protect in Wales: An Overview of Progress to Date (March 2021) and Rollout of the COVID-19 vaccination programme in Wales (June 2021).

14 Source: Public Health Wales Rapid COVID-19 Surveillance

- **strengthening staff communication and engagement** – all NHS bodies strengthened their internal communication arrangements and used a broad range of channels and platforms to convey information and updates to their staff on a regular basis. In addition, all NHS bodies strengthened their staff engagement arrangements during the pandemic. As well as maintaining ongoing engagement with established employment partnerships and staff networks and groups, all NHS bodies surveyed their staff on a regular basis to better understand their needs and experiences as well as to capture their views on various matters, including the effectiveness of the local wellbeing provision.
- **enabling remote working** – all NHS bodies put arrangements in place to support remote working as part of their wider efforts to ensure and maintain physical distancing, for those staff for whom home working was appropriate. Although some NHS bodies encountered a few challenges rolling-out the necessary technology and software required to support remote working at the outset of the pandemic, these were overcome relatively quickly.
- **providing other forms of support** – a range of other support measures were implemented by NHS bodies, such as:
  - rolling out risk assessment tools, such as Stress Risk Assessment Tools and the All-Wales COVID-19 Workforce Risk Assessment Tool (this is discussed in more detail in the next section);
  - providing additional information and support to leaders and managers to enable them to engage, motivate, and support their teams effectively during the pandemic;
  - providing temporary accommodation for front-line staff living with individuals at higher risk from COVID-19; and
  - enhancing Chaplaincy services to ensure staff have access to pastoral support.

Detailed examples of health and wellbeing initiatives introduced by each NHS body during the pandemic are provided in the briefing produced by Welsh NHS Confederation titled Supporting Welsh NHS staff wellbeing throughout COVID-19.

26 The BMA has surveyed its members extensively during the pandemic. Whilst the results are not representative of the NHS workforce as a whole, they do provide useful insights into the experiences of medical staff during the crisis:

- BMA members responding to the surveys felt better protected from coronavirus in their place of work as the pandemic progressed. The proportion of members stating they felt fully protected was 27% (113 of 417) and 37% (100 of 274) in December 2020 and April 2021 respectively. The proportion of members stating they didn't feel protected at all was 11% (47 of 417) and 6% (16 of 274) in December 2020 and April 2021 respectively.
- A considerable number of BMA members responding to the surveys accessed wellbeing support services (provided by either their employer or a third party) during the pandemic – 43% (117 of 407) in May 2020, 38% (120 of 314) in July, and 38% (95 of 253) in August 2020. However, when asked if they knew how to access wellbeing/occupational health support if they required them, 45% (126 of 279) stated in April 2021 they either didn't know how to access these services or weren't aware what services exist.

27 Whilst it has been positive to see so many initiatives being developed and rolled-out during the pandemic, there is evidence to suggest that some staff experienced difficulties navigating their way around the plethora of initiatives to identify the ones that would best meet their needs. In light of this, the Welsh Government recently announced it would be launching a prototype Workforce Wellbeing Conversation Framework Tool to support NHS staff to pro-actively talk openly and honestly with their managers about their ongoing wellbeing needs and to sign-post them to the support available where appropriate[15]. Whilst this is a positive development, NHS bodies should also continue to engage with their staff to better understand their experiences of seeking and accessing support and adapt and improve their arrangements as necessary.

Safeguarding staff at higher risk from COVID-19

28 All NHS bodies put arrangements in place to roll out the All-Wales COVID-19 Workforce Risk Assessment Tool (the Risk Assessment Tool) as part of their wider efforts to safeguard members of staff at higher risk of developing more serious symptoms if they come into contact with the COVID-19 virus[16].

15 Written Statement - Minister for Health and Social Services (21 July 2021)

16 The Risk Assessment Tool, which was launched in May 2020, was developed by a multi-disciplinary sub-group reporting to an Expert Advisory Group established by Welsh Government. All NHS bodies were using other risk assessments tools prior to the roll-out of the national tool.

