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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	9th March 2021		Agenda Item	2.4
Report Title	Progress against Structured Assessment Recommendations			
Report Author	Len Cozens, Head of Compliance			
Report Sponsor	Pam Wenger, Director of Corporate Governance			
Presented by	Len Cozens, Head of Compliance			
Freedom of Information	Open			
Purpose of the Report	<p>The purpose of this report is to provide the Audit Committee with:</p> <ul style="list-style-type: none"> ➤ Assurance in respect of those Structured Assessment recommendations which have been completed, closed or superseded ➤ An position update in respect of those which remain open 			
Key Issues	<p>This report provides assurance and updates in respect of all recommendations made within Audit Wales (previously Wales Audit Office) Structured Assessment reports since 2017.</p> <p>No new recommendations were made in the 2020 Structured Assessment report, but improvement opportunities were noted. Audit Wales have recorded their intention to review progress against these, and any outstanding recommendations as part of their 2021 work.</p> <p>The findings of this report will help to inform subsequent separate Audit Committee reports in respect of the Audit Tracker and Governance Work Programme</p>			
Specific Action Required <i>(please choose one only)</i>	Information	Discussion	Assurance	Approval
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • RECEIVE ASSURANCE regarding those recommendations which have been confirmed as completed, closed or superseded. • NOTE the progress and position in respect of those recommendations which currently remain open. 			

PROGRESS AGAINST STRUCTURED ASSESSMENT RECOMMENDATIONS

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Audit Committee with:
- Assurance in respect of those Structured Assessment recommendations that have been completed, closed or superseded
 - A position update in respect of those which remain open

2. BACKGROUND AND CONTEXT

- 2.1 The Structured Assessment is an annual review undertaken by Audit Wales (formerly Wales Audit Office), which helps to inform the Auditor General's view and opinion on the Health Board's arrangements to secure efficient, effective and economic use of its resources.
- 2.2 Typically, the resulting report contains recommendations for the Health Board where improvement opportunities have been identified.
- 2.3 Whilst no new recommendations were made in the 2020 Structured Assessment report, improvement opportunities were noted. Audit Wales (AW) have recorded their intention to review progress against these and any outstanding recommendations as part of their 2021 work.

3. STATUS UPDATE

- 3.1 The following table summarises the current position in respect of recommendations made within Structured Assessment reports during the period 2017 to 2019.

Structured Assessment 2017		
Number of Recommendations	Number Complete, Closed or Superseded	Number Open
18	17	1
Structured Assessment 2018		
Number of Recommendations	Number Complete, Closed or Superseded	Number Open
5	5	0
Structured Assessment 2019		
Number of Recommendations	Number Complete, Closed or Superseded	Number Open
5	0	5

- 3.2 Where recommendations have been recorded above as complete, closed or superseded, this has been verified and reported as part of follow-up work undertaken by Audit Wales during subsequent Structured Assessment reviews.
- 3.3 The figures for open recommendations are based on the fact that formal confirmation that the recommendation has been completed, closed or superseded has not yet been received from AW (notwithstanding the updates provided by the responsible leads). AW have stated their intention to review progress against any outstanding recommendations as part of their 2021 work.
- 3.4 Updates in respect of those recommendations which remain open have been obtained from the responsible leads. These are detailed, along with a RAG rating, at **Appendix 1**.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations in this report.

5. RECOMMENDATIONS

- 5.1 Members are asked to:
- **RECEIVE ASSURANCE** regarding those recommendations which have been confirmed as complete, closed or superseded.
 - **NOTE** the progress and position in respect of those recommendations which currently remain open.

Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
Quality, Safety and Patient Experience		
Ensuring that the Board and its Sub-Committees make fully informed decisions is dependent on the quality and accuracy of the information presented and considered by those making the decisions. Informed decisions are most likely to impact favourably on the quality, safety and experience of patients and staff.		
Financial Implications		
There are no direct financial implications arising from this paper		
Legal Implications (including equality and diversity assessment)		
There are no direct legal implications arising from this paper		
Staffing Implications		
The delivery of the work referred to herein is set within the context of existing resources.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
A robust Governance Work Programme will assist the Board in assessing risk and gathering assurance across all corporate objectives, which span the five ways of working, and the wellbeing goals identified in the Act.		
Report History	N/A	
Appendices	Appendix 1 Update on Open Structured Assessment Recommendations	