29 The Risk Assessment Tool is based on a large and growing body of data and research which shows that an individual is at higher risk from COVID-19 if they have a combination of the following risk factors:

- they are over the age of 50 (the risk is further increased for those aged over 60 and 70 years old);
- they were born male at birth;
- they are from certain ethnic minority groups;
- they have certain underlying health conditions (the risk very high for the clinically extremely vulnerable);
- they are overweight; and
- their family history makes them more susceptible to COVID-19.

30 The risk assessment process is completed in a number of stages with the aim of encouraging a supportive and honest conversation between a member of staff and their line-manager/employer around the measures that should be put in place to ensure they are adequately safeguarded and supported. The process is summarised in **Exhibit 4**.

31 We found that NHS bodies promoted the Risk Assessment Tool in a number of ways and put a range of measures in place to encourage and support their staff to complete it. The following arrangements and approaches were considered particularly important by NHS bodies:

- **senior management support** – strong and visible support for the Risk Assessment Tool by senior managers was considered important in terms of reassuring staff that the organisation was committed to the risk assessment process and supporting staff at higher risk from COVID-19.
- **utilising workforce data** – analysing and utilising workforce data was considered important in terms of identifying staff potentially at higher risk from COVID-19, planning appropriate packages of support, and facilitating targeted messaging around the importance of completing the risk assessment process. However, several NHS bodies told us they had concerns about the robustness of Electronic Staff Record (ESR) data.
- **support for line-managers** – ongoing information, advice, and support for line-managers, particularly from HR Officers/Business Partners, was considered important not only to help them fully understand their role in the risk assessment process but also to enable them to support their direct reports in a compassionate and supportive manner.

Exhibit 4: COVID-19 workforce risk assessment process

Step 1 – Checking risk	Member of staff completes the Risk Assessment Tool to check which risks apply to them.
Step 2 – Understanding the score	Member of staff calculates their score in order to understand the likely level of risk to them personally (low, high, or very high).
Step 3 – Identifying the right action	Member of staff discusses their score and other relevant factors with their line-manager (especially if they are in the high or very high-risk category) in order to identify the actions they can take personally and/or the support their employer can provide to ensure they are adequately protected.
Step 4 –Taking the right action	Agreed actions are implemented by the member of staff and/or their employer and reviewed on an ongoing basis to ensure they remain relevant and appropriate.

Source: All Wales COVID-19 Workforce Risk Assessment Tool Guidance for Managers and Staff (February 2021)

- **occupational health input** – information, advice, and support from occupational health practitioners was considered important for both line-managers and staff alike. Occupational health input was considered particularly important for members of staff with underlying health conditions who were not required to shield or who were returning to work after a period of shielding to ensure their needs were assessed and addressed appropriately.
- **joint working with staff networks and employment partnerships** – ongoing communication and joint working with established networks, employment partnerships, and individual Trades Unions was considered important for several reasons. Firstly, they were able to use their insights to advise NHS bodies on local approaches to rolling-out the Risk Assessment Tool and supporting staff wellbeing. Secondly, they played an important role in encouraging their members to complete the Risk Assessment Tool. Thirdly, they supported individual members of staff to complete the Risk Assessment Tool and, in some cases, provided advocacy and mediation for and on behalf of their members.

- **identifying staff champions** – identifying and utilising staff champions was considered important to provide encouragement, support, and reassurance to particular groups of staff at higher risk. Indeed, staff champions proved to be particularly important in NHS bodies that did not have the relevant staff networks in place. In these bodies, staff champions were used to reach-out and support individuals and groups of staff that were unaware they were potentially at higher risk as they didn't or couldn't access the relevant information and/or they were sceptical and/or anxious about engaging with the risk assessment process.