Update on Open Structured Assessment Recommendations

Structured Assessment 2019		
AW Recommendation	Management Response	Responsible Lead Update
Recommendation 1 The Health Board is developing estates and asset plans to underpin the Clinical Services Plan and will need to ensure that asset and estates requirements are clearly defined and reflected in the long-term capital plan.	<p>The Health Board has commissioned the services of a specialist consultant to support the organisation in the development of an estate plan.</p> <p>An outline estate plan has been developed to underpin the clinical services plan.</p> <p>The Health Board will need to undertake a condition appraisal of the estate and this work is being progressed. It is anticipated that the estates plan will be finalised by April 2020.</p>	<p>An outline estate plan has been developed to underpin the clinical services plan. However, work has not progressed due to COVID restrictions. The Health Board needed to undertake a condition appraisal of the estate to underpin this work. It was agreed by the executive that this work would be commissioned in this financial year. However, subsequently to this the Director of Finance has advised that funding is not available and this work is now not being progressed due to the Pandemic.</p> <p>The Health Board have now decided not to commission the condition appraisal at this point in time but hopes to next financial year. It is anticipated that the estates plan will be finalised once the Health Board returns to normal operation following the pandemic as the strategy will need to reflect the changes in service delivery as a result of the response to COVID19</p>

* There is no reference to this recommendation within Structured Assessment 2020

Structured Assessment 2019	
AW Recommendation	Management Response
Recommendation 2 Clinical Services Plan (CSP) implementation is moving forward but it is not yet clear how delivery will be reported. The Health Board should determine a CSP reporting framework to support effective monitoring and scrutiny of CSP delivery.	Progress against delivery of the CSP is reported to the Transformation Board and Health Board. Highlight reports are prepared and submitted on a bi-monthly basis to the Transformation Board. A phasing workshop was held in December 2019 to determine ability to deliver all projects within the available resource. This may result in changes to the phasing.
AW Progress Commentary - Structured Assessment 2020	
The Health Board has mapped key priorities over the next six to 12 months to align with the four quadrants of harm defined in the NHS Wales Operating Framework and is identifying reporting metrics. So that progress against actions receives scrutiny and assurance at the appropriate forum, each action has been mapped to a Board committee to avoid duplicate discussions and maintain clear lines of escalation and accountability. The Health Board is also developing a performance management framework based around the quadrants of harm. The Health Board should also consider how the organisation's strategic and CSP objectives align to the quadrants of harm. We made a recommendation on determining a CSP reporting framework in 2019 and will revisit this next year.	
Responsible Lead Update	
The Transformation Board has been stood down during COVID, and elements of CSP implementation have been reported to the Reset & Recovery Group (now replaced by Operational Silver). Discussions are underway with the Director of Transformation on confirming ongoing reporting arrangements of the Clinical Services Plan. In the interim, reports will be made to Senior Leadership Team.	

Structured Assessment 2019	
AW Recommendation	Management Response
<p>Recommendation 3</p> <p>The transformation programme has been set-up and its programme architecture designed. The Health Board should now:</p> <ul style="list-style-type: none"> a. Develop a communications/ engagement strategy; and b. Test the inter-connections between CSP and enabling programmes. 	<p>The Transformation Portfolio Board has been meeting since June 2019 under the original architecture and meeting structure. A 6-month review of progress and how the portfolio is working is going to be initiated at the January 2020 meeting of the Transformation Board. This will include the alignment and interconnections of all key change and enabling programmes as well as agreeing priority programmes and focus for 2020/21 in view of the emerging three-year plan and the learning from the KPMG intervention.</p> <p>A draft communications plan is in place covering both the Transformation Portfolio and the Clinical Services Plan. Further work is being undertaken to test the inter-connections between the CSP and enabling programmes and the outcome of a recent stocktake of the CSP will be reported to the January Transformation Board.</p>
AW Progress Commentary - Structured Assessment 2020	
<p>The Health Board is committed to embedding positive innovation and change (not simply reverting to old practices). It is reflecting on lessons learnt in terms of processes, services and ways of working to improve its operating model. Whilst currently led through the Reset and Recovery Programme, there are clear synergies with the transformation programme work started in 2018. The Health Board will need to determine how these programmes align in the future, and interconnect with the five-year Clinical Services Plan (CSP) enabling programmes.</p>	
Responsible Lead Update	
<p>The Transformation Portfolio Board was running from June 2019 to April 2020 when it was temporarily stood down in the face of the COVID-19 pandemic. The CSP was a significant part of the programme and a communications and engagement approach was developed. As we emerge from the pandemic, and in line with COVID-19 learning and KPMG reports, our delivery framework for future years will be developed at an appropriate time.</p>	