32 Over 62,000 risk assessments were completed via ESR and the Learning@Wales platform across the NHS in Wales between June 2020 and April 2021[17]. Staff had to complete paper versions of the Risk Assessment Tool prior to its roll-out via ESR in June 2020. In October 2020, the Welsh Government asked NHS bodies to request all staff to complete the Risk Assessment Tool via ESR. Completion rates via ESR in individual NHS bodies are shown in **Exhibit 5**.

33 As **Exhibit 5** shows, there is considerable variation in completion rates via ESR. There are several reasons for this:

- completing the Risk Assessment Tool via ESR has not been mandated by all NHS bodies such as Cardiff & Vale and Swansea Bay University Health Boards;
- staff in some NHS bodies that completed the paper-based Risk Assessment Tool when it was first rolled-out in May were not asked to repeat the assessment when it became available in ESR in June 2020;
- some staff are unable to access their ESR as they either work in roles that do not require the use of a computer or they do not have general access to a computer at their place of work;
- most NHS bodies have placed a greater focus on encouraging staff at higher risk to complete the Risk Assessment Tool rather than the workforce as a whole; and
- evidence from the member surveys undertaken by the BMA suggests that some staff were unaware of any risk assessment at their place of work or had been told explicitly they did not need to be assessed[18].

17 58,552 risk assessments have been completed via ESR and 3,770 have been completed via Learning@Wales between 15 June 2020 and 8 April 2021. Individuals that have completed the Risk Assessment Tool more than once via the ESR are counted more than once in the data. (Source: NHS Wales Shared Services Partnership)

18 The BMA asked its members: 'Have you been risk assessed in your place of work to test if you might be at increased risk from contact with Coronavirus patients in your current role?' The proportion that stated they were not aware of any risk assessment in their place of work was 33% (70 of 211) and 35% (61 of 175) in July and August 2020 respectively. The proportion that stated they had been told explicitly they did not need to be assessed was 7% (15 of 211) and 6% (11 of 175) in July and August 2020 respectively.

Exhibit 5: completion rates as recorded in ESR by NHS body

NHS Body	Number of recorded assessments	% of staff with a completed assessment
Aneurin Bevan University Health Board	3,071	24%
Betsi Cadwaladr University Health Board	19,195	52%
Cardiff & Vale University Health Board	857	5%
Cwm Taf Morgannwg University Health Board	15,487	58%
Health Education and Improvement Wales	134	29%
Hywel Dda University Health Board	6,965	48%
Powys Teaching Health Board	1,789	48%
Public Health Wales	1,019	73%
Swansea Bay University Health Board	174	2%
Velindre NHS Trust	6,716	81%
Welsh Ambulance Services Trust	3,145	67%

Source: NHS Wales Shared Services Partnership (15 June 2020 - 8 April 2021)

34 Whilst low completion rates via ESR does not necessarily equate to low use of the tool, it is difficult to know how many staff across the NHS in Wales have actually completed the Risk Assessment Tool due to the variable data collection and monitoring arrangements introduced by NHS bodies when it was launched.

35 We found that all NHS bodies adopted the 'hierarchy of control' approach to protect and support staff at higher risk from COVID-19. Under this approach, NHS bodies identified and utilised the most suitable measures from their wider suite of wellbeing arrangements to meet the individual needs of members of staff as identified through the Risk Assessment Tool.

These measures included:

- **engineering and administrative controls** – all NHS bodies put a range of engineering and administrative controls in place to safeguard staff at higher risk who were unable to work from home because of their role, and to support staff at higher risk returning to the workplace after a period of shielding. These included creating 'COVID-19 secure settings' (areas that posed a lower level of risk) by segregating COVID-19 and non-COVID-19 care pathways; staggering shift start and end times to reduce congestion; recalling staff on a rotational basis to limit the number of people in the workplace; and offering a phased return to the workplace.
- **personal protective equipment (PPE)** – PPE was provided in line with agreed guidelines to reduce or remove any residual risk to staff not eliminated by other measures. As stated in the Auditor General's report titled Procuring and Supplying PPE for the COVID-19 Pandemic, Shared Services, in collaboration with other public services, overcame early challenges to provide health and care bodies with the PPE required by guidance without running out of stock at a national level. However, the report also acknowledges that some frontline staff have reported that they experienced shortages of PPE and some felt they should have had a higher grade of PPE than required by guidance.
- **substitution measures** – working from home was not considered a viable option for all members of staff at higher risk. For some members of staff, such as those living with an abusive partner, working from home could potentially have had a greater negative impact on their overall health and wellbeing. As a result, NHS bodies put arrangements in place to enable and support staff in these situations to work in 'COVID-19 secure settings'. For members of staff unable to perform their normal duties from home due to the nature of the work, NHS bodies put arrangements in place to enable them to work in 'COVID-19 secure settings' or to be redeployed to other suitable roles which they could undertake either from home or in 'COVID-19 secure settings' with additional support, such as retraining.
- **elimination measures** – all NHS bodies put arrangements in place to enable and support the majority of staff at higher risk to work from home, particularly during official periods of shielding. Most staff at higher risk were also supported to continue working from home when shielding periods ended if this was considered appropriate and safe to do so, and if the arrangement worked effectively for both the employer and employee.

36 All NHS bodies also encouraged and supported staff at higher risk to access mental health and psychological wellbeing services to help them adjust to new ways of working and/or manage any anxieties or worries they experienced. Detailed guidance was also provided to line-managers on how to provide effective support to staff at higher risk during the pandemic. As NHS bodies move towards the recovery period, they should continue to engage with staff at higher risk to evaluate the impact of the support and interventions they are providing and amend or improve their arrangements as necessary.

37 We found that there are a number of advantages and disadvantages to the Risk Assessment Tool, as follows:

Advantages of the Risk Assessment Tool

- the tool has ensured consistency, reduced variability, and facilitated the sharing of learning across the NHS;
- the format of the tool is simple, easy to use, and enables staff to focus on the main factors which may place them at greater risk;
- the tool helps managers appreciate the importance of addressing risks to staff in a timely and sensitive manner as well as the importance of being a compassionate and supportive manager;
- the process, if done correctly, provides reassurance to staff and gives assurance to managers and leaders that staff risks are being managed appropriately;
- the tool has galvanised organisations into adopting holistic approaches to managing staff risks; and
- the tool has generated a greater awareness and understanding of the needs of certain groups of staff, particularly those underrepresented within existing organisational structures.

Disadvantages of the Risk Assessment Tool

- the tool has made some staff feel ‘targeted’ or ‘singled out’ for special treatment;
- there have been some concerns about the use of the acronym BAME (Black, Asian, and Minority Ethnic) in the tool because it places a greater emphasis on certain ethnic minority groups (Asian and Black) and exclude others (Mixed, Other and White ethnic minority groups);
- there have been some concerns that the tool’s scoring matrix does not give sufficient weighting to certain risk factors, such as ethnicity and Type 1 diabetes;
- the tool and process have been seen and treated as a ‘tick box exercise’ by a small number of managers and members of staff; that is, the tool was completed to maintain compliance, but no real action was taken in response to the score;

- the tool does not pick-up the whole picture in one place for all staff, particularly those required to complete other risk assessments (eg stress risk assessment); and
- the ongoing development and evolution of the tool has led to a sense of 'risk assessment fatigue' amongst some members of staff.

Maintaining oversight of staff wellbeing arrangements

38 At an operational level, we found that all NHS bodies had staff wellbeing planning cells/groups in place as part of their emergency command and control structures with responsibility for planning and overseeing the delivery of local staff wellbeing provision. These planning cells/groups were tasked with working with other relevant cells/groups, such as those with responsibility for PPE and staff communication and engagement, to ensure a co-ordinated approach to supporting staff wellbeing.