Structured Assessment 2019	
AW Recommendation	Management Response
<p>Recommendation 4</p> <p>The Health Board has included sustainable savings and efficiency in its plans, but these have under-achieved over the last two years. The Health Board should assess the reasons for under-achievement to ensure realistic plans are set and achieved in 2020-21.</p>	<p>The Health Board has a challenging financial position which requires a significant level of savings delivery year on year to manage in-year cost pressures before reducing the underlying deficit. It is recognised that the management of in-year cost pressures is primarily delivered through focussed financial grip and control and transactional savings whilst reducing the underlying deficit requires more transformational savings to be identified e.g. changes in service models.</p> <p>The Health Board has improved its level of savings delivery in 2019/20 and is forecasting a delivery of £20m, which is 90% of the savings target, this compares favourably with previous years. The 2020/21 financial plan will require a further significant level of savings delivery, which is being supported by the KPMG identified pipeline of opportunities which focusses on both transactional and transformation savings and efficiencies.</p> <p>The enhanced delivery, performance and accountability framework will increase monitoring, escalation and delivery assurance.</p>
AW Progress Commentary - Structured Assessment 2020	
<p>The three-year financial plan was established before the outbreak of COVID-19 and therefore will be affected by the pandemic. Savings in 2020-21 are already significantly behind, which is likely to lead to a bigger deficit in 2020-21, with a knock-on impact for achieving break-even in the next three years. We previously made recommendations about setting realistic savings targets and will follow-up further next year.</p>	
Responsible Lead Update	
<p>The Health Board is preparing the 2021-22 plan and has reviewed and refreshed its planned savings programme utilising a range of sources including benchmarking, KPMG opportunities pipeline and the Efficiency framework. This savings and efficiency framework has been shared with Service Group Management teams by Executive Directors. The next phase will be to develop detailed savings plans, with milestones, deliverables and timescales to ensure the deliverability of the opportunities in 2021-22.</p>	

Structured Assessment 2019	
AW Recommendation	Management Response
<p>Recommendation 5</p> <p>A range of benchmarking is used for planning, service improvement and efficiency work, but scope exists to extend the information used in respect of costs. The Health Board should progress its development and use of costing so that it better informs financial planning and management.</p>	<p>The Health Board has in recent years used costing information to benchmark performance and inform service planning through:</p> <ul style="list-style-type: none"> • Use of the UK wide Patient Costing Benchmarking tool, allowing comparison of unit cost and cost driver information with a range of English providers • Inclusion of cost information in the internal clinical variation tool • Use of patient level costs to inform currencies for inter Health Board Funding Flows • Development of a Commissioning activity Tool to understand internal variation from a population health perspective. • Support of specific pathway redesign projects. <p>It has been our experience that it has been hard to develop service engagement around benchmarking of fully absorbed unit costs – more so in the Welsh environment where tariff-based payments and Service Line Reporting are not operational.</p> <p>In pursuit of technical efficiency therefore the approach has moved towards benchmarking the factors that underpin variation in unit cost:</p> <p>Cost Drivers - indicating how efficiently well we are using our capacity</p> <p>Cost Base - identifying potential savings in the delivery of that capacity through workforce, procurement etc.</p> <p>The recent focus of the costing function has been to identify opportunity from cost driver efficiency particularly in respect of patient flow, theatres and outpatients – making use of CHKS and internal information sources.</p> <p>Moving forward the development and use of costing information will be developed in the context of the National Efficiency Framework developed by the Finance Delivery Unit which focuses on:</p>

	<ul style="list-style-type: none"> • Technical Efficiency • Population Health Efficiency • Whole Systems Intelligence <p>Specific priorities for the costing function in the next year will be:</p> <ul style="list-style-type: none"> • To refine the cost driver benchmarking information shared within the organisation to identify opportunities for technical efficiency. • To support development of PIDs developed by KPMG in cost driver functions. • To build a 'front end' to the Costing system to increase service awareness of fully absorbed service costs. • To develop a better understanding of variation of resource utilisation at cluster level in the context of the new needs-based allocation formula and key outcome measures. • To contribute to the national PLICs / National Data Repository development group with specific focus on: <ul style="list-style-type: none"> – Lung Cancer – Knee Pain – Stoke pathway – Alignment of patient cost information with the National Data Repository. • To support local Value Based Projects and in particular, to support the correlation of cost <ul style="list-style-type: none"> – With PROMs information at a patient level as it becomes available. <p>To support detailed pathway reviews led by Clinical Reference Groups.</p>
AW Progress Commentary - Structured Assessment 2020	
<p>The three-year financial plan was established before the outbreak of COVID-19 and therefore will be affected by the pandemic. Savings in 2020-21 are already significantly behind, which is likely to lead to a bigger deficit in 2020-21, with a knock-on impact for achieving break-even in the next three years. We previously made recommendations about developing the use of costing and will follow-up further next year.</p>	