39 These planning cells/groups were also responsible for monitoring COVID-19 workforce related risks and indicators and escalating key concerns and issues to the relevant group(s) within the emergency command structure as appropriate. Whilst the majority of these planning cells/groups monitored similar indicators, such as absence rates due to illness or shielding, we found that only a small number were actively monitoring risk assessment completion rates. Furthermore, we found that only NHS body had arrangements in place at an operational level to assess and monitor the quality of completed risk assessments.

40 At a corporate level, we saw evidence in most NHS bodies of good flows of information to boards and committees to provide assurance and enable effective oversight and scrutiny of all relevant staff wellbeing risks and issues during the pandemic. However, we found there was scope across most NHS bodies to strengthen the arrangements for reporting risk assessment completion rates and providing greater assurances to boards and committees around the quality of completed risk assessments.

41 We found that the crisis generated a greater awareness at board-level in all NHS bodies around the importance of supporting staff wellbeing and, in particular, the importance of understanding and addressing the needs of particular groups of staff. In some NHS bodies, this led to the creation of new staff networks and advisory groups for specific groups of staff which have traditionally been underrepresented within existing corporate structures. However, one Health Board has taken this further by establishing an Advisory Group for staff from ethnic minority groups as a formal sub-group of the board to ensure a stronger voice and involvement within the organisation for black, Asian, and minority ethnic staff. Although the Advisory Group reports formally via the Health Board's Chair, the Advisory Group's Chair and Vice-Chair are invited to attend all board meetings.

Key challenges and opportunities for the future

42 NHS staff at all levels have shown tremendous resilience, adaptability, and dedication throughout the pandemic. However, they have also experienced significant physical and mental pressures due to the unprecedented challenges presented by the crisis, including:

- working longer hours and managing greater workloads;
- operating in rapidly changing, demanding, and intensive environments;
- managing fears, concerns, and anxieties about the risks to their own health as well as the risks to the health of their loved ones;
- seeing patients, colleagues and/or family and friends falling seriously ill or even dying with COVID-19;
- contracting COVID-19, and, for some, managing the longer-term effects of the virus (long-COVID);
- adjusting to new ways of working and, in some cases, adjusting to different roles;
- dealing with the resulting impact of shielding or working from home in terms of feeling isolated and alone and/or feeling guilty about not being able to support colleagues on the front-line; and
- adapting to wider social restrictions and managing their associated impacts, such as delivering home schooling, and providing enhanced care for elderly or vulnerable relatives.

43 The crisis has undoubtedly had a considerable impact on the wellbeing of staff. For example, surveys undertaken by RCN Wales, whilst not representative of the NHS workforce as a whole, highlight the impact of the pandemic on staff wellbeing. The results of the survey undertaken in June 2020, which received 2,011 responses, found:

- 75.9% stated their stress levels had increased since the beginning of the pandemic;
- 58.4% stated that staff morale had worsened since the beginning of the pandemic; and
- 52% stated they either strongly agreed or agreed with the statement ‘I am worried about my mental health’.

44 However, the longer-term impacts cannot and should not be ignored or underestimated. Indeed, the surveys undertaken by the BMA, whilst not representative of the NHS workforce as a whole, point to some of the challenges that remain in relation to staff wellbeing:

- in April 2021, 45% (126 of 279) of members stated they were suffering from depression, anxiety, stress, burnout, emotional distress, or other mental health conditions relating to or made worse by their place of work or study compared with 40% (298 of 735) in April 2020.

- in April 2021, 33% (92 of 279) of members stated their symptoms were worse than before the start of the pandemic compared with 25% (185 of 735) in April 2020.
- in April 2021, 36% (72 of 281) of members stated their current levels of health and wellbeing were slightly worse or much worse compared with that during the first wave between March and May 2020. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 43% (205 of 480) and 48% (224 of 467) respectively.
- on a scale of one to five (where 1 equalled very low/negative, and 5 equalled very high/positive), 32% (74 of 229) of members scored their morale as either a 1 or 2 in April 2021. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 45% (203 of 454) and 47% (195 of 402) respectively.
- in April 2021, 56% (157 of 282) of members stated their current level of fatigue or exhaustion was higher than normal from working or studying during the pandemic. However, it should be noted that this is an improvement when compared with the results in October and December 2020, namely 60% (286 of 480) and 64% (297 of 467) respectively.

45 Surveys and work undertaken by other professional bodies also highlight the increased stress, exhaustion, and burnout experienced by staff. They also point to the increased risk to staff of developing longer term physical and psychological problems without ongoing support and opportunities for proper rest and recuperation.

46 Trends in sickness absence rates also point to some of the challenges that NHS bodies have faced during the crisis. After a gradual fall during 2015 to 2017, the sickness absence 12-month moving average has been rising and was 6.0% over the last year, mainly due to an increase from the April to June 2020 quarter during the pandemic. For the quarter ending 31 December 2020[19]:

- the sickness absence rate was 6.4%, up 1.3 percentage points compared to the quarter ending 30 September 2020.
- the NHS bodies with the highest sickness rates were Cwm Taf Morgannwg University Health Board at 8.5%, Welsh Ambulance Services NHS Trust at 8.4%, and Swansea Bay University Health Board at 8.3% (compared with 5.6%, 5.9%, and 6.2% respectively for the quarter ending 30 September 2020).

19 Source: StatsWales

- the staff groups with the highest sickness absence rates were the Ambulance staff group at 9.6%, the Healthcare Assistants and Support Workers staff group at 9.2%, and the Nursing, Midwifery and Health Visiting staff group at 8.1% (compared with 6.2%, 7.4%, and 6.5% respectively for the quarter ending 30 September 2020).

47 In the short-term, NHS bodies will face challenges in terms of managing seasonable absences which tend to be higher in the winter months as well as dealing with absences caused by staff requiring to self-isolate by the Test, Trace, Protect Service. However, they will also potentially face future challenges in terms of managing absence rates attributed to the longer-term physical and mental conditions caused by the pandemic unless they maintain and build upon their staff wellbeing arrangements.

48 The COVID-19 pandemic has undoubtedly brought staff wellbeing into sharper focus at both a national and local level. It has also shown that NHS bodies can respond rapidly and effectively to the challenges and pressures presented by a crisis. However, there is no doubt that the NHS workforce in Wales, which was already under pressure prior to the pandemic, is more emotionally and physically exhausted than ever before after the significant and unprecedented efforts of the last 18 months.

49 A continued focus on providing accessible wellbeing support and services and maintaining staff engagement, therefore, is going to be needed in the short-term to ensure NHS bodies address the ongoing impact of the pandemic on the physical health and mental wellbeing on their staff. Without such a focus, there is a risk the impact of the pandemic on the physical and mental health of staff will grow which could, in turn, compromise the ability of NHS bodies to deal effectively with the combined challenges of recovering and restarting services, continuing to respond to the COVID-19 pandemic, and also managing seasonal pressures which are expected to be greater this winter than they were last year.

50 However, the COVID-19 pandemic has also created an opportunity to rethink and transform staff wellbeing for the medium to longer term. Whilst supporting the wellbeing of the NHS workforce is more necessary than ever when the service needs to respond to a crisis, investing appropriately in staff wellbeing on an ongoing basis is equally as important as a healthy, engaged, and motivated workforce is essential to the delivery of safe, high-quality, effective, and efficient health and care services.

51 We have prepared a checklist to accompany this report which sets out some of the questions NHS Board Members should be asking to obtain assurance that their respective health bodies have effective, efficient, and robust arrangements in place to support the wellbeing of their staff.

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