Responsible Lead Update

The Health Board operational plan recognises the impact of COVID on service and costs in 2020-21. The Health Board has therefore reverted to 2019-20 service and cost baselines to review efficiencies and benchmarking. It is however clear that there are ongoing impacts of the pandemic, which will affect service efficiency and also service demand. These will need to be clearly articulated and understood to assess the impact on efficiency improvement opportunities particularly in the early months of 2021-22. Our approach will be to make an assessment of the financial requirements of the plan across base plan, COVID response and COVID recovery.

Structured Assessment 2017					
AW Recommendation	Management Response	AW Progress Commentary Structured Assessment 2018	AW Progress Commentary Structured Assessment 2019	AW Progress Commentary Structured Assessment 2020	Responsible Lead Update
Recommendation 6 The Executive-led Quality and Safety Forum needs to ensure that: <p>a) All management groups, which are required to report into the Forum, do so on a regular basis to avoid gaps in assurance.</p> <p>b) Assurance reports from the Forum to the Quality and Safety Committee meet the committee's requirements in terms of discharging its scrutiny role</p> <p>c) It keeps the quality and safety sub-structures under review to determine whether further simplification of current structures would be desirable.</p> <p>d) There is clarity on the relationship between the Quality & Safety Forum and other groups, particularly the Assurance and Learning Group and the Clinical Outcomes Steering Group.</p>	<p>A review of all the reporting structures for the Quality and Safety Forum is underway to ensure improved consistency and assurance arrangements are in place.</p> <p>The review of the Quality and Safety Forum arrangements will ensure regular reporting to the Committee.</p> <p>The Governance Stocktake has reviewed the reporting templates to the Board Committees and this will ensure that appropriate reporting takes place.</p> <p>The Groups reporting to the Quality and Safety Forum will review their terms of reference on an annual basis.</p> <p>The review of the reporting structures to the Quality and Safety Forum will address this recommendation.</p>	<p>The Health Board mapped the groups reporting to the Q&S Forum and as part of the process, is simplifying the number of groups. For example, the Learning and Assurance Group will become focussed on sharing learning and will not have an assurance function while the Clinical Outcomes (including audit and effectiveness) group is being replaced by Clinical Senate.</p> <p>This Forum will be Chaired by the Director of Nursing and Patient Experience.</p> <p>A reporting template from committee's and groups has been in place for approximately six months.</p> <p>The reporting from the Quality and Safety Forum to the Quality & Safety Committee is being reviewed and strengthened as part of the review of the Forum's terms of reference.</p> <p>At the time of our audit, the reporting lines for the Clinical Senate were not clear and the Health Board will need to evaluate the effectiveness of arrangements once the Senate is fully established.</p>	In Progress – Pace has been slow, but actions are progressing	<p>The management led QSAG, which reports to Q&S Committee, continued to operate, receiving Q&S reports from operational units and considering the detail of quality safety measures and standards. However, not all units attended to present their reports. As strengthening QSAG assurance arrangements was a previous recommendation we will assess progress more fully next year.</p>	<p>Throughout the COVID-19 pandemic the Quality and Safety Governance Group (QSGG) has continued to meet and report to Quality and Safety Committee on a monthly basis.</p> <p>QSGG continues to mature in terms of discharging its role of scrutiny over the Q&S agenda and, in addition to the QSGG COVID-19 update reporting template, is now also challenging the Service Groups to focus and update QSGG on the 3 highest risk areas within their services. This allows further debate and scrutiny of the Service Group's risk areas and actions being taken to mitigate them, which in turn will form part of the QSGG assurance reports to the Q&S Committee.</p> <p>QSGG Terms of Reference have been reviewed and updated (February 2021) to reflect the Health Board restructuring (Strengthening our Structures). Further work to map the Q&S reporting structures below Group level, and other Health Board Q&S sub-groups continues.</p>

Performance Rationales Key:

Performance Rationales	Key
Action(s) are either completed, require ongoing maintenance or on profile to achieve the target/objective.	GREEN
Actions are below target/milestone forecast but actions and resources are in place to ensure the target or measure will be achieved in the next period of performance review.	AMBER
Actions are below target/milestone forecast and no action plan / additional effort or resources are in place to ensure remedial action is timely and the objective/target will be achieved overall.	RED